Bola Tobun
Finance Manager (Pensions & Treasury)
Direct: 020 8132 1588
e-mail: bola.tobun@enfield.gov.uk

LOCAL PENSION BOARD

Thursday, 15th September, 2022 at 10.00 am in the Conference Room, Civic Centre, Silver Street, Enfield, EN1 3XA

Membership: Councillor Nawshad Ali, Guney Dogan, Chris Joannides

co :

Pauline Kettless (Employee Side); Paul Bishop (Employee Side); Tracy Adnan (Employee Side); Victor Ktorakis (Employee Side); Alison Cannur (Employer Side)

AGENDA – PART 1

1. WELCOME & INTRODUCTION

2. DECLARATION OF INTERESTS

Members are asked to declare any disclosable pecuniary, other pecuniary or non-pecuniary interests relating to items on the agenda.

3. APPOINTMENT OF CHAIR

4. APPOINTMENT OF VICE CHAIR

5. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 6)

To agree the minutes of the previous meeting held on 09 March 2022.

6. LAPFF PRESENTATION

To receive a presentation from LAPFF.

7. ENFIELD PENSION BOARD GENERAL REMIT, TERMS OF REFERENCE AND WORK PROGRAMME FOR 2022/23 (Pages 7 - 32)

To note, for information, the attached Terms of Reference for the Local

Pension Board and agree the Work Plan for 2022/23.

8. ENFIELD PENSION FUND BUSINESS PLAN AND BUDGET FOR 2022/23 (Pages 33 - 46)

The Local Pension Board are recommended to:
a) note the Business Plan attached as Appendix 1 to this report;
b) note the Revenue Outturn for 2021/22, Revenue Budget for 2022/23 and the cashflow forecast from operational activities for 2023/24 attached as Appendix 2.

9. PENSION TEAM UPDATE REPORT (Pages 47 - 62)

The Local Pension Board is recommended to note the contents of this update.

10. PENSION ADMINISTRATION RISK REGISTER (Pages 63 - 68)

To receive and note the Pension Administration Risk Register

11. EMPLOYER CONTRIBUTIONS REPORT (Pages 69 - 74)

The Pension Board is recommended to note the contents of this report and the attached Appendix.

12. LCIV QUARTERLY UPDATE (Pages 75 - 252)

The Pension Board is recommended to note the contents of this report and the attached Appendix.

13. DRAFT ENFIELD PENSION FUND ANNUAL REPORT AND ACCOUNTS 2020/21 (Pages 253 - 448)

Members are recommended to:

a) note the contents of this report; and
b) Note and consider the Annual Report for 2021/22 with all the statutory documents. (attached as Appendix A to this report);
c) Note the Enfield Pension Fund ranking and returns as prepared and produced by PIRC (Pensions & Investment Research Consultants Ltd) UK Local Authority League table for 2021/22, set in section 31 to 34 and Appendix B of this report.
d) Delegate the publication and distribution of the annual report to interested parties to the Executive Director of Resources, once the audit process is complete.

14. PENSION POLICY & INVESTMENT COMMITTEE MINUTES 27TH JULY 2022 (Pages 449 - 452)

The Local Pension Board are reccomended to note the minutes of the last Pension Policy & Investment Committee held on 27 July 2022.

15. EFFECT OF DETERIORATING UK INFLATION & GROWTH ON THE PENSION FUND

To receive a verbal update from Bola Tobun (Finance Manager, Pensions & Treasury) on this item.

16. PENSION BOARD AND PPIC COMPOSITION UPDATE

17. DATES OF FUTURE MEETINGS

To note that the dates of future meetings are as follows:

Wednesday 12 October
Wednesday 11 January
Wednesday 12 April

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MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD HELD ON WEDNESDAY, 9TH MARCH, 2022

MEMBERS:
Councillor Ahmet Oykener (Employer Nominated Member)
Councillor Chris Dey (Employer Nominated Member)
(Chair) Pauline Kettless (Employee Nominated Member – Retired)
Paul Bishop (Employee Nominated Member – Active)
Tracey Adnan (Employee Nominated Member – Active)
Victor Ktorakis (Employee Nominated Member – Active)

Officers:

Bola Tobun (Finance Manager), Tim O'Connor (Pensions Manager), Fay Hammond (Executive Director, Resources), Olga Bennet (Director of Finance, Capital & Commercial), Stacey Gilmour (Governance Officer)

Also Attending: Gustave Loriot (Responsible Investment Manager, London CIV), Stephanie Aymes (Client Relations Manager, London CIV)

1. WELCOME AND APOLOGIES

The Chair welcomed members to the meeting and introductions were made.

Apologies for absence were received from Alison Cannur (Employee Nominated Member).

2. DECLARATIONS OF INTEREST

Pauline Kettless declared a non-pecuniary interest being in receipt of an Enfield Local Government pension.

Cllr Chris declared a non-pecuniary interest as his mother is in receipt of a Local Government pension.

Cllr Ahmet Oykener also declared a non-pecuniary interest as his sister is in receipt of a Local Government pension.

3. MINUTES OF THE PREVIOUS MEETING

AGREED the minutes of the meeting held on Thursday 3 February 2022 subject to the following amendment:

<u>Item: 1 Welcome & Apologies</u>

Apologies for absence were received from Paul Bishop (Employee Nominated Member).

4. RESPONSIBLE INVESTMENT POLICY

RECEIVED a presentation and verbal update on the Responsible Investment Policy, from Gustave Loriot, Responsible Investment Manager, London CIV and Stephanie Aymes, Client Relations Manager.

NOTED:

- The presentation provided an insight into what the London CIV is doing and an overview on how to tackle Responsible Investment & Engagement.
- The integration of responsible investment factors supports long-term risk adjusted returns. For this reason, the London CIV would like to make responsible investment a core part of its investment process across all asset classes and investment mandates.
- The Responsible Investment and Engagement policy will have three clear objectives:
  - To support the company's investment objectives;
  - To lead by example and raise the bar on responsible investment throughout the industry and
  - To add value to clients through improved services.
- An update was provided on the following 6 priorities:
  - Climate Policy;
  - Stewardship Policy;
  - Product offering;
  - Capacity to deliver;
  - Culture;
  - Communications
- Other areas covered in the presentation included:
  - What Role for Local Authority Pension Pools;
  - What is Global Carbon Neutrality;
  - Top-down decarbonisation targets;
  - Net Zero Strategy- Products;
  - London CIV Climate Analytics Service;
  - Recommendation: Net-Zero Strategy;
  - Engagement Objectives linked to priority themes.
  - Key priorities.
- Discussions took place on each of the above and explanations provided where required.
- In response to queries from members regarding the war between Russia and Ukraine and how this will affect the LCIV it was advised that the ongoing situation would be monitored closely. However as of today there is no financial exposure in Russia at Enfield level.

5. PENSION ADMINISTRATION PERFORMANCE, TEAM UPDATE AND LGPS UPDATE

RECEIVED an update report from Tim O'Connor, Pensions Manager on current pension issues, developments and performance in accordance with the Local Government Pension Scheme (LGPS). The following points were highlighted:

- HM Treasury has confirmed that LGPS pensions in payment will increase from 11th April 2022 by 3.1%, in line with CPI inflation rate as at September 2021. The 3.1% increase will not apply to pensions which are less than a year old. These pensions will receive a pro-rata increase.
- The Government tabled further amendments to the PSPJO Bill on 21st January 2022. The amendments relevant to the LGPS were set out in detail in the report. The Bill is at the Committee stage in the House of Commons. The first sitting was on 27th January 2022.
- DWP has launched a second review of the State Pension age on 14th December 2021. It will consider if the Stage Pension age (Spa) rules are still appropriate based on latest life expectancy data and other evidence. Appendix 4 of the report provides more information.
- On 9th December 2021 the DLUHC started a second consultation on the proposed consolidation of Oasis multi-academy trust into one LGPS fund. Oasis currently participate in 16 LGPS funds including the Enfield Fund. Bola Tobun, Finance Manager is leading the consultation on behalf of the Enfield Fund.
- The new Local Government Association (LGA) website went live in the past week. The existing tools have been replicated on the new site but have been made more user-friendly and accessible for members. Users will see improved accessibility across the site, in both design and readability.
- On 27th January 2022, the CIPFA announced that it had partnered with pension management services Isio to refresh its current training and support programme for LGPS pension board members. Tim said this was something that the Board might be interested in so he would be keeping an eye on this.
- The Pensions Team has recently introduced new software called 'Insights', which provides more effective reporting functionality. A pre-evaluation meeting has been held with AON to confirm timelines for work delivery of the triennial valuation. The team are developing further aspects of Member Self Service (MSS) to allow members to update their records and transfer information between the member and the team. Team training will be taking place in order to effectively train and develop new members of staff as well as cross training current staff in order to create a flexible work force.
- Key Performance Indicators (KPI's) were detailed in the report and Tim advised that Benefit Statements had been sent out in August.
- The Local Pension Board noted the contents of the report and the Chair thanked Tim for his update.

6. PENSION ADMINISTRATION RISK REGISTER

RECEIVED the Pension Administration Risk Register introduced by Tim O'Connor, Pensions Manager.

Local Pension Board noted the contents of the update.

7. EMPLOYEE CONTRIBUTIONS REPORT

RECEIVED the Employee Contributions Report introduced by Bola Tobun (Finance Manager), highlighting the following:

- The report updates the board on the collection of Employer contributions up to January 2022 which were due on 19 February 2022.
- Contributions are received after the 19th day of each month following contributions deducted up to the 19 February 2022 (shown as Appendix 1 to the report).
- In total there has been 11 late payments of contributions out of 332 expected payments. This is attributed to four different employers in the Fund. Three employers have paid late on more than one occasion, paying late in three consecutive months: May 2021 to July 2021.
- The Local Pension Board noted the contents of the report and the attached Appendix.

8. LCIV QUARTERLY UPDATE

RECEIVED the London Collective Investment Vehicle (LCIV) Quarterly Update which highlighted the following:

- The report provides a summary of London Collective Investment Vehicle (LCIV) updates on investment, new products and governance arrangements.
- A briefing note will be circulated shortly regarding the investment situation in Ukraine & Russia.

Action: Bola Tobun, Finance Manager

- Local Pension Board noted the contents of the report

9. LAPFF QUARTERLY ENGAGEMENT UPDATE

RECEIVED the LAPFF Quarterly Engagement Update for December 2021, highlighting the following:

- The report provided an update on various Environmental, Social & Governance (ESG) issues that the Local Authority Pension Fund Forum (LAPFF) have been involved in.
- Members were asked to note the issues discussed by LAPFF, set out in the Quarterly Engagement Report which is available on the LAPFF website (the link for which is included in the agenda for this meeting).
- To invite a representative of the LAPFF to the next meeting of the Local Pension Board to provide a further update.

Action: Bola Tobun, Finance Manager.

- The Board noted the contents of the report.

10. ENFIELD PENSION BOARD WORKPLAN FOR 2022/23

RECEIVED the Enfield Pension Board Work Plan and the Pension Fund Business Plan for 2022/23.

NOTED:

- The report outlines the general remit of a local pension board and the indicative Work Plan for 2021/22 for the Enfield Pensions Board.
- The draft Work Plan for 2022/23 (attached as Appendix 1 of the agenda). Once finalised the Work Plan will come to the June meeting of the Local Pension Board.
- Following discussions, it was agreed that Cost Transparency would be included on the Work Plan and this would be added for the June meeting.

Action: Bola Tobun, Finance Manager

11. ENFIELD PENSION FUND BUSINESS PLAN AND BUDGET FOR 2022/23

RECEIVED the Enfield Pension Fund Business Plan and Budget for 2022/23.

NOTED:

- The Business Plan attached as Appendix 1 to the report.
- The Revenue Budget for 2021/22 and the cashflow forecast from operational activities for 2022/23 and 2023/24 attached as Appendix 2 to the report.
- In response to concerns raised regarding information in the report (at page 171, no: 34) which detailed an 'overall reduction of some 4% in respect of employers' contribution hence contribution value for 2022/23 is less' Fay Hammond, Executive Director, Resources confirmed that this was an error in the report and there was not a reduction in employers' contributions.
- Clarification was sought by the Chair regarding an issue that had arisen at a recent regional meeting that she had attended, regarding authorities investing in line with Foreign & Commonwealth Policy. It was agreed that this question would be forwarded to Bola who would look at getting an answer at the Pension Fund AGM taking place on Thursday 10 March 2022.

Action: Pauline Kettless, Chair/ Bola Tobun, Finance Manager.

12. PENSION POLICY AND INVESTMENT COMMITTEE MINUTES - 27 JANUARY 2022

NOTED the minutes of the Pension, Policy and Investment Committee which took place on 27 January 2022.

13. AOB

1. The Pension Fund AGM would be held virtually on Thursday 10 March 2022. So far approximately 170 people had registered to attend and the online link for the meeting would be made available later today.
2. Concerns were raised that the Annual Report had still not been signed off by the auditors. Fay Hammond advised that she had expressed frustrations on behalf of the Board at the recent meeting of the General Purposes Committee. The report cannot be signed off until such time as the Statement of Accounts has been signed off and this has unfortunately been delayed due to a national infrastructure issues which has affected all councils.
3. Once signed off by the auditors, the Annual Report would be provided to the Chair.

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London Borough of Enfield

ENFIELD PENSION BOARD

Meeting Date: 15 September 2022

Subject:	Enfield Pension Board General Remit and Enfield Pension Board Work Programme for 2022/23
Cabinet Member:	Cllr Leaver
Executive Director:	Fay Hammond
Key Decision:	**[ ]**

Purpose of Report

1. This report outlines the general remit of a local pension board, terms of reference and the indicative Work Programme for 2022/23 for the Enfield Pensions Board.

2. The key decision making for, and management of, the Fund has been delegated by the London Borough of Enfield the Council to a formal Pension Fund Committee (PPIC), supported by officers of the Council and advisers to the Pension Fund.

3. The Executive Director of Resources is the Section 151 Officer and therefore has a statutory responsibility for the proper financial affairs of the Council including Fund matters.

4. A local pension board has been in place since April 2015 to assist in:

   a) securing compliance of Fund matters; and

   b) ensuring the efficient and effective governance and administration of the Fund.

5. The work of the local pension board in assisting the Scheme Manager is broad and extensive, therefore the understanding of what the remit for the Board is undoubtedly complex.

Proposal(s)

6. The Pension Board is recommended to:

   a) note the contents of this report;

   b) note the pension board terms of reference attached as Appendix 1: and

c) approve the work programme for 2022/23 attached as Appendix 2.

Reason for Proposal(s)

7. The work programme for the board has been put together to assist in the management of the Fund, so that the Council is able to perform its role as the administering authority in a structured way. The work programme is not intended to cover all aspects of Pension Fund administration; rather it is designed to assist with meeting part of its delegated function as administering authority to the Fund.

8. The Pensions Board's role is to assist the Administering Authority in ensuring compliance with the regulations. There are no immediate financial implications attached to this report, although it is recognised that the Pensions Board is able to ask for additional information or resource in order to help them to fulfil their role as the Pension Board.

Relevance to the Council's Corporate Plan

9. Good homes in well-connected neighbourhoods.

10. Build our Economy to create a thriving place.

11. Sustain Strong and healthy Communities.

Background

12. In accordance with the Public Service Pensions Act 2013 (PSPA) all Board members are required to have knowledge and understanding of pension scheme matters at a level that will allow them to properly exercise the functions of their role.

13. **What is the role of a Local Pension Board?**

a) Regulation 106(1) specifies that each Administering Authority shall establish its own Local Pension Board with responsibility for assisting the Administering Authority to secure compliance with the Regulations, other legislation relating to the governance and administration of the LGPS and the requirements imposed by the Pensions Regulator in relation to the LGPS. In addition, it must ensure the effective and efficient governance and administration of the LGPS.

b) The Local Pension Board does not replace the Administering Authority as scheme manager or make decisions which are the responsibility of the Administering Authority in that role and have been properly delegated to a Pension Committee or officer. The role of the Board should be interpreted as covering all aspects of governance and administration of the LGPS including funding and investments.

c) The remit of the Local Pension Board can be as wide or as narrow as is decided upon locally. However, it should be borne in mind that under regulation 106(8) of the Regulations, the Local Pension Board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

d) There are many areas of work which a Local Pension Board may be the most appropriate place for that work to take place, consider for example the requirements of the code of practice no. 14 from the Pensions Regulator. The Local Pension Board could be tasked with reviewing whether the Administering Authority is compliant with the requirements of that code.

14. The following extract from Schedule A in the full guidance on the establishment and operation of local Pension Boards sets out an example of the remit of a Local Pension Board.

SCHEDULE A

Remit of a Local Pension Board

Administering Authorities should remember that the Local Pension Board does not replace the Administering Authority or make decisions or carry out other duties which are the responsibility of the Administering Authority.

1) The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

a) Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.

b) Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code of Practice.

c) Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.

d) Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Investment Strategy Statement.

e) Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.

f) Monitor complaints and performance on the administration and governance of the scheme.

g) Assist with the application of the Internal Dispute Resolution Process.

h) Review the complete and proper exercise of Pensions Ombudsman cases.

i) Review the implementation of revised policies and procedures following changes to the Scheme.

j) Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.

k) Review the complete and proper exercise of employer and administering authority discretions.

l) Review the outcome of internal and external audit reports.

m) Review draft accounts and scheme annual report.

n) Review the compliance of particular cases, projects or process on request of the Committee.

o) Any other area within the core function (i.e. assisting the Administering Authority) the Board deems appropriate.

2) The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

a) Assist with the development of improved customer services.

b) Monitor performance of administration, governance and investments against key performance targets and indicators.

c) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.

d) Monitor investment costs including custodian and transaction costs.

e) Monitor internal and external audit reports.

f) Review the risk register as it relates to the scheme manger function of the authority.

g) Assist with the development of improved management, administration and governance structures and policies.

h) Review the outcome of actuarial reporting and valuations.

i) Assist in the development and monitoring of process improvements on request of Committee.

j) Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.

k) Any other area within the core function (i.e. ensuring effective and efficient governance of the Scheme) the Board deems appropriate.

15. In support of its core functions the Local Pension Board may make a request for information to be presented to the Pensions Policy & Investment Committee with regard to any aspect of the Administering Authority function. Any such request should be reasonably complied with in both scope and timing.

16. In support of its core functions the Local Pension Board may make recommendations to the Pensions Policy & Investment Committee which should be considered, and a response made to the Board on the outcome within a reasonable period of time.

17. The Council has specific delegated functions that it has to fulfil as the administering authority to the Pension Fund. This requires that a number of monitoring and management activities are undertaken to ensure that it fully discharges its oversight and governance responsibilities to the Fund.

18. It is appropriate that the Board should set out how it intends to fulfil its roles and responsibilities. Adopting a planned approach should make monitoring easier for the Board and ensure that activities critical to the effective management of the Fund are being undertaken.

19. The Key Performance Indicators cover the following areas:
a. Investment performance
b. Funding level
c. Death benefit administration
d. Retirement administration
e. Benefit statements
f. New Joiners
g. Transfers in and out
h. Employer and member satisfaction
i. Data quality
j. Contributions monitoring
k. Overall administration cost
l. Audit

20. In line with best practice, a schedule of Pension Fund key performance indicators (KPIs) covering investment and administration practices, will be provided at Pensions Board meetings.

21. An annual Work Plan will be presented to the Board for agreement. The Work Plan should be presented to the Pension Board by the last board meeting of the prior financial year to which the Work Plan applies.

WORK PLAN

22. In designing the work plan, the priorities of the Council as the administering authority of the Fund have been considered and incorporated into the Plan. The Work Plan has been developed using the below outline action plan.

ACTIVITY	PURPOSE
Administration & Governance	
Member training on specific and general issues	To provide training on specific issues based on identified need or emerging/ current issues. To provide ongoing training to members to enable them to challenge the advice received and equip them with the tools to enter into constructive dialogue with advisers.
Pensions Board to receive key performance indicators report on a quarterly basis	To ensure scheme is run in accordance with agreed service standards; and compliance with regulations and to deal with and rectify any errors and complaints in a timely way.
Review the current pension administration strategy	To ensure scheme is run in accordance with the rules.
Review and refresh key policy documents; the Investment Strategy Statement, Funding Strategy Statement, Governance & Communications Policy Statement as necessary (i.e. where significant changes are made)	Seek pension committee approval and formally publish any updated documents where this is deemed appropriate.
Review on-line functionality of pensions specific website or microsite	To ensure pension specific website is running with agreed service standards with easy access for employers and members for operational usage. The site to include details on pension administration information & forms, investments and accounts, annual reports. To provide a platform for on-line

	training facilities.
Investment & Accounting	
Draft Pension Fund Annual Accounts approved by the Executive Director of Resources by September 2022	To ensure that the Council meets the regulatory timetable and fulfils its stewardship role to the Fund.
Audited Pension Fund Annual Report to be published on or before the statutory deadline of 1 December 2022	Ensure that the Council fulfils its statutory obligation and to keep members abreast of the Pension Fund activities in a transparent and accessible way.
Scrutinise and Review the Fund investment strategy	To ensure that the Fund's investment strategy is optimal. There are no current plans for a major investment strategy review over the financial year, although manager underperformance / market developments may require a review of Strategy.
Carbon Footprinting and Transition Pathways	A report on the carbon footprint of the Fund including to align investments with transition pathways
Review of (Actuarial, Investment Consultant and Independent Adviser and Custodian Services)	This may not lead to full re-tendering for these services, but reviews will be commissioned to ensure that the Fund is still receiving good value for its major services. All options will be considered in the review including joining existing framework contracts.
2022 Triennial Valuation and Funding Strategy Statement	The Fund is bound by legislation to undertake an actuarial valuation of its assets and liabilities to ensure that appropriate future contribution rates are set and that any Fund deficit is recovered over an appropriate period of time in line with the Fund's Strategy Statement. This report will present to Members the outcome of this exercise.

Safeguarding Implications

23. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

Public Health Implications

24. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

25. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

26. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

27. The adoption of a work plan will minimise risks relating to the management of the Fund and should assist in managing down the risk of non-compliance with the Council's obligations under the Regulation as the administering authority of the London Borough of Enfield Pension Fund.

28. Lack of robust governance inevitably involves a degree of risk. The successful identification, monitoring and control of risk are therefore central to the Council's pension fund management.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

29. Not approving the report recommendations and not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

30. This report details the pension board remit and the work programme for 2022/23. There are no specific financial implications arising from this report and any costs associated with delivering the pension board workplan will be met by the pension fund.

Legal Implications

31. Regulation 106(1) of the Local Government Pension Scheme Regulations 2013 provides for each Administering Authority to establish its own Local Pension Board with responsibility for assisting the Administering Authority to secure compliance with the Regulations, other legislation relating to the governance and administration of the LGPS and the requirements imposed by the Pensions Regulator in relation to the LGPS. The Board must also ensure the effective and efficient governance and administration of the LGPS.

32. To that end, it is necessary and appropriate for the Pensions Board to have a Work Programme that sets out in detail how it will fulfil its role and comply with its statutory duties. This Work Programme provides for Board members to be well trained and kept up to date and thus fit for purpose.

33. When making decisions regarding investment of pension funds, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

Workforce Implications

34. The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Property Implications

35. None

Other Implications

36. None

Options Considered

37. The development and implementation of a work programme should ensure that a structured approach is in place for the monitoring and management of the Pension Fund. This should in turn ensure that the Council meets its statutory obligations as administering authority to the Fund. However, the Committee is under no obligation to adopt a work programme in carrying out its duties.

Conclusions

38. The performance of the Pension Fund investments affects the required level of contributions due from employers.

39. Sound financial management of the Pension Fund, including work programme and budget-setting, helps ensure that the Pension Fund is run in an efficient and cost-effective manner. Poor management of the Pension Fund finances would result in increased costs, which would need to be met through higher employer contributions to the Pension Fund.

Report Author: Bola Tobun
Finance Manager – Pensions & Treasury
Bola.Tobun@enfield.gov.uk
Tel no. 020 8132 1588

Date of report 30th August 2022

Appendices
Appendix 1 – LB Enfield Pension Board Terms of Reference
Appendix 2 – Pension Board Work Programme for 2022/23

Background Papers - None

LOCAL PENSION BOARD OF LONDON BOROUGH OF ENFIELD
TERMS OF REFERENCE

Introduction

1. This document sets out the terms of reference of the Local Pension Board of LONDON BOROUGH OF ENFIELD (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).

2. The Board is established by the Administering Authority and operates independently of the Committee. Relevant information about its creation and operation are contained in these Terms of Reference.

3. The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.

4. Except where approval has been granted under regulation 106(2) of the Regulations the Board shall be constituted separately from any committee or sub-committee constituted under Section 101 of the Local Government Act 1972 with delegated authority to execute the function of the Administering Authority.

Interpretation

5. The following terms have the meanings as outlined below:

‘the Act’	The Public Service Pensions Act 2013.
‘the Code’	means the Pension Regulator’s Code of Practice No 14 governance and administration of public service pension schemes.
'the Committee'	means the committee who has delegated decision making powers for the Fund in accordance with Section 101 of the Local Government Act 1972 (i.e. the Pensions Committee at LBE).
'the Fund'	means the Fund managed and administered by the Administering Authority.
'the Guidance'	means the guidance on the creation and operation of local pension boards issued by the Shadow Scheme Advisory Board.

'the Regulations' means the Local Government Pension Scheme Regulations 2013 (as amended from time to time), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended from time to time) including any earlier regulations as defined in these regulations to the extent they remain applicable and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 (as amended from time to time).

'Relevant legislation' means relevant overriding legislation as well as the Pension Regulator's Codes of Practice as they apply to the Administering Authority and the Board notwithstanding that the Codes of Practice are not legislation.

'the Scheme' means the Local Government Pension Scheme in England and Wales.

Statement of purpose

6. The purpose of the Board is to assist[1] the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:

(a) secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and;

(b) to ensure the effective and efficient governance and administration of the Scheme.

Duties of the Board

7. The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of this duty Board members should be subject to and abide by the code of conduct for Board members[2].

Establishment

The Board is established on [01 APRIL 2015] subsequent to approval by FULL COUNCIL on 25 MARCH 2015.
As stated above, the Pensions Board is not explicitly bound by the rules governing Committees established under Section 101 of the Local Government Act 1972, however, for consistency and best practice, the Pensions Board will, where practicable and subject to specific rules set out in these Terms of Reference, operate in the same

[1] Please see paragraph 3.28 of the Guidance for more information on what assisting the Administering Authority means.
[2] See paragraphs 7.9 to 7.11 of the Guidance for more information on a Code of Conduct for Boards.

way as the Council's other Committees as set out in the Constitution. This includes the Council Procedure Rules relating to:

  - Notice and summons to meetings
  - Chair of meeting (except in relation to casting votes)
  - Quorum
  - Duration of meetings
  - Cancellation of meetings
  - Voting (certain rules)
  - Minutes
  - Petitions
  - Record of Attendance
  - Exclusion of the Public
  - Members' Conduct
  - Disturbance by Public
  - Suspension of Amendment of Council Procedure Rules
- Access to Information Procedure Rules
- Code of Conduct for Members – with specific reference to registering and disclosing interests.
- Members' Allowance Scheme – with particular reference to allowances and expenses payable.

Membership

8. The Board shall consist of eight voting members, as follows:

   a. Four Member Representatives; and

   b. Four Employer Representatives.

   c. There shall be an equal number of Member and Employer Representatives.

Member representatives

9. Member representatives shall either be scheme members[3] or have capacity to represent scheme members of the Fund.

10. Member representatives should be able to demonstrate their capacity[4] to attend and complete the necessary preparation for meetings and participate in training as required.

11. Substitutes SHALL NOT be appointed.

12. A total of FOUR scheme member representatives shall be appointed[5] by the Staff Side after a nomination and selection process with a view to representing

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[3] Active, deferred or pensioner members
[4] See paragraphs 5.16 to 5.20 of the Guidance which outlines what 'capacity' in this context means.
[5] See paragraphs 5.25 to 5.28 of the Guidance for further information on the process for appointing member representatives.

all scheme members (including, as far as practicable, those employed or formerly employed by admitted and scheduled bodies) and after consultation with the recognised trade unions.

Employer representatives

13. FOUR Employer Representatives, THREE of whom who shall be Councillors appointed by the Council and the remaining ONE member shall be appointed by the Administering Authority from nominees of admitted and scheduled bodies.

14. Employer representatives shall be an office holder or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

15. Employer representatives should be able to demonstrate their capacity[6] to attend and complete the necessary preparation for meetings and participate in training as required.

16. Substitutes SHALL NOT be appointed.

Appointment of chair

17. Subject to the meeting arrangements in paragraphs 30 to 32 below a chair shall be appointed for the Board as set out below:

Duties of chair

18. The chair of the Board:

(a) Shall ensure the Board delivers its purpose as set out in these Terms of Reference,
(b) Shall ensure that meetings are productive and effective, and opportunity is provided for the views of all members to be expressed and considered, and
(c) Shall seek to reach consensus and ensure that decisions are properly put to a vote when it cannot be reached. Instances of a failure to reach a consensus position will be recorded and published.

Notification of appointments

19. When appointments to the Board have been made the Administering Authority shall publish the name of Board members, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

[6] See paragraphs 5.16 to 5.20 of the Guidance which outlines what 'capacity' in this context means.

Terms of Office[7]

20. The term of office for Board members is FOUR years.

21. Extensions to terms of office may be made by the Administering Authority with the agreement of the Board.

22. A Board member may be appointed for further terms of office using the methods set out in paragraphs 9 and 16.

23. Board membership may be terminated prior to the end of the term of office due to:
    (a) A member representative appointed on the basis of their membership of the scheme no longer being a scheme member in the Fund[8].
    (b) A member representative no longer being a scheme member or a representative of the body on which their appointment relied.
    (c) An employer representative no longer holding the office or employment or being a member of the body on which their appointment relied.
    (d) A Board member no longer being able to demonstrate to LONDON BOROUGH OF ENFIELD their capacity to attend and prepare for meetings or to participate in required training.
    (e) The representative being withdrawn by the nominating body and a replacement identified.
    (f) A Board member has a conflict of interest which cannot be managed in accordance with the Board's conflict policy.
    (g) A Board member who is an elected member becomes a member of the Pensions Committee.
    (h) A Board member who is an officer of the Administering Authority becomes responsible for the discharge of any function of the Administering Authority under the Regulations.

Conflicts of interest[9]

24. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any potential conflict of interest arising as a result of their position on the Board.

25. A conflict of interest is defined as a financial or other interest which is likely to prejudice a person’s exercise of functions as a member of the Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

26. On appointment to the Board and following any subsequent declaration of potential conflict by a Board member, the Administering Authority shall ensure

[7] See paragraphs 5.29 and 5.30of the Guidance which outlines points to consider when setting out the term of office for Board members. In particular consideration should be given to allowing members to retire on a rolling basis to ensure experience is retained.
[8] This includes active, deferred and pensioner members.
[9] See section 7 of the Guidance for more information on Conflicts of Interest.

that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the Code.

Knowledge and understanding (including Training)[10]

27. Knowledge and understanding must be considered in light of the role of the Board to assist the Administering Authority in line with the requirements outlined in paragraph 6 above. The Board shall establish and maintain a Knowledge and Understanding Policy and Framework to address the knowledge and understanding requirements that apply to Board members under the Act. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

28. Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding policy and framework.

29. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Meetings

30. The Board shall as a minimum meet TWO times[11] each year.

31. Meetings shall normally take place between the hours of [09:00] and [21:00] at LBE CIVIC CENTRE.

32. The chair of the Board with the consent of the Board membership may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

Quorum

33. A meeting is only quorate when at least two persons of each member and employer representatives are present including the chair. Or 50% of both member and employer representatives are present.

34. A meeting that becomes inquorate may continue but any decisions will be non-binding.

Board administration

35. The Chair shall agree with the FUND OFFICER an agenda prior to each Board meeting.

[10] See section 6 of the Guidance for more information on Knowledge and Understanding.
[11] See 5.35.11 in Guidance for more advice on the number of meetings to hold each year.

36. The agenda and supporting papers will be issued by AN OFFICER FROM DEMOCRATIC SERVICES (the 'Board Secretary') at least FIVE working days (where practicable) in advance of the meeting except in the case of matters of urgency.

37. Draft minutes of each meeting including all actions and agreements will be recorded and published by AN OFFICER FROM DEMOCRATIC SERVICES (the 'Board Secretary') within TWENTY - ONE working days of the meeting. These draft minutes will be subject to formal agreement by the Board at their next meeting. Any decisions made by the Board should be noted in the minutes and in addition where the Board was unable to reach a decision such occasions should also be noted in the minutes.

38. Where necessary any information considered exempt as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or considered confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998 shall be included in a Part II minute that is not made available to the public.

39. The Board Secretary, in consultation with [Finance Manager (Pension & Treasury)] shall support Board members in maintaining their knowledge and understanding as determined in the Board's Knowledge and Understanding Policy and Framework and other guidance or legislation.

40. The Board Secretary shall arrange such advice as is required by the Board subject to such conditions as are listed in these Terms of Reference for the use of the budget set for the Board.

41. The Board Secretary shall ensure an attendance record is maintained along with advising the Administering Authority on allowances and expenses to be paid under these terms.

42. The Board Secretary shall liaise with the Administering Authority on the requirements of the Board, including advanced notice for officers to attend and arranging dates and times of Board meetings.

Public access to Board meetings and information

43. The Board meetings will be open to the general public (unless there is an exemption under relevant legislation which would preclude part (or all) of the meeting from being open to the general public).

44. The following will be entitled to attend Board meetings in an observer capacity:

    (a) *Members of the Pensions Policy & Investment Committee,*
    (b) *Any person requested to attend by the Board.*

    Any attendees will be permitted to speak at the discretion of the Chair.

45. In accordance with the Act the Administering Authority shall publish information about the Board to include:

(a) The names of Board members and their contact details.
(b) The representation of employers and members on the Board.
(c) The role of the Board.
(d) These Terms of Reference.

46. The Administering Authority shall also publish other information about the Board including:

(a) Agendas and minutes
(b) Training and attendance logs
(c) An annual report on the work of the Board to be included in the Fund's own annual report.

47. All or some of this information may be published using the following means or other means as considered appropriate from time to time:

(a) On the Fund’s website.
(b) As part of the Fund’s Annual Report.
(c) As part of the Governance Compliance Statement.

48. Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

Expenses and allowances[12]

49. The Administering Authority SHALL meet the expenses of Board members in line with the Administering Authority's policy on expenses as set out in the Members Allowances Scheme

Budget

50. The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund and determined by:

a) The Board will seek approval from the Executive Director of Resources for any expenditure it wishes to make.

[12] Provision for the payment of expenses and allowances is a decision to be made locally by each Administering Authority. Full consideration should be given to information in Guidance - see section 9 and paragraphs 5.18 and 5.35.17 for more information. Administering authorities should aim to ensure that no Board member is either better or worse off as a result of fulfilling their duties as a member of the Board.

Core functions[13]

51. The first core function of the Board is to assist[14] the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

    a) *Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.*
    b) *Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.*
    c) *Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.*
    d) *Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.*
    e) *Monitor complaints and performance on the administration and governance of the scheme.*
    f) *Assist with the application of the Internal Dispute Resolution Process.*
    g) *Review the complete and proper exercise of Pensions Ombudsman cases.*
    h) *Review the implementation of revised policies and procedures following changes to the Scheme.*
    i) *Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.*
    j) *Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Investment Strategy Statement.*
    k) *Review the complete and proper exercise of employer and administering authority discretions.*
    l) *Review the outcome of internal and external audit reports.*
    m) *Review draft accounts and Fund annual report.*
    n) *Review the compliance of particular cases, projects or process on request of the Committee.*
    o) *Any other area within the statement of purpose (i.e. assisting the Administering Authority) the Board deems appropriate.*

52. The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent of this core function the Board may determine the areas it wishes to consider including but not restricted to:

[13] In determining the role of the Board, further information can be found in paragraphs 3.27 to 3.29 of the Guidance.
[14] Please see paragraph 3.28 of the Guidance for more information on what assisting the Administering Authority means.

a) *Assist with the development of improved customer services.*
b) *Monitor performance of administration and governance against key performance targets and indicators.*
c) *Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.*
d) *Monitor investment costs including custodian and transaction costs.*
e) *Monitor internal and external audit reports.*
f) *Review the risk register as it relates to the scheme manager function of the authority.*
g) *Assist with the development of improved management, administration and governance structures and policies.*
h) *Review the outcome of actuarial reporting and valuations.*
i) *Assist in the development and monitoring of process improvements on request of Committee.*
j) *Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code.*
k) *Any other area within the statement of purpose (i.e. ensuring effective and efficient governance of the scheme) the Board deems appropriate.*

53. In support of its core functions the Board may make a request for information to the Committee with regard to any aspect of the Administering Authority's function. Any such request should be reasonably complied with in both scope and timing.

54. In support of its core functions the Board may make recommendations to the Committee which should be considered, and a response made to the Board on the outcome within a reasonable period of time.

Reporting[15]

55. The Board should in the first instance report its requests, recommendations or concerns to the Committee. In support of this any member of the Board may attend a Committee meeting as an observer.

56. Requests and recommendations should be reported under the provisions of paragraphs 59 and 60 above.

57. The Board should report any concerns over a decision made by the Committee to the Committee subject to the agreement of at least 50% of voting Board members provided that all voting members are present. If not, all voting members are present then the agreement should be of all voting members who are present, where the meeting remains quorate.

58. On receipt of a report under paragraph 63 above the Committee should, within a reasonable period, consider and respond to the Board.

[15] See section 8 of the Guidance for more information on Reporting.

59. Where the Board is not satisfied with the response received it may request that a notice of its concern be placed on the website and in the Fund's annual report.

60. Where the Board is satisfied that there has been a breach of regulation which has been reported to the Committee under paragraph 63 and has not been rectified within a reasonable period of time it is under an obligation to escalate the breach.

61. The appropriate internal route for escalation is to the Monitoring Officer and/or Executive Director of Resources, the Section 151 Officer.

62. The Board may report concerns to the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.

63. Board members are also subject to the requirements to report breaches of law under the Act and the Code [and the whistleblowing provisions set out in the Administering Authority's whistle blowing policy].

Review of terms of reference

64. These Terms of Reference shall be reviewed on each material change to those parts of the Regulations covering local pension boards and at least every THREE years.

65. These Terms of Reference was reviewed and agreed at the Board meeting of [17 OCTOBER 2019].

…………………………………………….
Signed on behalf of the Administering Authority

……………………………………………
Signed on behalf of the Board

Published 17 October 2019

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PENSIONS BOARD

Draft Work Programme

2022/23

Date of Meeting	Title of Report	In-line with PB Terms of Reference (no.)	Responsible Officer
September 2022	Received and Review Pensions Committee Meetings agenda (reports & minutes)	55a	Finance Manager (Pension & Treasury)
	Quarterly Monitoring Report of Pension Administration Performance Targets & Indicators	55c & 56b	Pensions Manager
	Receive Final Account and Fund Annual Report for 2020/2021 and External Audit Reports	55l, 55m & 56e	Finance Manager (Pension & Treasury)
	Review of Governance Compliance Statement	55d, 55e & 56g	Finance Manager (Pension & Treasury)
	Review of Risk Management Policy and Risk Register	56f	Finance Manager (Pension & Treasury)
	Review of Reporting Breaches Procedure	56f	Finance Manager (Pension & Treasury)
	Review of Conflicts of Interest Policy	56f	Finance Manager (Pension & Treasury)
	Review of Training and Development Policy and Member Training Needs Analysis	55j	Finance Manager (Pension & Treasury)
	Receive Asset Voting, Engagement Processes	56j	Finance Manager (Pension & Treasury)
	Other Ad-hoc items for consideration		Various
December 2022	Received, Note/Review Pensions Committee Meetings agenda (reports & minutes)	55a	Finance Manager (Pension & Treasury)
	Quarterly Monitoring Report of Pension Administration Performance Targets & Indicators	55c & 56b	Pensions Manager
	Review of Administration Strategy	55e & 55i	Pensions Manager
	Review of Communications Policy Statement	55e & 55i	Pensions Manager

	Receive Draft Account and Fund Annual Report for 2021/2022	55l, 55m & 56e	Finance Manager (Pension & Treasury)
	Receive Actuarial Valuations results	56h	Finance Manager (Pension & Treasury)
	Review of Funding Strategy Statement	55d & 55i	Finance Manager (Pension & Treasury)
	Receive Carbon Footprinting	55d & 55i	Finance Manager (Pension & Treasury)
	Receive Asset Voting, Engagement Processes	56j	Finance Manager (Pension & Treasury)
	Other Ad-hoc items for consideration		Various
March 2023	Received, Note/Review Pensions Committee Meetings agenda (reports & minutes)	55a	Finance Manager (Pension & Treasury)
	Quarterly Monitoring Report of Pension Administration Performance Targets & Indicators	55c & 56b	Pensions Manager
	Monitor Internal and External Audit Reports	56e & 55i	Finance Manager (Pension & Treasury)
	Review the Performance and Contracts of Service Providers to the Fund	56c	Finance Manager (Pension & Treasury)
	Receive Internal and External Audit Reports	51e & 50i	Finance Manager (Pension & Treasury)
	Review of Training and Development Policy and Member Training Needs Analysis	55j	Finance Manager (Pension & Treasury)
	Review of Reporting Breaches Procedure	56f	Finance Manager (Pension & Treasury)
	Review of The Pensions Regulator Code of Practice	55a-55e	Finance Manager (Pension & Treasury)
	Receive Asset Voting, Engagement Processes	56j	Finance Manager (Pension & Treasury)
	Receive Work Programme for 2023/24	55i & 55j	Finance Manager (Pension & Treasury)
	Other Ad-hoc items for consideration		Various

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Agenda Item 8

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ENFIELD Council

London Borough of Enfield

PENSION BOARD

Meeting Date: 15 September 2022

Subject:	**Enfield Pension Fund Business Plan and Budgetary Estimates for 2022/23**
Cabinet Member:	**Cllr Leaver**
Executive Director:	**Fay Hammond**

Purpose of Report

1. This report presents the Pension Fund budget for 2022/23 along with the 2021/22 outturn position as of 31st March 2022. It considers income and expenditure from various sources and the impact of these on the Pension Fund cashflow forecast for the current financial year 2022/23 and 2023/24.

2. It also presents the approved Pension Fund Business Plan for the year, outlining the Fund's goals and objectives in delivering the Council's statutory function as the administering authority of the London Borough of Enfield Pension Fund.

3. The business plan and budget set out the direction of travel, objectives and targets to be achieved in the management of the Fund, and for the Council to be able to perform its role as the administering authority in a structured way.

4. The Executive Director of Resources is the Section 151 Officer and therefore has a statutory responsibility for the proper financial affairs of the Council including Fund matters.

5. The London Borough of Enfield Pension Fund represents an asset to the Council in terms of its ability for attracting and retaining staff who deliver services to residents. The review of the cashflow should lead to more effective management of the Fund.

6. A significant element of the Council's budget is the employer's contribution to the Fund. Therefore, any improvement in the efficiency of the Fund that leads to improvement in investment performance or cost savings will likely reduce contributions from the Council and release funds for other corporate priorities.

7. The London Borough of Enfield Pension Fund is open to new entrants however it is maturing fast; hence this report is an update on the Pension Fund's projected cash flow forecast for 2022/23 and 2023/24. The Fund is projecting a surplus of £544k on its income and expenditure at the end of

this financial year 2022/23 without any cash draw down from investments. Abd the Fund is expecting a projected cash short fall of (£970) in 2023/24 as the Fund expenditure exceeds the income from contributions.

Proposal(s)

8. The Pension Board are recommended to:

   a) note the Business Plan attached as Appendix 1 to this report;

   b) note the Revenue Outturn for 2021/22, Revenue Budget for 2022/23 and the cashflow forecast from operational activities for 2023/24 attached as Appendix 2.

Reason for Proposal(s)

9. Under the Local Government Pension Scheme (LGPS) Regulations, the Council is required to maintain a Pension Fund for its employees and other scheduled bodies as defined in the Regulations. The Regulations also empower the Fund to admit employees of other defined (e.g. other public bodies, housing corporations) bodies into the Fund.

10. The proposed business plan and budget for the Fund has been put together to assist in the management of the Fund and to ensure that the Council is able to perform its role as the administering authority in a structured way. The Business Plan and the budget are not intended to cover all aspects of Pension Fund administration and management; rather they are designed to assist with meeting part of its delegated function as administering authority to the Fund.

11. The London Borough of Enfield Pension Fund is part of the wider Local Government Pension Scheme LGPS). The Scheme as with other LGPS schemes is funded and distinct from ‘pay as you go’ schemes which are unfunded.

12. The Fund receives contributions and investment income from current members, employers and fund assets which is used to pay benefits as they fall due. Consequently, one of the main objectives of the Fund is to ensure that sufficient funds are available to meet all benefits as they fall due for payment. However, this objective may be jeopardised if the Fund does not maintain sufficient liquidity. The Pension Policy & Investments Committee is charged with meeting the duties of the Council in respect of the Pension Fund.

13. This report is presented to the Board as one the core functions of the Board is to ensure the effective and efficient governance and administration of the Scheme.

Relevance to the Council’s Corporate Plan

14. Good homes in well-connected neighbourhoods.

15. Build our Economy to create a thriving place.

16. Sustain Strong and healthy Communities.

Background

17. The Council has specific delegated functions that it has to fulfil as the administering authority to the Pension Fund. This requires that a number of monitoring and management activities are undertaken to ensure that it fully discharges its oversight and governance responsibilities to the Fund.

18. The key decision making for, and management of, the Fund has been delegated by the London Borough of Enfield (the Council) to a formal Pension Committee, supported by officers of the Council and advisers to the Pension Fund. The Section 151 Officer has a statutory responsibility for the proper financial affairs of the Council including Fund matters. A local pension board is in place to assist with:

- securing compliance of Fund matters and

- ensuring the efficient and effective governance and administration of the Fund.

19. It is appropriate that the Committee should set out how it intends to fulfil its obligations as the delegated authority appointed by the Council to be responsible for the Fund. Adopting a planned approach should make monitoring easier for the Committee and ensure that activities critical to the effective management of the Fund are being undertaken.

20. **The primary objectives** of the Fund are sub-divided into specific areas of ***governance***, ***funding, investments, administration and communications*** which are covered in turn below.

21. **Governance Objectives**
i) All staff, Pension Board and Pension Committee Members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
ii) The Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties.
iii) To understand and ensure compliance with all relevant legislation.
iv) To ensure the Fund aims to be at the forefront of best practice for LGPS funds
v) Ensures the Fund manages Conflicts of Interest

22. **Funding Objectives**
vi) To ensure the long-term solvency of the Fund.
vii) To help employers recognise and manage pension liabilities as they accrue.

viii) To minimise the degree of short-term change in the level of each employer's contributions where the Administering Authority considers it reasonable to do so.
ix) To use reasonable measures to reduce the risk to other employers and ultimately to the Council Taxpayer from an employer defaulting on its pension obligations. (Including: addressing the different characteristics of disparate employers or groups of employers to the extent that this is practical and cost effective).

23. **Investment Objectives**

x) Optimising the return on investment consistent with a prudent level of risk
xi) Ensure that there are sufficient assets to meet the liabilities as they fall due (i.e. focus on cash flow requirements)
xii) Ensure the suitability of assets in relation to the needs of the Fund (i.e. delivering the required return).
xiii) Ensuring that the Fund is properly managed (and where appropriate being prepared to change).
xiv) Set an appropriate investment strategy for the Fund to allow the Administering Authority to seek to maximise returns (and minimise the cost of benefits) for an acceptable level of risk'). Ensure return seeking assets are in line with Funding objectives.

24. **Administration Objective**

xv) To deliver an efficient, quality and value for money service to its scheme employers and scheme members.

25. **Communications Objective**

Ensure that all stakeholders are kept informed of developments within the Pension Fund. Ensuring that all parties are aware of both their rights and obligations within the Fund.

PENSION FUND REVENUE ACCOUNT

26. For a number of years, the Pension Fund has received considerably more in contributions than it has paid out in benefits and has therefore experienced strong positive cashflow. Despite ongoing budgetary pressures, active membership has increased thanks to Auto-enrolment and a shift from temporary to permanent staff contracts, whilst the Council's contribution rate has reduced due to the over funded position of the Fund from 2019 formal valuation outcome. During 2021/22, contributions received exceeded benefits paid by £3.249m, which is relatively consistent with previous years.

27. The outcome of the most recent (2019) valuation has been a reduction in the Council's contribution rate from 22.8% to 20.2% for 2020/21 to 2022/23. Contribution rates beyond this point will depend on the outcomes of 2022 and future valuations.

28. Additionally, ongoing reductions to the Local Government settlement mean that the Council remains under considerable financial pressure; whilst officers of the Fund are not currently aware of large scale plans for staff reductions, it is prudent to consider that these may be possible.

29. Although the scheme remains open, LGPS funds are beginning to mature, with increasing numbers of pensioners relative to their active membership. Large number of LGPS Funds are now cashflow negative, with many more predicted to become so in the short to medium term. The Fund's contribution rate is at the lower end of those paid by the LGPS. However, given the ongoing budgetary pressures and planned contribution rate reductions over the next 3 years, it is appropriate to consider cashflow planning in the medium term, to ensure likely notable reductions in the Fund's cashflow are anticipated and plans made accordingly.

30. Increasing scheme maturity and reduced cashflows often necessitate changes to investment strategy. As open schemes, often with substantial deficits, LGPS Funds have tended to use strategies focused on growth, maintaining high allocations to equities. However, this is beginning to change, as deteriorating cashflows require an increased focus on income, to avoid becoming a forced seller of assets. Forward planning is therefore essential to ensure that any necessary changes are made in timely and orderly manner.

31. In order to meet the objectives of the Pension Fund, the Pension Policy & Investment Committee reviewed and agreed the business plan for the period 2022-2025 set at Appendix 1 at their last meeting of July 2022.

BUDGETARY ESTIMATES

32. Members are requested to note the pension fund's Revenue Account position as at 31st March 2022 and note the budget for 2022/23 set out in Appendix 1.

33. **2021/22 Actual expenditure -** The estimates for the Pension Fund can be difficult to predict because of the uncertainty surrounding a number of aspects such as transfer values, death grants, and volatility in investment markets. Total expenditure of £45.9m was budgeted for in 2021/22; the actual amount as at 31st March 2022 was £53.1m, this indicates an increase of over £7m in payments. £53.2m budget has been set for 2022/23

34. **2021/22 Actual income** – Total income of £45.4m was budgeted and £54.9m was received as at 31st March 2022, with an outturn of under budget by £9.5m. £57.1m budget has been set for 2022/23.

35. **2022/23 Proposed Budget –** As indicated above, the budget can be difficult to predict however the following paragraphs set out some of the assumptions behind the proposed 2022/23 budget estimates set out in Appendix 1.

a) Contribution Receivable

The budget figure is based on 2021/22 activity levels using the contribution rate as stipulated by the actuary plus a 2.5% to reflect the pay award for 2022/23.

b) Transfer Values In

The level of transfers of staff in and out of the fund is not subject to control by the Council. Transfer values vary significantly depending on length of service, salary and can be either payable or receivable by the authority. It is not possible to make reliable forecasts of the financial effect of transfer activity.

c) Benefits Payable

For 2022/23, the budget figure is based on 2021/22 activity levels with a 1% per annum year on year Pensions Increase also a year on year 2% increase has been applied to the number of pensioners.

d) Payments to account of leavers

The level of transfers of staff in and out of the fund is not subject to control by the Council. Transfer values vary significantly depending on length of service and salary and can be either payable or receivable by the authority. It is not possible to make reliable forecasts of the financial effect of transfer activity.

e) Administrative and other expenses borne by the scheme

These costs are estimated on the basis of planned workloads with a 3.5% allowance for inflation. Costs include officers' time, the cost of provision of accommodation and IT facilities, bank charges, training for officers and members of the pension committee and pension board and professional advisers' fees.

f) Investment Income

Investment Income is assumed at 4% on average assets valuation of £1.4billion and over *3/4* will be subsequently re-invested by the Fund Managers and also investment income is subjected to tax. This was further reduced based on declaration of some organisations declaring no dividends payments.

g) Change in Market Value of Investments

An investment of £1,525m is assumed to decrease by 10% due to assumed correction of asset price forecast for 2022/23. The combined return of investment income and capital growth for 2022/23 net assets has been assumed to be -8.5% per annum.

h) Fund Managers Fees

Fund managers' fees are calculated at an average rate of 0.475% on average assets valuation of £1.5billion.

i) Global Custodian Fees

from level of current activities, the fee is set at £60,000 as per fees schedule.

Safeguarding Implications

36. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

37. **Public Health Implications**

38. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

39. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

40. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

41. A Business plan and budget should result in a more efficient process of managing the Pension Fund.

42. The adoption of a business plan and budget setting will minimise risks relating to the management of the Fund and should assist in managing down the risk of non-compliance with the Council's obligations under the Regulation as the administering authority of the London Borough of Enfield Pension Fund.

43. Lack of robust governance inevitably involves a degree of risk. The successful identification, monitoring and control of risk are therefore central to the Council's pension fund management.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

44. Not approving the report recommendations and not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

45. The development of a robust investment strategy helps the Fund to take an ordered and prudent approach to the management of its assets, helping to manage the long term costs associated with the Pension Fund.

46. For a number of years, the Pension Fund has received considerably more in contributions than it has paid out in benefits and has therefore experienced

strong positive cashflow. However, in light of ongoing budgetary pressures for the Council and the recent reduction in its contribution rate, it is prudent to ensure that the likely impacts of reduced cashflows into the Fund are understood and planned for.

47. Budget setting on an annual basis along with the additional cashflow work undertaken would assists the Committee in understanding the full impact of potential changes as a result of any significant falls in membership numbers or planned changes in contribution rates.

Legal Implications

48. Administering authorities are now bound by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 which have replaced the 2009 Regulations. These regulations set out an administering authority's statutory duties in ensuring the proper administration and management of its pension fund.

49. When making decisions regarding investment of pension funds, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

50. The Pension Policy and Investment Committee has been given delegated authority to manage the Pension Fund; under the Council's constitution they must therefore 'set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and develop a medium term plan to deliver those objectives'. It is appropriate having regard to these matters, for the Committee to receive information about budgetary matters.

51. Management of the Fund's solvency is a key objective across the short, medium and long term; the monitoring of cash flow performance is an important part of ensuring that objective is met.

52. There are no immediate legal implications arising from this report.

Workforce Implications

53. The employer's contribution is a significant element of the Council's budget and consequently any improvement in investment performance will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Property Implications

54. None

Other Implications

55. None

Options Considered

56. None

Conclusion

57. The Committee's consideration of the information in the report contributes towards the achievement of the Council's statutory duties. Monitoring the Pension Fund's financial position including the prospects for cash flow helps the Committee to ensure that they are meeting their fiduciary role in the management of the Fund.

Report Author: Bola Tobun
Finance Manager – Pensions & Treasury
Bola.Tobun@enfield.gov.uk
Tel no. 020 8132 1588

Date of report 29th August 2022

Appendices
Appendix 1 – Enfield Pension Fund Business Plan
Appendix 2 – Enfield Pension Fund Revenue Budget for 2022/23

Background Papers - None

Appendix 1

BUSINESS PLAN 2022-2025

In order to meet the objectives of the Pension Fund, the Pensions Board has to review the business plan and the Pensions Committee has to review and agree the business plan for the period 2022-2025. This has to be put into the context of a period of significant uncertainty for the Fund, which reflects not just ongoing volatility in investment markets, but also measures for structural reform which could have a fundamental impact on the overall management of the Fund.

The purpose of the business plan is to:

a) explain the background and objectives of London Borough of Enfield for the management of the Enfield Pension Fund
b) document the priorities and improvements to be implemented by the pension administration service during the next three years to help achieve those objectives
c) enable progress and performance to be monitored in relation to those priorities
d) provide staff, partners and customers with a clear vision for the next three years.

Set out in the table below is the three year business plan for the Pension Fund:

	2022/23	2023/24	2024/25	Primary Objective Reference (s)
Governance Objectives				
Draft Pension Fund Accounts	March - May	March - May	March - May	1,2,3,7,13,15,16
Approve Final Pension Fund Annual Report & Accounts	June - November	June - November	June - November	1,2,3,7,13,15,16
Employer Forum	November - January	November - January	November - January	3,4,7,8,9,15,16
Review Risk Register	Quarterly	Quarterly	Quarterly	1,2,5,6,7,8,9,10, 11,12,13
TPR Code of Practice	Quarterly	Quarterly	Quarterly	1,2,3,4,5
Governance Policy Review	December - March	December - March	December-March	1,2,3,4,5
Self-Assessment & Review of Advisers	December - March	December - March	December – March	1,2,3,4,5
Induction Training for New Members	May – July (As Required)	May – July (As Required)	May – July (As Required)	1, 2, 4,15
Member’s Training	Quarterly	Quarterly	Quarterly	1,2,4,15
Training Policy Review	November – February	November – February	November – February	1,3,4

	2022/23	2023/24	2024/25	Primary Objective Reference (s)
Pensions Board –Annual Reporting	Mar - July	Mar - July	Mar - July	1 - 16
Review Performance, funding and budget	Quarterly	Quarterly	Quarterly	1 - 16
AVC Review	April - June		April - June	1,2,3,4,5
Review Reporting Breaches Policy	September	September	September	10,15,16
Review Conflicts of Interest Policy Review	September	September	September	5
Creation & Review Cessation Policy	April - June	April - June	April - June	5,6,7,8,9,15,16
Funding Objectives				
Preparation and Update of Actuarial Valuation	As Required	As Required	As Required	5,6,7,8,9,15,16
Review of Funding Strategy Statement	As Required	As Required	As Required	5,6,7,8,9,15,16
Investments Objectives				
Review Investment Strategy Statement	February - September	As required	As required	1,3,10,11,12,13, 14 ,15,16
Responsible Investment Policy Review	February - September	As required	As required	1,3,10,11,12,13, 14 ,15,16
Monthly Meeting with Asset Managers	Ongoing	Ongoing	Ongoing	1,4,6,8,9,10,11, 12,13,14
Investment in Paris Aligned and Alternative Fixed Income	April - June			1,2,4,10,11,12, 13,14,15
Investment in Clean Energy, Renewable Energy and or Private Debt	July - December			1,2,4,10,11,12, 13,14,15
Review Investment Consultancy Contract	June	June	June	5,10,11,12,13, 14,15
Review Actuarial Services Contract	September	September	September	5,10,11,12,13, 14,15
Strategic Asset Allocation – Regular Review	Ongoing	Ongoing	Ongoing	1,4,6,8,9,10,11, 12,13,14
Carbon Footprint Audit	Dec - June	Dec - June	Dec - June	5,6,7,8,9,15,16
Pension Fund Treasury Management Strategy	February - June	February - June	February - June	1,9,10,11,12,13, 14,15
Investment Performance Review	Quarterly	Quarterly	Quarterly	1,2,4,10,11,12, 13,14,15
Individual Manager Review	Monthly	Monthly	Monthly	1,2,4,10,11,12, 13,14,15

	2022/23	2023/24	2024/25	Primary Objective Reference (s)
Asset/Liability Monitoring	Ongoing	Ongoing	Ongoing	5,10,11,12,13, 14,15,16
Collaborative working-London CIV	Ongoing	Ongoing	Ongoing	1,2,4,10,11,12, 13,14,15
Pension Administration				
Pension Administration Strategy	April - June	January – March	January – March	1,2,3,7,9,15,16
McCloud Remedial Judgement Monitoring	September - December	June - December	June - December	1,2,3,7,9,15,16
GMP Reconciliation	April-September			1,2,3,15,16
Employer data Improvements	Ongoing	Ongoing	Ongoing	1,2,3,7,9,15,16
Administering Authority Discretions Review	April - June	April - June	April - June	1,2,3,4,5,9,10, 15,16
Admitted Bodies Policy	September	September	September	1,2,3,4,5,9,10,15, 16
Employing Authority Discretions	April - June	April - June	April - June	1,2,3,4,5,9
Communications				
Annual Benefit Statements	August	August	August	15,16
Auto-Enrolment /Workplace Pensions	Ongoing	Ongoing	Ongoing	1,2,3,15,16
Communications Policy Review	January-March	January-March	January-March	1,2,3,15,16
Annual General Meeting (AGM)	January - March	June/July	June/July	1,2,3,4,7,8,9,15, 16

Appendix 2

Pension Fund Budget 2022/23, Cashflow Forecast For 2023/24 and Outturn For 2021/22

	Budget for 2021/22 £,000	Actual at 31st Mar 2022 £,000	Differences of 2021/22 Actual & Budget £,000	Budget for 2022/23 £,000	Forecast for 2023/24 £,000
Contributions Receivable					
- from Employer	34,165	39,057	4,892	42,963	47,259
- from Employees	11,200	12,846	1,646	14,131	12,718
Transfer Values In		2,984	2,984		
Sub - Total Income	**45,365**	**54,887**	**9,522**	**57,094**	**59,977**
EXPENDITURE					
Benefits Payable					
- Pensions	(36,905)	(38,392)	(1,487)	(42,231)	(46,454)
- Purchase of Pensions					
- Lump Sums: Retirement Allowances & Death Grants	(7,995)	(8,497)	(502)	(9,346)	(10,281)
- Transfer Values Out		(4,750)	(4,750)		
Administrative and other expenses borne by the scheme					
- Administration and processing	(955)	(1,337)	(382)	(1,471)	(1,324)
- Actuarial fees	(30)	(61)	(31)	(67)	(118)
- Audit fees	(21)	(33)	(12)	(36)	(35)
- Legal and other professional fees	(10)	(3)	7	(3)	(3)
Sub - Total Expenses	**(45,916)**	**(53,072)**	**(7,156)**	**(53,155)**	**(58,214)**
Investment management Expenses (Invoice)					
-Fund Managers Invoiced Fees	(2,412)	(2,935)	(523)	(3,229)	(2,583)
-Global Custodian Fees	(60)	(70)	(10)	(76)	(69)
-Investment Consultancy Fees	(75)	(143)	(68)	(90)	(81)
Total Expenditure	**(48,463)**	**(56,220)**	**(7,757)**	**(56,550)**	**(60,947)**
NET CASH INFLOW/OUTFLOW	**(3,098)**	**(1,333)**	**1,765**	**544**	**(970)**
Opening Cash Balance	**100,369**	**100,369**	**0**	**73,350**	**43,895**
Forecast Cash Investments Injection	**(50,000)**	**(25,686)**	**24,314**	**(30,000)**	**(20,000)**
Forecast Closing Cash Balance	**47,271**	**73,350**	**26,079**	**43,895**	**22,925**
Administrative and other the scheme expenses	(1,035)	(1,433)	(398)	(1,177)	(1,294)
Investment management Expenses	(10,380)	(11,171)	(791)	(12,288)	(12,411)
Total Admin & Investment Expense	**(11,415)**	**(12,605)**	**(1,190)**	**(13,465)**	**(13,706)**

Agenda Item: 9

Local Pension Board

Meeting Date: 15.09.2022

Subject: **Pension Team Update Report**

Cabinet Member: **Cllr Leaver**

Executive Director: **Fay Hammond**

Key Decision: **n/a**

Purpose of Report

1. The purpose of this report is to provide the Local Pension Board with an update on current pension issues, developments and performance in accordance with the Local Government Pension Scheme (LGPS)

Proposal

2. The Local Pension Board is recommended to note the contents of this update.

Reason for Proposal

3. The Local Pension Board is responsible for ensuring that the Enfield Administering Authority complies with LGPS regulations and associated legislation as well as adhering to requirements as set out by The Pensions Regulator.

4. To assist members of the Local Pension Board with their role and responsibilities, the Pension Team are required to provide regular updates.

Updates

5. **Prudential performance update**

Representatives from Prudential attended the Scheme Advisory Board (SAB) in December 2021 to discuss the performance issues experienced by administering authorities since November 2020.

At that meeting, Prudential agreed to produce a communication to explain:

- the issues that have arisen
- the steps that have and are being taken to resolve the situation
- the expected timescales for normal service to be resumed

Prudential have written to Jo Donnelly, Head of Pensions at the LGA and have provided an update which is attached

This letter is attached as part of the supporting background papers.

6. **Special Severance Payments**

On 12th May Department for Levelling Up, Housing and Communities (DLUHC) published statutory guidance on making and disclosing Special Severance Payments, which are additional payments over and above statutory and contractual requirements that may be made when someone leaves employment.

The guidance applies only to Best Value Authorities in England and confirms the Government's position that Special Severance Payments are not good value for the taxpayer and should only be made in exceptional circumstances.

Following responses to consultation in July 2021, the new guidance makes clear that a LGPS pension strain, paid by an employer when an LGPS member is made redundant is not a Special Severance Payment.

Please refer to Appendix 1 for more information.

7. **HMRC - Pension Scheme Newsletter 138**

HMRC published the newsletter on 29th April 2022.

The newsletter highlights:

- HMRC updated its annual allowance calculator to include the 2022 to 2023 tax year
- Changes to Scheme Pays reporting deadlines in some cases following the introduction of the Registered Pension Schemes (Miscellaneous Amendments) Regulations 2022 (see Bulletin 223 for more information)
- A reminder to act now to migrate your pension scheme to the Managing Pension Schemes service *****
- Accounting for tax returns for the quarter ending 31st March 2022 must be submitted through the Managing Pension Schemes service.

***** Enfield Pension Funds migration has been completed and the tax return for Q4 31.03.22 has been submitted and paid.

HMRC were very helpful and assisted us to achieve a successful migration. Although the Managing Pension Schemes gives the same service, HMRC were more streamline and user friendly and therefore easier to use.

Unlike the previous system this service allows more than one member of staff to have login details, so we may consider rolling out to other members of the team.

8. New legal requirement to ‘nudge’ AVC members to Pension Wise guidance

The Department for Work and Pension (DWP) has responded to the stronger nudge to pensions guidance consultation. Regulations will require administering authorities to ‘nudge’ members with in-house AVCs towards Pension Wise guidance when they apply to take their AVC or transfer their AVC fund from 1st June 2022. The administering authority will also have to offer to make the appointment on the member’s behalf.

The requirement also applies when a member aged 50 or over contacts the Pension Team about transferring their in-house AVC to another defined contribution scheme to access them. Members can, however, opt out of taking Pension Wise guidance.

The Government’s aim is to protect people by helping them make informed decisions when they access their defined contribution (DC) saving. Pension Wise is a government service from Money Helper that offers free, impartial pensions guidance about DC pension options.

A joint response to the consultation was submitted by the LGA and the LGPC in September 2021.

The DWP has taken some of the issues raised in that response into account in their response. The Pensions Regulator has updated its Communicating and reporting guidance to include the requirement to direct members to Pension Wise guidance in certain circumstances.

On 10th May 2022, the LGA pension team published a technical guide providing further information to administering authorities regarding the new requirements by updating the existing AVC technical guide.

Please refer to Appendix 2 for more information.

9. Updates from the Pensions Dashboards Programme (PDP)

The aim of the pensions dashboards is to allow scheme members to see information about all their pensions, including the State Pension, securely online.

Making sure funds are 'dashboards ready'

The DWP launched a consultation in January 2022 on draft regulations to achieve this. The six-week consultation closed on 13th March. It was noted that six weeks was a relatively short period to respond comprehensively to the issues raised in the consultation document, draft regulations and draft standards which amount to several hundred pages.

The consultation and draft regulations propose that public service pension schemes will have to connect with the dashboards by 30th April 2024 at the latest. Administering authorities will have a legal duty to provide information in response to requests received through the dashboard once this staging date has passed.

The LGA drafted a response saying that this deadline was unachievable for LGPS administering authorities as it is expected that the McCloud remedy regulations will come into force from October 2023. This means that administering authorities will then start recalculating benefits back to 1st April 2014, paying arrears and interest and potentially re-visiting transfer values.

We will state that a connection deadline of April 2024 is not achievable and suggest it be moved to April 2025.

Administering authorities will need to provide data from Annual Benefits Statements (ABS) or from a recent calculation in response to a request from a member once their identity has been verified. It is not yet clear whether ABS's for active and deferred members, who are in scope of the McCloud remedy will need to include any figures associated with that remedy. Until the position is clear, it will not be possible for suppliers to start work on software developments in this area for McCloud or pensions dashboards.

The March 2022 Local Government Technical Group meeting notes confirmed that DWP planned to publish their response on the draft Pensions Dashboards Regulations in June 2022. The aim is to have the regulations approved in the Autumn of 2022.

10. Annual allowance changes

The Government has changed the annual allowance rules via Section 9 of the Finance Act 2022 and the Registered Pension Schemes (Miscellaneous Amendments) Regulations 2022.

The changes apply in certain situations where annual allowance calculations for previous years are retrospectively amended.

The new regulations require employers to provide further information to administering authorities. This will apply where an employer becomes aware that information they provided previously, for a Pension Input Period (PIP) falling within the ‘relevant time’, was insufficient to enable the authority to correctly calculate the annual allowance.

If the administering authority receives information from the employer for a PIP falling within the ‘relevant time’, it must recalculate the annual allowance. Administering authorities must also recalculate annual allowance amounts where there has been a change to the scheme rules.

After recalculating the annual allowance, if the member exceeds the annual allowance for the relevant tax year, the administering authority must send a pension savings statement to the member. An event report must also be sent to HMRC.

The new regulations have also changed the time limit for amending mandatory scheme pays elections. With effect from 6th April 2022, this has been extended by two years.

Please refer to Appendix 3 for more information.

11. **Sharia Law**

Several LGPS administering authorities have raised concerns about members opting out of the LGPS due to their religious beliefs. Some members do not believe that the LGPS is compliant with Sharia law. Employers are concerned that employees may make a discrimination claim because they do not offer a scheme that is Sharia compliant.

The SAB sought legal advice from Lydia Seymour (Outer temple Chambers) on the position for the LGPS. She has recently provided her advice in response to that request. In her view, the SAB is correct to consider this important and very complex issue. There is currently no provision that would allow an employer to offer an alternative scheme to a specific group. It may be possible to offer a defined contribution scheme, such as a Sharia-compliant scheme provided by NEST. Membership of that alternative scheme would have to be available to all employees who have opted out of the LGPS, not just those that have done so because of their religious beliefs.

It was noted that it is possible for interpretation of the Equalities Act to capture many different groups who are opposed to the investment principles adopted by an administering authority. The LGPS could be weakened if employers are forced to offer multiple schemes designed to cater to different religions and beliefs. That impact could be more significant for a smaller employer.

Member benefits in the LGPS are not determined by investment returns. This is accepted in the unfunded public service pension schemes and that they are considered Sharia compliant. LGPS investments do not determine the level of benefits a member receives, but those investments are necessary to provide benefits, and the member may not agree with the way that money is invested.

The SAB will be asked to consider this question and whether they should seek further expert advice.

12. **PASA good practice guidance on defined benefit (DB) transfers**

The Pensions Administration Standards Association (PASA) has published Good Practice Guidance on DB transfers.

“The guidance is designed to support transfer processes which contribute to a better end-to-end member experience, ensure members and adviser communications are timely and helpful and to protect members from pension scams.

Please refer to Appendix 4 for more information.

13. **Data Subject Access Requests (DSARs)**

What is a DSAR?

Under Article 15 of the UK GDPR, an individual (data subject) is entitled to be informed that their personal data is being processed, have access to their personal data, be provided with a copy of their personal data and be given specific 'supplementary information' about their personal data.

A DSAR is the exercising of this right by or on behalf of a data subject. Any data subject, or their representative, can submit a DSAR to any data controller. The administering authority is a data controller, they as such will receive a DSAR. The current increase in these requests is related to transfers out of Pension Funds.

At the Technical Group meeting of 18th June 2021, the group agreed that the LGA should seek guidance / legal view on what administering authorities should be providing in their response to a DSAR request.

The LGA contacted Squire Patton Bogs to produce the following on behalf of LGPS administering authorities in England & Wales and Scotland:

- Background information - information tailored specifically for LGPS administering authorities which sets out the legal basis and any other considerations administering authorities should be aware of.

- A step-by-step procedure - standardised procedure based on the background information that administering authorities can easily follow upon receipt of a DSAR

- Template documents - standard communications covering all aspects of responding to a DSAR. It is intended that the correspondence should be used consistently by administering authorities

These documents are now live and fully accessible.

Please refer to Appendix 5 for more information.

14. **History of pension transfers and liberation guidance**

Related to DSAR, the Technical Group have requested a 'historical timeline' of pension scam information. This should cover what and when information should have been provided during the transfer out process (from around the outset of pensions liberation).

The historical timeline is intended to help administering authorities should they become embroiled in a legal challenge.

LGA have requested Eversheds to provide;

- timeline and effective dates of the legislation that covered transfers out since the outset of pensions liberation
- timeline and copies of the guidance and leaflets that should have accompanied statement of entitlements / statement of cash equivalent – including effective lead in times following on from legal cases
- timeline of guidance that should have been followed, such as TPR guidance etc
- significant legal / case law / TPO cases that impacted on transfers out and the subsequent changes to legislation and guidance as a result
- all the documents should meet the public sector accessibility requirements so that we are able to publish them on our website.

15. **Staff recruitment and retention survey**

The LGA recently issued an online survey regarding the recruitment and retention of pension staff within administering authorities. Feedback has been received reporting that many administering authorities are experiencing staffing difficulties.

The aim of the survey is to understand the extent of the issue.
The responses received covers the administration of 57 administering authorities.

The survey report is attached as part of supporting background papers.

At the March 2022 Technical Group meeting Jeremy Hughes provided an update, on behalf of the DLUHC. There was an in-depth discussion around the general resourcing issues for administering authorities.

Difficulties in recruitment and retention features heavily across the board. Jeremy Hughes confirmed that DLUHC are open to all ideas that may help support administering authorities.

16. **The Pension Regulator Administrator Survey**

TPR are carrying out this online survey to better understand the day-to-day experiences of administrators and how they are adapting to the changing regulatory landscape (including preparing for the forthcoming pensions dashboards). It is viewed as an opportunity to tell TPR about the issues you face and to help them understand where, and how, you can best work together to drive up standards.

17. **PLSA Local Authority Conference 13-15 June 2022**

Cllr Phillips addressed the 2020/21 annual scheme report firstly by reminding everyone of the success in delivering the LGPS from home during the COVID pandemic.

Key statistics from the annual report:

- Assets £342bn (+24%)
- Net return on investment +21%
- Scheme maintained a positive cash-flow
- Membership grew by 1.1% - 6.23m members, including 1.8m pensioners
- Covid impacted life expectancy with a drop of 0.9 and 0.5 years

Cllr Philips (Scheme Advisory Board) Update:

- On levelling up, he thinks the LGPS need to meet that challenge and consider how, as the 8th largest scheme in the world, we use our weight when it comes to infrastructure
- On funding valuations, LGPS in a good place as at 31st March 2022 but there are real concerns about rising inflation and the national living wage implications for the scheme
- On Good Governance, his view is that it's vital to the reputation and integrity of the scheme. The department has allocated resource to progress guidance.
- He also acknowledged the very real resource challenges that funds are facing, commenting that our economy currently has more jobs than people.

The good health of the scheme from a Section 13 perspective was highlighted including the impact of increasing scheme maturity on cashflows and concerns that high inflation and increases in the cost of living may lead to member opt-outs.

The importance of strong communications about the value of the scheme and the role of TU/employee representatives in supporting that message.

Please refer to Appendix 6 for more information

New LGPS project - **The LGPS - Today's challenges, Tomorrow's opportunities report**

The purpose of the report was to identify risks and opportunities and address them proactively.

The project had been an interactive process incorporating the views of 60+ funds, and addressed 4 key themes, with both issues and recommendations.

Regulatory & operational environment
Issues identified were no single champion, oversight by many different bodies, unclear hierarchy of regulation, and localisation in the application of change leading to increased risk

LGPS employers
Issues identified were the proliferation of employers and that it is increasingly challenging for employers to adhere to requirements set by funds. Prospective employers don’t always understand their responsibilities and their potential costs and risks before entry to the scheme

88% of respondents had seen employers want to leave for affordability reasons

Employers can at times fail to fully appreciate the value of the scheme to them as employers

LGPS scheme members
It was noted that the scheme is terribly complex for members and that we need to use all channels and all tools available to maximise member understanding and engagement

Operational sustainability
It was referred again to the difficult recruitment and retention environment and focused on a need for greater investment and innovation from system providers to improve efficiency and productivity.

Please refer to Appendix 7 for more information

What to expect when you’re implementing: The McCloud judgement
LGA provided an overview of the scheme reforms giving rise to the McCloud judgement.

DLUHC are responsible for setting the LGPS regulations and we anticipate regulations will take effect from 2023 but with retrospective effect.

Discussion covered analysis of those impacted by McCloud and the anticipated increase in costs to the scheme. Following GAD's Section 13 Review, they are working with actuarial colleagues to ensure McCloud is treated consistently in 2022 England and Wales valuations.

Also discussed the cost cap mechanism: GAD expect less chance of a cost cap breach from the 2020 analysis, although numbers are still being worked on.

the challenges of implementing McCloud. Funds need to engage with employers to obtain historic data which is a challenge as data may not be available. There is a need for guidance to deal with cases where there are data gaps.

In addition to data challenges there are resource concerns given the volume of calculation work needed to apply the McCloud remedy retrospectively. Funds have made plans to automate and to secure additional resources, however these have been hampered by the labour market.
Impact on the current England and Wales valuations. The ongoing 2022 valuations can make a clearer estimate of the McCloud impacts.

The panel discussion related to member communications, and the need to reassure members and to manage expectations. Clear communications will be needed and the LGA plan to provide materials when regulations are available.

<u>Driving the pensions dashboards for the LGPS</u>
A background to the dashboard initiative was provided, explaining the interactions between the funds and central digital architecture. Also covered the ways in which members can access the system and how data is made available to them. The call to action was to visit moneyhub.com and use the products menu to see how an example dashboard might work.

Delivery update also covered. The programme is still using the same plan as set in October 2020 and keeping pace. Currently it is in develop and test phase, expecting to move to staged onboarding next year which will be a key learning phase before wider onboarding. Testing to the architecture was successfully completed and next year schemes will begin to connect.

Important next stages will include receipt of DWP Regulations and the Design Standards which MPS will be responsible for.

The Design Standards, which will be out for consultation in July, will set out how funds will connect and will be of real technical value. Emphasised that this whole project is for consumer benefit and so consumer research and user testing are constantly part of the programme.

There is also work to consider any risks associated with dashboard, such as scams. Delegates were encouraged to register for the programme newsletter and check out the website.

LGPS funds face two key administration challenges – data improvement and connection to the dashboard.

Funds will need to procure an integrated service provider and be aware that detailed technical specifications will be needed. The complexity of data flows should not be underestimated, and neither should the challenge of data cleansing.

Benefits of the dashboard include free national engagement and publicity tool! Member queries should be a welcome opportunity to improve data quality.

18. **SAB forward looking review**

Six years on from the inception of SAB it was felt that the time was right to review the scope and role of the Board, the way in which it operates and its longer-term strategy.

The Board met on the 21st April 2022 to discuss these issues. The Board reached a consensus that it needed to be more proactive in its activities and more forward looking. Improvements in communication with scheme stakeholders was

19. Local Government Pensions Committee (LGPC) - Death Grant Entitlement

The Committee considered whether SAB should make a recommendation to DLUHC that would amend the scheme regulations to remove the age 75 barrier to entitlement to a survivor's death grant.

Other public service pension schemes have made such an amendment and the committee agreed that the LGPS should explore doing likewise.

20. PASA publishes fraud guidance on pre-employment vetting

The Pensions Administration Standards Association (PASA) published on 19 April 2022 fraud guidance on vetting new employees.

PASA has been made aware of cases of fraud undertaken or assisted by pension administration employees. In some cases, individuals deliberately gained
employment with the intention of committing fraud. The guidance aims to counter this risk.

Please refer to Appendix 8 for more information

21. The Levelling Up and Regeneration Bill

The Levelling Up and Regeneration Bill has been introduced but does not include any specific provision requiring LGPS funds to publish plans to invest 5% of their portfolio in local projects.

It is assumed that DLUHC will use their regulations and guidance making powers under the Public Service Pensions Act 2013 to make the necessary regulations and guidance on levelling up. Further details will be given as part of the Departments public consultation in the Autumn.

22. Contributions banding increases

Technical Group March meeting discussed how increases to contributions could be applied to improve current situations.

The contribution bands in the regulations only increase by pensions increase and don’t take into account pay increases over and above inflation. This results in individuals been placed into higher pay bands. Consideration needs to be given to remove the contribution bands from the regulations and for them to be placed in guidance. This would make it easier to change the contribution bands as they would not need legislation for this to happen.

23. Pension Teamwork priorities

The Pension Team sent the annual pensioner newsletter in April and are now focusing on the annual benefit statements and the Funds Triennial Valuation.

The Team are also currently working with employers so they will, in future be able to submit their payroll data via i-connect to the team. The on boarding process also includes an extensive data cleansing exercise.

Onboarding completed:
- ARK John Keats Academy
- Jewish Community Academy Trust
- Kingsmead School
- Wren Academy Enfield

Onboarding in final stages:
- Aylward Academy
- Enfield Learning Trust
- EPM Academies: AIM North London, One Degree, Edmonton County, Southgate School, Lea Valley.

Onboarding pending:

- Capel Manor College
- Oasis Community Learning

Future onboarding planned for late 2022:
- Hertfordshire Catering Limited
- The Pantry
- WGC

This automation will greatly improve data quality and reduce manual intervention.

A planned restructure of the pensions team is currently under discussion to reflect the increasing demands of delivering – McCloud project, Pensions Dashboard and increased levels of work alongside increased level of communication ambitions.

Team training update – three members of the team will be attending a 4-day residential course with the LGA in Eastbourne in September for an intensive course on all aspects of administration.

Two members of the team currently on maternity leave are due to return in September and October respectively, both in part time capacity.

24. Pension Team – Annual Key performance Indicator (KPI's) 2021/22

A number of performance indicators are presented below to ensure that service to members of the pension fund is effective.

Process	No. of cases commenced in year	No. of cases completed in year	No. cases outstanding at year end	% completed in year
Deaths – initial letter acknowledging death of members	215	136	214	63.26%
Retirements – letter notifying estimate retirement benefits	536	390	98	72.76%
Retirements – letter notifying actual retirement benefits	786	466	320	59.29%
Deferment – calculate and notify deferred benefits	826	625	201	79.52%
Transfers in/out – letter detailing transfer quote	926	562	35	60.69%
Transfers in/out – letter detailing transfer actual	388	210	178	54.12%
Refund – Process & pay a refund	110	98	12	89.09%
Divorce quote – letter detailing cash equivalent value and other benefits	32	26	6	81.25%
Divorce settlement – letter detailing implementation of pension sharing orders	4	2	2	50%
Joiners – notification of date of enrolment (+ iconnect) Manual 253 + Auto 1028 Total 1281	1281	1281	0	100.0%

Key Performance Indicators				
Process	**KPI**	**Good Practice Requirement**	**%**	
Deaths – letter notifying amount of dependants pension	136	2 Months	75.74%	
Retirements – letter notifying estimate of retirement benefits	390	2 Months	93.33%	
Retirements – letter notifying actual retirement benefits	466	2 Months	73.30%	
Transfers in/out - letter detailing transfer quote	562	2 Months	77.44%	
Transfers in/out – letter detailing transfer actual	210	2 Months	62.79%	
Refund – process and pay a refund	98	2 Months	98.97%	
Divorce quote - letter detailing cash equivalent value and other benefits	26	2 months	56%	
Divorce settlements – letter detailing implementation of pension sharing	2	3 Months	0%	
Joiners – notifications of date of enrolment Manual 253 + Auto 1028 Total 1281	1,281	2 Months	100.0%	
Deferment – calculate and notify deferred benefits	625	2 Months	75.67%	

Complaints Received

The pension administration team occasionally deal with members of the fund who dispute an aspect of their pension benefits. These cases are dealt with by the Internal Dispute Resolution Procedure (IDRP).

There has been only one IDRP case during 2021/22 which was resolved at stage only and no Ombudsman rulings were made against the Fund

25. Main Considerations

No main considerations arising from the report.

26. Safeguarding Implications

No Safeguarding implications arising from the report.

27. Public Health Implications

The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the Borough

28. Equalities Impact of the Proposal

The Enfield Pension Fund is committed to fairness for all to apply throughout all work and decisions made. The Administration Authority serves all members of the Enfield Pension Fund and employees who are eligible to join the scheme fairly, tackling inequality through the provision of excellent services for all.

29. **Environmental and Climate Change Considerations**
There are no environmental and climate change considerations arising from the report

30. **Risks**
The Pension Team risk register is attached to this report

31. **Financial Implications**
There are no financial implication to report

32. **Legal Implications**
The amended Admissions Policy drafted by the Council's actuaries Aon adhere to the LGPS Regulations 2013.

33. **Workforce Implications**
There are no workforce implications to report

34. **Property Implications**
There are no property implications arising from this report

35. **Other Implications** – None

36. **Options Considered – none**

37. **Conclusions – None**

Report Author: Tim O'Connor
Pensions Manager
tim.'connor@enfield.gov.uk
020 83798905

Appendices

Appendix No 1
Special Severance Payments
https://lgpslibrary.org/assets/cons/lgpsew/20210702_SG.pdf

Appendix 2
New legal requirement to 'nudge' AVC members to guidance

https://tpr-prdsitecore-uksouth-cd.azurewebsites.net/en/document-library/scheme-management-detailed-guidance/communications-and-reporting-detailed-guidance/6-communicating-and-reporting

Appendix 3
Annual allowance changes
https://www.legislation.gov.uk/ukpga/2022/3/contents/enacted
https://www.legislation.gov.uk/uksi/2022/392/contents/made

Appendix 4
PASA good practice guidance on defined benefit (DB) transfers
https://www.pasa-uk.com/press-release-pasa-releases-good-practice-guidance-on-db-transfers/

Appendix 5
Data Subject Access Requests (DSARs)
https://www.lgpsregs.org/resources/guidesetc.php

Appendix 6
Scheme annual report
https://www.lgpsboard.org/index.php/schemedata/scheme-annual-report

Appendix 7
The LGPS - Today's challenges, Tomorrow's opportunities report
https://www.plsa.co.uk/Policy-and-Research/Document-library/The-Local-Government-Pension-Scheme-todays-challenges-tomorrows-opportunities

https://www.plsa.co.uk/Portals/0/Documents/Policy-Documents/2022/LGPS-Report-2022-Executive-Summary.pdf

Appendix 8

PASA publishes fraud guidance on pre-employment vetting
https://www.pasa-uk.com/press-release-pasa-releases-fraud-guidance-on-pre-employment-checks-for-administrators/

Background Papers

- Prudential Letter – May 2022
- Recruitment and retention survey results
- Pensioners Newsletter 2022

LONDON BOROUGH OF ENFIELD PENSION FUND – ADMINISTRATION - RISK REGISTER – Sept 2022

Area	Risk Register	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Benefits	Processing of Benefits	2	4	Low	No	Pension benefits not paid out accurately or at the right time	Pensions Administration Team	member not paid causing financial hardship. Plus financial and reputational damage to pension fund	Members identifed with reporting controls in place and contacted in time. Benefits are checked by another officer and audit checks in place.	Controls and checks in place to be continued to be reviewed to ensure no errors.	01/01/2023
	Overage deferred records not paid	3	6	Medium	No	Benefits not paid out to eligible members as not claimed by member	Pensions Administration Team	member not paid causing financial hardship. Plus financial and reputational damage to pension fund	All identified have been written to but a Project plan in progress to find these members required	Project plan in progress to use external outscource to find missing members addresses. Systems Team to identify amount.	30/11/2022
	Over 75 benefits not paid - insert figures	4	4	Low	No	Benefits not paid out to eligible members	Pensions Administration Team	member not paid causing financial hardship. Plus financial and reputational damage to pension fund	Members identifed and payroll notified - involves low numbers but vigilance required when reporting	Systems team to run future reports for 2021 to identify any future members reaching 75 this year. Missing member address tender required	01/01/2023
	AVCs at leaving	3	6	Medium	No	PF not notifying member of AVCs held so they are either not claimed or forgotten by the member	Pensions Administration Team	member not paid, could cause financial hardship. Also financial and reputational damage to pension fund	Checks are completed and further discussion is due with new client managers at Prudential	Constant communication with Prudential has been required to ensure work is on track	31/03/2022
	AVCs -Prudential annual statements	1	9	Medium	No	Prudentail not notifying member of AVCs held within the agreed timelines so they are either not claimed or forgotten by the member	Pension Fund	Reputational damage and complaints direct to the Fund regarding Prudentials poor service.	Prudential have informed us that they have informed the Pension Regulator	To ask Prudential for proof to also look at other AVC providers	31/08/2022
Projects	Aggregation of benefits - pre and post April 14	3	6	Medium	Yes	Failure to offer linking of member services.	Pensions Administration Team	member not notified of benefits. Plus financial and reputational damage to pension fund	Project in place - to focus on none McCloud affected members as part of new approach. To be rolled out to team	Historical Members identifed - administration team working through both old and new cases as they appear each month	31/10/2022
	McCloud review	3	6	Medium	Yes	Government lost a test case which resulted in all public sector funds to review their data to ensure no one has lost out	Systems Team	member not paid the correct benefits. Plus financial and reputational damage to pension fund	Systems Team to focus on next stage of data interrogation of members identified plus discuss additional resources	Ensure new legistlation updates are reviewed. Systems Team to contact employers re data retention - esp hours previously held	30/09/2022
	Pensions Dashboard	3	3	Low	Yes	New national IT System to allow everyone to view all their pension benefits (including state pension) in one place	Pensions Fund	Reputation damage and fines from pension regulator if we don't supply correct data to the dashboard on a regular basis	Project plan in place but linked in with all LGPS funds as IT is developed	awaiting actual go live date - 2024 but likely to be later as McCloud completion needs to have completed	31/03/2023
	National Fraud Initiative (NFI)	3	6	Medium	Yes	New online system allows more frequent checks and updating	Julie Barker	Overpayment of pensions if not identified and stopped.	Project review taking place to see if a monthly review in under/over payments of death cases sits more efficiently in payroll	awaiting initial investigation of results supplied by NFI in order to agree a new process.	31/08/2022

Agenda Item 10

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LONDON BOROUGH OF ENFIELD PENSION FUND – ADMINISTRATION - RISK REGISTER – JULY 2022

Area	Risk Register	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Projects	Annual Allowance	3	3	Low	Yes	All cases identified and notified within timelines	Andreas Andrea	Tax implications for both member and member if incorrectly notified	project team in place - actions left to complete -	Andreas to produce project plan for 2020 and involves Rebecca Moore in delivery	01/11/2022
	Lifetime Allowance [INCLUDE PROTECTIONS]	3	3	Low	Yes	All processed correctly?	Andreas Andrea	Tax implications for both member and member if incorrectly notified	All complex queries are referred to risk owner	Andreas to produce project plan for 2020 and involves Rebecca Moore in delivery	01/11/2022
	Triennial Valuation 2022	3	6	Medium	Yes	Completion of the administration side of the triennial valuation in a timely manner.	Tim O'Connor	Incorrect benefits paid out. Financial and reputational damage to fund.	Currently in progress	Risk owner to outline project timelines along with appropriate stakeholders.	31/07/2022
	GMP - HMRC	4	4	Low	Yes	All GMP related work to have been completed in line with the closedown of GMP related work at the DWP.	Tim O'Connor	Incorrect data on records leading to incorrect payment. Taking on the responsibility of cases because we have not data cleansed sufficiently.	Final Cut of data now received from HMRC - project plan in place to work through.	project plan in place	31/03/2023
	ABS	3	6	Medium	Yes	Sent out correctly and in line with prescribed timescales	Systems Team with support from Tim O'Connor	Incorrect statements can lead to members making incorrect financial decisions. Causing reputational damage to the fund.	Project plan in place and currently in progress	Review in January for letters and also include online feedback survey	31/08/2022
	Workflow aligning with SLAs and all procedures captured	4	4	Low	Yes	Workflow completion timescales are currently more generous and consequently out of sync with SLA timescales and with disclosure of Regulations timescales this means our KPIs are reporting inaccurate data	Tim O'Connor with support from Systems Team	This could incur fines from the Pensions Regulator. Also impossible to plan resources when KPIs giving a different slant on work completion/outstanding.	Project plan in place	Project to align all the workflows to SLA and Disclosure of Regs timescales, this needs to be documented in test as steps within the workflows.	31/12/2022
	Correctly uploading factor tables	1	1	Low	No	are the correct factors in place in Altair?	Andreas Andrea	Incorrect factor tables could lead to incorrect payments of benefits if anomalies are not identified by the Benefits Team	inplace and Systems team working with Heywoods on new releases and updates required	None required at present	31/03/2023
	Event reporting	3	6	Medium	No	Capturing all area's of work	Andreas Andrea	HMRC fines for both fund and member. Reputational damage to fund in the event of any fine	Systems team supporting Pensions Finance Officer to ensure migration to online has been completed	System team to complete a written procedure for the procedure matrix	31/12/2022
	Missing Addresses	3	3	Low	No	Could lead to personal data going to a wrong address or benefits not claimed.	Tim O'Connor with support from the Systems Team	Not having the ability to contact the member to notify or pay our benefits	Project plan in place	Tender required to outscource missing members addresses to a tracing agency. Systems Team to identify amount.	31/08/2022

Agenda Item 10

LONDON BOROUGH OF ENFIELD PENSION FUND – ADMINISTRATION - RISK REGISTER – JULY 2022

Area	Risk Register	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
	End of year updating (LGPS 2022 scheme and employer data issues)	3	9	Medium	Yes	Year updating of Altair IT System. Pensions Increase programme. Plus EOY factor tables. Employee data for salaries and contributions - if incorrect. Member could be wrongly paid.	Andrea Andrea	Impact on both members payments and incorrect ABS	Project plan in place - work is double checked by system team - currently in good progress as more employers have been onboarded to Iconnect	None required at present - a written process to be produced for new systems team members to follow	31/03/2023
	Data cleansing meeting TRP record-keeping	3	3	Low	No	Establish a clear and consistent data cleansing programme. Expansion of pensions dashboard.	Tim O'Connor with support from both administration and Systems teams	Without a clear, consistent and routine data cleansing programme, the fund cannot be confident that errors will not occur, Pension Regulator targets will not be met causing reputational damage	project plan in place	Establishment of a comprehensive suite of routine data cleansing processes as part of a full programme. Procedure to capture this area of work.	01/01/2023
	Procedure matrix	3	9	Medium	Yes	procedures all captured and up to date?	Tim O'Connor with support from both administration and Systems teams	Without an up to date procedure matrix it will be impossible to know who is following the correct procedure. This could lead to cases been incorrect benefits been paid, also risk of reputational damage	Procedure project in progress	Team Leaders to routinely capture any missing processes and monthly reviews on updates	31/03/2023
	Training matrix	3	9	Medium	No	Up to date with all training work - 2 new members in systems currently learning. 2 experienced admin members going on maternity leave in autumm, new cover required	Tim O'Connor	Without an up to date training matrix it will be impossible to know who is skilled in what area, what training is required and this could lead to incorrect calculations due to a lack of knowledge	Both internal and external training is being conducted - including 3 pension officers attending a 4 day residential course in Sept 22.	to complete upto date training matrix	31/03/2023
gement	KPI - statistic's	4	4	Low	No	Accurate and up to date?	Tim O'Connor	Without accurate and clear data it is impossible to plan the resources of the team. This has several risks	Yes	Review and annual update - new tasks to add	31/03/2023

LONDON BOROUGH OF ENFIELD PENSION FUND – ADMINISTRATION - RISK REGISTER – JULY 2022

Area	Risk Register	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Management	KPI - statistic's	4	4	Low	No	Accurate and up to date?	Tim O'Connor	Without accurate and clear data it is impossible to plan the resources of the team. This has several risks	Yes	Review and annual update - new tasks to add	31/03/2023
	Discretions Employers	2	2	Low	No	All admin auth discretions made?	Tim O'Connor and Andreas Andrea	Members may suffer if Employers have not been a clear discretions policy as required.	Project plan in place as part of employer specific work	To chase remaining Employers to obtain a written discretions policy - arrange and visit remaining employers, i.e. attendance at town council meetings. Briefing paper to outline this area.	31/12/2022
	Staffing levels	3	6	Medium	No	Capacity issues: 2 Senior members of staff going on maternity leave	Tim O'Connor & Julie Barker	Resourcing work and all other projects could be hindered or slowed down by lack of team members.	Yes resourcing meeting taking place in July with Head of Service	more planning in next stage development required - McCloud impact	31/07/2022
	LGA Bulletins – bullet points being actioned	4	4	Low	No	all action points addressed by Managers?	Tim O'Connor, Andreas Andrea, Tracey Rogers	Action from Bulletin not completed could have financial implications for members. Risk of reputational damage	Bulletins are reviewed monthly, actions required	To review at Monthly team meeting meeting	30/12/2022
	Data Protection / Cyber training	3	6	Medium	No	Everyone adhering to the new data protection rules?	All	Member or other body wrongly notified of personal data. Heavy Fine from ICO plus reputational damage to pension fund.	Training, procedures. Routine reminders.	Annual refresher training before end of 31/05/2021 required. Auditing of cases on a routine basis.	31/03/2023
Governance	Local Pension Board - administration papers	3	3	Low	Yes	Providing administration data to the LPB	Tim O'Connor	Board members not being able to access information at the right time.	Yes. Dates of meetings and also dates of issue of papers to Committee members now confirmed for 22/23	To ensure all administration reports are sent by the deadline given - dates of issue to the Committee to be confirmed from Bola Tobun.	31/03/2023

Enfield Pension Fund

LONDON BOROUGH OF ENFIELD PENSION FUND – ADMINISTRATION - RISK REGISTER – JULY 2022

Area	Risk Register	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Mana	Discretions Employers	2	2	Low	No	All admin auth discretions made?	Tim O'Connor and Andreas Andrea	Members may suffer if Employers have not been a clear discretions policy as required.	Project plan in place as part of employer specific work	To chase remaining Employers to obtain a written discretions policy - arrange and visit remaining employers, i.e. attendance at town council meetings. Briefing paper to outline this area.	31/12/2022
	Staffing levels	3	6	Medium	No	Capacity issues: 2 Senior members of staff going on maternity leave	Tim O'Connor & Julie Barker	Resourcing work and all other projects could be hindered or slowed down by lack of team members.	Yes resourcing meeting taking place in July with Head of Service	more planning in next stage development required - McCloud impact	31/07/2022
	LGA Bulletins – bullet points being actioned	4	4	Low	No	all action points addressed by Managers?	Tim O'Connor, Andreas Andrea, Tracey Rogers	Action from Bulletin not completed could have financial implications for members. Risk of reputational damage	Bulletins are reviewed monthly, actions required	To review at Monthly team meeting meeting	30/12/2022
	Data Protection / Cyber training	3	6	Medium	No	Everyone adhering to the new data protection rules?	All	Member or other body wrongly notified of personal data. Heavy Fine from ICO plus reputational damage to pension fund	Training, procedures. Routine reminders.	Annual refresher training before end of 31/05/2021 required. Auditing of cases on a routine basis.	31/03/2023
Governance	Local Pension Board - administration papers	3	3	Low	Yes	Providing administration data to the LPB	Tim O'Connor	Board members not being able to access information at the right time.	Yes. Dates of meetings and also dates of issue of papers to Committee members now confirmed for 22/23	To ensure all administration reports are sent by the deadline given - dates of issue to the Committee to be confirmed from Bola Tobun.	31/03/2023
Employer	Employer data provided on time	2	2	Low	No	Work received from all employers in a timely manner on a monthly basis which contains minimal errors	Karen Bennett	member could be paid incorrectly. Plus financial and reputational damage to pension fund	unknown - risk owner to confirm	establishment of procedure and routine monitoring of performance against targets	31/07/2022
	Legal turnaround times for Admission Agreements	3	6	Medium	No	Internal legal not responding to request or moving work in a timely manner.	Julie Barker with support from Tim O'Connor	Reputational risk with employers and lead to commercial issues occurring.	Project plan in place as part of employer specific work and currently working on	SLA with HOP to discuss with legal to establish agreed turnaround times.	31/12/2022

Agenda Item 10

LONDON BOROUGH OF ENFIELD PENSION FUND – ADMINISTRATION - RISK REGISTER – JULY 2022

Area	Risk Register	Likelihood	X	Level of Risk	Project work	Cause of Risk	Risk Owner	Impact	Controls in place	Further action required	Review date
Communications	Communications Quality Assurance	4	4	Low	No	letters, newsletters, website, emails, telephone calls clinics.	Tim O'Connor with support from all Pensions Team	Members not been updated at the right time.	Yes	Employer newsletter being worked on. Active & Pensioner newsletters sent for 2022.	31/12/2022
	Website	4	4	Low	No	not up to date and new branding to add to the site	Tim O'Connor with support from Systems Team	Members reading incorrect information could lead to incorrect decisions been made	Yes - project plan and review started and reshaping of website planned	some additions ready to now add - re governance page and AVCwise information and year end information	31/10/2022
	Presentations/online	4	4	Low	No	Various Managers trying to cover both this role and their own. Developing new online webinars for scheme members	Tim O'Connor with support from the Pensions Team	Not having the resources to cover adequately. Information not getting to the right people at the right time.	Yes, one conducted in April, some new requests in and looking at Sept onwards	look at recording online presentations to be held on the website and sent as a link to members.	31/12/2022
	Pension Webinars	4	4	Low	Yes	EPF indicated Fund would hold these in 2020 but the pandemic meant cancelling. These could be introduced in an online facility	Tim O'Connor with support from the Pensions Team and with HR for online Pre-retirement courses	Members don't receive the service and are not as well informed as they should be.	Yes	1:1 online pension meetings - post issue of ABS to be set up with booking system being looked at	31/03/2022
	Member Self Service	3	3	Low	Yes	Members having issues accessing MSS and not seeing the correct screens - has been resolved but continue to watch	Systems Team	Members don't receive the service and are not as well informed as they should be.	Yes - a Systems team project plan is also in place - to look at when pensioners invited to see if any similar issue	Deferred members invited to join. Further work on online form completion being looked at.	31/12/2022
Security	Cyber security	3	6	Medium	Yes	Increased risk of online attack due to pandemic	Julie Barker with support from Tim O'Connor and IT	Fraud, reputational damage	Yes	ensure staff have completed training and remain vigilant	31/03/2023

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London Borough of Enfield

ENFIELD PENSION BOARD

Meeting Date: 15 September 2022

Subject:	Employers Contribution Report
Cabinet Member:	Cllr Leaver
Executive Director:	Fay Hammond
Key Decision:	**[ ]**

Purpose of Report

1. This report updates the Board on the collection of Employer contributions up to July 2022 which were due on 19 August 2022.

2. The key decision making for, and management of, the Fund has been delegated by the London Borough of Enfield the Council to a formal Pension Fund Committee (PPIC), supported by officers of the Council and advisers to the Pension Fund.

3. The Executive Director of Resources is the Section 151 Officer and therefore has a statutory responsibility for the proper financial affairs of the Council including Fund matters.

4. A local pension board has been in place since April 2015 to assist in:

   a) securing compliance of Fund matters; and

   b) ensuring the efficient and effective governance and administration of the Fund.

Proposal(s)

5. The Pension Board is recommended to note the contents of this report and the attached Appendix.

Reason for Proposal(s)

6. The Pension Board is recommended to note this report and the activity of the team in bringing this area back to an acceptable standard.

7. The Pensions Board's role is to assist the Administering Authority in ensuring compliance with the regulations.

Relevance to the Council's Corporate Plan

8. Good homes in well-connected neighbourhoods.

9. Build our Economy to create a thriving place.

10. Sustain Strong and healthy Communities.

Background

11. Under the Local Government Pension Scheme (LGPS) Regulations, Enfield Council is required to maintain a pension fund for its employees and other 'scheduled bodies' as defined in the Regulations known as the Enfield Pension Fund (EPF or the Fund). The Regulations also empower the Fund to admit employees of other 'defined' (e.g. other public bodies) bodies into the Fund.

12. The Employers (scheduled and admitted bodies) are required to pay both employee and employer contributions to the Fund monthly. The contributions rates for members is set out in the LGPS Regulations. The Employer contribution rate is set at the triennial valuation and recorded in the rates and adjustment certificate issued by the Funds actuary.

13. The Employers are required by regulations to make the payment of contributions to the Fund be made no later than 19 days of the following month in which the contributions were deducted from payroll (22 days by means of an electronic communication).

2021/22 Contributions

14. The Enfield Pension Fund has set the 19 days following the month in which the contributions were deducted from payroll to determine if a payment has been received on time. The attached Appendix 1 sets out the number of payments received after the 19 days have elapsed.

15. Contributions are received after the 19th day of each month following contributions deducted up to the 19 August 2022 is shown as Appendix 1 to this report.

16. In total there have been 4 late payments of contributions out of 140 expected payments. This is attributed to four different employers in the Fund. Four different employers, each paid their contribution late once, each month since the beginning of this financial year. So, every month from April 2022 to July 2022, we had an employer paying late.

17. Capel Manor College was late by a day, had an internal issue in April 2022 hence their payment missed 19th May deadline. **Enfield Equality Centre (EREC)** missed the June 2022 payment deadline by 18 days due to an error, the third employer **Fusion Lifestyle** missed the July payment deadline by a day due to an oversight of the admin team and **WGC** missed the August payment deadline by 5 days, we are yet to receive the reason for paying late.

Safeguarding Implications

18. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

Public Health Implications

19. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

20. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

21. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

22. The monitoring and timely collection of employer contributions will minimise risks relating to the management of the Fund and should assist in managing down the risk of non-compliance with the Council's obligations under the Regulation as the administering authority of the London Borough of Enfield Pension Fund.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

23. Not adhering to legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

24. Untimely payment of contributions or non-payment of contributions to the Fund can give rise to deficit whereby the Fund current Funding level of 103% can easily be depleted and the Fund ending up being severely underfunded.

Legal Implications

25. Regulation 106(1) of the Local Government Pension Scheme Regulations 2013 provides for each Administering Authority to establish its own Local Pension Board with responsibility for assisting the Administering Authority to

secure compliance with the Regulations, other legislation relating to the governance and administration of the LGPS and the requirements imposed by the Pensions Regulator in relation to the LGPS. The Board must also ensure the effective and efficient governance and administration of the LGPS.

Workforce Implications

26. The employer's contribution is a significant element of the Council's budget and consequently any improvement will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Property Implications

27. None

Other Implications

28. None

Options Considered

29. No other option.

Conclusions

30. The Pension Board is recommended to note this report and the activity of the team in bringing this area back to an acceptable standard.

Report Author: Bola Tobun
Finance Manager – Pensions & Treasury
Bola.Tobun@enfield.gov.uk
Tel no. 020 8132 1588

Date of report 26th August 2022

Appendices
Appendix 1 –Enfield PF Employers Late Contribution Payments Schedule July 2022

Background Papers - None

Employers Contributions for 2022-23

Employers	April	May	June	July	Total
London Borough of Enfield					**0**
Scheduled Bodies					
Capel Manor College	1				**1**
Oasis Hadley Academy					**0**
Oasis Enfield Academy					**0**
Jewish Community Academy					**0**
AIM Academy North					**0**
Kingsmead Academy					**0**
Enfield Grammar Academy					**0**
Southgate School					**0**
Lea valley Academy					**0**
Enfield Learning Trust					**0**
Adnan Jaffrey Trust (One Degree Academy)					**0**
Attigo Academy Trust					**0**
ARK John Keats Academy					**0**
Meridian Angel Primary School					**0**
Ivy Learning Trust					**0**
North Srar Community Trust (was CHAT)					**0**
Edmonton County Academy					**0**
Children First Academy					**0**
Wren academy					**0**
Subtotal – Scheduled Bodies	**1**	**0**	**0**	**0**	**1**
Admitted Bodies					
Enfield Voluntary Action					**0**
Enfield Equality Centre (EREC)		1			**1**
Enfield Carers Centre					**0**
The Pantry (UK) Ltd					**0**
Hertfordshire Catering Ltd					**0**
Fusion Lifestyle			1		**1**
Sodexo					**0**
Reed Wellbeing					**0**
Birkin – Nightingale					**0**
Olive Dining - Edmonton					**0**
Olive Dining – Nightingale					**0**
European Cleaning Services					**0**
North London Homecare & Support Ltd					**0**
WGC Ltd				1	**1**
Fitzpatrick					**0**
NORSE commercial services					**0**
Churchill					**0**
Metropolitan Support Trust					**0**
Leisure Trust					**0**

Employers Contributions for 2022-23

Employers	April	May	June	July	Total
Kier Group Services					**0**
Edwards & Blake					**0**
Hughes Gardner					**0**
Equion Facilities Management					**0**
Outward Housing					**0**
Elior UK					**0**
Birkin -Bishop Stopford					**0**
Birkin – Winchmore					**0**
Olive Dining – Aylward					**0**
BDI Securities UK Ltd					**0**
Purgo Supply Services					**0**
Sanctuary Housing					**0**
Lewis & Graves Partnership					**0**
Subtotal – Admitted Bodies	**0**	**1**	**1**	**1**	**3**
Total no. days payments being late	**1**	**1**	**1**	**1**	**4**

	April	May	June	July	Total
Total payments due	**35**	**35**	**35**	**35**	**140**
Payments received late	1	1	1	1	**4**

Employers with active members.
Latymer is part of LBE but pay their own contribution.

Agenda Item 12

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ENFIELD Council

London Borough of Enfield

ENFIELD PENSION BOARD

Meeting Date: 15 September 2022

Subject:	**London Collective Investment Vehicle (CIV) Update**
Cabinet Member:	**Cllr Leaver**
Executive Director:	**Fay Hammond**

Purpose of Report

1. This report provides a summary of London Collective Investment Vehicle (CIV) updates on investment, new products and governance arrangements.

Proposal(s)

2. The Enfield Pension Board are recommended to note the content of this report;

Reason for Proposal(s)

3. This report introduces an update on LCIV governance arrangements, Fund launches, ESG and Enfield investments with London CIV.

4. For effective and efficient management of the Fund as regular engagement with the London CIV is crucial to the Fund, to ensure that the Pool makes available the strategies and services that Enfield Pension Fund and other London funds require. Successful delivery of these objectives will be crucial in ensuring that the anticipated longer term investment manager fee savings can be delivered.

Relevance to the Council's Corporate Plan

5. Good homes in well-connected neighbourhoods.

6. Build our Economy to create a thriving place.

7. Sustain Strong and healthy Communities.

Background

8. London CIV was established in 2015 as a collaborative vehicle to pool LGPS pension fund assets for a more effective investment and value adding operation. The purpose of the company is ***"to be the LGPS pool for London***

to enable the London Local Authorities (LLAs) to achieve their pooling requirements".

9. Pool members are both shareholders and investors. Beyond the practical purpose to deliver pooling, LCIV aspires to be "***a best in class asset pool delivering value for Londoners through long term sustainable investment strategies."*** This statement has been updated to emphasise their commitment to responsible investment and stewardship.

10. The attached appendices have the current update for London CIV as of end of August 2022 and the London CIV - Enfield Quarterly Investment Report March & June 2022.

Report Author: Bola Tobun
Finance Manager – Pensions & Treasury
Bola.Tobun@enfield.gov.uk
Tel no. 020 8132 1588

Date of report 26th August 2022

Appendices
Appendix 1 – London CIV Business Update **(Private and Confidential)**
Appendix 2 – London CIV - Enfield Quarterly Investment Report March 2022 **(Private and Confidential)**
Appendix 3 – London CIV - Enfield Quarterly Investment Report June 2022 **(Private and Confidential)**

Background Papers
None

London CIV

Working together to secure a sustainable future

Monthly Business Update
Thursday - 18 August 2022

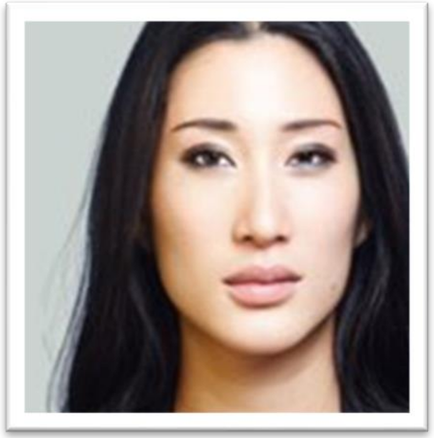
Presenters

London CIV

Mike O'Donnell
Chief Executive Officer

Brian Lee
Chief Operating Officer

Jason Fletcher
Chief Investment Officer



Vanessa Shia
Head of Private Markets

Cameron McMullen
Client Relations Director

Charlotte Hamilton
Head of Fund Accounting

Agenda

London CIV

01 INTRODUCTION
Mike O'Donnell, Chief Executive Officer

02 INVESTMENT TEAM UPDATE
Jason Fletcher, Chief Investment Officer

03 PRIVATE MARKETS UPDATE
Vanessa Shia, Head of Private Markets

04 FUND ACTIVITY
Brian Lee, Chief Operating Officer
Charlotte Hamilton, Head of Fund Accounting

05 CLOSING REMARKS
Mike O'Donnell, Chief Executive Officer

Mike O'Donnell
Chief Executive Officer

Conference September 2022

London CIV

- Venue is Twickenham Stadium on September 5-6th.
- Conference fully sponsored by 11 of our Investment Managers.
- Focus on Diversity and People.
- 100+ Attendees accepted including nearly 60 client funds reps.
- Keynote speakers Baroness Tanni Grey-Thomson and Lord Digby Jones both briefed on their content.
- Still time to register for our conference.

Our Partners

AVIVA INVESTORS
BlackRock
CQS
Morgan Stanley INVESTMENT MANAGEMENT
NEWTON Investment Management
nuveen A TIAA Company
PEMBERTON
PIMCO
Pyrford International BMO Global Asset Management
RUFFER
YOOCAPITAL

Jason Fletcher
Chief Investment Officer

Activity Update
July 2022

London CIV

Short-Term Activity

- UK Housing Investment case being prepared.
- Climate Analytics roll out – 2 completed, 2 in progress. Speaking with 3 new clients regarding service.
- Equity fund transitions.
- LCIV Global Bond Fund and LCIV MAC Fund realignment complete.
- Stewardship and TCFD annual reports.

Medium - Term Activity

- Strategy Roadmap- upgrading reporting at conference
- Net Zero strategy at conference
- Impact investing working group formed: cross-team initiative at conference
- Pooled fund structuring?
- Investment Governance Document (IGD) update.

Fund Range and Assets under Management
31 July 2022

London CIV

LONDON CIV

	Authorised Contractual Scheme (ACS) (Public Markets) **Total £12.75bn**									Exempt Unauthorised Unit Trust (EUUT) (Private Markets) **Total £2bn***		Scottish Limited Partnership (SLP) (Private Markets) **Total £195m***
	Global Equities									**Infrastructure**		**Private Markets**
Fund	LCIV Global Alpha Growth Fund	LCIV Global Equity Fund	LCIV Global Equity Focus Fund	LCIV Emerging Market Equity Fund	LCIV Sustainable Equity Fund	LCIV Sustainable Equity Exclusion Fund	LCIV Global Equity Core Fund	LCIV Global Alpha Growth Paris Aligned Fund	LCIV Passive Equity Progressive Paris Aligned Fund "PEPPA"	LCIV Infrastructure Fund	LCIV Renewable Infrastructure Fund	The London Fund
AUM	**£1,751m**	**£728m**	**£913m**	**£571m**	**£1,315m**	**£429m**	**£564m**	**£1,385m**	**£544m**	**£399m*/£189m****	**£854m*/209m****	**£195m*/£43m****
Launch Date	11/04/16	22/05/17	17/07/17	11/01/18	18/04/18	11/03/20	21/08/20	13/04/21	01/12/21	31/10/19	29/03/21	16/12/20
Manager	Baillie Gifford	Newton	Longview	JP Morgan	RBC	RBC	MSIM	Bailie Gifford	State Street	Stepstone	BlackRock, Quinbrook, Stonepeak and Foresight	LPPI
No. of Investors	9	3	5	8	8	3	2	7	2	6	10	2

	Multi Asset				**Fixed Income**			**Private Debt**	**Property**
Fund	LCIV Diversified Growth Fund	LCIV Global Total Return Fund	LCIV Absolute Return Fund	LCIV Real Return Fund	LCIV Alternative Credit Fund	LCIV MAC Fund	LCIV Global Bond Fund	LCIV Private Debt Fund	LCIV Inflation Plus
AUM	**£843m**	**£225m**	**£1,111m**	**£173m**	**£366m**	**£1,234m**	**£606m**	**£625m*/£269m****	**£213m*/213m****
Launch Date	15/02/16	17/06/16	21/06/16	16/12/16	31/01/2022	31/05/18	30/11/18	29/03/21	11/06/20
Manager	Baillie Gifford	Pyrford	Ruffer	Newton	CQS	CQS and PIMCO	PIMCO	Churchill and Pemberton	Aviva
No. of Investors	9	3	10	2	3	12	7	8	3

Source: London CIV.
Data as at 31/07/22.
(*) Assets committed.
(**) Assets deployed.

AUM = Assets under Management.

ACS AUM
£12.75bn

EUUT and SLP AUM
£818m

AUM "Pooled" with BlackRock and LGIM
£ 12.65bn

Total AUM
£26.21 bn

Note: any small discrepancies will be due to rounding differences.

Fund Monitoring Status
July 2022

London CIV

Watch List	Enhanced Monitoring	All Other London CIV funds
None	LCIV Global Equity Focus Fund **(Longview)** Upgraded May 2022 LCIV Global Total Return Fund **(Pyrford)** Downgraded August 2022 Fund Investors updated on 3 August	**14 LCIV Funds** **In-depth reviews – Q2 2022:** LCIV Global Alpha Growth Fund & LCIV Global Alpha Growth – Paris Aligned Fund **(Baillie Gifford)** LCIV Diversified Growth Fund **(Baillie Gifford)** LCIV Global Bond Fund **(PIMCO)** LCIV Alternative Credit Fund and LCIV MAC Fund **(CQS)**

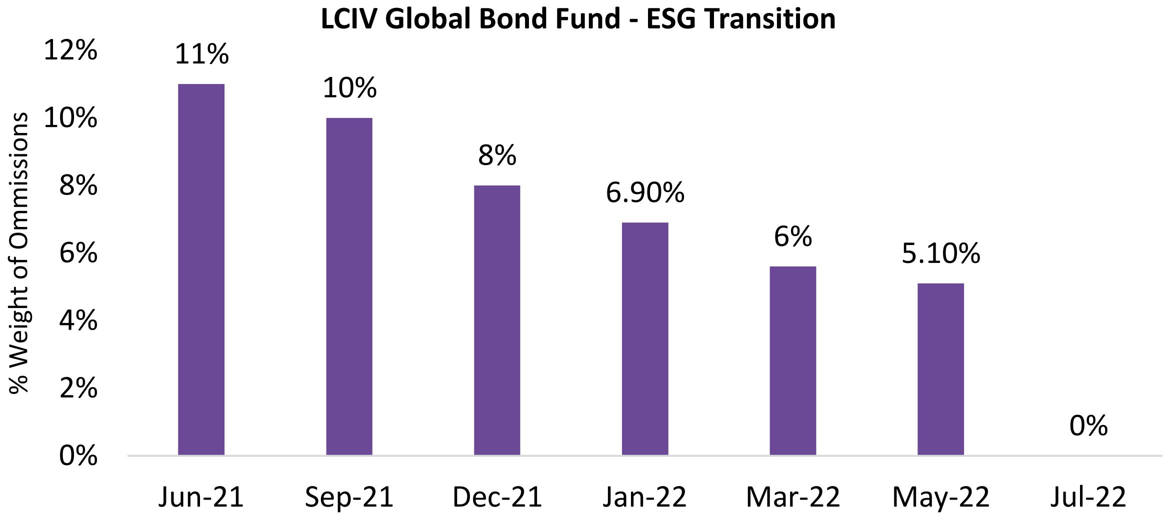
Source: London CIV Data as 31st July 2022

LCIV Global Bond Fund – ESG Transition
July 2022

London CIV

Omissions

- Adult Entertainment, Thermal Coal (Mining and Generation), Tobacco, Weapons, Oil Sand or Oil and Gas:
  - >10% Revenue exposure.
  - Sustainable/green bonds from these issuers are exempt.
- MSCI ESG Controversies Assessment.
- MSCI Global Norms Screening.
- Bottom 15% of Transparency International Corruption Perceptions Index.
- Bottom 15% of World Bank Worldwide Governance. Control of Corruption Index.
- Below 7 score on Freedom House Index.
- UN Security Council Sanctions.



Transition Cost

- The Sub-fund's transition cost amounted to nearly 1 basis point*
- Transition lasted six month between 10th Jan'22 – 10th Jul'22.

Source: London CIV Data as 31st July *Sourced from Investment Manager (Pimco)

LCIV MAC Fund – Transition
July 2022

London CIV

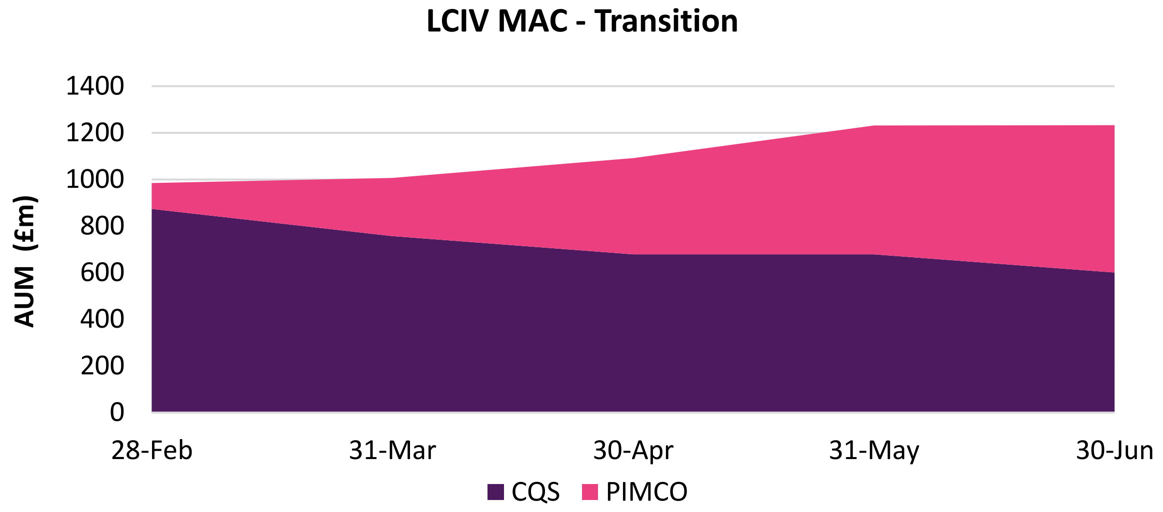
Flows

- Transition initiated on 28th Feb'22
- AuM 28th Feb'22: £874m (100% CQS)
- £398m new inflows -> resulting in £250m redemption from CQS, compared to initial estimate of £437m
- AuM 31st Jul'22: £1,234m (51% PIMCO, 49% CQS)

Estimated Cost

- Initial estimate: 19bps - 21bps
- Current cost: 16 bps (excludes July subscription for PIMCO)
- Overall cost negated by new inflows and investment manager crossing flows

Source: London CIV Data as 31st July 2022



New inflows represent nearly one-third of current AUM

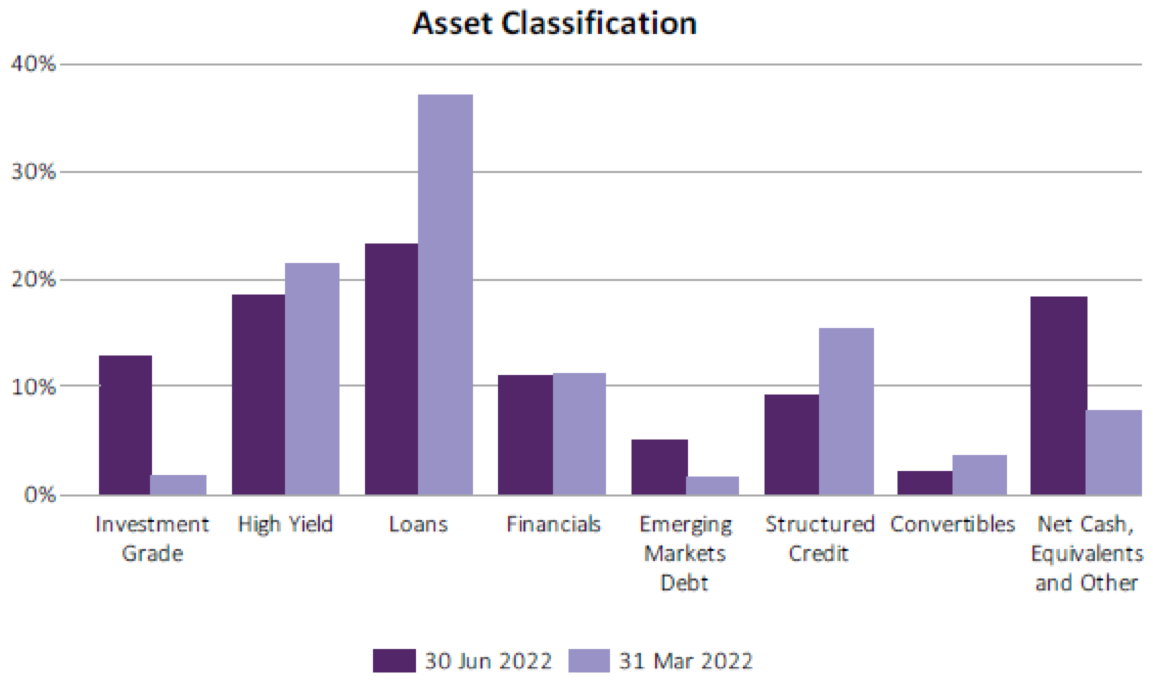
LCIV MAC Fund – Transition
July 2022

London CIV

Portfolio Characteristics

Key Statistics			
	PIMCO	CQS	LCIV MAC Fund
Weighted Average Rating	A	B+	BB+
Yield to Maturity (%)	7.03	9.92	8.62
Interest Rate Duration (yrs)	4.81	0.94	2.68
Spread Duration (yrs)	4.2	3.25	3.68

- The Sub-fund has access to broader range of credit asset classes because of the transition.
- Portfolio characteristics are also reflective of a more diverse Sub-fund.



Source: London CIV Data as 31st July 2022

Current Fund Offering
July 2022

London CIV

ACS	Size	Last 3 Months	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
GLOBAL EQUITIES								
LCIV Global Alpha Growth Fund	**£1,751m**	**1.58**	**(17.18)**	**6.29**	**9.36**	**13.78**	**11/04/2016**	**9**
MSCI All Country World Gross Index (in GBP)+2%		2.03	4.77	11.35	12.36	15.57		
Performance Against Investment Objective		**(0.45)**	**(21.95)**	**(5.06)**	**(3.00)**	**(1.79)**		
MSCI All Country World Gross Index (in GBP)		1.53	2.71	9.16	10.16	13.30		
Performance Against Benchmark		**0.05**	**(19.89)**	**(2.87)**	**(0.80)**	**0.48**		
LCIV Global Alpha Growth Paris Aligned Fund	**£1,385m**	**2.87**	**(18.59)**	**n/a**	**n/a**	**(13.60)**	**13/04/2021**	**7**
MSCI All Country World Gross Index (in GBP)+2%		2.03	4.77	n/a	n/a	6.92		
Performance Against Investment Objective		**0.84**	**(23.36)**	**n/a**	**n/a**	**(20.52)**		
MSCI All Country World Gross Index (in GBP)		1.53	2.71	n/a	n/a	4.82		
Performance Against Benchmark		**1.34**	**(21.30)**	**n/a**	**n/a**	**(18.42)**		
LCIV Global Equity Fund	**£728m**	**1.97**	**0.58**	**9.39**	**10.44**	**10.30**	**22/05/2017**	**3**
MSCI All Country World Index Total Return (Gross)+1.5%		1.72	4.29	10.90	11.80	11.92		
Performance Against Investment Objective		**0.25**	**(3.71)**	**(1.51)**	**(1.36)**	**(1.62)**		
MSCI All Country World Index Total Return (Gross)		1.34	2.75	9.25	10.15	10.27		
Performance Against Benchmark		**0.63**	**(2.17)**	**0.14**	**0.29**	**0.03**		
LCIV Global Equity Core Fund	**£564m**	**3.08**	**2.95**	**n/a**	**n/a**	**7.66**	**21/08/2020**	**2**
MSCI All Country World Index (with net dividends reinvested)		1.19	2.24	n/a	n/a	11.59		
Performance Against Benchmark		**1.89**	**0.71**	**n/a**	**n/a**	**(3.93)**		
LCIV Global Equity Focus Fund	**£913m**	**4.80**	**7.75**	**8.81**	**10.60**	**10.24**	**17/07/2017**	**5**
MSCI World (GBP)(TRNet)+2.5%		2.42	6.38	12.55	13.33	13.20		
Performance Against Target		**2.38**	**1.37**	**(3.74)**	**(2.73)**	**(2.96)**		
MSCI World (GBP)(TRNet)		1.79	3.78	9.80	10.57	10.44		
Performance Against Benchmark		**3.01**	**3.97**	**(0.99)**	**0.03**	**(0.20)**		

Source: London CIV Data as at 31 July 2022

Current Fund Offering
July 2022

London CIV

ACS	Size	Last 3 Months	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
GLOBAL EQUITIES								
LCIV Emerging Market Equity Fund	**£571m**	**(0.91)**	**(10.94)**	**0.64**	**n/a**	**0.19**	**11/01/2018**	**8**
MSCI Emerging Market Index (TR) Net+2.5%		(2.89)	(6.42)	3.64	n/a	3.20		
Performance Against Investment Objective		**1.98**	**(4.52)**	**(3.00)**	**n/a**	**(3.01)**		
MSCI Emerging Market Index (TR) Net		(3.50)	(8.70)	1.11	n/a	0.68		
Performance Against Benchmark		**2.58**	**(2.24)**	**(0.47)**	**n/a**	**(0.49)**		
LCIV Sustainable Equity Fund	**£1,315m**	**4.36**	**(3.30)**	**10.59**	**n/a**	**13.00**	**18/04/2018**	**8**
MSCI World Index Total Return (Net) in GBP+2%		2.30	5.86	12.00	n/a	14.26		
Performance Against Investment Objective		**2.06**	**(9.16)**	**(1.41)**	**n/a**	**(1.26)**		
MSCI World (GBP)(TRNet)		1.79	3.78	9.80	n/a	12.02		
Performance Against Benchmark		**2.56**	**(7.08)**	**0.79**	**n/a**	**0.98**		
LCIV Sustainable Equity Exclusion Fund	**£429m**	**4.54**	**(3.00)**	**n/a**	**n/a**	**25.12**	**11/03/2020**	**3**
MSCI World Index Total Return (Net) in GBP+2%		2.30	5.86	n/a	n/a	21.88		
Performance Against Investment Objective		**2.24**	**(8.86)**	**n/a**	**n/a**	**3.24**		
MSCI World (GBP)(TRNet)		1.79	3.78	n/a	n/a	19.48		
Performance Against Benchmark		**2.75**	**(6.78)**	**n/a**	**n/a**	**5.64**		
LCIV Passive Equity Progressive Paris Aligned Fund	**£544m**	**2.16**	**n/a**	**n/a**	**n/a**	**(5.34)**	**01/12/2021**	**2**
S&P Developed Ex-Korea LargeMidCap Net Zero 2050 Paris-Aligned ESG Index (GBP)		2.09	n/a	n/a	n/a	(5.52)		
Performance Against Index		**0.07**	**n/a**	**n/a**	**n/a**	**0.18**		

For the LCIV Emerging Market Equity Fund Janus Henderson managed from inception to 10 October 2019. We have appointed JP Morgan to manage this Fund from 11 October 2019.

Source: London CIV Data as 31st July 2022.

Current Fund Offering
July 2022

London CIV

ACS	Size	Last 3 Months	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
MULTI ASSET								
LCIV Global Total Return Fund	**£225m**	**1.20**	**3.97**	**2.82**	**2.35**	**3.33**	**17/06/2016**	**3**
RPI + 5%		1.28	16.86	10.79	9.72	9.56		
Performance Against Target		**(0.08)**	**(12.89)**	**(7.97)**	**(7.37)**	**(6.23)**		
LCIV Diversified Growth Fund	**£843m**	**(6.18)**	**(9.28)**	**0.06**	**1.29**	**3.44**	**15/02/2016**	**9**
UK Base Rate +3.5%		1.16	4.06	3.89	3.97	3.94		
Performance Against Target		**(7.34)**	**(13.34)**	**(3.83)**	**(2.68)**	**(0.50)**		
LCIV Absolute Return Fund	**£1,111m**	**(4.18)**	**2.17**	**7.25**	**5.07**	**5.78**	**21/06/2016**	**10**
SONIA (30 day compounded) +3% (from 1 January 2022, previously 1m LIBOR +3%)		1.00	3.46	3.33	3.43	3.41		
Performance Against Target		**(5.19)**	**(1.29)**	**3.92**	**1.64**	**2.37**		
LCIV Real Return Fund	**£173m**	**(2.15)**	**(4.28)**	**3.10**	**3.80**	**4.06**	**16/12/2016**	**2**
SONIA (30 day compounded) + 3% (from 1 October 2021, previously 1m LIBOR +3%)		1.00	3.45	3.33	3.43	3.41		
Performance Against Investment Objective		**(3.15)**	**(7.73)**	**(0.23)**	**0.37**	**0.65**		

Source: London CIV Data as 31st July 2022. Note: any small discrepancies will be due to rounding differences.

Current Fund Offering
July 2022

London CIV

ACS	Size	Last 3 Months	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
FIXED INCOME								
LCIV Global Bond Fund	**£606m**	**(0.56)**	**(12.54)**	**(1.58)**	**n/a**	**1.35**	**30/11/2018**	**7**
Bloomberg Global Aggregate Credit Index – GBP Hedged		0.44	(11.57)	(1.27)	n/a	1.34		
Performance Against Benchmark		**(1.00)**	**(0.97)**	**(0.31)**	**n/a**	**0.01**		
LCIV MAC Fund	**£1,234m**	**(4.11)**	**(5.49)**	**0.67**	**n/a**	**1.52**	**31/05/2018**	**12**
SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)		1.37	4.98	4.88	n/a	5.00		
Performance Against Investment Objective		**(5.48)**	**(10.47)**	**(4.21)**	**n/a**	**(3.48)**		
LCIV Alternative Credit Fund	**£366m**	**(5.51)**	**n/a**	**n/a**	**n/a**	**(7.69)**	**31/01/2022**	**3**
SONIA (30 day compounded) +4.5%		1.38	n/a	n/a	n/a	2.61		
Performance Against Investment Objective		**(6.89)**	**n/a**	**n/a**	**n/a**	**(10.30)**		
Total LCIV ACS Assets Under Management	**£12,758m**							

For periods greater than 1 year performance returns are annualised.
Source: London CIV Data as 31st July 2022

ESG Update
July 2022

Policies and Reports

- **2022 TCFD Report** – final draft and ready for design.
- **2022 Stewardship Policy update** – final draft.

Climate Analytics

- 4 Clients signed on for the service.

Vanessa Shia
Head of Private Markets

Current Private Market Fund Offering
31 July 2022

London CIV

Private Markets	31 July 2022 Total Commitment	Called to Date	% Invested	Undrawn Commitments	31 July 2022 Fund Value	% Committed	Inception Date	No. of Investors
EUUT	£'000	£'000		£'000	£'000			
LCIV Inflation Plus Fund	213,000	213,000	100%	N/A	202,072	100%	11/06/2020	3
LCIV Infrastructure Fund	399,000	188,792	47%	210,207	183,934	84%	31/10/2019	6
LCIV Private Debt Fund	625,000	268,606	46%	356,393	219,726	83%	29/03/2021	7
LCIV Renewable Infrastructure Fund	853,000	209,160	26%	644,339	188,822	74%	29/03/2021	10
SLP	£'000	£'000		£'000	£'000			
The London Fund	195,000	43,414	23%	150,298	24,268	52%	15/12/2020	2
Total	2,285,500,00	922,972		1,361,239,013	818,821			

Source: London CIV Data as 31st July 2022

Private Market Update

FUND	CLIENT COMMITMENTS (millions)	COMMITTED INVESTMENTS (%)	INVESTED (%)	LATEST UPDATES & PIPELINE
LCIV Infrastructure Fund	£399	84%	47%	• In August '22, we had the outstanding capital call reported last month for the 8th General Partner and additional capital calls for Capital Dynamics the amount of £38m. • Brookfield Global Transition Fund is making further investments in distributed generation solar and carbon capture projects in the US.
LCIV Inflation Plus Fund **(LCIV Real Estate Long Income Fund – "LCIV RELI")**	£213	100%	100%	• Revolving Credit Facility (RCF) signed in May '22. • Student accommodation in Canterbury: this investment of a debt asset was completed on 6 July 2022 with the Fund's remaining equity and some assets from the RCF. • Contracts exchanged on sale of small car showroom to capitalise on market. • As of 1 September 2022, this Fund will be renamed to **LCIV Real Estate Long Income Fund.**
LCIV London Fund	£195	52%	23%	• Considering two £5m co-investments alongside Yoo Capital Fund II: 1) Camden: creative quarter (modern film and TV studio led mixed use development); 2) Shepherds Bush market: already in Yoo Capital Fund II. • Potential London homeless housing portfolio. • Potential vertical farming INFRA opportunity in London.
LCIV Renewable Infrastructure Fund	£854	74%	26%	• In May '22 and July '22, we've had capital calls from BlackRock GRP III. • We are progressing new manager selection: initial screening completed and moving on to short list of candidates for investment due diligence meetings imminently.
LCIV Private Debt Fund	£625	83%	46%	• Final Close extended to 28 September '22. • In August '22, we had a capital call in the amount of £18m from Churchill. • We've announced to investors that we've selected Pemberton with their Middle Market Debt Fund IV as the third underlying fund, subject to the satisfactory completion of our due diligence from operational, legal and tax perspectives .

Source: London CIV. Data as of 10h August 2022 is estimated by the Investment team based on capital account activity in the period since 31 March 2021.

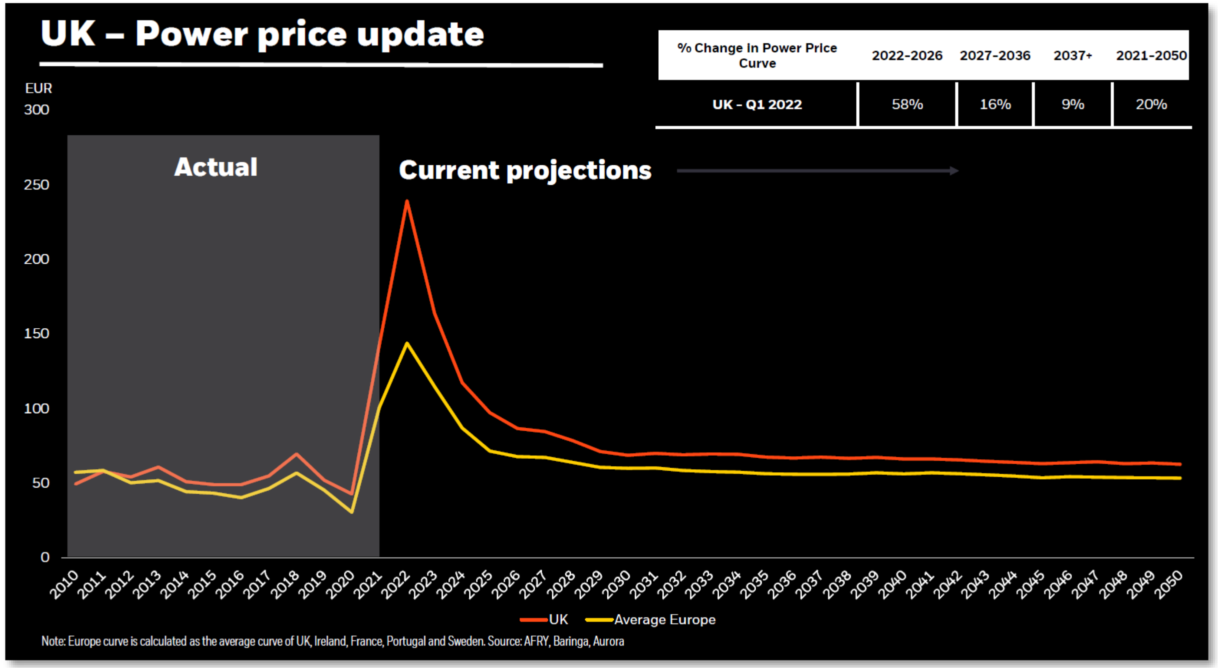
LCIV Renewable Infrastructure Fund Manager Selection Update

London CIV

- Initial screening completed (Campbells Lutyens and Stepstone).
- Initial manager meetings held (12+).
- Focus on different opportunities within the energy transition universe.
- Currently reviewing fund documents of our preferred managers.
- Follow up investment due diligence meetings to be arranged.
- We plan to finalise manager selection in by year-end.
- We are reviewing a potential co-investment opportunity with an existing General Partner.

Source: London CIV Data as 31st July 2022

UK Power Prices
31 July 2022



Source: BlackRock, as of Q1 2022.

- Rising power prices caused by increase in demand for electricity post-COVID and exacerbated by Russia's invasion of Ukraine.
- UK's reliance on imported natural gas for electricity, and lack of storage, has led to power prices spiking.
- This has benefitted renewable power producers through exposure to merchant pricing or indexed Power Purchase Agreements/subsidies which have inflation pass-through mechanisms.
- As a result, cash yield has picked up significantly for the renewable infrastructure funds we have invested in.

Caution

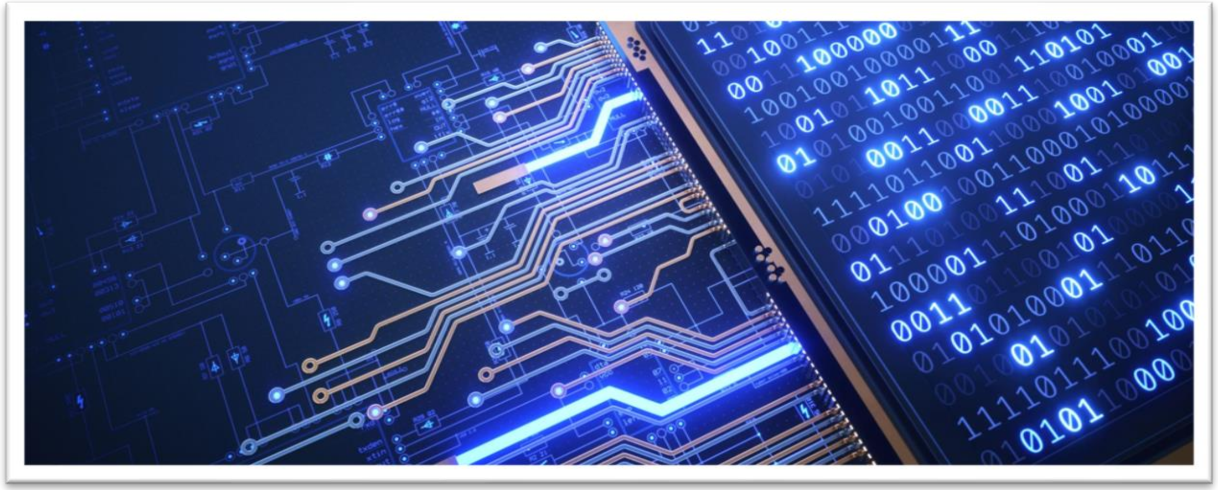
- As renewable penetration increases and reliance on Russia reduces, prices should stabilise.
- Recession could lead to a fall in power prices.

Brian Lee
Chief Operating Officer

Charlotte Hamilton
Head of Fund Accounting

Fund and Business Updates

- CTI templates completed for private markets funds.
- Fee savings for private markets due for completion by next business update.
- London CIV has gained Cyber Essentials Accreditation, a UK government sponsored scheme operated by the National Cyber Security Centre.
- Our Depositary Northern Trust has completed its latest annual risk assessment and report and has rated London CIV low risk on its monitoring framework. This is the lowest of the three risk categories and reflects significant progress on our operating model.
- The first phase of the annual budget process has begun for 2023/24.
- A reminder for DLUHC responses due by the end of the month.



New fund launch pipeline

London CIV

FUND	CURRENT STAGE	EXPECTED LAUNCH DATE(S)	LATEST UPDATE	OVERALL RAG	TOTAL EXPECTED DEMAND
LCIV Sterling Credit Fund	Stage 1 –Initiation	2023	Due to client demand and associated timings, the launch is expected in H2 2023	In progress	£546mn
LCIV UK Housing Fund	Stage 2 – Implementation	Target Q4 2022	Q4 2022 or early Q1 2023	Fund Development In Progress	£305mn

1. Initiation → 2. Implementation → 3. FCA Submission → 4. Fund Launch

Source: London CIV Data as 15 August 2022.

Private Markets CTI Reporting

London CIV

- 32 Templates produced and published on LCIV portal will also be uploaded to Byhiras.
- Compiled as at 31 March 2022 to align with client funds year end.
- Note was provided giving some key information as there's limited space to explain on the template.
- Workshop planned on 27 October 22 to provide any clarification required.

Summary Table

LCIV Fund Name	Information received from all underlying funds/managers?	Template Produced for every investor?
LCIV Infrastructure Fund	✓ (7)	✓ (6)
LCIV Inflation Plus Fund	✓ (1)	✓ (3)
LCIV Private Debt Fund	✓ (2)	✓ (7)
LCIV Renewable Infrastructure Fund	✓ (5)	✓ (13)
The London Fund	✓ (1)	✓ (2)

Private Markets CTI Methodology

- ✓ Inflation Plus is an open ended fund with direct investments.
- ✓ The other four private markets funds are fund of funds.
- ✓ We look through to the costs of the underlying funds.
- ✓ All costs borne directly by the LCIV fund.
- ✓ Fees invoiced directly to investors in relation to the LCIV fund e.g. LCIV management fee.
- × Equalisation paid/received on an LCIV subsequent close.

Source: London CIV Data as 15 August 2022.

Investment Life Cycle and Investment Performance

- London CIV's five private market funds are early in their investment lifecycle which leads to costs being disproportionate in the early years set-up costs and transactions costs in the investment period.

- As investments mature in investment lifecycle, we should expect the total costs as a percentage of asset under management ("AuM") to normalise and investment performance to ramp up.

- It is for this reason that performance figures are generally not produced in the early years as they are distorted by establishment costs and nascent investment progress.

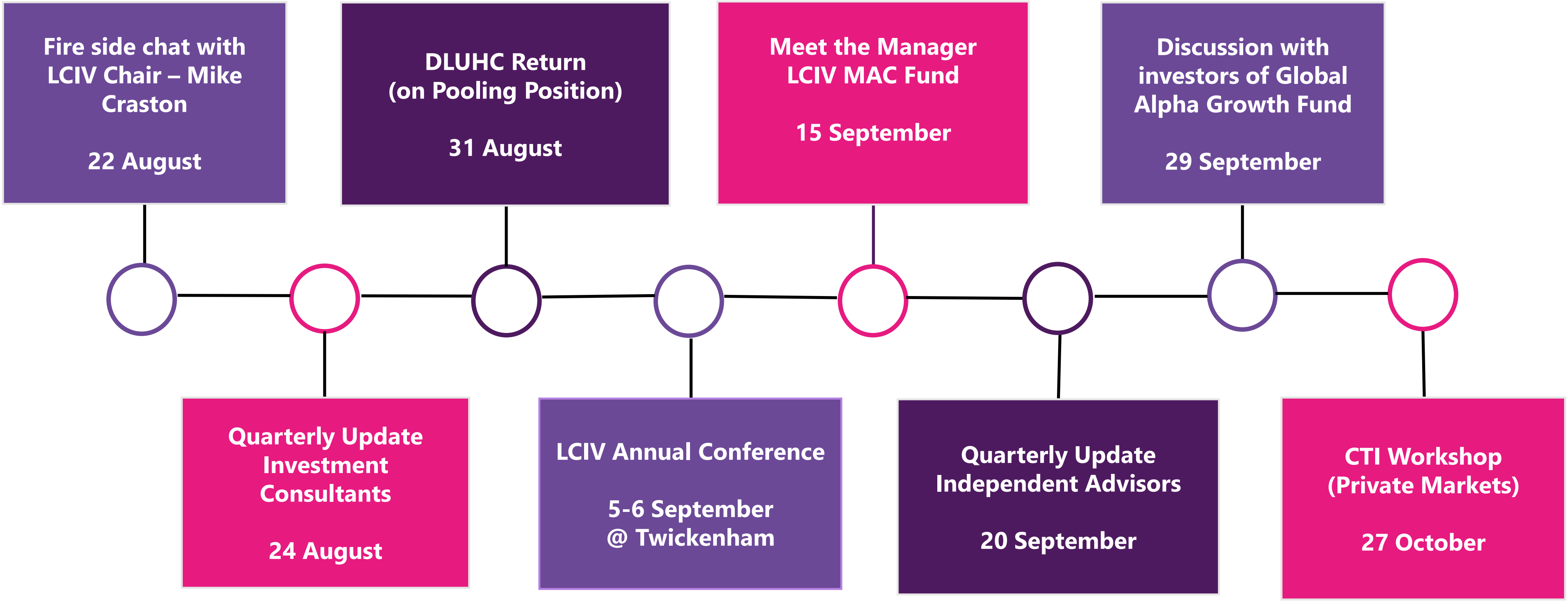
- The investment objectives of each fund anticipate an investment ramp up period which is reflected in performance objectives.

Source: London CIV Data as 15 August 2022.

Mike O'Donnell
Chief Executive Officer

Dates for the Diary

London CIV



Source: London CIV Data as 31st July 2022

DISCLAIMER

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Important information

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London CIV Fourth Floor,

22 Lavington Steet, London, SE1 0NZ

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Enfield Council

London CIV

London CIV Quarterly ACS Investment Review

31 March 2022

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Enfield

Introduction

We are pleased to present the London CIV Quarterly Investment Report for the London Borough of Enfield Pension Fund for the quarter to 31 March 2022.

The Report provides an Investment Summary with valuation and performance data of your Pension Fund's holdings. It includes an update on activities at London CIV, a market update and Fund commentary from the London CIV Investment Team as well as key portfolio data and a summary of ESG activity during the quarter.

Investment Summary

The table below shows the Sub-funds held by the London Borough of Enfield Pension Fund by asset class as at 31 March 2022 and how these have changed during the quarter.

ACS	31 December 2021	Net Subscriptions / (Redemptions)	Cash Distributions Paid	Net Market Move	31 March 2022
Active Investments	£	£	£	£	£
Global Equities					
LCIV Global Alpha Growth Fund	123,877,953	-	-	(15,354,819)	108,523,134
LCIV Global Equity Focus Fund	104,180,891	-	-	653,418	104,834,309
LCIV Emerging Market Equity Fund	34,343,525	-	-	(2,091,346)	32,252,179
Fixed Income					
LCIV MAC Fund	57,026,867	-	-	(992,970)	56,033,897
Total	**319,429,236**	**-**	**-**	**(17,785,717)**	**301,643,519**

The table below outlines the valuation of investments held per passive manager at the beginning and end of the quarter. A listing of the individual funds held can be found at the end of the Funds section of this report.

	31 December 2021	31 March 2022
Passive Investments †	£	£
Blackrock	358,061,278	358,061,278

† Passive investments are managed in investment funds for which London CIV has no management or advisory responsibility and are shown for information purposes only.

Performance Summary

Please see below the performance for ACS Sub-funds in which you, the Client Fund (CF), are invested. Performance since inception is annualised where period since inception is over 12 months.

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since CF Inception p.a. %	CF Inception Date
LCIV Global Alpha Growth Fund	**(12.41)**	**(6.66)**	**12.96**	**12.17**	**13.29**	**30/09/2016**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%	*(1.93)*	*15.42*	*16.15*	*13.39*	*14.67*	
Relative to Investment Objective	**(10.48)**	**(22.08)**	**(3.19)**	**(1.22)**	**(1.38)**	
Benchmark: MSCI All Country World Gross Index (in GBP)	*(2.40)*	*13.15*	*13.87*	*11.16*	*12.42*	
Relative to Benchmark	**(10.01)**	**(19.81)**	**(0.91)**	**1.01**	**0.87**	
LCIV Global Equity Focus Fund	**0.65**	**14.88**	**10.94**	**n/a**	**11.50**	**24/10/2018**
Target: MSCI World (GBP)(TRNet)+2.5%	*(1.83)*	*18.28*	*17.45*	*n/a*	*17.39*	
Relative to Target	**2.48**	**(3.40)**	**(6.51)**	**n/a**	**(5.89)**	
Benchmark: MSCI World (GBP)(TRNet)	*(2.43)*	*15.39*	*14.58*	*n/a*	*14.53*	
Relative to Benchmark	**3.08**	**(0.51)**	**(3.64)**	**n/a**	**(3.03)**	
LCIV Emerging Market Equity Fund	**(6.12)**	**(10.37)**	**4.47**	**n/a**	**5.87**	**24/10/2018**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%	*(3.72)*	*(4.80)*	*7.19*	*n/a*	*9.81*	
Relative to Investment Objective	**(2.40)**	**(5.57)**	**(2.72)**	**n/a**	**(3.94)**	
Benchmark: MSCI Emerging Market Index (TR) Net	*(4.30)*	*(7.12)*	*4.58*	*n/a*	*7.13*	
Relative to Benchmark	**(1.82)**	**(3.25)**	**(0.11)**	**n/a**	**(1.26)**	
LCIV MAC Fund	**(1.75)**	**2.38**	**3.38**	**n/a**	**3.41**	**30/11/2018**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January	*1.14*	*4.63*	*4.85*	*n/a*	*4.90*	
Relative to Investment Objective	**(2.89)**	**(2.25)**	**(1.47)**	**n/a**	**(1.49)**	

Quarterly Update - Client Relations Team Report

Welcome to the London CIV Quarterly Investment Report. This edition contains the performance and commentary on all the funds that you hold with the London CIV. In this section we will cover media highlights, fund activity, climate impact analysis, fund performance, fund Monitoring, market update and London CIV people.

Highlights in the media – Q1 2022

Asset TV interviewed our CEO, Mike O'Donnell. He reflected on our progress and outlined our priorities for 2022. It was pleasing to hear Mike acknowledge how our relationship with Client Funds has improved in the last couple of years and how we are keeping the regular channels of communication open with all our stakeholders. As the lockdown restrictions ended, we are very much looking forward to establishing a hybrid approach to working. We will continue in improving our various communications and to maintain the positive momentum. This includes providing frequent group engagement via Teams, such as the monthly Business Update, the quarterly Meet The Manager events and Seed Investor Groups (SIGs) whilst also offering in-person meetings, which we are seeing much more of since the relaxing of Covid-19 restrictions.

Mike also mentioned that having the right products at the right time for our investors is key to our success, and he highlighted that our priorities for 2022 are to launch a UK residential property fund, begin to tackle the complexities of 'lifting and shifting' legacy commercial property investments, and plan for other solutions in private markets including private equity. When answering questions around stewardship and climate aware solutions, Mike recognised that a combination of our Client Funds' decisions on asset allocation and further engagement with existing investment managers to progress our agenda on climate risk mitigation and Paris Alignment will inform how our product range will align with our net zero ambitions. Finally, he noted that we will continue to build out our team to secure the confidence and respect of our Client Funds.

Mona Dohle of Portfolio Institutional interviewed our CIO, Jason Fletcher. He mentioned our progress on pooling, which had increased by 3% in Q4 2021 to 58%. Jason also noted that there has been a significant reversal between growth and value styles of equity investing of late. We do not have a specific equity value product currently available and, while we do not have a strict minimum threshold for investor commitments, Jason wishes to see at least two or three Client Funds invested in a fund and, to get the economies of scale seed investment, commitments need to be at least £250 million to £300 million. In addition, Jason would need to have the confidence that funds will see increasing investments in the future as it is costly to set up and close funds over time.

Current Position

On 31 March 2022, the total assets deemed pooled by our Client Funds stood at £26.67 billion, of which £13.98 billion are in funds managed by the London CIV, being the ACS plus amounts committed to private market fund. Assets under management in our ACS stood at £13.21 billion and assets in private market funds stood at £771 million. Over the first quarter, we had £182 million of additional commitments from three investors to the LCIV Renewable Infrastructure Fund and one investor to the LCIV Inflation Plus Fund, bringing total commitments raised by our private market funds as of 31 March 2022 to £2.2 billion. The value of 'pooled' passive assets was £12.70 billion, with £9.47 billion managed by Legal and General Investment Management and £3.22 billion managed by BlackRock.

Fund Activity

Public Market Funds

During Q1 2022 we had net flows of £232 million into the London CIV's ACS funds. The most notable transaction was the launch of the LCIV Alternative Credit Fund on 31 January 2022 with a total seeded investment of £386 million from three Client Funds.

The re-alignment of the LCIV MAC Fund to introduce PIMCO's diversified income strategy and create a two-manager structure, began as planned on 28 February 2022 with a contribution of £110 million to the LCIV MAC Fund from a new investor. The re-alignment will take place over five months to mitigate transaction costs and achieve a steady progression to the targeted equal split between CQS and PIMCO strategies. We expect further contributions from existing and new investors into the LCIV MAC Fund during Q2 2021.

Three Client Funds have recently decided to move their investments in the LCIV Global Alpha Growth Fund to the LCIV Global Alpha Growth Paris Aligned Fund, which in aggregate represents c.£820 million. We will be supporting these Client Funds with their transitions in the coming months.

Private Market Funds

We've had the following capital calls for our private market funds over the quarter: LCIV Private Debt Fund (£47.8 million), LCIV Inflation Plus Fund (£38 million), LCIV Infrastructure Fund (£14 million), and LCIV Renewable Infrastructure Fund (£10.4 million).

We have now extended the close of the LCIV Private Debt Fund and the LCIV Renewable Infrastructure Fund to 28 September 2022. These extensions will accommodate new investors, and we had confirmation that a Client Fund has decided to commit £40m to the LCIV Private Debt Fund in the next close. As a result, we will be refreshing our list of private debt managers alongside Pemberton and Churchill with a view of adding other funds to keep the 50:50 regional split between Europe and the U.S.

The LCIV Renewable Infrastructure Fund had its third close at the end of March'22. This Fund ended the quarter with thirteen investors and a total commitment of £853.5 million, of which 22%, or £188.8 million, had been funded by 31 March 2022. Looking ahead, our investment team will be looking to add new managers to allocate this new capital. The fundraising landscape for renewable infrastructure is moving away from traditional generation, transmission, and distribution assets to energy efficient assets aiming at reducing Green House Gas emissions from carbon intensive businesses. This type of asset is proving to be a compelling investment opportunity that backs the transition to a low carbon economy; therefore, we are closely monitoring this evolution and considering new categories for this Fund.

We have progressed with the agreed purchase of a portfolio of real estate long income assets for the LCIV Inflation Plus Fund that we reported in the previous quarter. This Fund has three investors, it raised £213m and invested £206m, or 97% of its total commitment. The acquisition of the twelve assets across a diversified range of sectors including hotels, student accommodation and supermarkets is mostly complete. Once it is entirely completed, these assets will utilise all the current committed capital and require the Fund to employ a small revolving credit facility for the balance until further equity is raised. This will ensure that we deploy investor capital in the most efficient and timely manner, and any new investor will be able to draw down part, or all, of its commitment very quickly. These acquisitions will create a diverse c.£220m portfolio of assets across 6 sectors and with an average investment grade credit rating of BBB+. The portfolio will also be almost 100% inflation linked providing strong inflation protection.

As of 31 March 2022, 42% of the total commitments in the LCIV Infrastructure Fund have been invested. The pace on drawdowns is slightly lagging its target, which is primarily due to the Macquarie GIG Renewable Energy Fund 2 (MGREF2) lagging its peers in deployment of capital. However, in Q4 2021 MGREF2 Fund made a €190m commitment to a French solar platform. The investment team at MGREF2 has decided to shift their focus away from offshore wind farms. We view this slight adjustment in strategic thinking in a positive light and expect this General Partner to deploy at a faster rate whilst continuing to maintain good price discipline. Elsewhere, Stepstone made a new primary commitment of $50m in December 2021 to Brookfield Global Transition Fund, a new fund with a global mandate, focused on being at the forefront of the energy transition, so the LCIV Infrastructure Fund is now c.87% committed. In our discussions with Stepstone, we have been actively exploring other areas for committing the remaining capital in the Fund with both a combination of primary and secondary opportunities. The pipeline looks healthy, and Stepstone continues to diligence attractive opportunities on behalf of our investors.

Engagement

We have hosted eleven group meetings and fifty-four specific meetings/calls with individual Client Funds over the first quarter. The table below shows the type of meetings held:

Group Meeting Types	Quantity	Specific Meeting Types	Quantity
Seed Investment Group (SIG)	4	Catch-up calls	17
Business Update (BU)	3	Specific Opportunity	12
Investment Consultant Update	1	Preparation Meeting	12
Independent Advisors Update	1	Pension Committee	7
Meet the Manager (MTM)	1	Introduction	4
Shareholder Meeting	1	Relationship Building	2

We had a productive discussion with the SIG on Sterling Credit on 1 February 2022. The results of our initial phase of research were encouraging and we will continue to assess the potential to launch a Sterling Credit Fund. This will be an actively managed strategy focused on the sterling investment grade credit market. Our goal is to offer a fund which demonstrates both best practice in sustainable investment and active ownership, and the benefits of economies of scale in terms of achieving lower management fees. We have engaged with five investment management firms to assess their investment capabilities and ESG credentials, reviewed indicative fee proposals and refined the possible investment parameters of the fund.

We have hosted a Property Workshop on 31 January 2022 and a SIG discussion on UK Affordable Housing on 22 March 2022. We are proposing an open-ended structure and multi-manager strategy that will contribute to solutions that address the UK housing challenges aiming at delivering an internal rate of return, net of fees, of 5% to 7% and targeting a yield of 3% to 4%. This product will focus on strategies that fall into three categories: 1) housing for people who cannot afford to rent or buy on the open market; 2) housing for people with specific long term care requirements; and 3) housing for people with vulnerability or in crisis. We will be looking to select investment managers who can demonstrate that they: 1) can raise capital at scale, 2) generate competitive risk-adjusted returns, 3) deepen affordability, 4) deliver local community impact, 5) have a credible track-record, and 5) align to net zero commitments.

What does The London Fund invest in?

Real Estate	Infrastructure	Growth Capital
Private Rented Sector (PRS)	Digital infrastructure	Growth capital for small and medium businesses
Affordable Housing	Solar energy	Venture investment in life science businesses
Regeneration Schemes	Waste to energy	
Co-living spaces	Electric vehicles	
Senior living	Rail networks	

Our Q1 2022 Meet the Manager webinar focused on The London Fund. Chris Rule, CEO of LPPI, talked about the origins of the Fund and reminded that it aims to create a double bottom line by targeting sustainable long-term risk-adjusted returns for pension scheme members and generate positive social and environmental outcomes for Londoners. Jonathan Ord, Investment Director at LPPI, provided an overview of the second investment in the Fund, a co-investment into Project Thomas, a 260,000 square feet office development with leading ESG credentials adjacent to London Bridge Station. Completion is targeted for mid-April 2022. Jonathan also touched on the pipeline of future investments, which includes the construction of a new build 70 Gigawatt solar farm that would generate green electricity within London.

We then heard from Ailish Christian West, Executive Director at Get Living, who presented the first investment in The London Fund, Delancey Oxford Residential, more commonly referred to as DOOR. Get Living is the asset manager and operator for the DOOR transaction. Finally, we heard from Lloyd Lee, Managing Partner at YOO Capital. We have successfully completed a due diligence on YOO Capital's second real estate fund and The London Fund will be committing to this product. Lloyd explained how YOO Capital targets and unlocks hidden gems within London that are underinvested, forgotten or mismanaged and engages with communities to create unique places and impact that delivers for councils, communities, tenants, and investors. YOO focus on working collaboratively to create inclusive and authentic communities that form the basis for generating investment returns.

Our Monthly Business Update and Quarterly Meet the Manager webinars continue to attract good participation. We record these virtual events and make them available to you in our Portal. If you do not have access to them and are interested in one of our recordings, please contact your designated Client Relations Manager at clientservice@londonciv.og.uk and we will be delighted to provide you with a link to these recordings.

London CIV Climate Analytics Service

We recognise that there will be gaps between what LGPS will be mandated to report on climate-related financial disclosures and what our Service will offer in its inaugural year because we are yet to have sight of the long-awaited DLUHC Consultation expected later this year.

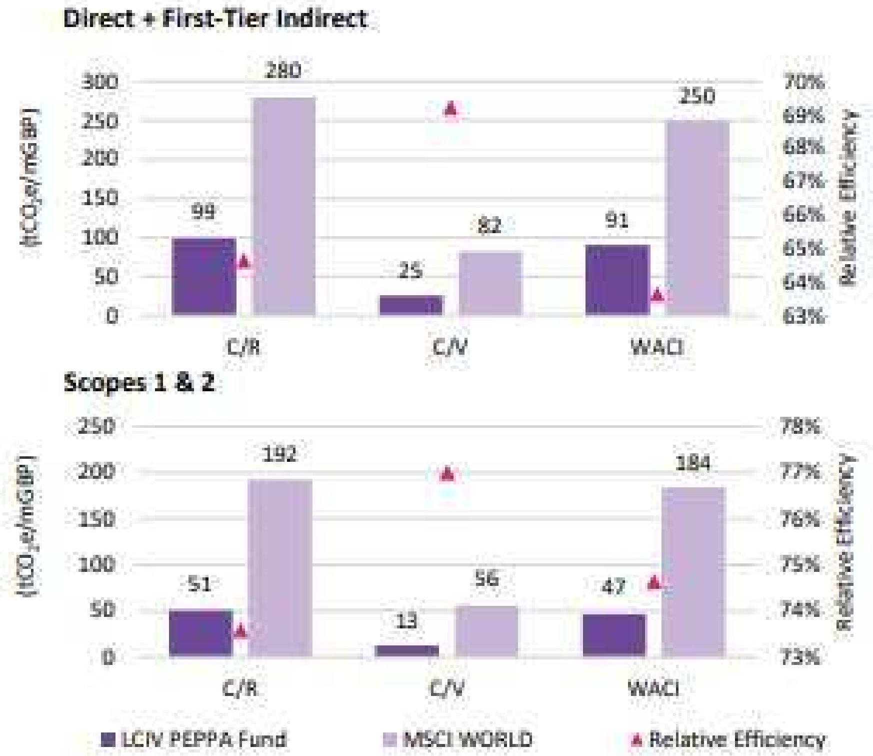
Consulting with Client Funds we concluded that there is a desire to benefit from carbon footprint metrics against emissions scopes in aggregate and at fund-level to support their process in setting a road map to achieve net zero targets. We believe the fund-level data is key to better inform the development of a decarbonisation strategy and it is different from getting aggregated metrics directly providing the targets.

Because our Service is not supported by the annual service charges nor investment management fees, the fee schedule has been developed to favour those Client Funds who have pooled more assets and ensure that those Client Funds with lower pooling ratios are not being subsidised by those who have pooled the most to date.

The London CIV will provide reports both on assets deemed Pooled as well as those assets that currently reside off-pool. The report does not currently cover Private Market funds nor Government securities but in time we aim to provide a report that will cover all assets. For a quotation for this service please contact your dedicated Client Relationship Manager who will be happy to assist.

Carbon Intensity (tCO2e/mGBP)

The charts below provide an indication of the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The analysis was completed for two sets of emission scopes.



Please see below a summary of the London CIV Sub-funds, including both those in which you are invested, and those you are not. All performance is reported Net of fees and charges with distributions reinvested. For performance periods of more than a year performance is annualised.

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Global Equities								
LCIV Global Alpha Growth Fund	**£2,314m**	**(12.41)**	**(6.66)**	**12.96**	**12.17**	**15.73**	**11/04/2016**	**10**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(1.93)	15.42	16.15	13.39	16.85		
Performance Against Investment Objective		**(10.48)**	**(22.08)**	**(3.19)**	**(1.22)**	**(1.12)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(2.40)	13.15	13.87	11.16	14.56		
Performance Against Benchmark		**(10.01)**	**(19.81)**	**(0.91)**	**1.01**	**1.17**		
LCIV Global Alpha Growth Paris Aligned Fund	**£1,175m**	**(13.71)**	**n/a**	**n/a**	**n/a**	**(12.67)**	**13/04/2021**	**6**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(1.93)	n/a	n/a	n/a	11.00		
Performance Against Investment Objective		**(11.78)**	**n/a**	**n/a**	**n/a**	**(23.67)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(2.40)	n/a	n/a	n/a	8.90		
Performance Against Benchmark		**(11.31)**	**n/a**	**n/a**	**n/a**	**(21.57)**		
LCIV Global Equity Fund	**£747m**	**(4.44)**	**10.46**	**13.89**	**n/a**	**11.52**	**22/05/2017**	**3**
Investment Objective: MSCI All Country World Index Total Return (Gross)+1.5%		(2.18)	14.59	15.61	n/a	13.19		
Performance Against Investment Objective		**(2.26)**	**(4.13)**	**(1.72)**	**n/a**	**(1.67)**		
Benchmark: MSCI All Country World Index Total Return (Gross)		(2.54)	12.89	13.90	n/a	11.52		
Performance Against Benchmark		**(1.90)**	**(2.43)**	**(0.01)**	**n/a**	**n/a**		
LCIV Global Equity Core Fund	**£563m**	**(6.27)**	**11.03**	**n/a**	**n/a**	**8.88**	**21/08/2020**	**2**
Benchmark: MSCI All Country World Index (with net dividends reinvested)		(2.51)	12.68	n/a	n/a	16.03		
Performance Against Benchmark		**(3.76)**	**(1.65)**	**n/a**	**n/a**	**(7.15)**		
LCIV Global Equity Focus Fund	**£893m**	**0.65**	**14.88**	**10.94**	**n/a**	**10.37**	**17/07/2017**	**5**
Target: MSCI World (GBP)(TRNet)+2.5%		(1.83)	18.28	17.45	n/a	14.52		
Performance Against Target		**2.48**	**(3.40)**	**(6.51)**	**n/a**	**(4.15)**		
Benchmark: MSCI World (GBP)(TRNet)		(2.43)	15.39	14.58	n/a	11.73		
Performance Against Benchmark		**3.08**	**(0.51)**	**(3.64)**	**n/a**	**(1.36)**		
LCIV Emerging Market Equity Fund	**£523m**	**(6.12)**	**(10.37)**	**4.47**	**n/a**	**1.07**	**11/01/2018**	**7**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%		(3.72)	(4.80)	7.19	n/a	4.37		
Performance Against Investment Objective		**(2.40)**	**(5.57)**	**(2.72)**	**n/a**	**(3.30)**		
Benchmark: MSCI Emerging Market Index (TR) Net		(4.30)	(7.12)	4.58	n/a	1.83		
Performance Against Benchmark		**(1.82)**	**(3.25)**	**(0.11)**	**n/a**	**(0.76)**		

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Global Equities								
LCIV Sustainable Equity Fund	**£1,344m**	**(8.48)**	**9.04**	**15.11**	**n/a**	**14.68**	**18/04/2018**	**8**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(1.95)	17.70	16.87	n/a	15.99		
Performance Against Investment Objective		**(6.53)**	**(8.66)**	**(1.76)**	**n/a**	**(1.31)**		
Benchmark: MSCI World (GBP)(TRNet)		(2.43)	15.39	14.58	n/a	13.72		
Performance Against Benchmark		**(6.05)**	**(6.35)**	**0.53**	**n/a**	**0.96**		
LCIV Sustainable Equity Exclusion Fund	**£437m**	**(9.06)**	**10.08**	**n/a**	**n/a**	**30.76**	**11/03/2020**	**3**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(1.95)	17.70	n/a	n/a	26.77		
Performance Against Investment Objective		**(7.11)**	**(7.62)**	**n/a**	**n/a**	**3.99**		
Benchmark: MSCI World (GBP)(TRNet)		(2.43)	15.39	n/a	n/a	24.28		
Performance Against Benchmark		**(6.63)**	**(5.31)**	**n/a**	**n/a**	**6.48**		
LCIV Passive Equity Progressive Paris Aligned Fund	**£504m**	**(5.65)**	**n/a**	**n/a**	**n/a**	**(2.98)**	**01/12/2021**	**2**
Index: S&P Developed Ex-Korea LargeMidCap Net Zero 2050 Paris-Aligned ESG Index (GBP)		(5.76)	n/a	n/a	n/a	(3.07)		
Performance Against Index		**0.11**	**n/a**	**n/a**	**n/a**	**0.09**		
Multi Asset								
LCIV Global Total Return Fund	**£228m**	**1.53**	**4.22**	**3.49**	**2.22**	**3.46**	**17/06/2016**	**3**
Target: RPI + 5%		3.11	13.24	9.15	8.70	8.70		
Performance Against Target		**(1.58)**	**(9.02)**	**(5.66)**	**(6.48)**	**(5.24)**		
LCIV Diversified Growth Fund	**£952m**	**(6.09)**	**3.42**	**3.59**	**3.17**	**4.88**	**15/02/2016**	**9**
Target: UK Base Rate +3.5%		0.96	3.69	3.84	3.91	3.90		
Performance Against Target		**(7.05)**	**(0.27)**	**(0.25)**	**(0.74)**	**0.98**		
LCIV Absolute Return Fund	**£1,308m**	**4.49**	**7.27**	**10.20**	**5.74**	**6.94**	**21/06/2016**	**11**
Target: SONIA (30 day compounded) +3% (from 1 January 2022, previously 1m LIBOR +3%)		0.78	3.10	3.29	3.38	3.37		
Performance Against Target		**3.71**	**4.17**	**6.91**	**2.36**	**3.57**		
LCIV Real Return Fund	**£179m**	**(4.32)**	**1.43**	**5.81**	**4.45**	**4.85**	**16/12/2016**	**2**
Investment Objective: SONIA (30 day compounded) + 3% (from 1 October 2021, previously 1m LIBOR +3%)		0.83	3.14	3.30	3.38	3.38		
Performance Against Investment Objective		**(5.15)**	**(1.71)**	**2.51**	**1.07**	**1.47**		

ACS	**Size**	**Current Quarter %**	**1 Year %**	**3 Years p.a. %**	**5 Years p.a. %**	**Since Inception p.a. %**	**Inception Date**	**No. of Investors**
Fixed Income								
LCIV Global Bond Fund	**£639m**	**(7.17)**	**(4.74)**	**1.46**	**n/a**	**2.88**	**30/11/2018**	**7**
Benchmark: Bloomberg Global Aggregate Credit Index – GBP Hedged		(7.02)	(5.10)	1.31	n/a	2.64		
Performance Against Benchmark		**(0.15)**	**0.36**	**0.15**	**n/a**	**0.24**		
LCIV MAC Fund	**£1,008m**	**(1.75)**	**2.38**	**3.38**	**n/a**	**3.16**	**31/05/2018**	**11**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)		1.14	4.63	4.85	n/a	4.95		
Performance Against Investment Objective		**(2.89)**	**(2.25)**	**(1.47)**	**n/a**	**(1.79)**		
LCIV Alternative Credit Fund	**£391m**	**n/a**	**n/a**	**n/a**	**n/a**	**(1.22)**	**31/01/2022**	**3**
Investment Objective: SONIA (30 day compounded) +4.5%		n/a	n/a	n/a	n/a	0.75		
Performance Against Investment Objective		**n/a**	**n/a**	**n/a**	**n/a**	**(1.97)**		
Total LCIV ACS Assets Under Management	**£13,206m**							

Please see below a summary of the London CIV Private Market Funds, including both those in which you are invested, and those you are not. The figures are as at 31 December 2021 as the valuations for private markets are calculated and released during the following quarter so are unavailable at the date this report is produced.

Private Markets	**31 December 2021 Total Commitment**	**Called to Date**	**Undrawn Commitments**	**31 December 2021 Fund Value**	**Inception Date**	**No. of Investors**
EUUT	**£'000**	**£'000**	**£'000**	**£'000**		
LCIV Infrastructure Fund	**399,000**	**153,578**	**245,422**	**155,890**	**31/10/2019**	**6**
LCIV Inflation Plus Fund	**202,000**	**168,262**	**33,738**	**164,350**	**11/06/2020**	**3**
LCIV Renewable Infrastructure Fund	**682,500**	**178,422**	**504,078**	**175,571**	**29/03/2021**	**10**
LCIV Private Debt Fund	**540,000**	**171,896**	**368,104**	**172,582**	**29/03/2021**	**7**
SLP	**£'000**	**£'000**	**£'000**	**£'000**		
The London Fund	**195,000**	**24,156**	**170,844**	**23,729**	**15/12/2020**	**2**
	2,018,500	**696,314**	**1,322,186**	**692,122**		

*For details on remaining current capacity available for further investment please contact the Client Service Team at clientservice@londonciv.org.uk.

London CIV Fund Performance Q1 2022

The first quarter of 2022 was marked by a sharp shift in expectations for interest rates which prompted a selloff in the bond and equity markets. Russia's invasion of the Ukraine then brought geo-political risks to the fore and magnified concerns about inflation and economic growth.

Markets experienced bursts of volatility and rapid changes in capital flows. The dispersion of outcomes across and within asset classes increased, as illustrated by the performance of the London CIV equity funds.

Funds focused on growth stocks, such as the LCIV Global Alpha Growth Fund and LCIV Sustainable Equity Fund, lagged benchmark indices by a big margin. Conversely, the LCIV Global Equity Focus Fund, which is tilted towards value stocks, outperformed by 3.1%. 'Quality' stocks did not provide much of a cushion, as evidenced by the underperformance of the LCIV Global Equity Core Fund and LCIV Emerging Markets Fund.

On a positive note, equity markets rallied, and credit spreads narrowed in March. The rally in stock and credit markets is at odds with the performance of bonds. Interest rates have continued to rise in response to heightened inflation risk. Most of the increase has been seen at the short end of yield curves, suggesting that bond investors are concerned about the risk of recession.

Against this difficult backdrop, the LCIV Global Bond Fund fell 7.2% in the first three months of the year. There is very little duration (interest rate sensitivity) risk in the LCIV MAC Fund, so the decline in the value of the Sub-fund in Q1 was caused mainly by mark to market adjustments to the value of loans, bonds and asset-backed securities.

The spread of returns in the Multi Asset segment of the London CIV range was wide. The LCIV Absolute Return Fund benefitted from holdings in inflation-linked debt, gold and protective derivatives strategies and generated a very attractive return of 4.5% in the first quarter. The LCIV Global Total Return Fund remains defensively positioned in the bond and equity markets and saw a total return of 1.5%.

The Sub-funds which tend to hold more unhedged exposure to equity markets lost money in the first quarter. The LCIV Diversified Growth Fund was down 6.1%, and the LCIV Real Return Fund lost 4.3%.

Fund Monitoring

We upgraded the monitoring status of the LCIV MAC Fund from 'Enhanced Monitoring' to 'Normal Monitoring' in January 2022 based on improvements in CQS' responsible investment and engagement practices and reduced turnover of personnel.

All of the ACS funds are now on 'normal' monitoring with the exception of the LCIV Global Equity Focus Fund with Longview which remains on our 'watch list'. We are close to completing an in-depth review of Longview. We will share our findings in the second quarter of 2022.

The investment managers of the ACS funds are investing in line with our expectations. The risk profiles of Sub-funds are within expected parameters, and we have not observed anomalies in the composition of portfolios or trading activity.

We will carry out 'deep dive' reviews of the LCIV Sustainable Equity, Sustainable Equity Exclusion, Global Total Return and Absolute Return Funds in Q2.

Exposure to securities issued by Russian entities was low across the range of ACS Sub-funds when Russia invaded the Ukraine. We have communicated with Client Funds about the sources of exposure and actions taken by investment managers to reduce positions. We will continue to monitor remaining positions and all investment managers have been asked not to make any further investment in Russian entities until further notice.

As of 28 March 2022, exposure to Russian debt stood at 0.40% of the LCIV Global Bond Fund. All Russian cash bonds held in the LCIV Global Bond Fund are external bonds (i.e.: traded in either U.S. dollars or Euros). We continue to monitor these holdings to track changes in prices, liquidity, restrictions on trading and controls on capital flows which could affect the ability of foreign investors to receive interest and principal payments.

We continue to follow government guidance and ensure that investment managers have appropriate controls in place to remain compliant with sanctions and new regulations. Northern Trust also tracks sanctions, provides London CIV with regular updates, and brings issues to our attention.

Responsible Investment

Progress in integrating Responsible Investment has stepped up in the last 3 months on TCFD reporting (Haringey pilot report), setting of Net Zero roadmaps and targets, modification of existing funds (LCIV Global Bond Fund) and the launch of the Peppa Fund. A meeting will be arranged in May to discuss the Net Zero plan and the results of our analysis of the climate metrics of London CIV funds.

On Stewardship we have aggregated voting and engagement across London CIV segregated equity funds working with our partner Hermes EOS. We have just published our stewardship outcomes report and have reviewed the voting guidelines working with the Responsible Investment Reference Group.

Economies and Markets

Russia's invasion of the Ukraine marked a step change in risk aversion in the capital markets. Inflationary pressure had already come into focus and the immediate surge in energy prices and futures contracts linked to agricultural staples, combined with heightened risks to supply chains, reverberated through the markets.

Government bonds, credit and stocks all lost money in the first quarter of 2022. With nominal yields at very low levels, bonds could not fulfil their traditional role as 'shock absorbers' when inflation accelerated. The Bloomberg Global Aggregate Index (GBP hedged) lost more than 5% in Q1, and the Credit segment was down more than 7%.

What is perhaps most striking is that equity markets held up as well as they did in the face of mounting risks, although they needed a rally of more than 8% between the 8th of March and the end of the quarter to recover from a drawdown which peaked at more than 11% in Sterling terms based on the MSCI World Net index.

Chart 1: Performance of Equities, Bonds and Investment Grade Credit

Source: Bloomberg 31/3/21

Central banks are in a difficult spot. Inflation warrants tighter monetary policy but risks to growth have increased, in part because Covid-19 continues to be disruptive, especially in China and the rest of Asia. Having implemented fiscal support measures to help cushion the impact of lockdowns, governments have limited room to provide further support.

Chart 2: G8 economic forecasts

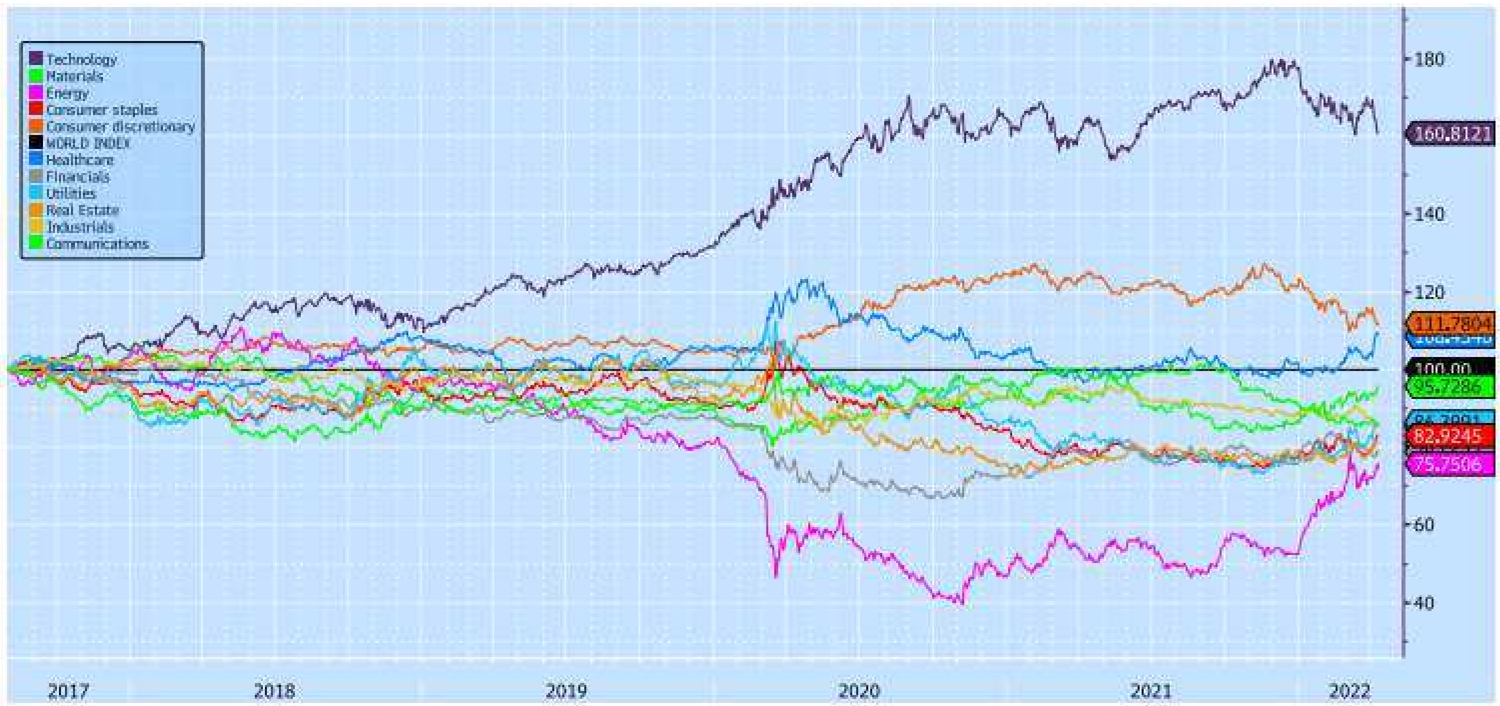
Indicator	2015	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e
Economic Activity										
Real GDP (YoY%)	2	1.5	2.2	2.2	1.7	-4.7	5	2.6	2	1.8
CPI (YoY%)	0.9	1	1.8	2.1	1.6	0.9	3.6	6.4	2.8	2.1
Unemployment (%)	5.9	5.6	5.1	4.7	4.4	7	5.5	4.4	4.2	4.2
External Balance										
Curr. Acct. (% of GDP)	-0.3	-0.1	0.1	0.1	0		-0.7	-1.1	-1	-1.2
Fiscal Balance										
Budget (% of GDP)	-2.5	-2.7	-2.6	-2.6	-3	-11.8	-9.4	-4.7	-3.7	-3.2
Interest Rates										
Central Bank Rate (%)	0.84	0.88	1.32	1.94	1.47	0.35	0.54	2.06	2.15	
3-Month Rate (%)	0.37	0.49	0.89	1.53	1.04	0	0	1.2	1.64	
2-Year Note (%)	0.57	0.5	0.97	1.36	0.84	-0.09	0.36	1.76	1.89	
10-Year Note (%)	1.66	1.61	1.65	1.82	1.23	0.49	1.02	1.98	2.09	

Source Bloomberg 13/4/22, forecasts in yellow

The jury is still out on how aggressively Central Banks will combat inflation. Bond investors are concerned, as evidenced by higher yields on Government debt and flatter yield curves. Equity and credit investors appear to be confident that growth will remain solid, and that inflation will have only a limited impact on profit margins.

Even relatively highly valued growth stocks participated in the recovery in stock markets in March, although they still have a lot of ground to make up against value stocks.

Chart 3: Global Sector relative returns (MSCI World Index)



Source Bloomberg 13/4/21

The FTSE 100 index has been resilient this year, helped by exposure to oil and mining groups and banks in a period of rising rates. Conversely, the FTSE 250 index of stocks which are more highly exposed to the U.K. economy declined by more than 10% in Q1, in line with the fall in the value of NASDAQ-100 Index (In U.S. Dollar terms), which is relatively highly exposed to technology companies.

Based on the MSCI World classifications, technology and consumer discretionary stocks (both down about -9% in U.S. Dollars) were the worst performing industries in Q1. At the other end of the spectrum, energy and materials companies gained 37% and 8% respectively.

Commodities prices increased sharply during the quarter led by goods which are sourced in relatively large proportions from Russia and the Ukraine. In addition to oil and gas, this includes metals, wheat and fertiliser, raising the spectre of interruption in the supply of food.

The functioning of commodities markets has also come into focus. Surging volatility has prompted increased margin requirements which have caused pressure across the markets and added to the risks of disruption in the flow of commodities which could have important knock-on effects.

Summary and Outlook

We are pleased to welcome Sahil Arora and Zakariya Mansha to the London CIV Investment team. Sahil and Zakariya are helping us monitor our funds and deliver the roadmap of products and services we have discussed with you.

Sentiment is finely balanced as we come into the second quarter. The impact of Russia's aggression on the people of the Ukraine is stark, but the broader ramifications are unclear. Economic activity and employment indicators are still robust, but the cost of living has accelerated, sentiment has weakened and risks to supply chains are elevated.

We think volatility will remain high in the coming months as investors respond to developments in the Ukraine, the trajectory of Covid-19 cases in China, new economic data and corporate earnings reports. We expect our investment managers to look through short-term squalls to focus on long-term drivers of return and risk, but we also expect them to be alert to opportunities which arise in periods of transition in market leadership.

It will be a challenging environment, but one which the multi asset funds on the London CIV platform should be well placed to navigate. They have a broad spread of asset classes and instruments at their disposal, and they benefit from the capacity to adjust positioning quickly as the environment changes.

LCIV Global Alpha Growth Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£2,314.3m

Inception date:	11/04/2016
Price:	229.70p
Distribution frequency:	Quarterly
Next XD date:	01/04/2022
Pay date:	31/05/2022
Dealing frequency:	Daily

Investment Objective

The objective of the Sub-fund is to exceed the rate of return of the MSCI All Country World Index by 2-3% per annum on a gross fee basis over rolling five year periods.

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been Baillie Gifford & Co since the Sub-fund's inception date.

Enfield Valuation:

£108.5m

Enfield investment date: 30/09/2016

This is equivalent to 4.69% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £275,666

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(12.41)	(6.66)	12.96	12.17	15.73	13.29
Investment Objective*	(1.93)	15.42	16.15	13.39	16.85	14.67
Relative to Investment Objective	(10.48)	(22.08)	(3.19)	(1.22)	(1.12)	(1.38)
Benchmark**	(2.40)	13.15	13.87	11.16	14.56	12.42
Relative to Benchmark	(10.01)	(19.81)	(0.91)	1.01	1.17	0.87

** Investment Objective: MSCI All Country World Gross Index (in GBP)+2%*
*** Benchmark: MSCI All Country World Gross Index (in GBP)*

† The investment objective is compounded daily therefore the benchmark return plus the outperformance target may not equal the investment objective.

LCIV Global Alpha Growth Fund

Quarterly Commentary

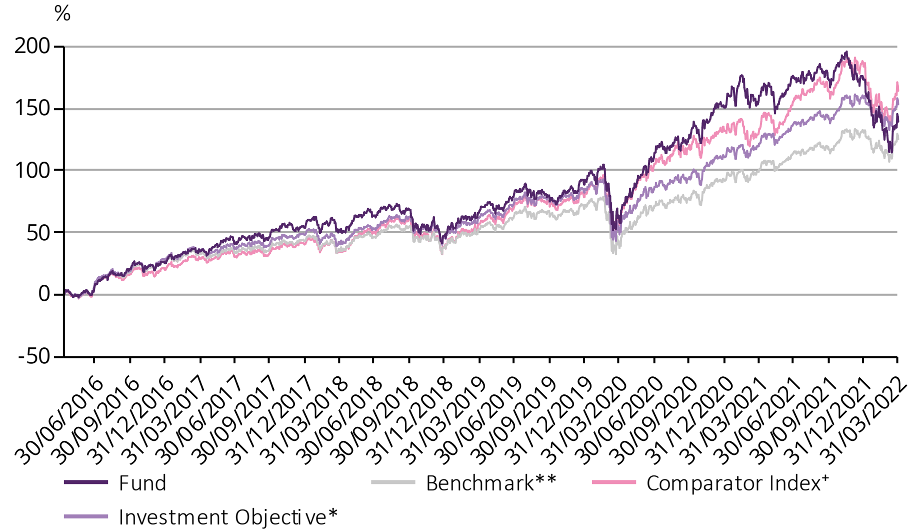
Performance

The first quarter of the year was painful for investment strategies with a growth orientation, including the LCIV Global Alpha Growth Fund. Absolute and relative performance were both poor, with the Sub-fund returning -12.4% in Q1 2022 and underperforming the benchmark by a whopping 10% over the period. Consecutive poor quarters are now taking a toll on longer term performance. Over the 12-month period to end March 2022 the Sub-fund returned -6.7%, 19.8% less than the MSCI All Country World benchmark index. The Sub-fund has generated 15.7% on an annualised basis since inception, outperforming the benchmark by 1.2%.

At a high level, there were broadly two themes that affected performance. The first was China, where the government's zero Covid-19 policy has disrupted supply chains and negatively affected sentiment. Additionally, regulatory pressure on Chinese internet companies to align their interests with those of the broader society (as defined by the ruling Communist party) continued to mount. These pressures resulted in an extension of the previous quarter's losses for most of the Chinese companies with significant online presence held in the Sub-fund.

The second theme was a continuation of the trend which can be described as a 'pivot-to-value'. As interest rates have increased, investors have taken a more cautious, and in some cases, negative stance, on high growth stocks. As higher interest rates are incorporated into valuation models, assets with longer duration and larger projected cashflows, like the high growth companies that dominate the portfolio, are disproportionately affected. Additionally, there are growing concerns over the sustainability of high rates of growth in the face of a stream of bad news for the consumer and a less favourable macroeconomic environment.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Investment Objective: MSCI All Country World Gross Index (in GBP)+2%*

*** Benchmark: MSCI All Country World Gross Index (in GBP)*

⁺ The Comparator Index MSCI Growth Index Net Total Return is not the stated fund objective, but has been selected as an appropriate index given the style of the Sub-fund. For further details, please refer to the Glossary.

At the stock level the largest detractors were Prosus, SEA Limited and Shopify. Prosus is a large shareholder in Tencent and is held in the portfolio mainly as a good proxy for the Chinese internet giant. Over the quarter the ongoing overhang of a tougher regulatory environment for Tencent continued to put downward pressure on the stock price of Prosus. Specifically, a clamp down on approvals for new games had a significantly negative effect as this was an important season for the release of new online games.

SEA, the online content, e-commerce and payments company, had a bad quarter as, following a decision to exit India, concerns escalated about its future prospects in key Asian markets. Investors also questioned the growth

LCIV Global Alpha Growth Fund

trajectory of its online retail unit Shopee. Despite these worries the investment manager remains confident in SEA's ability to execute its ambitious growth plans. Lastly, the stock price of the e-commerce platform Shopify dropped sharply, despite beating earnings expectations, after the company's management warned that revenues will face a headwind in 2022. This is indicative of how sensitive investors have become to even the slightest hint of negative news. The investment manager remains confident in the prospects of the company and believes that its growth rate will remain high.

The largest positive contributors were BHP Group, Rio Tinto and Anthem. BHP and Rio Tinto rode a wave of positive sentiment towards the materials sector as they are perceived by the markets as large beneficiaries of higher commodity prices. In February, both companies reported hefty earnings and announced record dividend pay-outs. Anthem is a U.S. based provider of health insurance and the Sub-fund's largest holding. Over the quarter, it benefitted from positive sentiment towards companies with defensive characteristics and from better-than-expected quarterly results.

Market Views

The opening quarter of 2022 was almost a perfect storm for growth investors. Concerns about the effects of rising inflation and tangled supply chains, which came to the fore last year, have been amplified by Russia's invasion of Ukraine. The result has been a surge in volatility and a shift in sentiment characterised by a swing away from growth and towards more value-oriented parts of the market.

According to the investment manager, a key characteristic of the preceding few months was a breakdown of the relationship between a company's rate of earning growth and share price returns. Such periods bring with them significant behavioural challenges. The investment manager's response is to remain disciplined with regards to their process, ensure that they continue to stretch out their time horizons and focus on whether anything has fundamentally changed with regards to outlook for the portfolio companies.

In terms of outlook, and despite the headlines of noise and fear in markets, the Sub-fund investment manager argues that across the portfolio there is a significant acceleration in revenue growth, with sales forecast to grow at 15% over the next year. This is more than twice the market rate (6.9%) and compares to an average rate of 8.6% over the previous five years. This pattern of acceleration is broadly evident across the different parts of the portfolio and while there are, as always, a few exceptions, the recent weak performance does not appear to be related to widespread deterioration in the operating performance of portfolio companies.

In terms of how the portfolio may fare in an environment of persistently higher inflation, the Sub-fund's investment manager is attempting to get beyond to what they believe is a simplistic narrative that higher levels of inflation, and the accompanying potential for rising interest rates, are bad for growth companies. In their view, after incorporating various aspects of pricing power, including the frequency of purchases and the degree of value-add, margin structures, the speed of the business cycle and capital intensity they conclude that for the most part companies held in the Sub-fund are likely to possess the flexibility and resilience to be able to adapt to a more inflationary environment.

Positioning

As at end of March 2022, the Sub-fund maintained a significant regional allocation to North American equities at c. 58.3% followed by an exposure of 19.3% to European equities. At the sector level, the largest exposure was to consumer discretionary with 18.7% followed by information technology at 17.3% and financials at 15.1%. The largest positions at the stock level were Anthem at 3.5%, Microsoft at 3.1% and Alphabet at 3.0%.

LCIV Global Alpha Growth Fund

Rolling 1 year turnover has modestly decreased to 12%. The two notable new purchases over the quarter were Adobe (software for the creation and production of digital content) and Analog Devices (a company that specialises in analogue semiconductors). The investment manager considers both companies to be high-quality enablers of the ongoing digital revolution.

In terms of complete sales during the quarter the investment manager decided to fully exit the position in Zillow mainly due to the company's retreat from its iBuying experiment last year. The investment manager has also sold the positions in both Stericycle and Lyft, continuing the recent trend of moving on from more marginal investment cases and a modest concentration in the number of holdings.

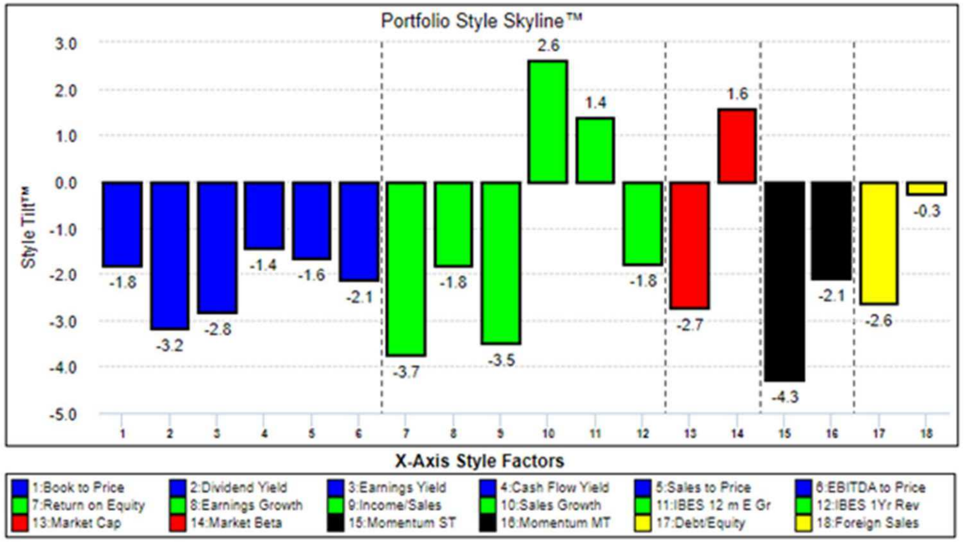
Fund Monitoring

The Sub-fund holds depositary receipts linked to shares in the Russian companies Sberbank and VK Company Ltd. These depositary receipts are listed on the London Stock Exchange (LSE). During the first quarter of 2022, the investment manager reduced these positions until trading in the securities was suspended. Residual positions in both securities are still held and are valued at zero on a fair valuation basis. No further investment will be made in Russian or Belarusian by the Sub-fund until further notice.

We are working with the Sub-fund's investment manager and the depositary to put the necessary infrastructure in place to allow for the divestment of the remaining holdings when trading resumes on either the LSE or in the local market if that market is open for foreign investors.

Style Analysis

The style of the Sub-fund remains consistent and is tilted away from all value factors and some growth (return on equity, income/sales) with a strong positive tilt towards sales growth. The sub-fund is also biased towards small cap stocks with a high market beta. The exposure to momentum has declined significantly over the quarter.



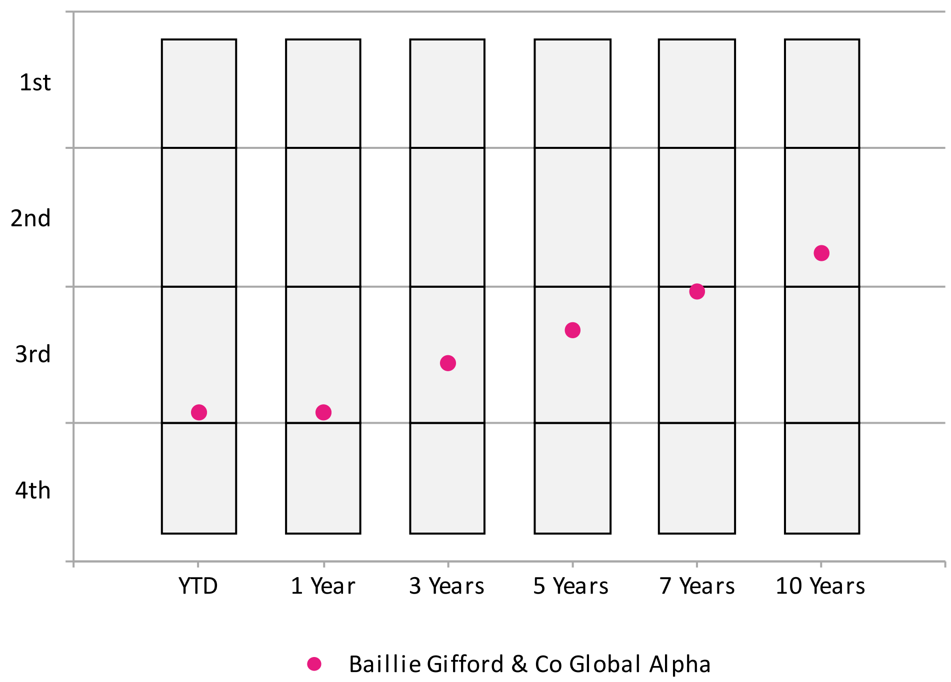
Source: eVestment as at 31st December 2021

LCIV Global Alpha Growth Fund

Peer Analysis

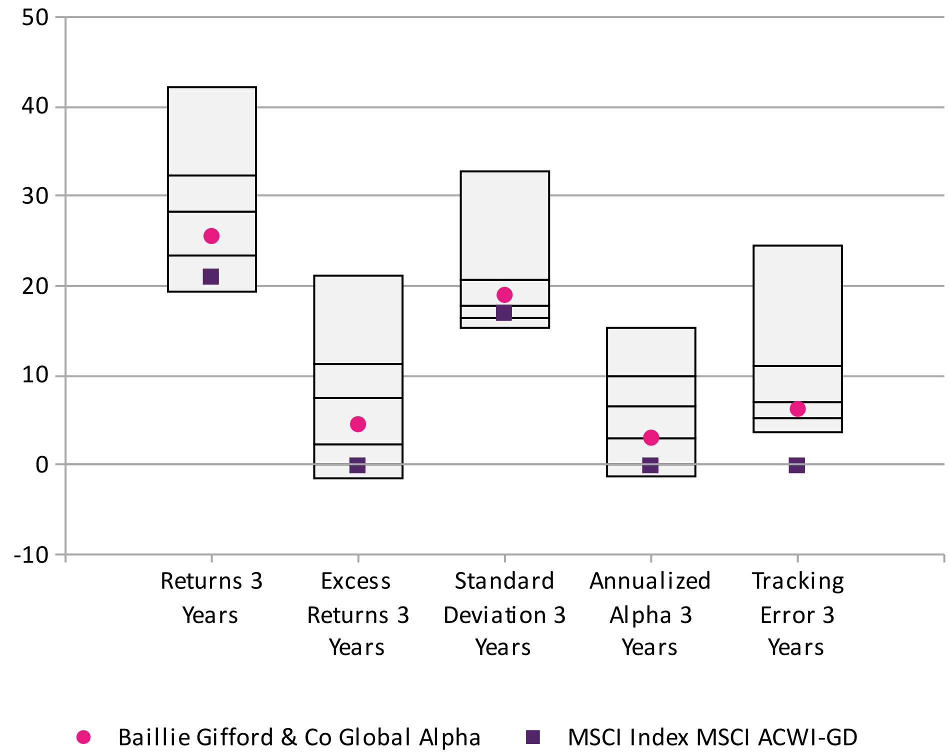
The peer group is the Global All Cap Growth Equity. Over the shorter term (up to 5 years to end December 2021), the Sub-fund has not performed as well as it has historically and is in the bottom 2 quartiles of its peer group. Over the longer term (10 years), the performance remains in the top 2 quarterlies and has outperformed the MSCI ACWI index over the 3 year period. This is coupled with low risk (tracking error) compared to other funds in the global all cap growth equity peer group.

Returns



Source: eVestment as at 31 December 2021

Key Risk Statistics



Source: eVestment as at 31 December 2021

LCIV Global Alpha Growth Fund

Conclusion

The first quarter of 2022 saw many of the trends of previous quarters accelerate and intensify. The pivot from growth to value, increased market volatility, and the often indiscriminate selling of high growth stocks fuelled by macroeconomic worries and geopolitical uncertainty have created an unfavourable environment for most growth strategies. This was reflected in the poor performance of the Sub-fund in both absolute and relative terms.

The investment manager's response to these challenges is to be disciplined with regards to their process, ensure that they continue to stretch out their time horizons and focus on whether anything has fundamentally changed with regards to the potential for portfolio companies to achieve superior rates of growth in earnings over the long term.

As we mentioned last quarter, volatility may extend well into 2022 and we will pay close attention to the investment manager's ability to remain focused and disciplined in their strategy.

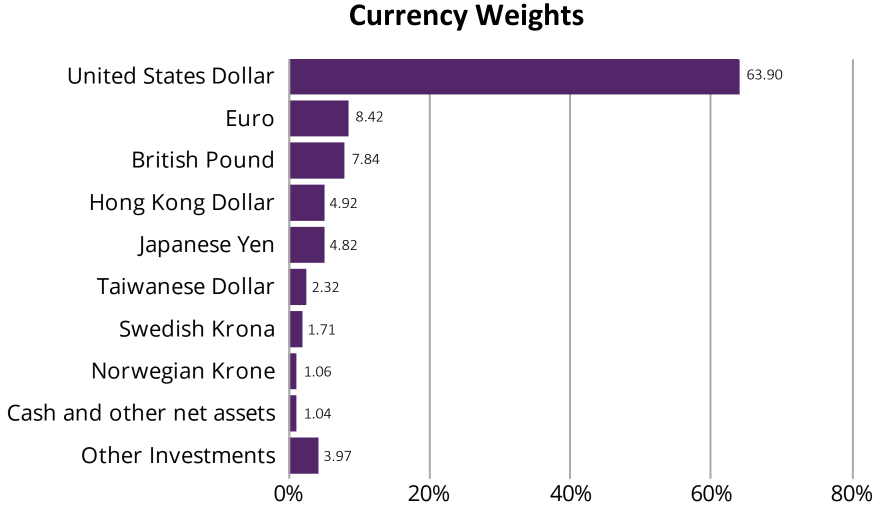
LCIV Global Alpha Growth Fund: Portfolio Characteristics

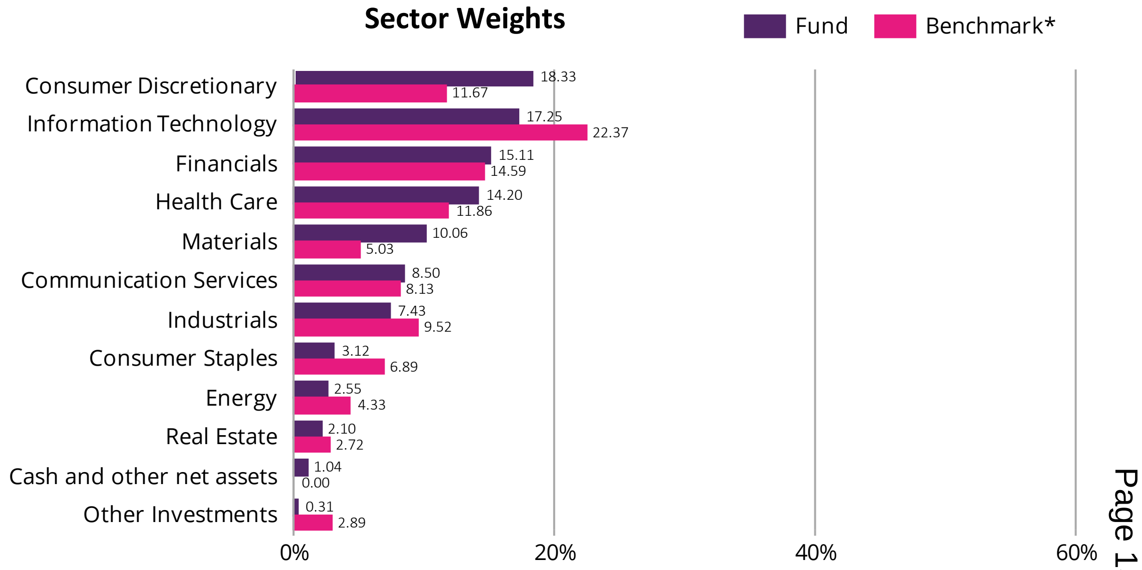
Key Statistics	
Number of Holdings	98
Number of Countries	24
Number of Sectors	10
Number of Industries	35
Yield %	1.16

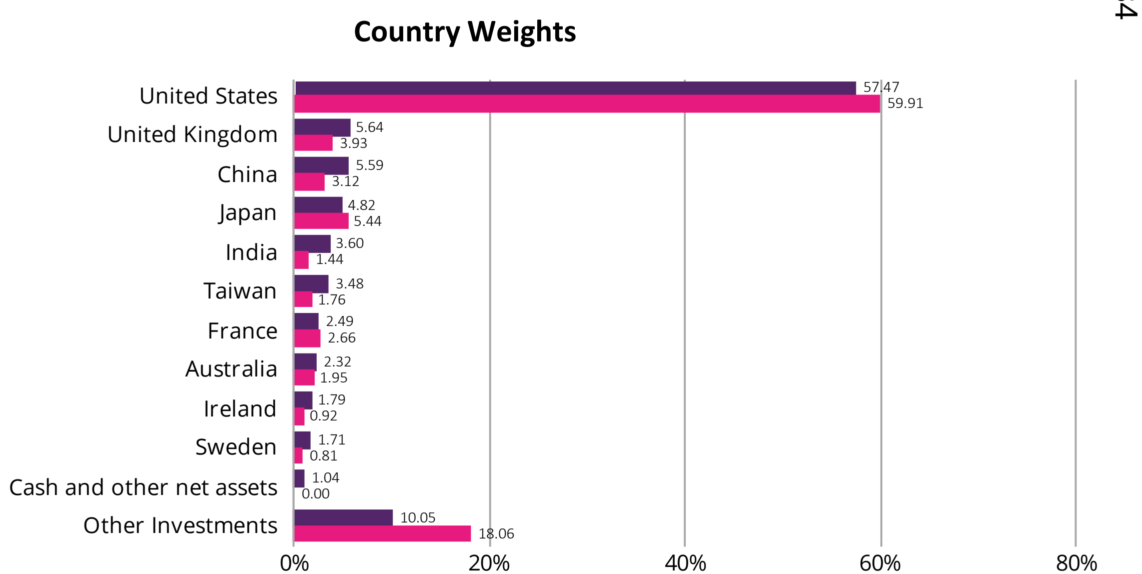
Source: London CIV data as at 31 March 2022

Risk Statistics	
Tracking Error (%)	4.60
Beta to Benchmark	1.06

Source: London CIV







Source: London CIV data as at 31 March 2022
**MSCI All Country World Gross Index (in GBP)+2%*

LCIV Global Alpha Growth Fund: Portfolio Characteristics

Top Ten Equity Holdings

Security Name	% of NAV
Anthem Com	3.49
Microsoft	3.08
Alphabet Inc Class C	3.01
Moody's	2.86
Martin Marietta Materials	2.75
Reliance Industries	2.55
Bhp Grp.	2.32
Taiwan Semiconductor Manufacturing	2.32
Prosus Nv	2.28
Amazon.com	2.26

Top Ten Contributors

Security Name	% Contribution
Bhp Billiton Ltd Cdi Npv	+0.62
Rio Tinto Ord Gbp0.10	+0.39
Anthem Com	+0.31
Reliance Industries	+0.25
B3 Brasil Bolsa Balcao	+0.24
Markel	+0.18
Arthur J Gallagher	+0.14
Oscar Health Inc	+0.09
AIA Group	+0.08
Deutsche Boerse	+0.07

Top Ten Detractors

Security Name	% Detraction
Prosus Nv	(1.34)
Shopify	(0.88)
SEA	(0.83)
Sysmex Corporation	(0.57)
Sberbank Of Russia	(0.57)
Farfetch Ltd	(0.51)
Meituan Dianping	(0.45)
Moderna	(0.42)
Facebook	(0.42)
Siteone Landscape Supply	(0.37)

New Positions During Quarter

Security Name
Adobe Systems Inc
Analog Devices Inc
Royalty Pharma

Completed Sales During Quarter

Security Name
Zillow Group C
LYFT
Stericyclesteel Dynamics

Source: London CIV data as at 31 March 2022

LCIV Global Alpha Growth Fund: ESG Summary

Summary of ESG Activity for the Quarter

Baillie Gifford increased its headcount to 40 in the first quarter. This includes six new ESG analysts and an impact analyst. A research assistant was added to the climate change team and in their clients team, an ESG specialist is added.

Baillie Gifford states that the portfolio has very limited underlying geo-revenue exposure to Russia and Ukraine – less than 1%. None of their holdings has material operations in that region. The investment manager states that as they are bottom-up stock pickers, risk is managed principally at a company level rather than through this prism of geopolitics or sovereign risk.

Baillie Gifford spoke to Moderna's General Counsel in January to discuss the company's global vaccine access momentum. The investment manager discussed the feasibility of the recommendations of the vaccine roadmap published by the World Health Organisation (WHO). The investment manager states that they are confident that Moderna is meeting the recommendations and spirit of the WHO's roadmap in most areas. Baillie Gifford further requested more details about Moderna's manufacturing ambitions in Africa and encouraged further ambition in its Global Public Health strategy. Baillie Gifford sees positive developments which will improve access to mRNA vaccines and therapeutics over the long term. However, the investment manager believes there are areas in the WHO's roadmap that the firm does not believe it can meet in full, such as the rapid transfer of know-how and technology.

The second engagement was with Axon Enterprise, where the key focus of engagement was on the executive compensation policy. Similar to Tesla, Axon follows an incentive scheme based on operational and share price goals over a 10-year period. The firm reported that over the past few years most of the targets have now been achieved and the company is now considering a follow-up plan. The investment manager supports this long-term structure of the existing plan and is encouraged by the company's intention to repeat this. The company also reported its intention future-proof the new plan so new employees and existing employees receive equitable incentives, including a service provision to promote retention. Baillie Gifford recommends the firm review the new operational goals and includes a returns-based target.

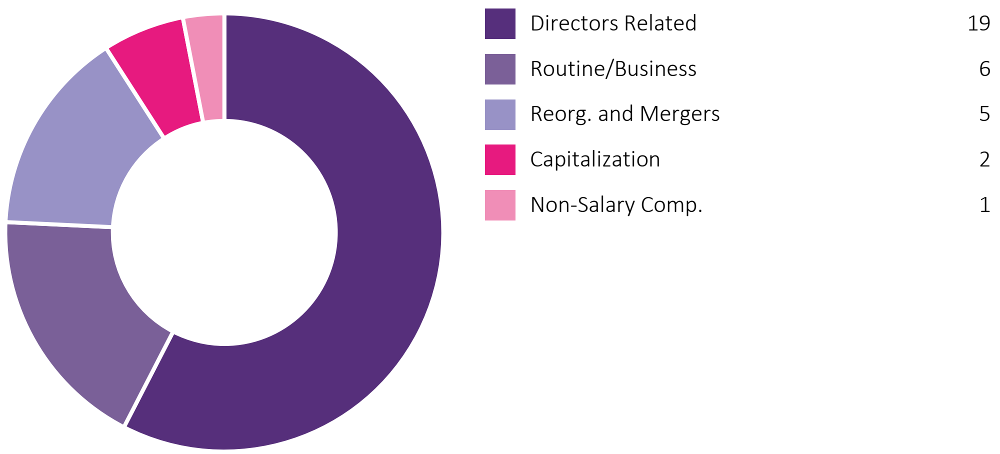
Lastly, the investment manager met with Ubisoft as part of its pre-AGM roadshow. The primary focus of the discussion was on executive remuneration. Baillie Gifford notes that the company's ESG targets are evolving and stretching positively. However, the investment manager is concerned about the proposed reduction in the vesting period for the performance share awards available to the Executive Committee.

LCIV Global Alpha Growth Fund: ESG Summary

Voting Summary

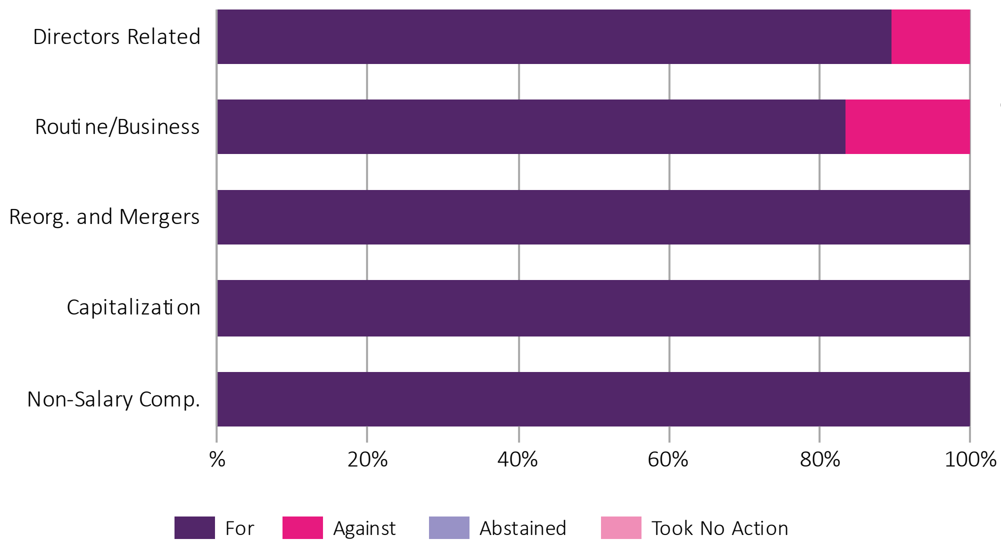
As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 January 2022 - 31 March 2022).

Proposals Breakdown



Source: London CIV data as at 31 March 2022

Voting Instruction Breakdown



Source: London CIV data as at 31 March 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/10809

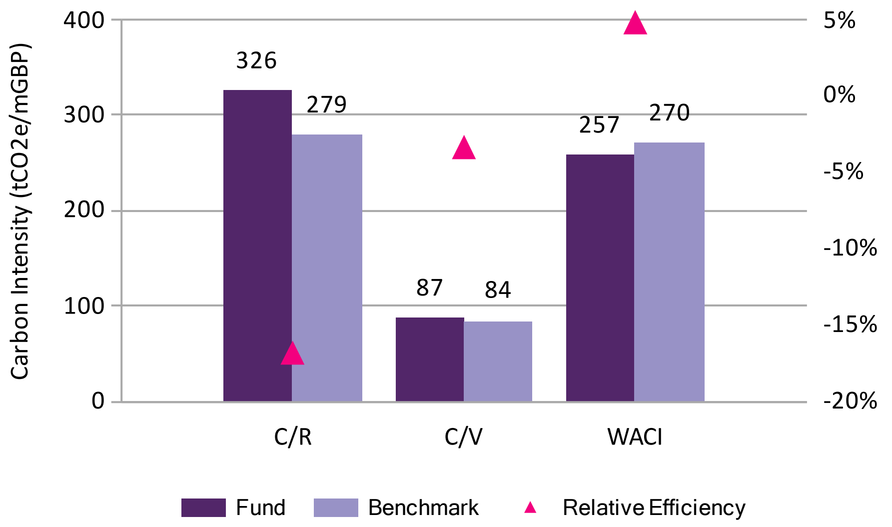
LCIV Global Alpha Growth Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

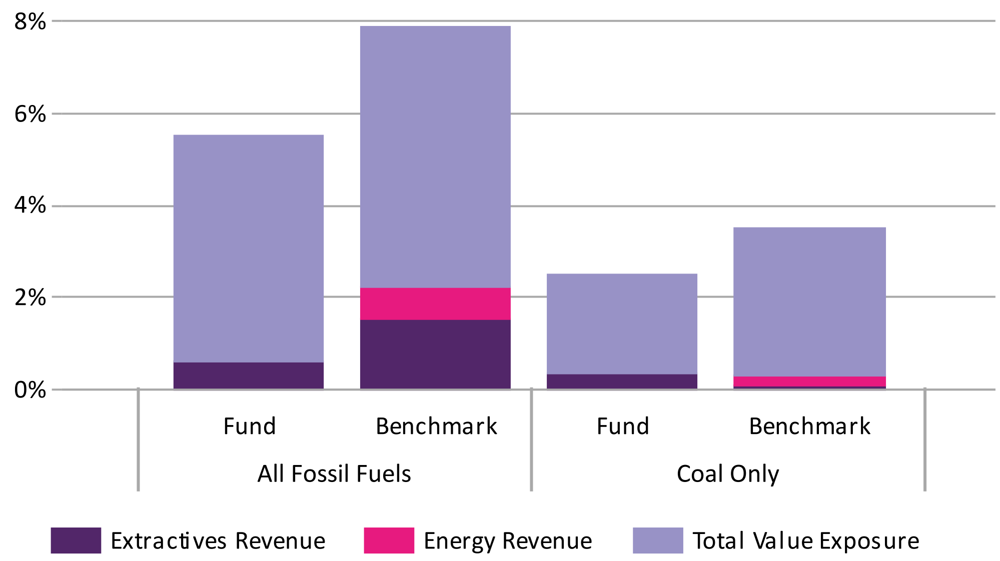
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is MSCI World

LCIV Global Alpha Growth Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Taiwan Semiconductor Manufacturing Company Limited	373.62	-0.13%	No
LG Chem, Ltd.	676.58	-0.05%	No
Budweiser Brewing Company APAC Limited	364.25	-0.05%	No
Yum China Holdings, Inc.	586.51	-0.05%	No
ITC Limited	668.57	-0.04%	Yes
Samsung Electronics Co., Ltd.	191.30	-0.04%	No
Kweichow Moutai Co., Ltd.	387.89	-0.03%	No
Sands China Ltd.	398.03	-0.03%	No
Ambev S.A.	350.50	-0.02%	No
Foshan Haitian Flavouring and Food Company Ltd.	339.54	-0.02%	No

LCIV Global Equity Focus Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£892.6m

Inception date:	17/07/2017
Price:	150.70p
Distribution frequency:	Quarterly
Next XD date:	01/04/2022
Pay date:	31/05/2022
Dealing frequency:	Daily

Investment Objective

The Sub-fund's long term objective is to achieve capital growth.

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been Longview Partners (Guernsey) Limited since the Sub-fund's inception date.

Enfield Valuation:

£104.8m

Enfield investment date: 24/10/2018

This is equivalent to 11.74% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £186,213

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	0.65	14.88	10.94	n/a	10.37	11.50
Target*	(1.83)	18.28	17.45	n/a	14.52	17.39
Relative to Target	2.48	(3.40)	(6.51)	n/a	(4.15)	(5.89)
Benchmark**	(2.43)	15.39	14.58	n/a	11.73	14.53
Relative to Benchmark	3.08	(0.51)	(3.64)	n/a	(1.36)	(3.03)

** The Target MSCI World (GBP)(TRNet)+2.5% is an absolute level of return which is deemed as the appropriate return which investors can expect for the level of risk taken within the Sub-fund. For further details, please refer to the Glossary.*
*** Benchmark: MSCI World (GBP)(TRNet)*

† The target has been selected as it in a outperformance target set in the agreement with the investment manager it is not explicitly stated in the investment objective of the Sub-fund. The target return outperformance is compounded daily therefore the benchmark return plus the outperformance may not equal the objective target.

LCIV Global Equity Focus Fund

Quarterly Commentary

Performance

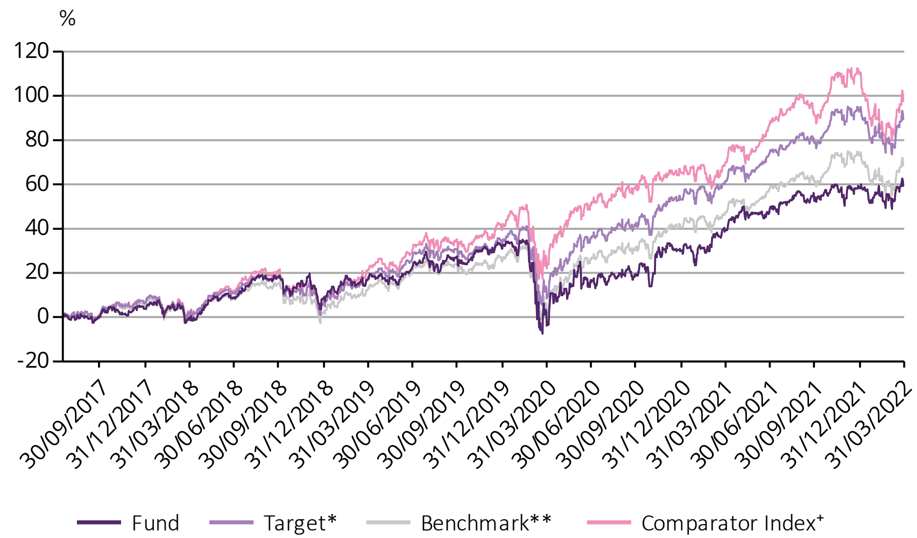
In the first quarter of 2022 the Sub-fund returned 0.7%, outperforming the MSCI World benchmark index return of -2.4% by 3.1%. In the 12-month period to end March 2022 the Sub-fund returned 14.9% against a benchmark index return of 15.4% thus posting a relative performance of -0.5%. Since inception, the Sub-fund has returned 10.4% since inception against 11.7% for the benchmark and is now lagging by 1.4% p.a. in relative terms.

This was a good quarter for the Sub-fund which was well positioned for the prevailing market environment. The portfolio currently maintains a value tilt which proved beneficial as the equity markets, particularly in the first two months of the quarter, favoured stocks with lower valuations. The defensive characteristics of the portfolio, due to its focus on high earnings visibility and robust business models, also proved helpful primarily via relatively defensive holdings in the healthcare and industrials sectors.

Also important from a performance perspective, was the impact of what is not held in the portfolio. The lack of exposure to high multiple growth stocks was particularly helpful as these segments of the market dropped sharply in January and February. The portfolio did not have any direct exposure to either Russia or Ukraine and portfolio companies had very limited exposure to the region. Interestingly, the Sub-fund's good performance was achieved despite the nil weight in the energy and materials sectors which performed particularly well as commodity prices spiked in response to events in Ukraine.

At the stock level, contributors outnumbered detractors in a ratio of two to one as better-than expected operational performance at several companies was complemented by the defensive characteristics of the companies held. The three largest contributors were L3Harris, American Express and Henry Schein.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Target: MSCI World (GBP)(TRNet)+2.5%*

*** Benchmark: MSCI World (GBP)(TRNet)*

⁺ The Comparator Index MSCI World Quality Price Index Net Total Return is not the stated fund objective, but has been selected as an appropriate index given the style of the Sub-fund. For further details, please refer to the Glossary.

L3Harris (L3) is a U.S. manufacturer of communications equipment for the defence industry. Consistent with other defence stocks L3 performed strongly following Russia's invasion of Ukraine in the expectation that the industry will benefit from the increased defence spending by governments, particularly in Europe. American Express (Amex), the credit card service company, outperformed following the release of its quarterly results in January. Results were better than expected, notably for the 'Goods & Services' total billed business which was up by 24%, and the company continues to recover well from the impact of the pandemic. Henry Schein, who produces and distributes medical and health care products, also

LCIV Global Equity Focus Fund

released a strong set of results for the fourth quarter of 2021 that surpassed both market estimates and company's own expectations. Additionally, the management offered improved guidance for future revenues. As a result, shares outperformed strongly during the first quarter of 2022, more than recouping the underperformance registered in the last quarter of 2021.

The three largest detractors were IQVIA, TJX and Charter Communications. IQVIA, the U.S. health information technology and clinical research company, was one of last quarter's top performers but lost ground in Q1. This was mainly due to concerns about an important segment of their customer base (early-stage biotech start-ups) facing a weaker funding environment. The discount retailer TJX underperformed in the first quarter of the year on the back of reporting disappointing quarterly sales growth and gross margins. This was due to weak sales in January caused by rising Omicron variant cases and social distancing restrictions outside of the U.S. Charter Communications (Charter), a large cable operator in the U.S. that provides high-speed broadband, telephony and television products, underperformed again this quarter. Fourth quarter 2021 results, released in January, showed broadband net additional subscriptions roughly in line with recent results but lower than the high levels seen during the lockdowns. The company also guided to higher levels of capital spending to support the roll out of broadband in rural areas. Charter is amongst the most indebted companies in the portfolio and the investment manager is wary of the potential impact of a higher rate environment on the company. Given that only a quarter of the company's debt matures within the next five years they are not overly concerned.

Market Views

Russia's invasion of Ukraine triggered swift and wide-ranging sanctions against Russia by Western governments. The conflict and the sanctions that followed have caused higher oil and gas prices and exacerbated existing inflationary pressures. For many companies, these inflationary pressures were already being felt and, although the war may have changed their magnitudes, inflation and other fundamental issues impacting companies remain largely the same as three months ago.

The Sub-fund's investment manager has been concerned that inflation would not prove transitory. The ability of a company to succeed in an extended and more entrenched inflationary environment has been a key consideration for the research team when reviewing portfolio companies and considering new ideas. In periods of elevated inflation, high quality companies such as those they seek to invest in have tended to be resilient because higher margins and pricing power act as a strong defence against the impact of cost inflation on cash flow generation. The investment manager continues to focus on finding those companies that can navigate this uncertain environment successfully and may even have an opportunity to strengthen their position if the economy takes a turn for the worse.

Central banks have responded to higher inflation by raising short-term interest rates. The U.S. Federal Reserve increased rates by 25 basis points in March and the Bank of England raised their base rate in December, February, and March. In what is potentially the end of the quantitative easing era for markets the Federal Reserve also suggested that quantitative tightening (QT) will start in May. A period of tighter monetary conditions may well dissipate some of the excess that we have observed in parts of the market over recent years. In the investment manager's view this can be particularly painful for stocks with high multiples, usually attributed to growth companies, which are vulnerable if results disappoint, or interest rate expectations rise. The investment manager's strict valuation discipline has kept them away from those areas of excess.

Over the last eighteen months many companies have benefitted from the largesse of consumers that have been flush with cash from government stimulus during the pandemic. As the effects of this stimulus wane,

LCIV Global Equity Focus Fund

consumers are being hit by significant increases in fuel costs for both transport and household utilities as well as more general inflation. The investment manager is watchful of the potential for this to squeeze consumer spending and push the economy into recession.

The investment manager believes that volatility in markets seems set to continue and this can be challenging, it can also be the stock picker's friend and such an environment should offer a fertile hunting ground for new ideas.

Positioning

The Sub-fund maintained a significant regional allocation to North American equities at c. 83% followed by an exposure of 17% to European equities. At the sector level the largest exposure was to health care at 29.3% followed by financials at 20.3%. The largest positions at the stock level at the end of March 2022 were UnitedHealth at 4.8%, WW Grainger at 4.4% and L3Harris at 4.2%.

Over the first quarter the investment manager initiated a position in CDW (originally Computer Discount Warehouse) which is a US-focused reseller of IT hardware, software, and services. The company acts as an intermediary in the value chain, aggregating and procuring products from multiple vendors and selling these on to customers. The investment manager believes CDW has many of the features of a high-quality company: it earns high returns, is predictable, has identifiable opportunities to grow, allocates capital well and scores well on environmental, social and governance factors and receives a 'negligible risk' ESG risk rating from Sustainalytics. Nevertheless, it is cyclical due to its exposure to the IT investment cycle.

Over the quarter, the investment manager fully exited from the position in the Japanese brewery Asahi. The investment manager believes that Asahi's competitive position has deteriorated following modest but consistent market share losses and a decline in operating margin. In June 2020, Asahi acquired Carlton and United Breweries from Anheuser-Busch InBev at what the investment manager believes was a high price. In their view this was a questionable use of capital, and it has eroded their confidence in future capital allocation decisions. As a result of the apparent deterioration in competitive positioning in Japan and their concerns over future capital allocation they decided to sell the position.

Fund Monitoring

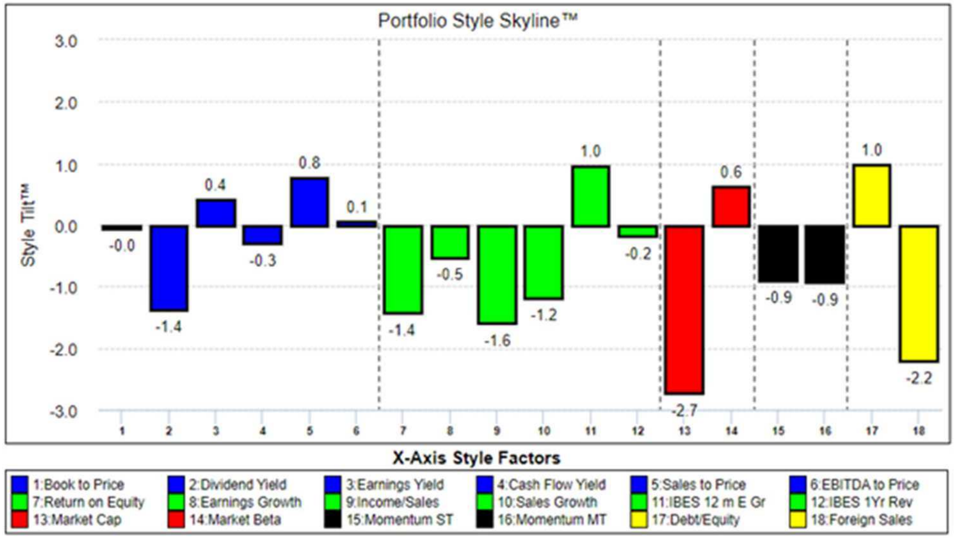
The investment manager remains on watch since October 2020 due to concerns regarding their investment approach, high personnel turnover, including the departure of the CIO Alistair Graham, and weak performance.

The investment team at LCIV have conducted a peer group comparative analysis via a soft market test and an extended investment due diligence on the investment manager using our RAG scoring framework. We note the progress the investment manager has made in certain areas such as performance, personnel and ESG integration while we retain concerns over other areas such as 'value for money' and investment approach. An update on the investment manager's monitoring status will be shared with investors in May.

LCIV Global Equity Focus Fund

Style Analysis

In terms of style, during the last quarter (Q4 2021) the Sub-fund remains titled away from dividend yield and most growth factors (green bars) with a bias towards smaller cap stocks and those with low foreign sales.

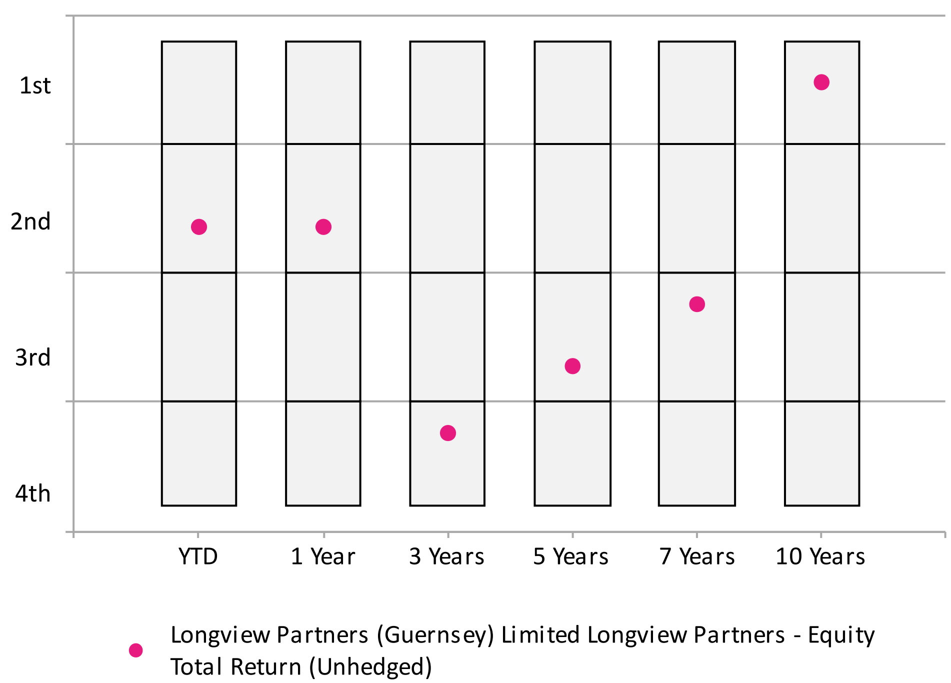


Source: eVestment as at 31st December 2021

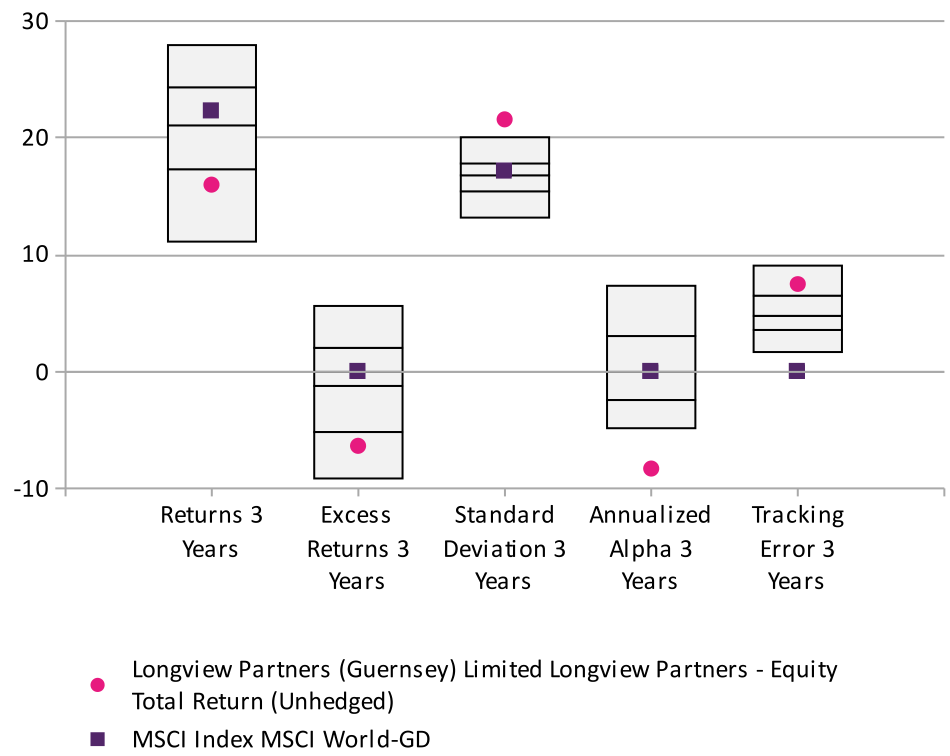
LCIV Global Equity Focus Fund

Peer Analysis

The peer group is the Global Large Cap Core Equity. During the last year and over the longer term (10 years), relative to its peers the Sub-fund has witnessed returns in the top two quartiles and has been particularly strong over the longer time period. However, the Sub-fund has under-performed the MSCI World benchmark over 3 years and has taken a relatively high amount of risk.



Source: eVestment as at 31 December 2021



Source: eVestment as at 31 December 2021

LCIV Global Equity Focus Fund

Conclusion

This was a good quarter for the Sub-fund which was well positioned for the prevailing market environment. Relative return for the quarter was 3.1% which helped to trim the since inception underperformance from -2.2% at the end of 2021 to -1.4% p.a. this quarter.

The portfolio currently maintains a value tilt which proved beneficial as the market, particularly in the first two months of the quarter, favoured stocks with lower valuations. The defensive characteristics of the portfolio due to its focus on high earnings visibility and robust business models also proved helpful primarily via holdings in the traditionally defensive healthcare and industrials sectors.

As we are concluding our peer group and extended due diligence exercise on the investment manager, we are retaining a 'watch status' and will update investors in May.

LCIV Global Equity Focus Fund: Portfolio Characteristics

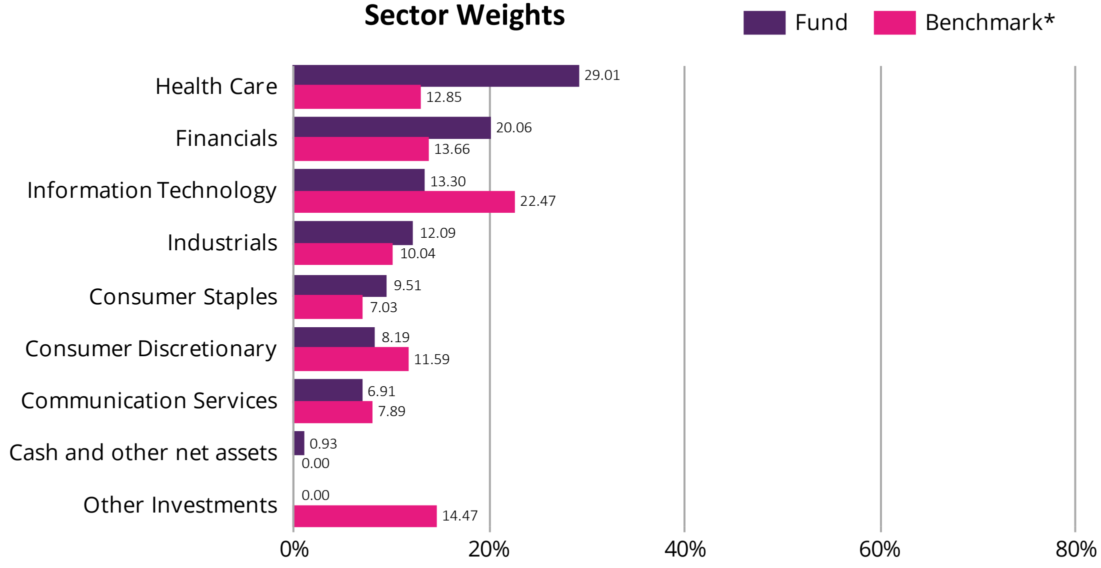
Key Statistics	
Number of Holdings	33
Number of Countries	5
Number of Sectors	7
Number of Industries	21
Yield %	1.21

Source: London CIV data as at 31 March 2022

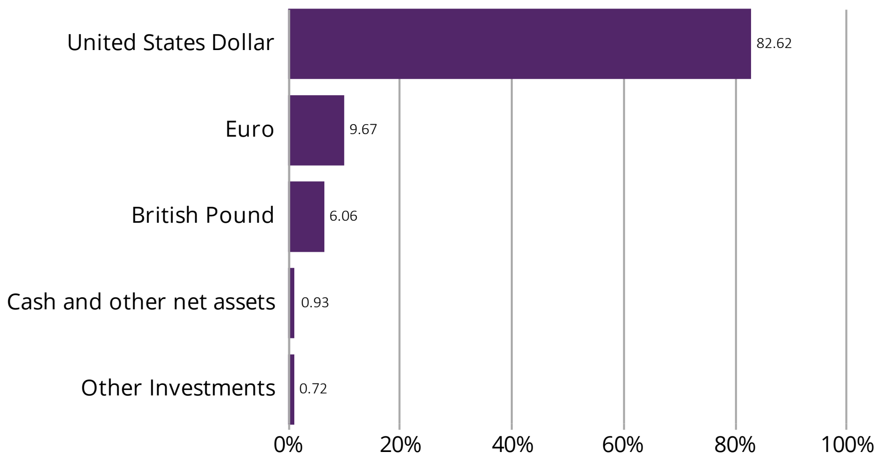
Risk Statistics	
Tracking Error (%)	4.76
Beta to Benchmark	1.00

Source: London CIV

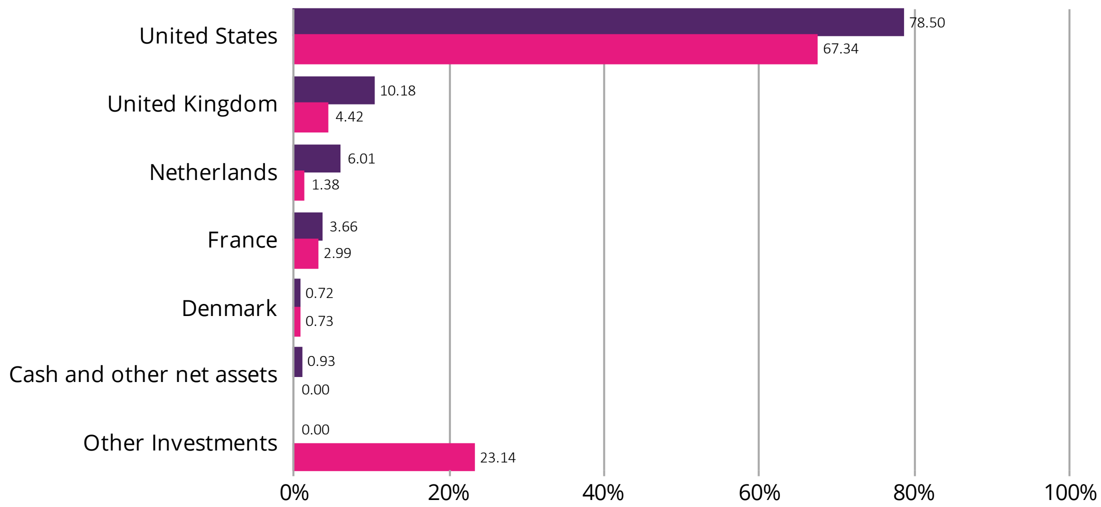
Sector Weights



Currency Weights



Country Weights



Source: London CIV data as at 31 March 2022

**MSCI World (GBP)(TRNet)+2.5%*

LCIV Global Equity Focus Fund: Portfolio Characteristics

Top Ten Equity Holdings	
Security Name	**% of NAV**
Unitedhealth Group	4.81
Ww Grainger	4.38
L3harris Technologies	4.21
HCA Healthcare Inc	4.13
Aon	4.11
State Street	4.02
Marsh & Mclennan Co's	4.01
Alphabet Inc Class A	3.95
Henry Schein	3.94
Becton Dickinson	3.90

Top Ten Contributors	
Security Name	**% Contribution**
L3harris Technologies	+0.74
American Express	+0.68
Henry Schein	+0.55
Aon	+0.45
Becton Dickinson	+0.33
Medtronic	+0.31
Sysco	+0.27
Unitedhealth Group	+0.23
Sanofi	+0.20
Us Foods Holding	+0.18

Top Ten Detractors	
Security Name	**% Detraction**
IQIVA Holdings	(0.74)
Tjx Cos	(0.63)
Bank of New York Mellon	(0.51)
Charter Communications	(0.48)
Heineken Nv	(0.46)
State Street	(0.15)
Fidelity National Infomation Services	(0.13)
United States Dollars - Pending	(0.12)
Arrow Electronics	(0.11)
CDW Corp	(0.09)

New Positions During Quarter
Security Name
Moody's

Completed Sales During Quarter
Security Name
Henkel Vorzug Prf
Asahi Group Holdings

Source: London CIV data as at 31 March 2022

LCIV Global Equity Focus Fund: ESG Summary

Summary of ESG Activity for the Quarter

There is no direct exposure to any Russian or Ukrainian companies. Longview has not identified any material risks, either directly or indirectly associated with the portfolio companies, nor have the Sustainalytics risk profiles of the companies changed materially after the outbreak of the crisis.

This quarter, the investment manager undertook an audit of portfolio company climate commitments to ascertain the current position in relation to the greenhouse gas emission reduction targets which have been set to meet the goals of the Paris Agreement. From this initial exercise, Longview intends to identify and prioritise companies to engage with on this matter; either seeking more clarity, or pushing for firmer commitments for action. They found that 75% of Longview portfolio companies have set a carbon emissions reduction target, compared to 43% of the Russell 1000. Whilst Longview is encouraged by existing commitments, they believe there is a need for engagement with some companies, to obtain greater clarity or to push for further action.

Longview engaged with Henry Schein, an American healthcare distributor regarding its recent climate commitments made. The company had signed the Business Ambition for 1.5°C warming Science Based Targets Initiative (SBTi), committing them to set a long-term, science-based emissions reduction target to reach net zero global emissions by 2050. The pledge and the intention were clear, but the announcement did not provide much detail on the targets. Due to this, Longview requested clarity on the plan. Henry Schein confirmed that they were currently calculating the "baseline" emissions for parts of the business, and once completed would set appropriate reduction targets. The company confirmed they expected this to be completed by year end. Longview will monitor the company to check that these pledges are met.

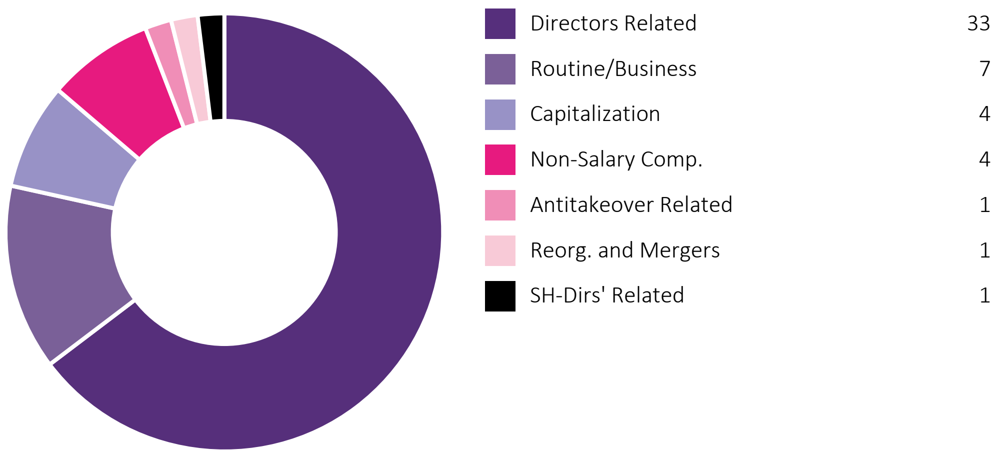
Longview engaged with Zimmer Biomet (Zimmer) to discuss its rating from Sustainalytics, which deemed the company to be high risk from an ESG perspective. It was noted that Zimmer's ESG Risk Rating had been lowered to medium risk. Zimmer had improved on its quality and safety standards in its 2020. Sustainability Report and this was reflected in the re-rating. Sustainalytics now recognises that Zimmer has in place the necessary quality and safety measures, in line with industry best practice.

LCIV Global Equity Focus Fund: ESG Summary

Voting Summary

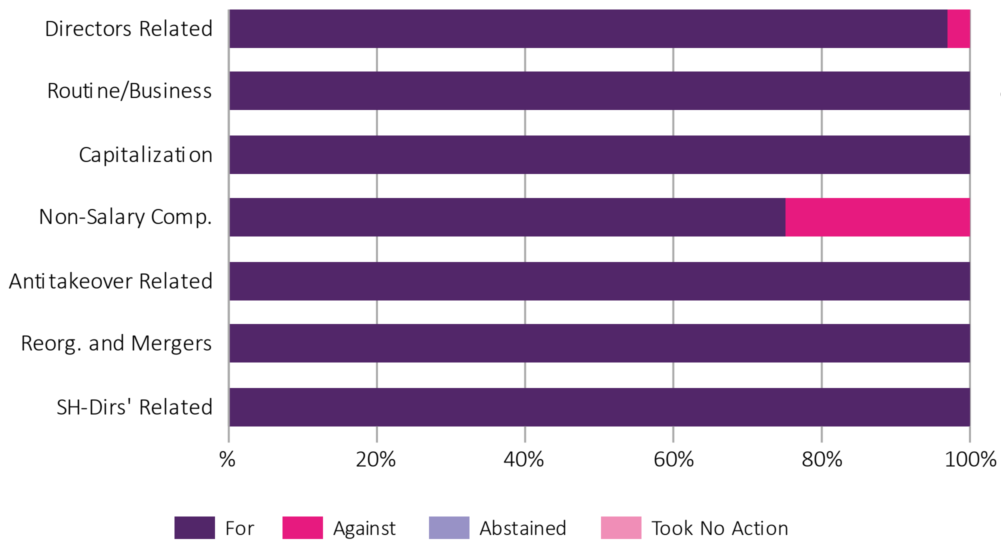
As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 January 2022 - 31 March 2022).

Proposals Breakdown



Source: London CIV data as at 31 March 2022

Voting Instruction Breakdown



Source: London CIV data as at 31 March 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/10811

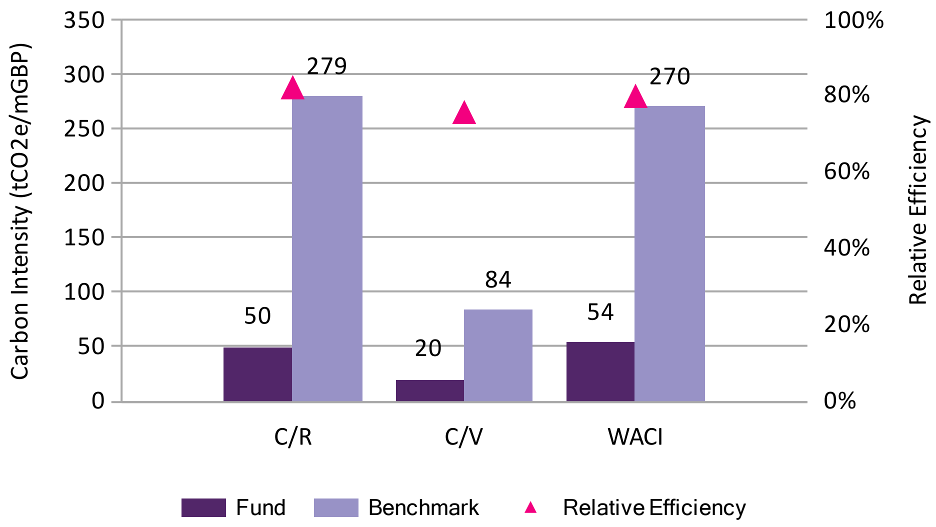
LCIV Global Equity Focus Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

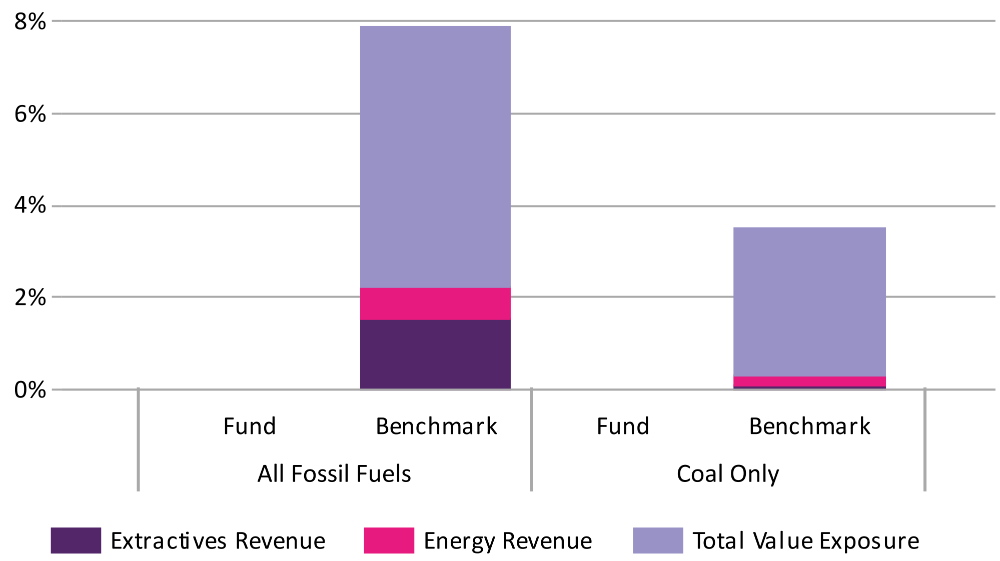
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is MSCI World

LCIV Global Equity Focus Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Taiwan Semiconductor Manufacturing Company Limited	373.62	-0.10%	No
Abbott Laboratories	283.34	-0.10%	No
Stanley Black & Decker, Inc.	290.76	-0.07%	No
Texas Instruments Incorporated	265.86	-0.03%	No
The Procter & Gamble Company	176.82	-0.03%	Yes
Baxter International Inc.	127.76	-0.03%	No
Amphenol Corporation	147.65	-0.01%	No
The Coca-Cola Company	160.33	-0.01%	Yes
Atlas Copco AB	136.09	-0.01%	No
Reckitt Benckiser Group PLC	90.78	-0.01%	No

LCIV Emerging Market Equity Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£522.6m

Inception date:	11/01/2018
Price:	100.50p
Distribution frequency:	Quarterly
Next XD date:	01/04/2022
Pay date:	31/05/2022
Dealing frequency:	Daily

Investment Objective

The Sub-fund's objective is to achieve long-term capital growth by outperforming the MSCI Emerging Market Index (Total Return) Net by 2.5% per annum net of fees annualised over rolling three year periods.

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been JPMorgan Asset Management (UK) Limited since 11 October 2019. Prior to this the fund was managed by Henderson Global Investors.

Enfield Valuation:

£32.3m

Enfield investment date: 24/10/2018

This is equivalent to 6.17% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £31,824

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(6.12)	(10.37)	4.47	n/a	1.07	5.87
Investment Objective*	(3.72)	(4.80)	7.19	n/a	4.37	9.81
Relative to Investment Objective	(2.40)	(5.57)	(2.72)	n/a	(3.30)	(3.94)
Benchmark**	(4.30)	(7.12)	4.58	n/a	1.83	7.13
Relative to Benchmark	(1.82)	(3.25)	(0.11)	n/a	(0.76)	(1.26)

** Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%*
*** Benchmark: MSCI Emerging Market Index (TR) Net*

† The investment objective is compounded daily therefore the benchmark return plus the outperformance target may not equal the investment objective.

LCIV Emerging Market Equity Fund

Quarterly Commentary

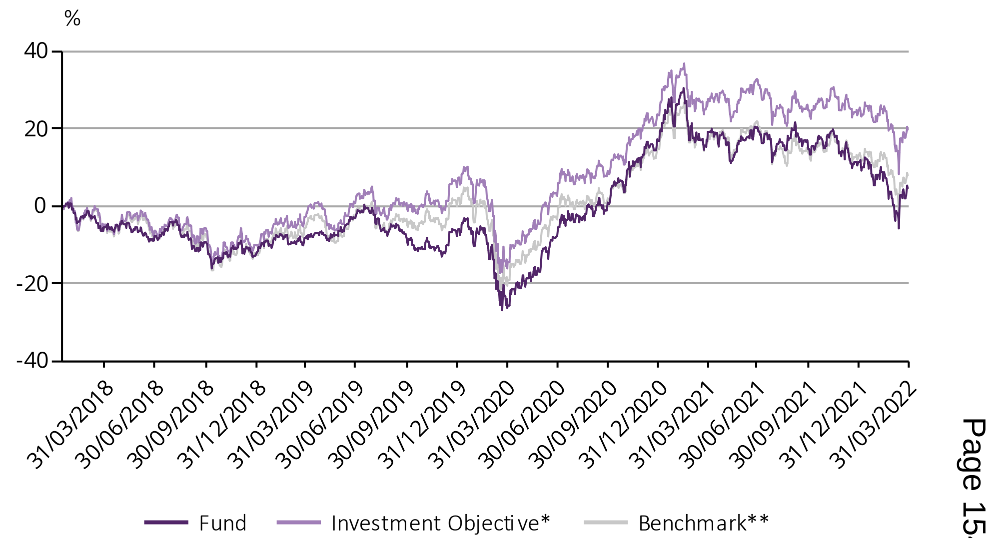
Performance

In a challenging first quarter, the Sub-fund's value decreased by 6.1%, while the benchmark, MSCI Emerging Market Index, dropped by 4.3% over the same period, resulting in -1.8% underperformance for the Sub-fund. One-year relative return of -3.3% is indicative of weak medium-term performance, with the Sub-fund returning -10.4%, against -7.1% returns for the benchmark. Longer term performance, especially considering the underperformance of the legacy investment manager, is more muted – three year returns for the Sub-fund stand at 4.5%, a relative underperformance of -0.1%.

Continuing the 2021 trend, emerging markets equities have lagged developed markets equities in the first quarter. While performance was affected by Chinese regulatory pressures and increasing inflation expectations previously, more recently it was Russia's invasion of Ukraine that further compounded the woes of emerging markets. Russia's aggression and its impact on world supply chains was the prevalent theme across all geographies; however, the impact was understandably more severe in emerging markets. Characteristically, the maximum drawdown in emerging markets equities was roughly 18%, versus just over 10% for the developed markets equities.

A key factor in the Sub-fund's underperformance over the last year has been the style rotation from growth to value across global equity markets. Given the portfolio's inherent 'quality growth' bias, the Sub-fund is expected to underperform in late market cycles when cheap cyclical stocks tend to outperform the wider market. This style rotation started much earlier in the emerging markets but is now evident in developed markets too. The portfolio does have some cyclicality, albeit not necessarily through traditional value-oriented sectors (i.e., materials, energy or industrials).

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%*

*** Benchmark: MSCI Emerging Market Index (TR) Net*

The investment manager's weak stock selection and over allocation to an underperforming communication services sector over the first quarter was the main headwind for the portfolio. Within the sector and across the portfolio, the largest detractor, Sea ltd continued its decline from the prior quarter on the back of weak guidance. The stock was one of the best performing positions for the first few quarters since its purchase; however, it is now trading close to the levels at which it was initially bought.

Energy sector led the headlines as Russian stocks were by far the largest detractors, while Middle Eastern oil companies were some of the best performers - the portfolio does not hold any energy stocks.

LCIV Emerging Market Equity Fund

Stock selection in financials was adversely impacted by Sberbank, a Russian bank heavily affected by recent sanctions against Russia. Currently, London CIV is working towards exiting this position, and in the meanwhile, the stock has been written down to zero by London CIV's Valuation Committee. Within financials, not owning Gulf banks was also a headwind; however, their revenues' cyclical dependency on commodities makes them an unsuitable investment for the investment manager.

Against the backdrop of rising commodity prices, B3, a Brazilian stock exchange was understandably the largest performance contributor due to the surge in increased inflows and positive sentiment across Brazilian equities.

Market Views

Russian invasion of Ukraine was undoubtedly the driving factor across global markets over the first quarter. The investment manager has had long standing views on Russia and has only occasionally invested in Russian companies, if perceived to be 'quality' or 'premium'. However, they now believe that the country is not investible. Political risk is usually priced in when investing in emerging market economies, but in the investment manager's opinion, the geopolitical risk associated with Russia makes any investment untenable now.

Recent geopolitical events have risen fears of a spill over into Chinese equities and investors are reassessing the risks associated with economies where state intervention remains pervasive. The investment manager is aware of the political risk in investing in such geographies, but in their view the investment premise, in the case of China, still holds strong. The investment manager believes that the domestic focus of current holdings makes them relatively immune from any regulatory headwinds. However, this view can be challenged given the exposure to technology and e-commerce names, such as Tencent and AliBaba. Overall, the investment manager's views are in line with the broader market which appears to be pointing to an undervaluation for Chinese equities. Also, there are further tailwinds expected from Chinese authorities' strong will to deliver the targeted 5-6% annual growth and an accommodative monetary policy.

Regional dispersions have surfaced across equity markets due to the impact of recent events on commodities. This has resulted in countries such as Brazil, Peru and South Africa outperforming the broader index. Oil based economies, in particular Middle Eastern states, have also benefited from positive investor sentiment, due to the shift in global supply dynamics.

Positioning

The Sub-fund has maintained its structural underweight to cyclical sectors such as materials, energy and real estate, attributing to most of the portfolio's relative underperformance since the early part of last year when investors started gravitating towards value stocks. While the portfolio maintains exposure to some cyclicality, it is mostly through consumer discretionary, and only marginally through materials.

China still presents the largest opportunity set within emerging markets and remains the Sub-fund's largest geographical exposure, albeit on a relative basis the portfolio is slightly underweight against the benchmark. With a new wave of lockdowns, Chinese equities could extend their recent losses.

Across sectors, financials retain the largest overweight and a significant part of that exposure is within India. The investment manager expects an increase in domestic economic activity to have a positive impact on these positions. The largest positions within financials are the longstanding holdings, HDFC bank and HDFC ltd. With the news of a merger of these two separate entities,

LCIV Emerging Market Equity Fund

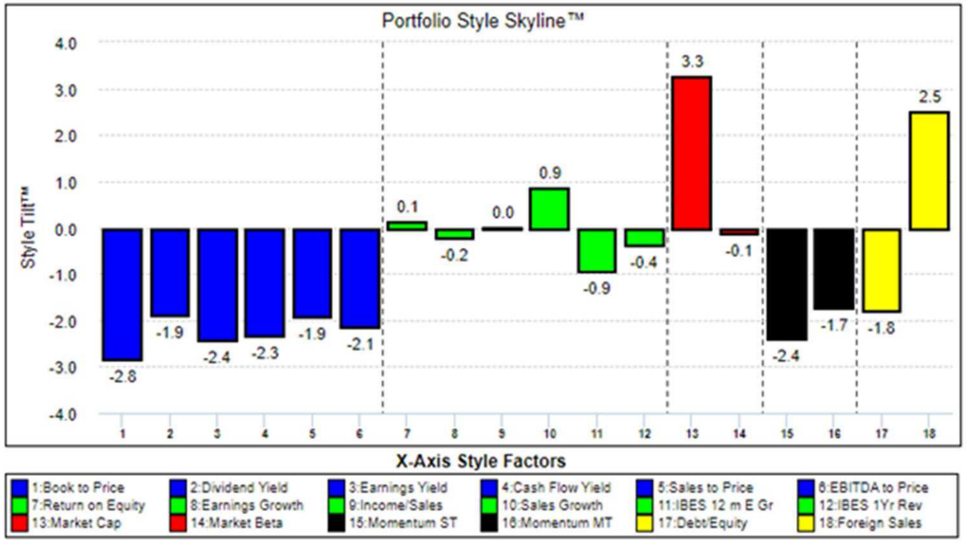
the investment manager is currently evaluating if the company will become an oversized conglomerate.

There has been one addition to the portfolio over the quarter, LG Chem, a South Korean company with a key focus on EV batteries and life sciences.

Overall, the portfolio maintained its ‘quality growth’ bias and is expected to perform well in more benign market conditions. However, if current inflation concerns persist, then the portfolio’s under allocation to commodity related names could be a headwind for the near term.

Style Analysis

The Style analysis shows that the Sub-fund has maintained its exposure to expensive stocks (negative value). The bias towards companies with a larger market cap than the benchmark and higher quality remains consistent. There has been a move over Q4 towards stocks with negative momentum.



Source: eVestment as at 31st December 2021

LCIV Emerging Market Equity Fund

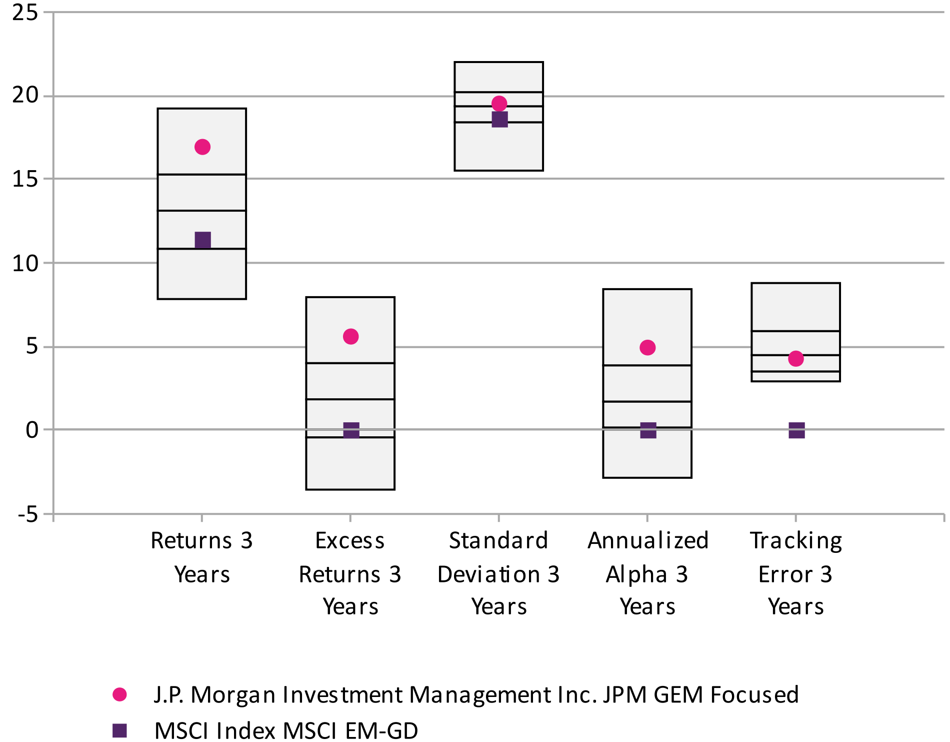
Peer Analysis

The peer group is the Global Emerging Markets All Cap Core Equity. Peer relative return has highlighted the investment manager to be a top performer with returns in the top quartile over the medium to longer term (3 years plus), although 2021 performance has seen it move to the bottom quartile. Over the 3 year period, the Sub-fund has out-performed the benchmark, with a level of risk at the mid range compared to its peers.

Returns

Source: eVestment as at 31 December 2021

Key Risk Statistics



Source: eVestment as at 31 December 2021

LCIV Emerging Market Equity Fund

Conclusion

The Sub-fund lagged its benchmark in the first quarter of the year thus extending its underperformance from the latter part of 2021. While the market style rotation from growth to value has been the key headwind for the portfolio over 2021, in Q1 2022 it was geopolitical events that took their toll on a portfolio that is expected to thrive in benign market conditions.

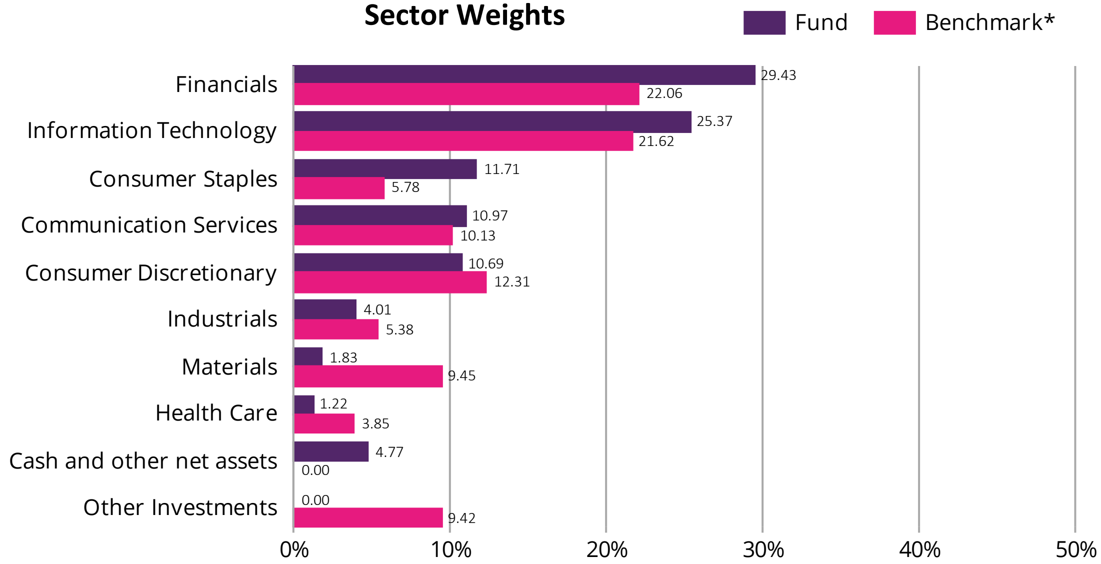
Overall, the investment manager remains focused on quality stocks where company specific factors are the main driver of returns. The investment manager invests in companies with ‘sustainable’ earnings growth, which in effect excludes a large part of cyclical and commodity related stocks. This could result in inflation posing medium term challenges for the portfolio. However, the style rotation across equity markets, along with the extended underperformance of Chinese stocks, has now created attractive opportunities for the investment manager and the portfolio is still expected to outperform on the back of robust earnings growth in the long run.

LCIV Emerging Market Equity Fund: Portfolio Characteristics

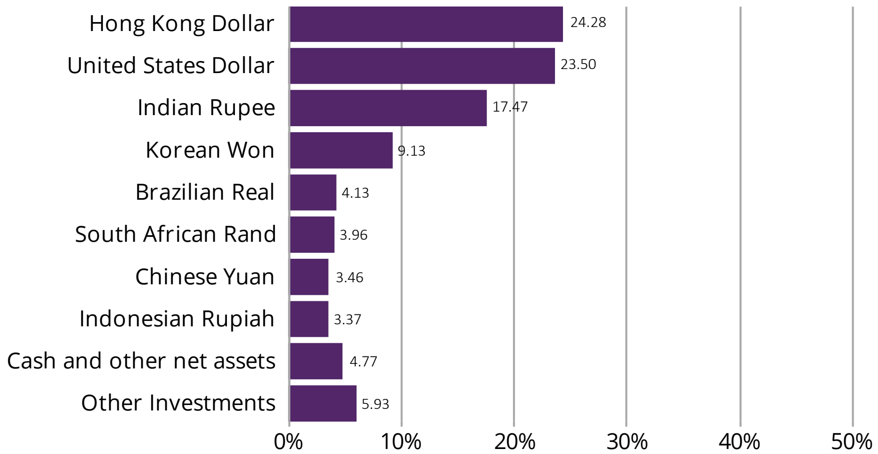
Key Statistics	
Number of Holdings	52
Number of Countries	15
Number of Sectors	8
Number of Industries	24

Source: London CIV data as at 31 March 2022

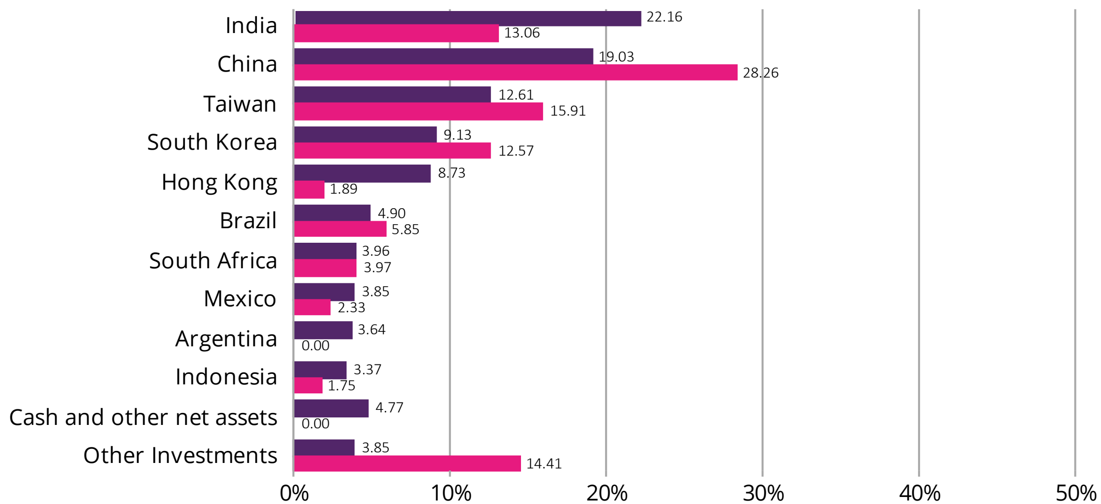
Sector Weights



Currency Weights



Country Weights



Source: London CIV data as at 31 March 2022
**MSCI Emerging Market Index (TR) Net+2.5%*

LCIV Emerging Market Equity Fund: Portfolio Characteristics

Top Ten Equity Holdings

Security Name	% of NAV
Taiwan Semiconductor Manufactor ADR	7.99
Tencent Holdings	6.06
Samsung Electronics	6.06
HDFC Bank ADR	4.68
Infosys	4.58
Housing Development Finance	4.47
AIA Group	4.39
Tata Consultancy Services	4.09
Mercadolibre	3.64
Capitec Bank Holdings	2.10

Top Ten Contributors

Security Name	% Contribution
Capitec Bank Holdings	+0.47
Itau Unibanco Holding	+0.38
B3 Brasil Bolsa Balcao	+0.36
Bank Rakyat Indonesia Persero	+0.31
Credicorp	+0.26
AIA Group	+0.26
Weg	+0.22
Grupo Financiero Banorte	+0.21
Wal-Mart De Mexico	+0.19
Bank Central Asia	+0.18

Top Ten Detractors

Security Name	% Detraction
SEA	(1.53)
Epam Systems Inc	(1.34)
Tencent Holdings	(0.95)
Sberbank Of Russia	(0.74)
Taiwan Semiconductor Manufactor ADR	(0.73)
Samsung Electronics	(0.61)
Wuxi Biologics	(0.45)
Techtronic Industries	(0.35)
Sberbank Of Russia	(0.34)
Hong Kong Exchanges & Clearing	(0.32)

New Positions During Quarter

Security Name
Lg Chem

Completed Sales During Quarter

Security Name
not applicable, no completed sales during the quarter

Source: London CIV data as at 31 March 2022

LCIV Emerging Market Equity Fund: ESG Summary

Summary of ESG Activity for the Quarter

The investment manager stated they do not believe Russian equities are suitable investments in an emerging market-focused portfolio in terms of their investment philosophy, process and risk management. Specifically, they see material risks to equity ownership and the ability to receive and repatriate dividends due to both international and Russian sanctions and policies.

JPM identified that EPAM Systems is at higher risks associated with the invasion of Ukraine and have spoken to the company twice since the end of January, as well as attending broader earnings updates. EPAM has confirmed they will exit their Russia operations. The company also expects to retain a substantial portion through relocations. Most of the firm's employees in Ukraine are in safe areas and at productivity consistent with 2021.

JPM also highlighted supply chain disruption as a result of Covid-19. They are to track every part of the supply chain by utilising fundamental bottom-up research, as well as extensive engagement with company management, suppliers and authorities. They believe that companies need to maintain high ESG standards as they deal with disruptions – taking governments, investors and consumers into consideration.

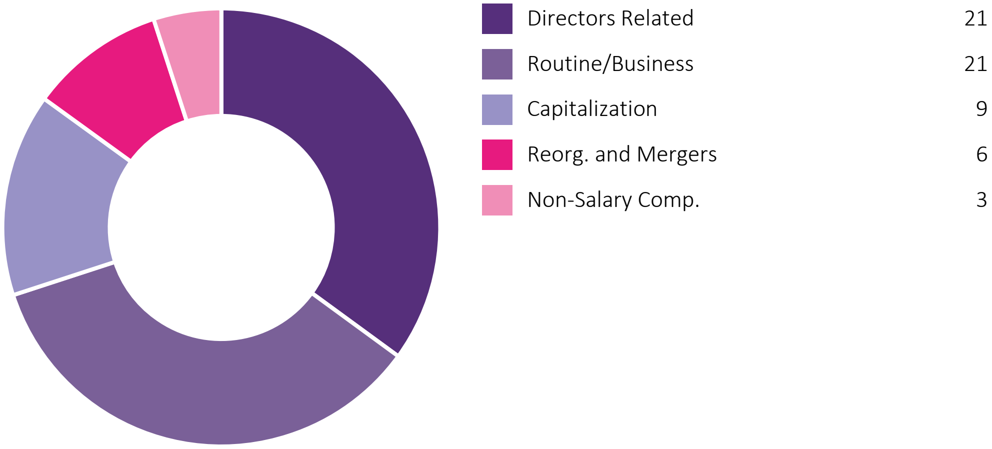
JPM provided an engagement example for Alibaba this quarter. The investment manager met with the new ESG director for Alibaba, during the engagement JPM raised concerns over social issues, especially on diversity and equal opportunity. JPM also proposed to the company to disclose more quantitative and qualitative employee engagement results in these areas. JPM raised its concerns by stating that Alibaba failed to take appropriate measures promptly when an employee was sexually assaulted during her business trip by her manager, which illustrates a lack of safe and direct channels to escalate this type of issue to senior management. In addition, it has negatively affected Alibaba's corporate reputation and employee morale. Due to this, JPM has reflected this in their ESG checklist and materiality score for the company. Regarding climate, Alibaba announced new climate neutrality targets and a low carbon transition roadmap. JPM was encouraged by the details of the report and how it responded to the Carbon Disclosure Project (CDP) climate change survey and embed science in its targets.

LCIV Emerging Market Equity Fund: ESG Summary

Voting Summary

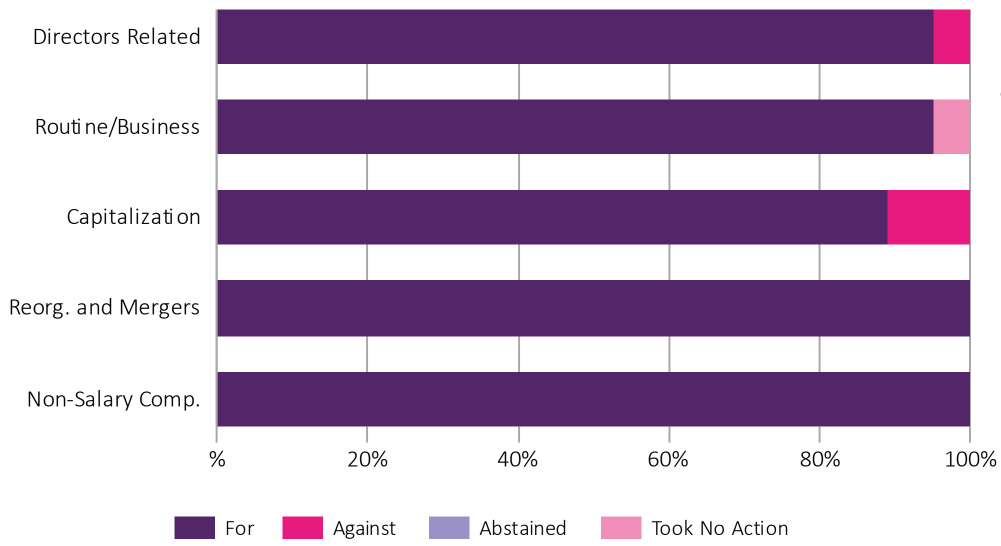
As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 January 2022 - 31 March 2022).

Proposals Breakdown



Source: London CIV data as at 31 March 2022

Voting Instruction Breakdown



Source: London CIV data as at 31 March 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/10808

LCIV Emerging Market Equity Fund: ESG Summary

Climate Risk Exposure

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Carbon Performance

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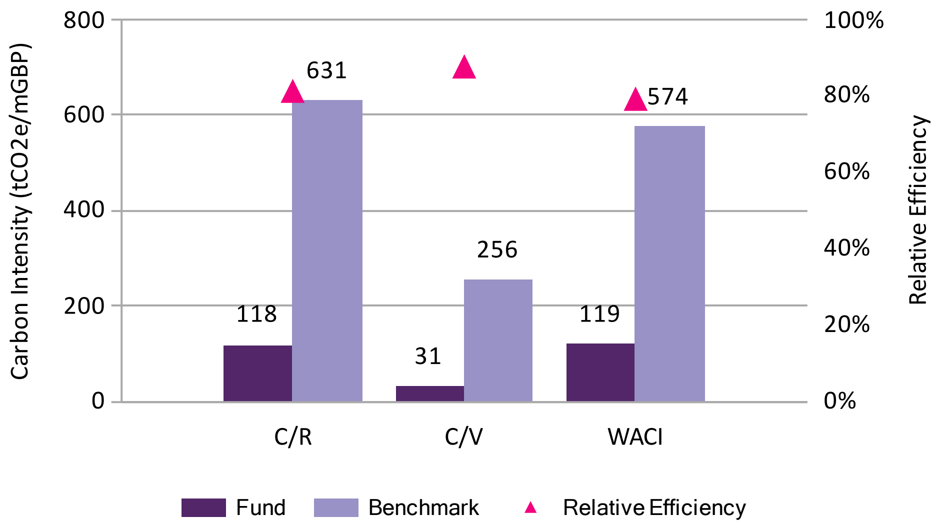
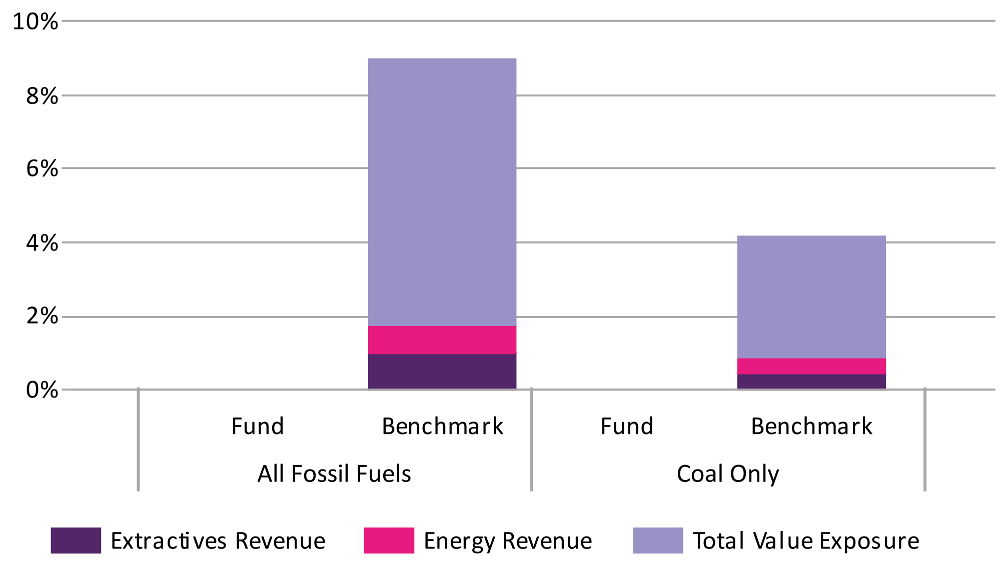


Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is MSCI Emerging Markets

LCIV Emerging Market Equity Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
RWE Aktiengesellschaft	9,016.07	-0.20%	Yes
China Longyuan Power Group Corporation Limited	3,146.70	-0.12%	No
NextEra Energy, Inc.	3,753.29	-0.10%	Yes
Orsted	1,041.08	-0.04%	No
Xinyi Solar Holdings Limited	2,223.94	-0.03%	No
Martin Marietta Materials, Inc.	2,008.95	-0.02%	Yes
CRH Plc	2,088.43	-0.02%	Yes
Iberdrola, S.A.	609.98	-0.01%	Yes
Italgas S.p.A.	758.19	-0.01%	No
Rio Tinto Group	1,005.81	-0.01%	No

LCIV MAC Fund

Quarterly Summary as at 31 March 2022

Total Fund Value:

£1,007.8m

Inception date: 31/05/2018

Price: 105.00p

Distribution frequency: Annually

Next XD date: 03/01/2023

Pay date: 28/02/2023

Dealing frequency: Monthly

Investment Objective

The Sub-fund's objective is to seek to achieve a return of SONIA (30 day compounded) +4.5%, with a net asset value volatility of less than 8%, on an annualised basis over a rolling 4 year period, net of fees.

The ACS Manager currently intends to invest the Sub-fund through: i) a delegated arrangement with an investment manager, PIMCO Europe Ltd; and ii) one collective scheme, the CQS Credit Multi-Asset Fund a sub-fund of CQS Global Funds (Ireland) p.l.c, an alternative investment fund, authorised by the Central Bank of Ireland. The portfolio is expected to be realigned within three to six months following 28 February 2022.

Enfield Valuation:

£56.0m

Enfield investment date: 30/11/2018

This is equivalent to 5.56% of the Fund

Distribution option: Reinvest

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(1.75)	2.38	3.38	n/a	3.16	3.41
Investment Objective*	1.14	4.63	4.85	n/a	4.95	4.90
Relative to Investment Objective	(2.89)	(2.25)	(1.47)	n/a	(1.79)	(1.49)

** Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)*

† Please note the benchmark changed from the London Interbank Offered Rate (LIBOR) to the Sterling Overnight Index Average (SONIA) with an effective date 1 January 2022 all benchmark past performance prior to this date continues to be calculated against LIBOR.

LCIV MAC Fund

Quarterly Commentary

Performance

The Sub-fund returned -1.75% over the first quarter of 2022, underperforming its target benchmark of SONIA (30 day compounded) + 4.5%, by 2.9%. Over the one-year period, the Sub-fund has returned 2.4%, against target return of 4.6%, an underperformance of -2.2%. In the period since inception, the Sub-fund returned 3.2% on an annualised basis, against a target return of 5%.

Global markets entered February facing the triple threat of inflation, hawkish tone from central banks and fears of further escalation of tensions between Russia and Ukraine. Ahead of the Russian invasion on 24th February, markets had already observed a significant sell off in rates that continued for another three weeks post invasion. Overall, credit markets were rocked by both rising yields and spread widening.

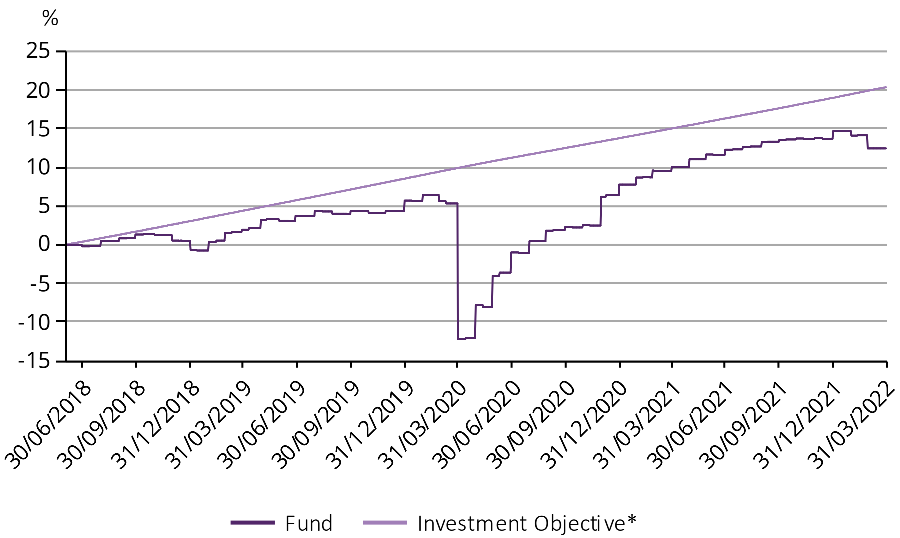
Against this backdrop, the portfolio performed well relative to credit indices, due to its asset class exposure. The Sub-fund's large allocation to floating rate loans helped cushion the portfolio from the impact of the sharp increase in yields.

In rising interest rates environment, floating rate loans offer safety relative to fixed coupon bonds, although loans also suffered from repricing due to growth concerns - only a fraction of loans were trading above par in March 2022 when compared to January 2022. Most of the repricing took place in February, when all parts of the portfolio were prone to broader drawdowns in the credit markets. This was followed by the slight recovery towards the end of the quarter as sentiment stabilised.

Financials were the largest detractor over this period, experiencing their worst quarter since the start of Covid-19 pandemic. High yield bonds were the second largest detractor as spreads widened to levels previously seen in December 2020. European high yield underperformed U.S. high yield due to the perceived direct impact of the war on European economies. The Sub-fund suffered as a result, due to its European high yield overweight.

Asset backed securities (ABS) were also heavily impacted by negative sentiment, in particular the aircraft leasing sector because of concerns over the impact of sanctions. Convertible bonds performed poorly in absolute terms, but this is a small segment of the Sub-fund.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. All performance reported Net of fees and charges with distributions reinvested.

** Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)*

LCIV MAC Fund

Market Views

In a sobering quarter, when all asset classes were punished by the prevailing negative macro environment, the investment managers remain focused on fundamentals. Inflation and the hawkish pivot from central banks were the overriding concerns for the market ahead of the Ukrainian crisis. From a bottom-up perspective, this will have a twofold impact through pressure on gross margins in an inflationary environment and increased cost of debt for corporates. Although the portfolio has very low duration, the investment managers are stress testing the impact of a sharp increase in current interest cost on key financial ratios, starting with U.S. holdings.

At current interest rate levels, and with inflation surging, major central banks are still behind the curve and are expected to play catch up quite aggressively. There are fears that these rushed actions could result in a market recession first, followed by an economic recession. With that in mind, default rates should be a key concern for any sub-investment grade portfolio. To that end, the investment managers believe that default rates have been artificially kept low through monetary and fiscal stimulus. Whilst a systemic default crisis is not expected, businesses in certain sectors face continued cash burn. This could result in default rates rising in the current year and beyond. On the positive side, performance in some industries has been stronger than initially anticipated by rating agencies as evidenced by the swift rerating of many companies. While at a broad level, default risk could creep up, there are still select sectors where loss risk is compensated with attractive yields.

Overall, the recent bout of volatility has resulted in spreads trading wider than their recent lows and the investment managers have been able to buy into some higher yielding opportunities. However, the capacity to rotate the portfolio has been limited by the tight liquidity over the last quarter.

From a technical perspective, supply has been quite limited within sub-investment grade credit whereas demand has been quite resilient. The investment managers expect this tailwind to persist in the near term.

Positioning

The realignment of the Sub-fund to a dual investment manager structure started on 28 February. This process will take place over months to mitigate transaction costs and achieve a steady progression to the targeted equal split between the investment managers. five

The commentary in this section is based on the composition of the CQS Credit Multi Asset Fund (CMA), the original component of the Sub-fund. Beginning in Q2 2022, we will report on the structure of the Sub-fund as a composite of CMA and the delegated account managed by PIMCO.

The Sub-fund maintained its bias towards floating rate securities, including senior secured loans and CLOs. Within loans, the investment manager took advantage of mark-to-market volatility. Exposure to loans was marginally increased in the early part of Q1, but the investment manager took profits in March. The loans book remains tilted towards Europe, but this is expected to change over the near term as the investment manager looks to shift up in credit quality – U.S. loans market tend to have higher average rating. The Sub-fund's exposure to floating rate securities is above 50% currently which should be beneficial from an interest rate risk perspective.

Within ABS, CLOs have benefitted from strong demand and the investment manager has been able to take profits from few positions, mainly BB-rated securities. Cash proceeds from CLOs have been rotated into CMBS and European Regulatory Capital, as part of broader shift towards low beta and high-income assets.

LCIV MAC Fund

Given the lack of spread tightening in European high yield, exposure to this segment was marginally increased initially, particularly in high conviction B rated bonds, before taking profits on a few positions towards quarter end. Europe remains an overweight within high yield, as well as across the remaining portfolio.

On the back of rising inflation and growth uncertainty, European financials significantly detracted from performance, but the investment manager remains constructive on the outlook of this particular asset class. Exposure to this asset class has increased over the quarter with the manager adding to select low beta holdings.

Overall, the portfolio has maintained its structural weights across key asset classes, with slight rotation to benefit from mark-to market volatility. Mostly, the investment manager has shifted towards low beta income generating securities with low duration risk.

The portfolio does not have any exposure to Russian securities.

Fund monitoring

The Sub-fund began its transition towards a dual investment manager structure on 28th February 2022. The newly added investment manager was seeded with £110m of cash through new client investment. Amidst heightened market volatility, liquidity was challenging over the last month of the quarter, and hence, the investment manager has deployed capital carefully and gradually. While in its infancy, the portfolio is slowly moving closer to its structural allocation to three key asset classes: investment grade, high yield and emerging market debt.

LCIV MAC Fund

Peer Analysis

The peer group is Multi Asset Credit Fixed Income. Data for the peer group is available with a lag of one quarter. We will resume reporting on performance relative to the peer group beginning in the second quarter of 2022. This will be based on data to 31 March 2022, when approximately 11% of the value of Sub-fund had been transitioned to the second investment manager. The proportion of capital allocated to the second investment manager will increase gradually until the realignment is complete in July 2022.

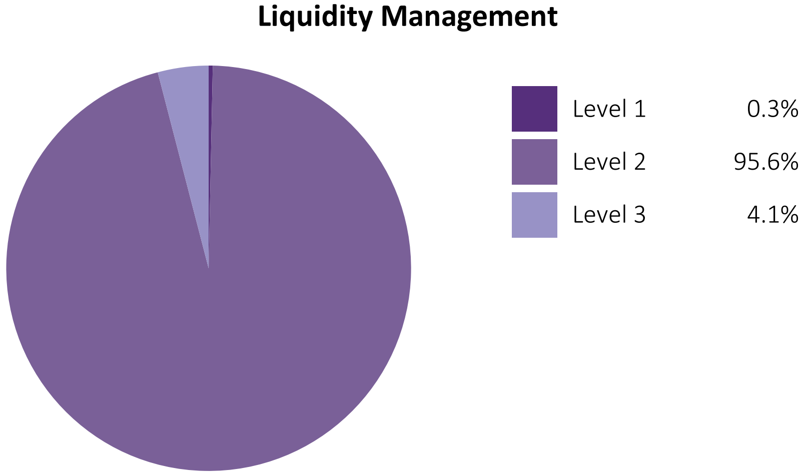
LCIV MAC Fund

Conclusion

In a turbulent quarter for fixed income assets, the portfolio performed in line with expectations. Benefitting from its low structural duration, the Sub-fund's drawdown was muted compared to broader credit markets. The portfolio's tilt towards Europe has continued due to relative value, but it is expected to shift slightly in the near term to benefit from higher credit quality of the U.S. market. Looking ahead, if recessionary concerns persist in Europe, then portfolio's relative European bias could be a headwind for the portfolio. However, if persistent inflation leads to demand destruction, lower growth and higher interest rates, then the portfolio's recent shift towards high yielding low beta securities, along with structurally low duration, can be supportive.

LCIV MAC Fund: CQS Credit Multi Asset Fund Portfolio Characteristics

Risk Highlights	
Weighted Average rating	B+
% Long BEE with Public Rating	86.59%
% of Investment with Public Rating	87.14%
Yield to Expected Maturity GBP	7.13%
Spread Duration	3.5
Interest Rate Duration	1.13



Stress Test

Asset Class	Equities -10%	Equities +10%	Credit -25%	Credit +25%	IR -100bps	IR +100bps	ABS -10%	ABS +10%
ABS			0.04%	(0.03)%	0.00%		(1.62)%	1.62%
Convertibles	(0.19)%	0.21%	0.02%	(0.02)%	0.05%	(0.05)%		
Corporate Credit								
Financials			0.60%	(0.54)%	0.42%	(0.40)%		
High Yield			0.95%	(0.88)%	0.70%	(0.66)%		
Loans	(0.08)%	0.08%	2.28%	(2.12)%				
Total	(0.27)%	0.29%	3.88%	(3.60)%	1.18%	(1.11)%	(1.62)%	1.62%

Scenarios in the table above are independent market shocks and therefore do not incorporate other correlated market shocks. For example, the equity shock does not imply a movement in credit spreads, interest rates or other risk factors.

Source: CQS for definitions of Risk Highlights please see the Glossary

LCIV MAC Fund: Portfolio Characteristics

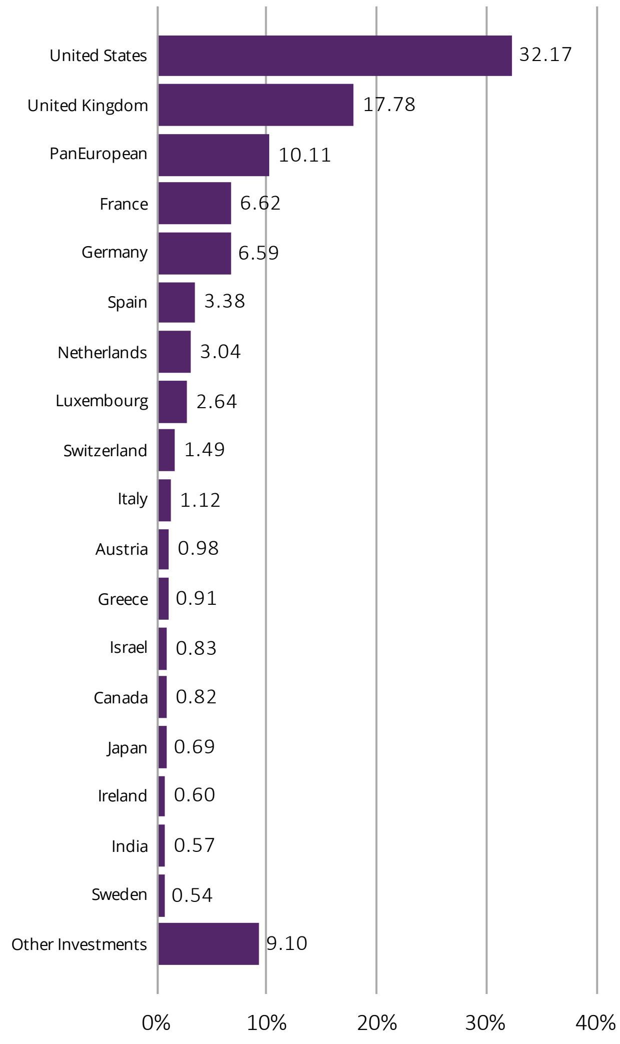
Asset Classification		
Classification	**Nominal Exposure %**	**Contribution to Return %**
Loans	41.60	0.00
HY Corporate Bonds	21.08	(0.59)
ABS	16.85	(0.22)
Financial Bonds	11.31	(0.53)
Convertibles	3.88	(0.22)
IG Corporate Bonds	0.00	(0.00)

Top Contributors to Performance		
Security Name	**Nominal Exposure %**	**Contribution to Return %**
AVSC Holding C-2020 B-1 Term :3699_P	0.57	0.02
Telfer Investm-Term B Loan:3564_P	0.51	0.02
SALIS 2016-1 A	0.35	0.01
Pioneer Nat Res 0.25% 15May25	0.18	0.04
Frans Bonhomme-Frans FRN 6.5%:3164_P	0.17	0.01

Bottom Contributors to Performance		
Security Name	**Nominal Exposure %**	**Contribution to Return %**
Teradyne Inc CB 1.25% 15Dec23	0.09	(0.03)
Sika CB 0.15% 5 June 25	0.16	(0.04)
Ambac Assurance (ABK) 5.1% 07JUN20	0.20	(0.03)
Standard Chartered Plc 1.72438% PERP	0.40	(0.03)
CAS 2020-R02 2B1	0.44	(0.03)

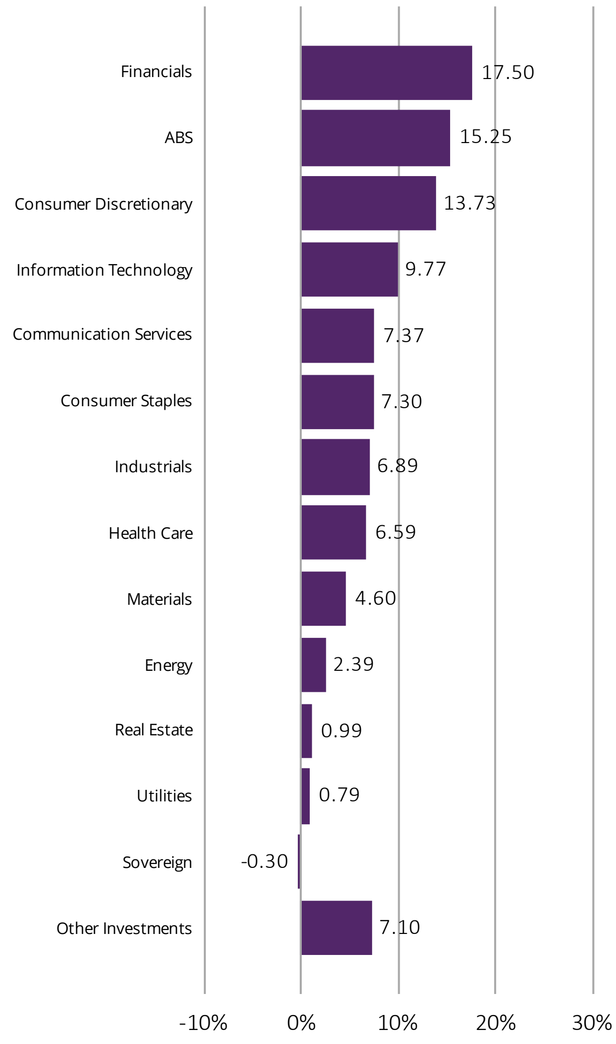
Country Weights

NAV %



Sector Weights

NAV %



Source: CQS

LCIV MAC Fund: ESG Summary

Summary of ESG Activity for the Quarter

Operationally, in late Q4 2021 CQS fully integrated the climate audit data into their internal systems, making this information available to all Research Analysts and Portfolio Managers. This quarter, they focused on improving the data coverage – the MAC fund now has c. 90% climate data coverage (excluding asset backed securities).

CQS have an in-house Geopolitical Analyst, Neil Brown, who disseminates geopolitical and sovereign risk information regularly. CQS's investment professionals interact regularly with Neil and use his insights for top-down and bottom-up fundamental credit risk analysis. For example, Neil has repeatedly highlighted the risks of a new divide between China and the U.S. and, where possible, the investment manager has sought to invest in businesses with limited revenue or supply chain dependency on China.

Regarding the Ukraine and Russia crisis, CQS stated that there is currently no material exposure in the Sub-fund. Although a small number of corporates and financials have indirect exposure to revenue streams or supply chains in the affected regions, CQS stated that they are not material to cash flow generation and are not expected to influence the probability of default. One example is a regional European Bank which has indirect exposure to Russia and Ukraine. CQS called the company management and reviewed their ESG approach and observed that all subsidiaries have strict ESG principles, with a greater focus on social areas. CQS will continue to engage with the Bank as they seek to understand consequences of the current geopolitical environment.

CQS also engaged with First Quantum, which is in their targeted engagement programme due to their high usage of coal at the Cobre Panama operation and their lack of formal decarbonisation targets. After a number of prior engagements since 2020, in January the firm finally published a formal absolute emissions reduction target of 30% by 2025 and 50% by 2030. They plan to achieve this by moving to renewable sources of energy and other initiatives within mining operations, such as trolley assistance to reduce fuel usage. CQS seeks to continue to encourage the integration of these targets into the KPIs for executive remuneration.

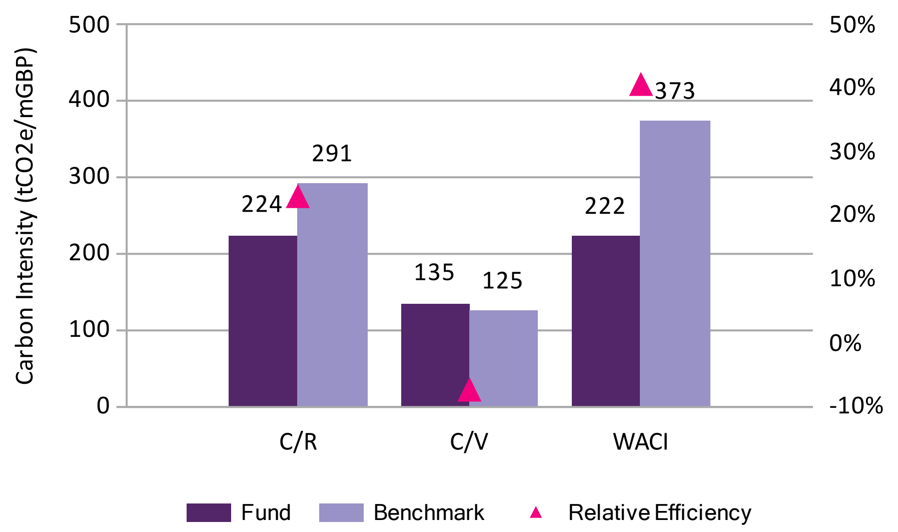
LCIV MAC Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

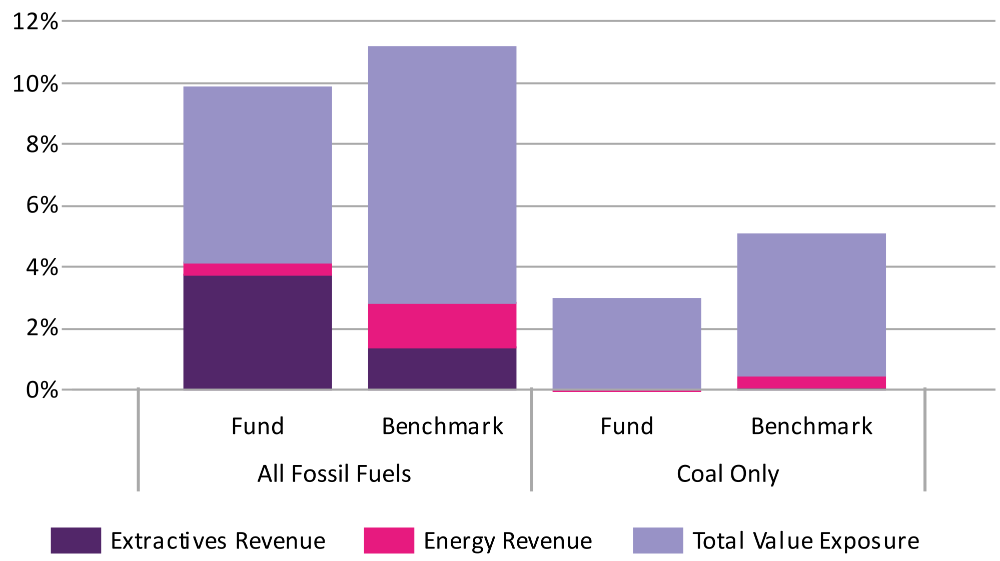
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 31 March 2022

The benchmark used in the above is Bloomberg Global Aggregate Corporate Total Return Index

LCIV MAC Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Woodside Petroleum Ltd	2,444.76	-0.13%	Yes
Imperial Oil Limited	2,336.17	-0.12%	Yes
L'Air Liquide S.A.	1,718.56	-0.08%	Yes
National Grid PLC	537.15	-0.05%	Yes
BP p.l.c.	745.61	-0.04%	Yes
Canadian National Railway Company	771.58	-0.03%	No
Saputo Inc.	1,300.21	-0.02%	No
Nestle SA	589.73	-0.02%	Yes
ComfortDelGro Corporation Limited	550.69	-0.02%	No
Fuchs Petrolub SE	495.73	-0.01%	No

Passive Investment Summary

The table below outlines the valuation of investments held per passive manager at the beginning and end of the quarter. For details on the performance of these funds please contact the passive managers directly.

	31 December 2021	31 March 2022
Blackrock	**£**	**£**
ACS WORLD LOW CARBON EQ TKR FD X2	262,807,427	262,807,427
AQ LIFE UP TO 5YR UK GILT IDX S1	56,000,221	56,000,221
AQUILA LIFE ALL STK UK ILG IDX S1	39,253,631	39,253,631
Total	**358,061,278**	**358,061,278**

Source: Passive Investment Manager Blackrock

Glossary of Terms

- **Annualised Alpha** The incremental return of an investment manager when the market is stationary. In other words, it is the extra return due to the non-market factors. The risk-adjusted factor takes into account both the performance of the market as a whole and the volatility of the investment manager. A positive alpha indicates that an investment manager has produced returns above the expected level at that risk level and vice versa for a negative alpha.
- **Bear Duration** An investment portfolio's effective duration after a 50 bp rise in rates. The extent to which a portfolio's bear market duration exceeds its duration is a gauge of extension risk.
- **Beta** The beta is the sensitivity of the investment portfolio to the stated benchmark.
- **Bull Duration** An investment portfolio's effective duration after a 50 bp decline in rates. The extent to which a portfolio's duration exceeds its bull market duration is a gauge of contraction risk.
- **Capacity** Please refer to the prospectus, Sub-funds may be limited by subscriptions into the Sub-fund or by the total Sub-fund valuation size. For queries on remaining capacity as at a relevant date, please contact the Client Service Team at clientservice@londonciv.org.uk.
- **Carbon Intensity:** Carbon emissions should be 'normalized' by a financial indicator (either annual revenues or value invested) to provide a measure of carbon intensity. The three most common approaches to normalization are:
    - Carbon to Revenue (C/R): Dividing the apportioned CO2e by the apportioned annual revenues
    - Carbon to Value Invested (C/V): Dividing the apportioned CO2e by the value invested.
    - Weighted Average Carbon Intensity (WACI): Summing the product of each holding's weight in the portfolio with the company level C/R intensity (no apportioning).

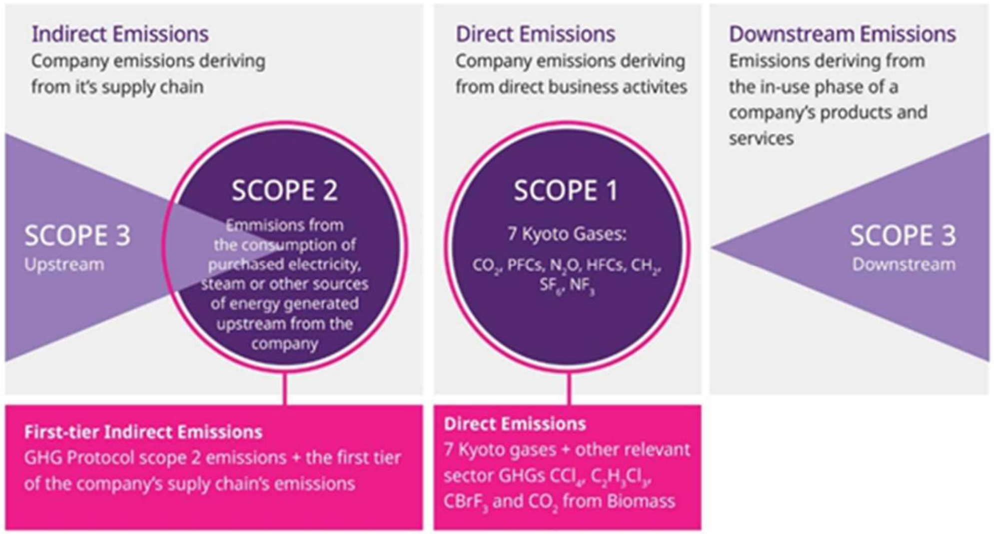
C/R gives an indication of carbon efficiency with respect to output (as revenues are closely linked to productivity). C/V gives an indication of efficiency with respect to shareholder value creation. The WACI approach circumvents the need for apportioning ownership of carbon or revenues to individual holdings. Whilst the first two methods act as indicators of an investor's contribution to climate change, the weighted average method seeks only to show an investor's exposure to carbon intensive companies, i.e. is not an additive in terms of carbon budgets.

- **ClimateAction100+** is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. These include 100 'systemically important emitters', alongside more than 60 others with significant opportunity to drive the clean energy transition. For more information see http://www.climateaction100.org.
- **Comparator Benchmarks** are indices which represent a style-appropriate reference index to compare the underlying funds. These have been selected following back-testing and holdings-based analysis to ensure that they are relevant to the Sub-fund.
- **Completed Sales** For delegated portfolios any holdings held at the last quarter end which have been sold out of and are no longer held as at the reporting date shown as completed sales. If there are more than ten it is limited to the largest ten as at the end of last quarter. This is not necessarily the largest ten sales for the quarter. Note if a position was bought and sold within the quarter this will not appear.
- **Country Characteristics** The number of holdings in different countries is counted based on the classification to countries of risk of all individual

Glossary of Terms

portfolio holdings within the Northern Trust fund accounting system. Note: the percentage of the portfolio calculations excludes the impact of any cash held within the Sub-fund. For the equity funds holdings have been reflected as the country in which that company is headquartered.

- **Duration** An investment portfolio's price sensitivity to changes in interest rates. An accurate predictor of price changes only for small, parallel shifts of the yield curve. For every 1 basis point fall/ (rise) in interest rates, a portfolio with duration of 1 year will rise /(fall) in price by 1 bp.
- **Emissions Scopes:**



  - Direct (Scope 1) = CO2e emissions based on the Kyoto Protocol greenhouse gases generated by direct company operations.
  - Direct (Other) = Additional direct emissions, including those from CCl4, C2H3Cl3, CBrF3, and CO2 from Biomass.
  - Purchased Electricity (Scope 2) = CO2e emissions generated by purchased electricity, heat or steam.
  - Non-Electricity First Tier Supply Chain (Scope 3) = CO2e emissions generated by companies providing goods and services in the first tier of the supply chain.
  - Other Supply Chain (Scope 3) = CO2e emissions generated by companies providing goods and services in the second to final tier of the supply chain.
  - Downstream (Scope 3) = CO2e emissions generated by the distribution, processing and use of the goods and services provided by a company
- **ESG** This stands for Environmental, Social and Governance and refers to the three main areas of concern that have developed as central factors in measuring the sustainability and ethical impact of an investment in a company or business.
- **Fossil Fuel Exposure:** London CIV assesses Fossil Fuel exposure by calculating the combined value of holdings with business activities in either fossil fuel extraction or fossil fuel energy generation industries. Company level exposure represents the combined weight in the portfolio or benchmark of companies deriving any revenues from fossil fuel related activities, while the Extractives Revenue and Energy revenue segments indicate the weighted average exposure to the revenues themselves.
- **Interest Rate Duration** It is the price sensitivity of the investment portfolio to changes in interest rates.
- **Net Market Move** Change in valuation of the holding due to movement in the market rather than cash flows into or out of the Sub-fund.
- **New Positions** For delegated investment portfolios any new holdings entered into during the quarter that were not held at the last quarter end have been reflected as new positions. If there are more than ten it is limited to the largest ten as at the end of the quarter. This is not necessarily the same as the largest ten purchases for the quarter if pre-

Glossary of Terms

existing holdings have been topped up. Note if a position was bought and has since been sold this will not appear.

- **MRQ** Most Recent Quarter
- **Pay Date** The date on which the distribution amount will be paid in cash. If a reinvestment option is taken this will be reinvested on pay date –2 Business Days
- **Peer Analysis** The peer analysis graphs are taken from eVestment and are dated the most recent available quarter end. When asset managers add their funds on eVestment, eVestment assigns them to a universe based off the information the asset manager provides. The peer analysis graphs use the eVestment primary universe, which comprises funds with the most homogenous attributes in terms of investment objectives, investment characteristics, and risk profiles. This allows for relevant “apples-to-apples" comparisons among investment strategies. London CIV does not choose the asset managers, or the funds used in this peer group analysis. The fund analysed by eVestment is not the LCIV Sub-fund but the mirror fund ran under the same strategy by the investment manager.
- **Performance Attribution** For delegated portfolios the top ten contributors and detractors to performance are shown. This is to show how the structure of the investment portfolio contributed to the total performance.
- **Performance Calculation Basis** Sub-fund performance is calculated net of all fees and expenses. Where a Sub-fund has been open for less than a month the performance will show as “n/a” unless otherwise specified. Since 1 January 2020 the investment performance calculations use a time weighted rather than money weighted basis. The time-weighted rate of return (“TWR”) is a measure of the compound rate of growth in a portfolio. The TWR measure eliminates the distorting effects on growth rates created by inflows and outflows of money.
- **Reporting Date** All data and content within this report is as per the date noted on the front cover, unless otherwise noted. Where the reporting end date falls on a weekend or Bank holiday, data from the previous business day will be used.
- **Securities Financing Transaction “SFT”** A transaction where securities are used to borrow or lend cash. They include repurchase agreements (repos), securities lending activities, and sell/buy-back transactions.
- **Sectors and Industry Characteristics** The number of holdings in different sectors and industries is counted based on the classification to Global Industry Classification Standards (“GICS”) categories of all individual portfolio holdings within the Northern Trust fund accounting system.
- **Set up of the Sub–funds** The London LGPS CIV Ltd (“London CIV”) is the Alternative Investment Fund Manager for the London LGPS CIV Authorised Contractual Scheme and manages the Sub-funds on either a delegated or pooled basis.
    - Delegated: The Sub-fund is structured as a delegated mandate with an appointed investment manager selecting individual securities overseen by the London CIV. The Sub-funds directly own the assets which are held by the custodian. This is the case for the global equity and global bond Sub-funds.
    - Pooled: The Sub-fund holds units in collective investment schemes managed by other investment managers rather than directly holding the individual securities. This is the case for the multi-asset Sub-funds.
- **Since Inception Performance** For Sub-funds / Client Funds that have been live for a period exceeding 12 months, figures are annualised taking into account the period the fund has been open.
- **Spread Duration** This represents the price sensitivity of the investment portfolio to changes in spreads between different credit quality bonds.

Glossary of Terms

Spread duration constitutes an investment portfolio's sensitivity to changes in Option-Adjusted Spread ("OAS"), which affects the value of bonds that trade at a yield spread to treasuries. Corporate, mortgage, and emerging markets spread duration represents the contribution of each sector to the overall portfolio spread duration. For every 1 year of spread duration, portfolio value should rise (fall) by 1 basis point with every 1 basis point of OAS tightening (widening). Negative spread duration indicates the portfolio will benefit from widening spreads relative to treasuries.

- **Standard Deviation** A common risk metric. It measures the average deviations of a return series from its mean. A high standard deviation implies that the data is highly dispersed and there have been large swings or volatility in the manager's return series. A low standard deviation tells us the fund return stream is stable and less volatile.
- **Target Benchmark** is not the Sub-fund objective but has been selected on the basis of the risk taken within the underlying fund. This has been defined using historical analysis and in conjunction with the underlying market participants to triangulate the most appropriate target level.
- **Top Ten Holdings** Largest ten holdings within the investment portfolio as at the reporting date. Note this excludes the impact of any cash held within the Sub-fund.
- **Tracking error** A measure of the risk in an investment portfolio that is due to active management decisions made by the investment manager; it indicates how closely a portfolio follows the benchmark. This is shown in percentage terms.
- **UK Stewardship Code** A code which aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders. Asset managers who sign up are given a tier rating of one or two. Details of all signatories, with links to the statements on their websites are available on the Financial Reporting Council website https://www.frc.org.uk/investors/uk-stewardship-code
- List of **Underlying Investment Managers** for Delegated ACS Sub-funds:
  - Baillie Gifford & Co for LCIV Global Alpha Growth Fund and LCIV Global Alpha Growth Paris Aligned Fund
  - JPMorgan Asset Management (UK) Limited for LCIV Emerging Market Equity Fund
  - Longview Partners (Guernsey) Limited for LCIV Global Equity Focus Fund
  - Morgan Stanley for LCIV Global Equity Core Fund
  - PIMCO Europe Limited for LCIV Global Bond Fund
  - RBC Global Asset Management (UK) Limited for LCIV Sustainable Equity Fund and the LCIV Sustainable Equity Exclusion Fund
  - Newton Investment Management Ltd for LCIV Global Equity Fund
  - State Street Global Advisors Limited for LCIV Passive Equity Progressive Paris Aligned Fund
- List of Pooled ACS Sub-funds **current Underlying Investment Managers**:
  - Baillie Gifford & Co for LCIV Diversified Growth Fund
  - Newton Investment Management Ltd for LCIV Real Return Fund
  - Pyrford International Limited for LCIV Global Total Return Fund
  - Ruffer LLP for LCIV Absolute Return Fund
  - CQS (UK) LLP for LCIV Alternative Credit Fund
- List of ACS Sub-funds multi strategy **current Underlying Investment Managers**:
  - CQS (UK) LLP and PIMCO Europe Limited for LCIV MAC Fund
- **Volatility Risk** A measure of the total risk in an investment portfolio. This is shown in percentage terms.

Glossary of Terms

- **Weighted Average Rating** This is the weighted average credit rating of all the bonds in the fund which gives an idea of the credit quality and riskiness of the portfolio.
- **XD Date** The date on which the distribution amount will be determined. Units purchased in the Sub-fund on its ex-dividend date or after, will not receive the next payment. Any units held in the Sub-fund before the ex-dividend date, receive the distribution.
- **Yield to Expected Maturity** It is the total return expected on the bond if it is held until it matures.
- **Yield to Maturity** The rate of annual income return on an investment expressed as a percentage. Current yield is obtained by dividing the coupon rate of interest by the market price. Estimated yield to maturity is obtained by applying discounts and premiums from par to the income return. Bond yields move inversely to market prices. As market prices rise, yields on existing securities fall, and vice versa.
- **Yield %** as displayed in the Key Statistics table of the London CIV Equity Sub-funds is the dividend yield as calculated by Northern Trust. It represents an estimate of the dividend-only return on your investment.
- **% Long Bond Equivalent Exposure with Public Rating** This represents the percentage market value of all debt instruments that the fund has bought and have a rating issued by a credit agency.
- **% of Investment with Public Rating** This represents the percentage market value of all debt instruments that the fund is long or short and have a rating issued by a credit agency.

Disclaimer

London CIV
22 Lavington Street
London
SE1 0NZ

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Compliance code: 2022140

London CIV Quarterly ACS Investment Report

30 June 2022

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Enfield

Introduction

<u>Important</u> <u>Note:</u> No part of this material may be reproduced, stored in retrieval system or transmitted in any form or by any means, electronic, mechanical, recording or otherwise, without the prior written consent of London CIV.

We are pleased to present the London CIV Quarterly Investment Report for the London Borough of Enfield Pension Fund for the quarter to 30 June 2022.

The Report provides an Investment Summary with valuation and performance data of your Pension Fund's holdings. It includes an update on activities at London CIV, a market update and Fund commentary from the London CIV Investment Team as well as key portfolio data and a summary of ESG activity during the quarter.

Investment Summary

The table below shows the Sub-funds held by the London Borough of Enfield Pension Fund by asset class as at 30 June 2022 and how these have changed during the quarter.

ACS	31 March 2022	Net Subscriptions / (Redemptions)	Cash Distributions Paid	Net Market Move	30 June 2022
Active Investments	£	£	£	£	£
Global Equities					
LCIV Global Alpha Growth Fund	108,523,134	-	-	(13,105,149)	95,417,985
LCIV Global Equity Focus Fund	104,834,309	-	-	(5,108,746)	99,725,563
LCIV Emerging Market Equity Fund	32,252,179	-	-	(2,356,035)	29,896,144
Fixed Income					
LCIV MAC Fund	56,033,897	-	-	(4,402,663)	51,631,234
Total	**301,643,519**	**-**	**-**	**(24,972,593)**	**276,670,926**

The table below outlines the valuation of investments held per passive manager at the beginning and end of the quarter. A listing of the individual funds held can be found at the end of the Funds section of this report.

	31 March 2022	30 June 2022
Passive Investments †	£	£
Blackrock	348,552,686	313,464,380

† Passive investments are managed in investment funds for which London CIV has no management or advisory responsibility and are shown for information purposes only.

Performance Summary

Please see below the performance for ACS Sub-funds in which you, the Client Fund (CF), are invested. Performance since inception is annualised where period since inception is over 12 months.

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since CF Inception p.a. %	CF Inception Date
LCIV Global Alpha Growth Fund	**(12.09)**	**(23.40)**	**5.58**	**8.34**	**10.18**	**30/09/2016**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%	*(8.40)*	*(2.17)*	*10.37*	*11.15*	*12.26*	
Relative to Investment Objective	**(3.69)**	**(21.23)**	**(4.79)**	**(2.81)**	**(2.08)**	
Benchmark: MSCI All Country World Gross Index (in GBP)	*(8.85)*	*(4.09)*	*8.20*	*8.96*	*10.06*	
Relative to Benchmark	**(3.24)**	**(19.31)**	**(2.62)**	**(0.62)**	**0.12**	
LCIV Global Equity Focus Fund	**(4.91)**	**3.06**	**7.61**	**n/a**	**9.18**	**24/10/2018**
Target: MSCI World (GBP)(TRNet)+2.5%	*(8.57)*	*(0.12)*	*11.40*	*n/a*	*13.34*	
Relative to Target	**3.66**	**3.18**	**(3.79)**	**n/a**	**(4.16)**	
Benchmark: MSCI World (GBP)(TRNet)	*(9.13)*	*(2.56)*	*8.68*	*n/a*	*10.57*	
Relative to Benchmark	**4.22**	**5.62**	**(1.07)**	**n/a**	**(1.39)**	
LCIV Emerging Market Equity Fund	**(7.01)**	**(19.25)**	**0.13**	**n/a**	**3.40**	**24/10/2018**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%	*(3.40)*	*(12.89)*	*4.71*	*n/a*	*8.09*	
Relative to Investment Objective	**(3.61)**	**(6.36)**	**(4.58)**	**n/a**	**(4.69)**	
Benchmark: MSCI Emerging Market Index (TR) Net	*(4.00)*	*(15.01)*	*2.15*	*n/a*	*5.45*	
Relative to Benchmark	**(3.01)**	**(4.24)**	**(2.02)**	**n/a**	**(2.05)**	
LCIV MAC Fund	**(7.83)**	**(7.51)**	**0.04**	**n/a**	**0.90**	**30/11/2018**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January	*1.33*	*4.89*	*4.87*	*n/a*	*4.95*	
Relative to Investment Objective	**(9.16)**	**(12.40)**	**(4.83)**	**n/a**	**(4.05)**	

Quarterly Update - Client Relations Team Report

Welcome to the Quarterly Investment Report for the period ending 30th June 2022. In this edition we will report on the current position of the Assets Under Management (AuM), reporting on Fund activity in both the Public and Private Markets, the current monitoring status of the Sub-funds we have appointed, the engagement we have had with stakeholders in your pool, and the Pooling position of each of the Client Funds as of the 31 March 2022 though London CIV Funds are reported as of the 30th June. We then move onto the London CIV's investment performance report providing how we perceive the economic outlook and our views on the public markets.

We began the second quarter with Mike O'Donnell announcing that he will be stepping down from his role as CEO in April 2023. Mike has intentionally given the London CIV Board a full year notice to allow time for a well-planned transition. Mike stated that he is committed to leaving an incoming Chief Executive Officer with a solid and improving starting point. The recruitment process for his replacement is under way and we will keep you informed on progress on his replacement.

Current Position

As of 30 June 2022, the total assets deemed pooled by our Client Funds stood at £24.7 billion, of which £13 billion are in funds managed by the London CIV. Assets under management in our ACS stood at £12 billion and assets in private market funds stood at £840.6 million on 31 March 2022. Over the second quarter, we had £85 million of additional commitment to the LCIV Private Debt Fund, bringing a total of assets raised by our private market funds as of 30 June 2022 to £2.3 billion. The value of 'pooled' passive assets was £11.7 billion, with £8.3 billion managed by Legal and General Investment Management and £3.4 billion managed by BlackRock.

Fund Activity

Public Market Funds

During Q2 2022 we had net flows into the London CIV's ACS funds. The most notable transactions were investments into LCIV MAC Fund, LCIV Emerging Market Equity Fund and LCIV Passive Equity Progressive Passive Paris-Aligned (PEPPA) Fund.

Most of these contributions were offset by disinvestments out of the LCIV Global Alpha Growth Fund and LCIV Absolute Return Fund to pay for contributions into London CIV Funds or cover capital calls from off-pool commitments to private markets investments

Private Market Funds

Our private market funds continue to deploy capital steadily. Over the second quarter we’ve had a total of £133 million in capital calls. The table below summarises where our private market funds stand in terms of commitments:

London CIV – Private Market Funds as of 31 March 2022	Investor Commitments (£m)	Committed Investments (%)	Invested (%)
LCIV Infrastructure Fund	399	83	50
LCIV Inflation Plus Fund	213	100	100
The London Fund	195	52	22
LCIV Renewable Infrastructure Fund	854	72	24
LCIV Private Debt Fund	625	96	43

Discussions with Stepstone on the LCIV Infrastructure Fund have centred around the mandate design, specifically on the unallocated commitments. Key considerations involved the exposures approaching permissible limits, such as the limit to invest up to 70% in Europe and UK (currently at 65%), and the maximum of 20% in greenfield (currently at 11%). A potential secondary investment being considered in the pipeline could be a good complement to the existing portfolio.

LCIV Inflation Plus Fund - Summary

- **£195.4m Portfolio Valuation**
- **Average of BBB Credit Rating**
- **14 Assets**
- **19.8 years WAULT**
- **100% Occupancy Rate**
- **4.1% Portfolio Net Initial Yield**

The commitments to the LCIV Inflation Plus Fund are now fully funded. Aviva has supported the pending student accommodation asset in Canterbury. This required the LCIV Inflation Plus Fund to access a revolving credit facility. This facility allows for the efficient control of the pipeline and will enable the Fund to draw capital to pursue new investments more opportunistically and thereby allowing for a faster deployment of capital while new client commitments are being secured.

During the second quarter, the building contractor at the Hartpury University development asset in Gloucester went into administration. The developer has now assumed the duties of the contractor and is responsible for ensuring practical completion, which was scheduled for May 2022, which is now delayed until at least September 2022 or into the start of the academic year. Upon practical completion, the rent will be guaranteed by the University.

These developments do not impact the Fund’s expected cashflows or return because the impact of delays and cost overruns are borne by the developer who is paying accrued interest to compensate the Fund for delays and remains incentivised to complete the project as it remains profitable. They will also have the benefit of operating the asset from when it is completed.

The London Fund is 52% deployed across three investments; in Door (26%); Yoo Capital Fund II (15%) and; Project Thomas (12%). Door targets 12,000 homes in the Private Rented Sector (PRS) and affordable housing, Yoo Capital II focuses on redeveloping and repositioning existing assets to create space for supply starved strategic growth sectors. Project Thomas is a co-investment in a joint venture with Goldman Sachs Asset Management (GSAM) and their partner EDGE to develop a world class sustainable office building by London Bridge. Once capital is fully deployed The London Fund will have c.70% exposure to real estate. The joint investment committee is formed by an equal number of members from LPPI and London CIV and continue to evaluate investment opportunities across real estate and infrastructure. The pipeline of opportunities for the next 12 months includes the conversion of retail warehouse units to residential which consists of affordable units and community space, and growth capital co-investment fund focusing on investing at scale in seed stage businesses.

The investment managers appointed for the LCIV Renewable Infrastructure Fund continue to deploy capital at good pace. We currently have 72% of the capital committed (c.£615 million). The top three largest sector exposures are currently solar PV, onshore and offshore wind in the UK and Europe. There is also capital already committed for EV charging, synchronous condenser, battery optimisation, and storage.

The LCIV Private Debt Fund had its third close at the second quarter end with a further £85m of new commitments, thus totalling assets raised by this Fund to £625m. As a result, the London CIV is using this opportunity to appoint a mid-market European lender who will be the third investment manager to further diversify and re-balance this Fund.

Engagement

We have hosted eleven group meetings and 38 specific meetings/calls with individual Client Funds over the first quarter. The table below shows the type of meetings held:

Group Meeting Types	Quantity	Specific Meeting Types	Quantity
Seed Investment Group (SIG)	5	Catch-up calls	8
Business Update (BU)	3	Specific Opportunity	5
Investment Consultant Update	2	Preparation Meeting	2
Independent Advisors Update	1	Pension Committee	5
Meet the Manager (MTM)	3	Introduction	1
Shareholder Meeting	-	Relationship Building	1
Specific Opportunity	1	Pension Pooling Strategy	1

In May 2022 Gustave Loriot, our expert in Climate Analytics, hosted a discussion on what is beyond setting a net zero target and how the London CIV can assist our Client Funds in shaping their Pathway to Net-Zero. He talked about the different frameworks for Paris-Aligned investing, the progress we have achieved with our own Funds in decarbonising as per Scope 1, 2 and 3 emissions, by 4.5% in the year ended March 2022, and how we can reinforce climate data analytics and stewardship activities when designing new investment solutions and upgrading existing funds.

After publishing a paper on our multi-asset funds, Rob Treich, our Head of Public Markets, hosted an online discussion on 8 June 2022 with our Client Funds. The purpose of this discussion was to help Client Funds remember the reasons why Client Funds have appointed multi-asset managers in the first place. Rob noted how the investment managers of the London CIV multi asset funds respond to the changing investment regime. While some stick to their “knitting” and “hibernate” from a risk perspective, keeping higher levels of cash to reinvest when forecast rates of return are viewed as adequate in relation to risk, others have expanded their search for new ideas and ways to express views and adjusted exposure more dynamically. More broadly, we have observed that multi-asset investment managers are using more complex derivatives as well as other alternative forms of risk, such as bitcoin, carbon prices and volatility itself. We focus on ensuring that we monitor funds and investment managers closely and effectively, in terms of assessing risks and explaining them to Client Funds. One of the matters that Rob worries most about in the context of multi asset funds, is making sure that investment managers don’t overstretch themselves in terms of both investment and operational perspectives.

On 17 June 2022, we hosted a Meet the Manager event to share with Client Funds and their investment consultants, more detailed information on our LCIV PEPPA Fund. Our Senior Equity Portfolio Manager Yiannis Vairamis chaired a conversation with Ben Leale-Green of S&P/Trucost and the portfolio managers of the Sub-fund, StateStreet (SSgA). The LCIV PEPPA Fund was designed to use ESG tools that bring greater transparency to potential climate risks and opportunities that tracks a Paris-Aligned ESG Index to help our Client Funds chart their path to net zero.

From left: John Anderson (Imperial College), Nicola Mathers (Future of London), Lloyd Lee (Yoo Capital), Christopher Osborne (London CIV), Louise Warden (LPPI), and Igor Ostrowski (Goldman Sachs).

On 29 June 2022, we hosted an in-person on-site Meet the Manager meeting to showcase the positive social outcomes of The London Fund, which aims to deliver risk-adjusted returns (CPI + 3%). The speakers discussed how London is a truly global city that combines educational, professional and lifestyle opportunities that attracts global talent and businesses, legal, financial, and alongside a cultural powerhouse that contains international courts, leads global insurance and is at the forefront of music, film, TV, and theatre. Its leadership as a centre of globalisation creates opportunities to deploy investments in real estate and infrastructure strategies that look to take advantage of fundamental supply-demand imbalances in London.

Over the period we hosted two Seed Investor Group (SIG) discussions on the LCIV UK Housing Fund which we are intending to launch in Q4 2022 or early Q1 2023. We are proposing an open-ended structure and multi-manager strategy that will contribute to solutions that address the UK housing challenges aiming at delivering an internal rate of return, net of fees, of 5% to 7% and targeting a yield of 3% to 4%. This product will focus on strategies that fall into three categories: 1) housing for people who cannot afford to rent or buy on the open market; 2) housing for people with specific long term care requirements; and 3) housing for people that are vulnerable or in crisis. We will be looking to select managers who can demonstrate that they: 1) can raise capital at scale, 2) generate competitive risk-adjusted returns, 3) deepen affordability, 4) deliver local community impact, 5) have a credible track-record, and 5) align to net zero commitments.

We continue to progress our manager selection to launch the LCIV Sterling Credit Fund and we hosted a SIG discussion on 11 July 2022.

Participation to our Monthly Business Update and Quarterly Meet the Manager events continue to be high. We generally record these virtual events and make them available via our Portal. If you do not have access to them and are interested in one of our recordings, please contact your designated Client Relations Manager at clientservice@londonciv.og.uk and we will be delighted to share a link to these recordings with you.

We are now taking registrations for Annual Conference on 5th and 6th of September 2022. Our principal guest speaker on the Monday evening will be Baroness Tanni Grey-Thompson. With our theme this year focussing on ‘People and Diversity,’ Tanni is one of UK’s most successful Paralympian athletes, and she is also an active cross bencher in the House of Lords and works tirelessly in the areas of disability rights, welfare, and sport. If you have not seen our invitation in your inbox, please contact your designated Client Relations Manager at clientservice@londonciv.org.uk.

Pooling Position

As of 31 March 2022, the total assets for London LGPS stood at £48 billion. Our target is to pool 71% of these assets by 2025. For the financial year ended March 2022 the pooling ratio increased by 4%, from 53% to 57%. Assets pooled in London CIV Funds stood at 30% of total London LGPS assets and the remainder is invested in passive funds with LGIM and Blackrock, which are also considered pooled. The chart below provides a breakdown of the pooling ratio per Client Fund.

Source: London CIV, BlackRock and LGIM. Data as of 31 March 2022. The above does not include the unfunded commitments London CIV private market funds, which stood at £1.4 billion on 31 March 2022.

Please see below a summary of the London CIV Sub-funds, including both those in which you are invested, and those you are not. All performance is reported Net of fees and charges with distributions reinvested. For performance periods of more than a year performance is annualised.

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Global Equities								
LCIV Global Alpha Growth Fund	**£1,890m**	**(12.09)**	**(23.40)**	**5.58**	**8.34**	**12.70**	**11/04/2016**	**9**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(8.40)	(2.17)	10.37	11.15	14.50		
Performance Against Investment Objective		**(3.69)**	**(21.23)**	**(4.79)**	**(2.81)**	**(1.80)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(8.85)	(4.09)	8.20	8.96	12.25		
Performance Against Benchmark		**(3.24)**	**(19.31)**	**(2.62)**	**(0.62)**	**0.45**		
LCIV Global Alpha Growth Paris Aligned Fund	**£1,033m**	**(12.04)**	**(25.48)**	**n/a**	**n/a**	**(19.53)**	**13/04/2021**	**6**
Investment Objective: MSCI All Country World Gross Index (in GBP)+2%		(8.40)	(2.17)	n/a	n/a	1.38		
Performance Against Investment Objective		**(3.64)**	**(23.31)**	**n/a**	**n/a**	**(20.91)**		
Benchmark: MSCI All Country World Gross Index (in GBP)		(8.85)	(4.09)	n/a	n/a	(0.61)		
Performance Against Benchmark		**(3.19)**	**(21.39)**	**n/a**	**n/a**	**(18.92)**		
LCIV Global Equity Fund	**£684m**	**(8.57)**	**(4.82)**	**8.27**	**9.08**	**9.00**	**22/05/2017**	**3**
Investment Objective: MSCI All Country World Index Total Return (Gross)+1.5%		(8.08)	(2.28)	10.02	10.63	10.67		
Performance Against Investment Objective		**(0.49)**	**(2.54)**	**(1.75)**	**(1.55)**	**(1.67)**		
Benchmark: MSCI All Country World Index Total Return (Gross)		(8.42)	(3.73)	8.39	8.99	9.03		
Performance Against Benchmark		**(0.15)**	**(1.09)**	**(0.12)**	**0.09**	**(0.03)**		
LCIV Global Equity Core Fund	**£529m**	**(5.92)**	**(1.58)**	**n/a**	**n/a**	**4.16**	**21/08/2020**	**2**
Benchmark: MSCI All Country World Index (with net dividends reinvested)		(9.00)	(4.52)	n/a	n/a	8.11		
Performance Against Benchmark		**3.08**	**2.94**	**n/a**	**n/a**	**(3.95)**		
LCIV Global Equity Focus Fund	**£849m**	**(4.91)**	**3.06**	**7.61**	**n/a**	**8.71**	**17/07/2017**	**5**
Target: MSCI World (GBP)(TRNet)+2.5%		(8.57)	(0.12)	11.40	n/a	11.70		
Performance Against Target		**3.66**	**3.18**	**(3.79)**	**n/a**	**(2.99)**		
Benchmark: MSCI World (GBP)(TRNet)		(9.13)	(2.56)	8.68	n/a	8.98		
Performance Against Benchmark		**4.22**	**5.62**	**(1.07)**	**n/a**	**(0.27)**		
LCIV Emerging Market Equity Fund	**£547m**	**(7.01)**	**(19.25)**	**0.13**	**n/a**	**(0.62)**	**11/01/2018**	**8**
Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%		(3.40)	(12.89)	4.71	n/a	3.32		
Performance Against Investment Objective		**(3.61)**	**(6.36)**	**(4.58)**	**n/a**	**(3.94)**		
Benchmark: MSCI Emerging Market Index (TR) Net		(4.00)	(15.01)	2.15	n/a	0.80		
Performance Against Benchmark		**(3.01)**	**(4.24)**	**(2.02)**	**n/a**	**(1.42)**		

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Global Equities								
LCIV Sustainable Equity Fund	**£1,226m**	**(8.80)**	**(8.71)**	**9.01**	**n/a**	**11.28**	**18/04/2018**	**8**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(8.68)	(0.61)	10.86	n/a	12.52		
Performance Against Investment Objective		**(0.12)**	**(8.10)**	**(1.85)**	**n/a**	**(1.24)**		
Benchmark: MSCI World (GBP)(TRNet)		(9.13)	(2.56)	8.68	n/a	10.31		
Performance Against Benchmark		**0.33**	**(6.15)**	**0.33**	**n/a**	**0.97**		
LCIV Sustainable Equity Exclusion Fund	**£400m**	**(8.55)**	**(7.89)**	**n/a**	**n/a**	**22.19**	**11/03/2020**	**3**
Investment Objective: MSCI World Index Total Return (Net) in GBP+2%		(8.68)	(0.61)	n/a	n/a	18.78		
Performance Against Investment Objective		**0.13**	**(7.28)**	**n/a**	**n/a**	**3.41**		
Benchmark: MSCI World (GBP)(TRNet)		(9.13)	(2.56)	n/a	n/a	16.45		
Performance Against Benchmark		**0.58**	**(5.33)**	**n/a**	**n/a**	**5.74**		
LCIV Passive Equity Progressive Paris Aligned Fund	**£501m**	**(10.12)**	**n/a**	**n/a**	**n/a**	**(12.79)**	**01/12/2021**	**2**
Index: S&P Developed Ex-Korea LargeMidCap Net Zero 2050 Paris-Aligned ESG Index (GBP)		(10.24)	n/a	n/a	n/a	(13.00)		
Performance Against Index		**0.12**	**n/a**	**n/a**	**n/a**	**0.21**		
Multi Asset								
LCIV Global Total Return Fund	**£223m**	**(0.78)**	**2.27**	**2.85**	**2.04**	**3.18**	**17/06/2016**	**3**
Target: RPI + 5%		6.57	16.43	10.46	9.58	9.47		
Performance Against Target		**(7.35)**	**(14.16)**	**(7.61)**	**(7.54)**	**(6.29)**		
LCIV Diversified Growth Fund	**£841m**	**(8.76)**	**(10.08)**	**0.15**	**0.92**	**3.19**	**15/02/2016**	**9**
Target: UK Base Rate +3.5%		1.10	3.92	3.86	3.94	3.92		
Performance Against Target		**(9.86)**	**(14.00)**	**(3.71)**	**(3.02)**	**(0.73)**		
LCIV Absolute Return Fund	**£1,124m**	**(4.18)**	**2.11**	**8.06**	**4.95**	**5.89**	**21/06/2016**	**10**
Target: SONIA (30 day compounded) +3% (from 1 January 2022, previously 1m LIBOR +3%)		0.96	3.36	3.32	3.42	3.40		
Performance Against Target		**(5.14)**	**(1.25)**	**4.74**	**1.53**	**2.49**		
LCIV Real Return Fund	**£176m**	**(2.11)**	**(3.00)**	**3.60**	**3.76**	**4.23**	**16/12/2016**	**2**
Investment Objective: SONIA (30 day compounded) + 3% (from 1 October 2021, previously 1m LIBOR +3%)		0.96	3.36	3.32	3.42	3.40		
Performance Against Investment Objective		**(3.07)**	**(6.36)**	**0.28**	**0.34**	**0.83**		

ACS	Size	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Inception p.a. %	Inception Date	No. of Investors
Fixed Income								
LCIV Global Bond Fund	**£590m**	**(7.65)**	**(14.31)**	**(2.40)**	**n/a**	**0.42**	**30/11/2018**	**7**
Benchmark: Bloomberg Global Aggregate Credit Index – GBP Hedged		(6.63)	(13.21)	(2.02)	n/a	0.51		
Performance Against Benchmark		**(1.02)**	**(1.10)**	**(0.38)**	**n/a**	**(0.09)**		
LCIV MAC Fund	**£1,153m**	**(7.83)**	**(7.51)**	**0.04**	**n/a**	**0.93**	**31/05/2018**	**12**
Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)		1.33	4.89	4.87	n/a	4.99		
Performance Against Investment Objective		**(9.16)**	**(12.40)**	**(4.83)**	**n/a**	**(4.06)**		
LCIV Alternative Credit Fund	**£360m**	**(8.01)**	**n/a**	**n/a**	**n/a**	**(9.13)**	**31/01/2022**	**3**
Investment Objective: SONIA (30 day compounded) +4.5%		1.33	n/a	n/a	n/a	2.13		
Performance Against Investment Objective		**(9.34)**	**n/a**	**n/a**	**n/a**	**(11.26)**		
Total LCIV ACS Assets Under Management	**£12,126m**							

Please see below a summary of the London CIV Private Market Funds, including both those in which you are invested, and those you are not. The figures are as at 31 March 2022 as the valuations for private markets are calculated and released during the following quarter so are unavailable at the date this report is produced.

Private Markets	31 March 2022 Total Commitment	Called to Date	Undrawn Commitments	31 March 2022 Fund Value	Inception Date	No. of Investors
EUUT	£'000	£'000	£'000	£'000		
LCIV Infrastructure Fund	399,000	168,261	230,739	183,934	31/10/2019	6
LCIV Inflation Plus Fund	213,000	206,262	6,738	202,070	11/06/2020	3
LCIV Renewable Infrastructure Fund	853,500	188,822	664,678	199,536	29/03/2021	13
LCIV Private Debt Fund	540,000	219,726	320,274	230,764	29/03/2021	7
SLP	£'000	£'000	£'000	£'000		
The London Fund	195,000	24,983	170,017	24,268	15/12/2020	2
	2,200,500	808,053	1,392,447	840,572		

*For details on remaining current capacity available for further investment please contact the Client Service Team at clientservice@londonciv.org.uk.

London CIV - Fund Performance Q2 2022

Equities continued to perform poorly in Q2, with high levels of volatility. This reflects the increased risk of recession because of more aggressive action to curb inflation, concerns over the pace of growth in China and risks to global supply chains. 'Long duration' growth stocks have borne the brunt of selling, although we note that the gap between value and growth stocks narrowed in June. The performance of all London CIV funds can be found in the table on page 8 of your QIR.

The relative performance of London CIV equity funds improved in the second quarter, although the LCIV Global Alpha Growth Fund and LCIV Global Alpha Growth Paris Aligned Fund lagged the MSCI All Country World Index again. These funds have big shortfalls to recover to get their performance records back on track. LCIV Sustainable Equity Fund and the LCIV Sustainable Equity Exclusion Fund have been more resilient, in the context of their 'growth' style of investing, and they outperformed slightly during the quarter.

The 'value' characteristics of LCIV Global Equity Focus Fund have served the Sub-fund well this year, but this Sub-fund lost almost 5% in absolute terms in Q2. The Sub-fund is still in positive territory over one year, with a gain of 3.1%, about 5.6% ahead of the MSCI World Index.

The 'quality' features of LCIV Global Equity Core Fund came to the fore in Q2 and the fund is almost 3% ahead of its benchmark index over one year. LCIV Emerging Market Equity Fund also invests in companies presenting 'quality' and "growth" characteristics, but the lack of exposure to the strong performing energy and mining companies has been a significant headwind. The Sub-fund is down more 19% in the last 12 months, 4.2% worse than the MSCI Emerging Markets Index.

Volatility has also been a feature of the bond markets, with the release of data on inflation and growth punctuated by sharp swings in yields. One more recent development is the deterioration in the performance of credit, with an acceleration in the widening of spreads in the investment grade and high yield markets.

The combination of rising yields on government bonds and widening spreads is reflected in the 7.6% loss incurred by LCIV Global Bond Fund in Q2. The widening of spreads in the high yield market pushed the loss incurred by the LCIV MAC Fund and LCIV Alternative Credit Fund to 7.8% and 8% respectively. These losses are attributed to mark to market adjustments – to this point the investment managers have not reported a significant increase in impairments.

The pattern for multi-asset funds was similar to the first quarter of the year, although LCIV Global Total Return Fund could not avoid a small loss in Q2 despite an exceptionally defensive position. LCIV Absolute Return Fund was profitable until the second half of June, when the sharp reversal of inflation expectations caused losses on the inflation indexed bonds which account for a substantial part of the Sub-fund. LCIV Diversified Growth Fund (DGF) and LCIV Real Return Fund are more geared to the performance of stocks and other growth assets and have continued to lose money. DGF has lost more than 10% in the twelve months to the end of June.

London CIV conducted in-depth reviews of the LCIV Global Alpha Growth Fund, LCIV Global Alpha Growth Paris Aligned Fund and LCIV Diversified Growth Fund in early July. We will report back on our findings in the coming weeks.

Investment Manager Monitoring

All London CIV funds were on 'Normal Monitoring,' at the quarter end except for the LCIV Global Equity Focus Fund managed by Longview. In May 2022 we upgraded Longview from 'On Watch" to "Enhanced Monitoring". During our June 2022 Business Update, Yiannis Vairamis, Senior Portfolio Manager, explained that we have observed sufficient improvement on three of the eight elements of our scoring framework: performance, resourcing, and business risk. Performance has not consistently aligned to our expectations yet. Concerns remain about aspects of Longview's investment process including the investment manager's approach to valuing companies, an absence of a lead portfolio manager and the equal weighting of positions. Integration of responsible investment into decision making has strengthened. We believe there is further room for improvement on this aspect. The strategy is cost transparent, but it has not consistently added value net of costs. This enabled London CIV to negotiate a fee reduction with Longview, which will benefit investors.

During the second quarter, the London CIV carried out in-depth annual reviews of the LCIV Sustainable Equity Fund and LCIV Sustainable Equity Exclusion Fund - (RBC Global Asset Management), LCIV Global Total Return Fund - (Pyrford), LCIV Absolute Return Fund - (Ruffer), LCIV Global Bond Fund -(PIMCO), LCIV Global Alpha Growth Fund (Baillie Gifford) and LCIV Global Alpha Growth Paris-Aligned Fund - (Baillie Gifford). The outcome of these annual reviews will be shared with Client Funds in a future Monthly Business Update. All the investment managers employed by London CIV are investing as expected and we have not observed any anomalies in the risk profile of Funds, the composition of portfolios or trading activity.

Economies and markets

The narrative in capital markets shifted over the course of the second quarter. Inflation is certainly still a key issue, as evidenced by the 9.1% year on year increase in UK inflation in May, but the risk of recession is now central to the conversation. Growth is anemic, at best, and sentiment indicators have turned down across the world.

Looking at the evidence, we can see that consensus growth forecasts for the G8 economies have been revised down sharply, from 3.8% and 2.3% for 2022 and 2023 respectively at the beginning of this year, to a range around 1.5% now. Inflation, based on CPI, is now expected to average 7.3% in 2022, compared to 3.8% at the start of the year, although economists think central bank action will drive inflation back down in 2023 and 2024.

Table 1: G8 consensus economic forecasts

Indicator	2015	2016	2017	2018	2019	2020	2021	2022	2023 (f)	2024 (f)
Economic Activity										
Real GDP (YoY%)	2.0	1.5	2.2	2.2	1.7	-4.7	5.0	1.8	1.4	1.7
CPI (YoY%)	0.9	1.0	1.8	2.1	1.6	0.9	3.6	7.3	3.4	2.2
Unemployment (%)	5.9	5.6	5.1	4.7	4.4	7.0	5.5	4.4	4.5	4.5
Fiscal Balance										
Budget (% of GDP)	-2.5	-2.7	-2.6	-2.6	-3.0	-11.8	-8.5	-4.6	-3.7	-3.7

Source: Bloomberg 18 July 2022

Central banks are in the difficult position of having to combat rampant price increases in a period of economic fragility. This is a delicate balancing act, especially given the weak fiscal positions of most large economies. We expect swings in sentiment and heightened volatility to feature in the currency, interest rate, credit, equity and commodity markets in the coming quarters as investors adjust their views on inflation and the potential depth and severity of recessions.

Equities performed badly in the second quarter, so much so that the S&P 500 Index had its worst half-year period since 1962, posting a loss of more than 20% in U.S. Dollar terms, truly a multi-generational correction! The tone improved late in the period, albeit briefly, after the US Federal Reserve increased its reference rate by 0.75% to a range of 1.5% to 1.75%. Based on the MSCI World Index, global stocks lost 16.6% in U.S. Dollars in Q2 and just over 9% in Sterling terms, reflecting the continued poor performance of Sterling.

Emerging market stocks outperformed developed market stocks in the quarter. The most positive feature of Q2 was the recovery of Chinese stocks after an extended period in the doldrums. The reopening of key Chinese cities is a big development. If new lockdowns can be avoided, this will restore, at least partly, an important engine of growth for the global economy, and it should help reduce friction in global supply chains.

Equity investors are divided on whether central banks can find the right balance between combating inflation and averting a sharp slowdown. Stocks displaying value characteristics outperformed growth stocks by almost 16% in the first half of this year, but they are perceived to be relatively highly geared to economic activity and their performance has weakened as the risks of recession have increased, and oil and metals prices have softened.

Growth stocks are less aggressively mispriced than they were at the end of 2021, and there are pockets of exposure in that segment to companies which will be expected to be relatively resilient in a downturn. However, although investors appear to be starting to warm up to growth stocks, the tide can turn quickly – companies are punished severely for even small ‘misses’ in revenues or earnings.

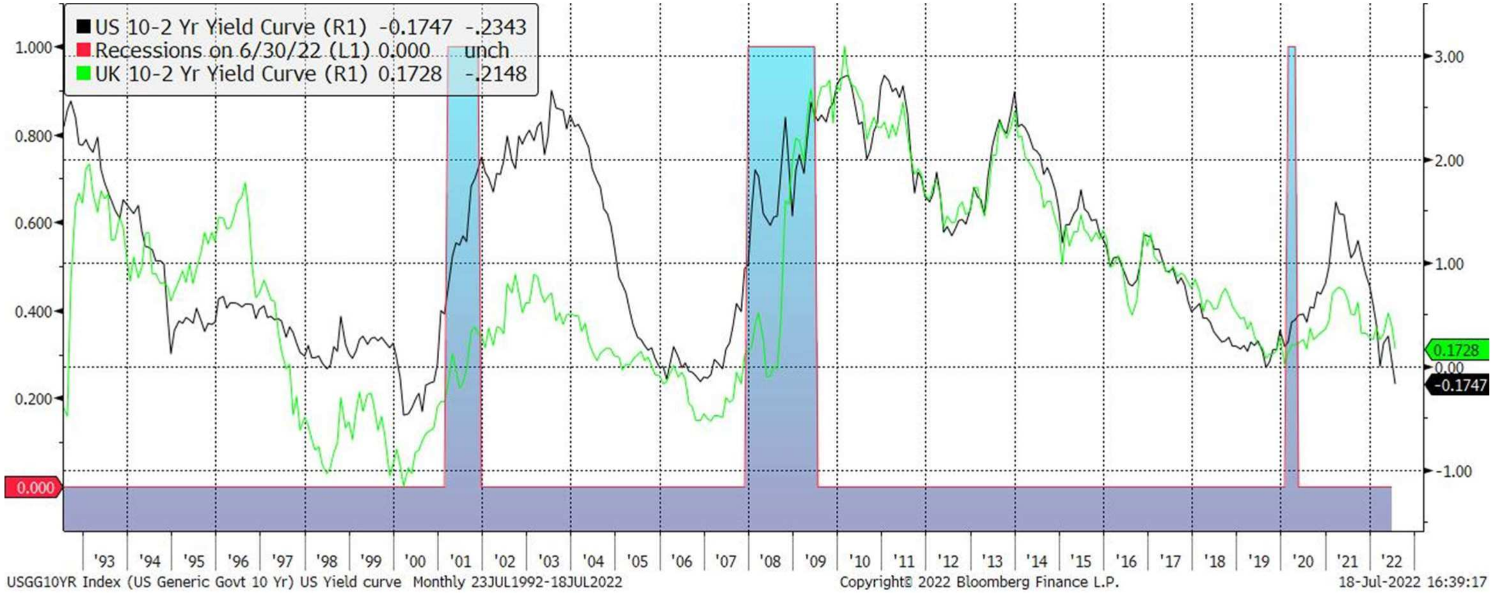
Table 2: Returns on Equity Styles

Global equities and equity styles	*3 months*	*YTD*	*1 year*
MSCI World TR Net Index GBP	-9.1%	-11.3%	-2.6%
MSCI World Value Index GBP	-12.2%	-13.3%	-8.8%
MSCI World Growth Index GBP	-21.4%	-29.1%	-22.9%

Source: Bloomberg 30 June 2022

Volatility in interest rate markets is unusually high, with bond yields moving sharply as new data points become available. Yields on Gilts maturing in 10 years swung in a range of 1.5% to more than 2.6% before falling back to 2.3% at the end of the quarter. The yield on 10 year U.S. Treasury bonds, which started the year at 1.5%, spiked from 2.7% in late May to almost 3.5% in mid-June before dropping back to the end the quarter just above 3%. The biggest increases in yields have been in near-dated bonds, bringing us close to a point of inversion of the U.S. yield curve which is considered a good barometer of recession risk.

Chart 1: Yield curves and recessions



Source: Bloomberg, data as 18 July 2022

The decline in yields from peak levels towards the end of the second quarter was accompanied by a sharp fall in inflation expectations reflected in the prices of inflation-linked bonds. Taken together, the moves in the nominal and inflation-linked markets suggest that bond investors have decided that the withdrawal of liquidity by central banks will help tame inflation, but at the expense of a hard landing.

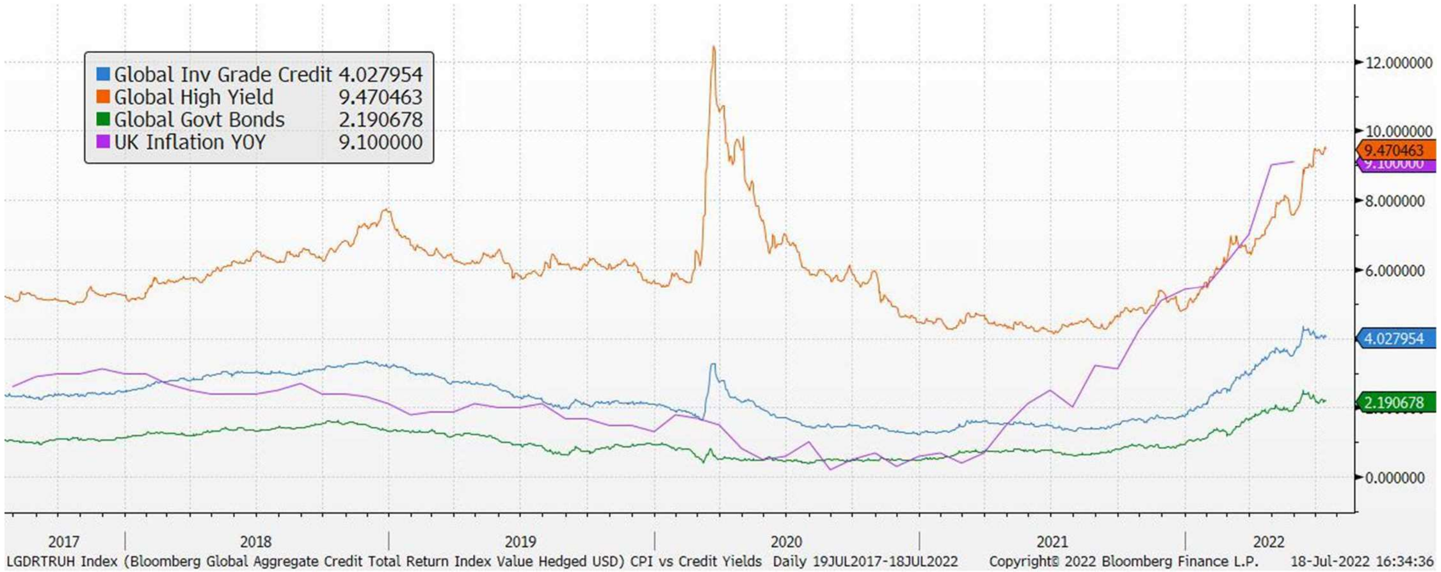
One worrying development in Q2 was the deterioration in the performance of credit, with an acceleration in the widening of spreads in the investment grade and high yield markets. The cost of protection against the risk of default of sub-investment grade bonds has risen sharply - credit investors see greater risk that defaults will increase in the coming quarters.

Table 3: Fixed income performance

Global fixed income indices (TR=total return)	*3 months*	*YTD*	*1 year*
Bloomberg Global Aggregate Bond Index TR hedged to GBP	-4.5%	-9.3%	-9.3%
Bloomberg Global Aggregate Credit Index TR hedged to GBP	-6.6%	-13.2%	-13.2%
Bloomberg Global High Yield Index TR hedged to GBP	-11.0%	-15.7%	-16.0%

The yield on investment grade debt, based on the Bloomberg Global Aggregate – Credit Index, has moved above 4%. The Bloomberg Global High Yield Index yields more than 9%. Sub-investment grade specialists point out that the yield now discounts a surge in defaults, over a five-year horizon, to levels above those experienced during the Global Financial Crisis.

Chart 2: Credit yields and inflation



Source: Bloomberg, data as 18 July 2022

Outlook

So where are the pockets of opportunity for the second half of 2022 and beyond? In our view, the outlook for growth, inflation and corporate performance is still too uncertain to make big calls, particularly given the risks of adverse geopolitical developments and/or another round of lockdowns to contain Covid-19. Two constants in the near term will probably be elevated volatility in asset prices and the need for inflation protection.

Yields on government debt are still low, and negative in real terms. Default risk has increased, so careful selection of issuers is essential to successful harvesting of the yields now on offer in the credit markets. Stocks are not particularly cheap when compared to their long-term averages, but good stock pickers should be able to sort the wheat from the chaff and put cash to work in outstanding companies at sensible prices.

We recommend patience and a focus on investment managers who have proven their stock and bond selection skills over the long-term, as long as they are sticking to their knitting. Long-term investors should continue to allocate to assets which are underpinned by powerful themes, such as energy transition and repurposing of real estate, but with a wary eye on valuations and leverage. Strategies which are mandated to operate across the global asset markets should be valuable in terms of capitalizing on increases in volatility and adjusting positioning dynamically to capitalize on opportunities and protect capital in periods of risk aversion.

Thank you for reading our QIR summary and bespoke QIR reports. We really appreciate your commitments and support.

LCIV Global Equity Focus Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£848.8m

Inception date:	17/07/2017
Price:	143.10p
Distribution frequency:	Quarterly
Next XD date:	01/07/2022
Pay date:	31/08/2022
Dealing frequency:	Daily

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been Longview Partners (Guernsey) Limited since the Sub-fund's inception date.

Investment Objective

The Sub-fund's long term objective is to achieve capital growth.

Enfield Valuation:

£99.7m

Enfield investment date: 24/10/2018

This is equivalent to 11.75% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £406,811

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(4.91)	3.06	7.61	n/a	8.71	9.18
Target*	(8.57)	(0.12)	11.40	n/a	11.70	13.34
Relative to Target	3.66	3.18	(3.79)	n/a	(2.99)	(4.16)
Benchmark**	(9.13)	(2.56)	8.68	n/a	8.98	10.57
Relative to Benchmark	4.22	5.62	(1.07)	n/a	(0.27)	(1.39)

** The Target MSCI World (GBP)(TRNet)+2.5% is an absolute level of return which is deemed as the appropriate return which investors can expect for the level of risk taken within the Sub-fund. For further details, please refer to the Glossary.*
*** Benchmark: MSCI World (GBP)(TRNet)*

† The target has been selected as it in a outperformance target set in the agreement with the investment manager it is not explicitly stated in the investment objective of the Sub-fund. The target return outperformance is compounded daily therefore the benchmark return plus the outperformance may not equal the objective target.

LCIV Global Equity Focus Fund

Performance

In the second quarter of 2022 the Sub-fund returned -4.9%, outperforming the MSCI World benchmark index return of -9.1% by 4.2%. In the 12-month period to end June 2022 the Sub-fund returned 3.1% against a benchmark index return of -2.6% thus posting a relative outperformance of 5.6%. Since inception, the Sub-fund has returned 8.7% per annum in absolute terms against 9% for the benchmark and is now lagging by a modest 0.3% p.a.

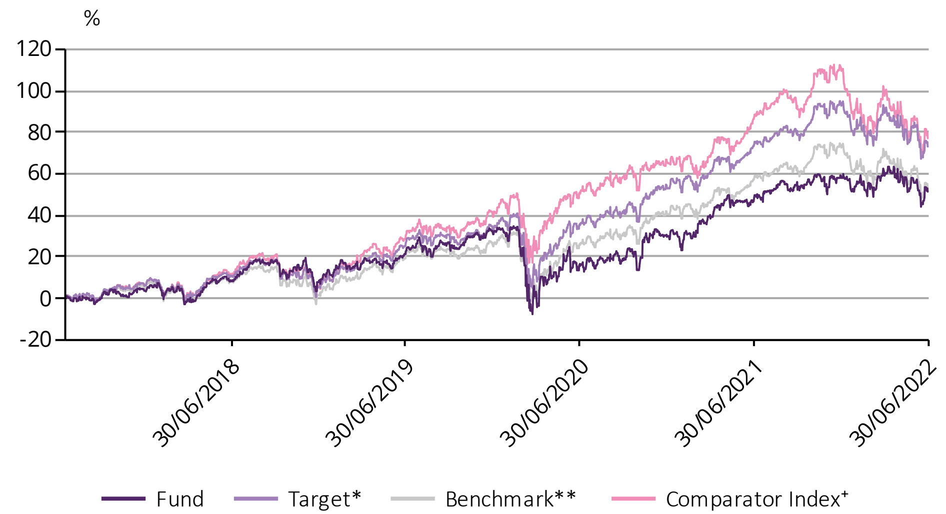
In a continuation of late 2021 and early 2022 trends the defensive characteristics of the portfolio stood out amidst weak market conditions as investors continued to reward good earnings visibility, robust business models and reasonable valuations.

Also important for the portfolio continues to be the low exposure to aggressively valued growth stocks. Longview retain a modest exposure in this segment of the market via the holding in Alphabet and they continue to look for quality opportunities in these areas that meet their valuation criteria, as in the case of Microsoft (see next section).

At the stock level positive contributors again outnumbered detractors two to one. The two largest were Sanofi and Sysco. Sanofi benefitted from a combination of positive business developments, good quarterly results and the defensive characteristics inherent to a pharmaceutical business. Sysco continues to outperform the U.S. foodservice industry and was able thus far to pass on food cost inflation to its customers.

The two largest detractors were HCA and State Street. HCA Healthcare, the largest hospital company in the U.S., underperformed in the quarter as it faced margin pressures due to higher-than-expected inflationary pressure on nursing labour costs. State Street performed poorly in the quarter as management projected that the falls in global equity and bond markets will have an impact on the fees earned from assets under custody, administration, and management.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Target: MSCI World (GBP)(TRNet)+2.5%*

*** Benchmark: MSCI World (GBP)(TRNet)*

⁺ The Comparator Index MSCI World Quality Price Index Net Total Return is not the stated fund objective, but has been selected as an appropriate index given the style of the Sub-fund. For further details, please refer to the Glossary.

Positioning

The Sub-fund maintained a large allocation to North American equities at c. 82% followed by an exposure of 18% to European equities. At the sector level the largest exposure was to health care at 26% followed by financials at 21%. The largest positions at the stock level at the end of June 2022 were IQVIA at 3.9%, Sysco at 3.8% and Marsh & McLennan at 3.8%.

The portfolio continues to have relatively limited cyclical exposure. Since the sale of Emerson Electric in the second quarter of 2021, the portfolio has not had any traditional industrial cyclical exposure. Longview have struggled to

LCIV Global Equity Focus Fund

find attractively valued cyclicals and although the sell-off in industrials in the second quarter has made the sector more attractive, earnings expectations remain open to disappointment.

Over the quarter the investment manager initiated two new positions. The first was in Microsoft, where recent stock price weakness provided an attractive entry point. Longview considers the company a high-quality name that benefits from significant and sustainable competitive advantages in the areas of computer operating systems (Windows) and productivity tools (MS Office) while also growing its presence in cloud services (Azure).

The second was Moody's which is a global credit ratings and analytics company. The company maintains many of the characteristics Longview like such as scale, dominant market position, strong brand recognition and operates in an industry where high regulatory barriers to entry exist. According to the investment manager the business is capital light by nature and generates very high returns on capital, the majority of which are returned to shareholders through dividends and buy-backs.

Both Microsoft and Moody's score well from an ESG perspective and maintain a 'low risk' rank by Sustainalytics.

Selling activity in Q2 was mainly aimed at 'tidying up' the portfolio. The positions at Arrow Electronics and Frontdoor were sold as the investment manager concluded there is not sufficient trading liquidity for these holdings to be scaled up. Embecta and Euroapi were received in the portfolio as spinoffs from Becton Dickinson and Sanofi respectively and were subsequently sold due to their small size.

London CIV Summary

In May 2022, the London CIV completed the extended investment due diligence on the investment manager using our RAG scoring framework. Following this exercise, the investment manager's monitoring status was upgraded from 'On Watch' to 'Enhanced Monitoring' with the approval of the London CIV Investment Panel.

This decision was made on the back of sufficient improvement on performance, resourcing and business risk that was made by Longview to support the revised status. There has also been movement in the right direction on RI and engagement where Longview have bolstered their ESG integration framework and in Q2 appointed Maryse Medawar as Head of Sustainability.

However, despite the recent improvement, performance is not consistently aligned to expectations. We also retain some concerns about aspects of the investment process including the approach to valuing companies, the absence of a lead portfolio manager and the equal weighting of positions. The integration of RI into decision making has been strengthened, but there is room for further improvement.

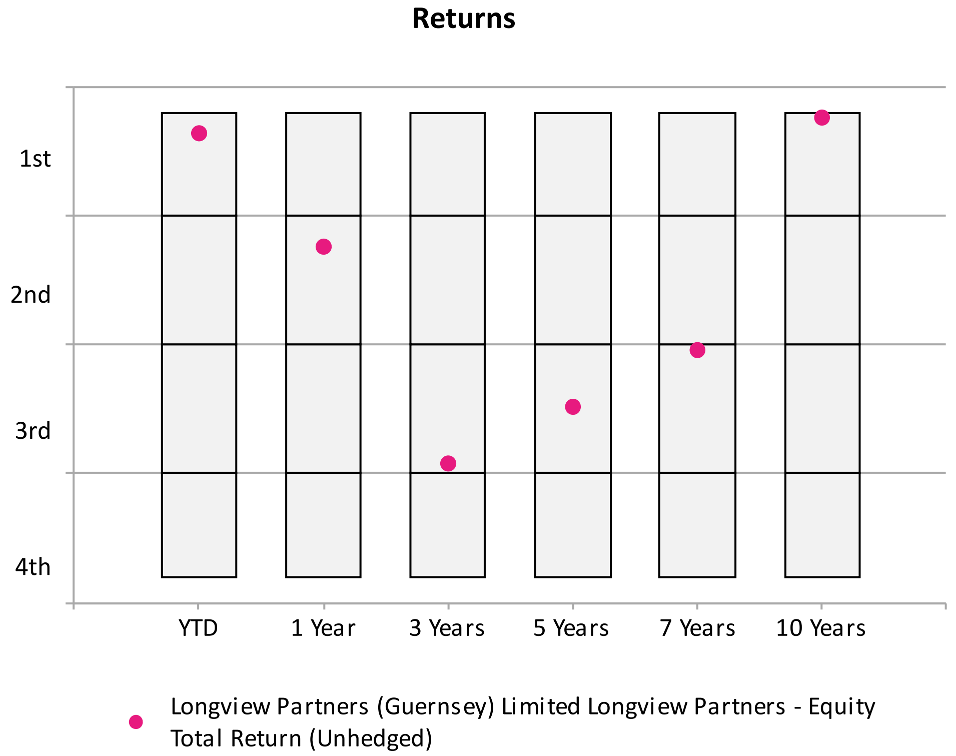
In terms of 'value-for-money', London CIV have agreed a fee reduction with Longview which comes into effect on 1 July 2022. Provided performance improves further this could also improve the investment manager's score in this area.

Conclusively, progress was made that justifies Longview's upgrade. Certain areas of concern remain and there is room for improvement. Overall, we are now more confident on the direction of travel.

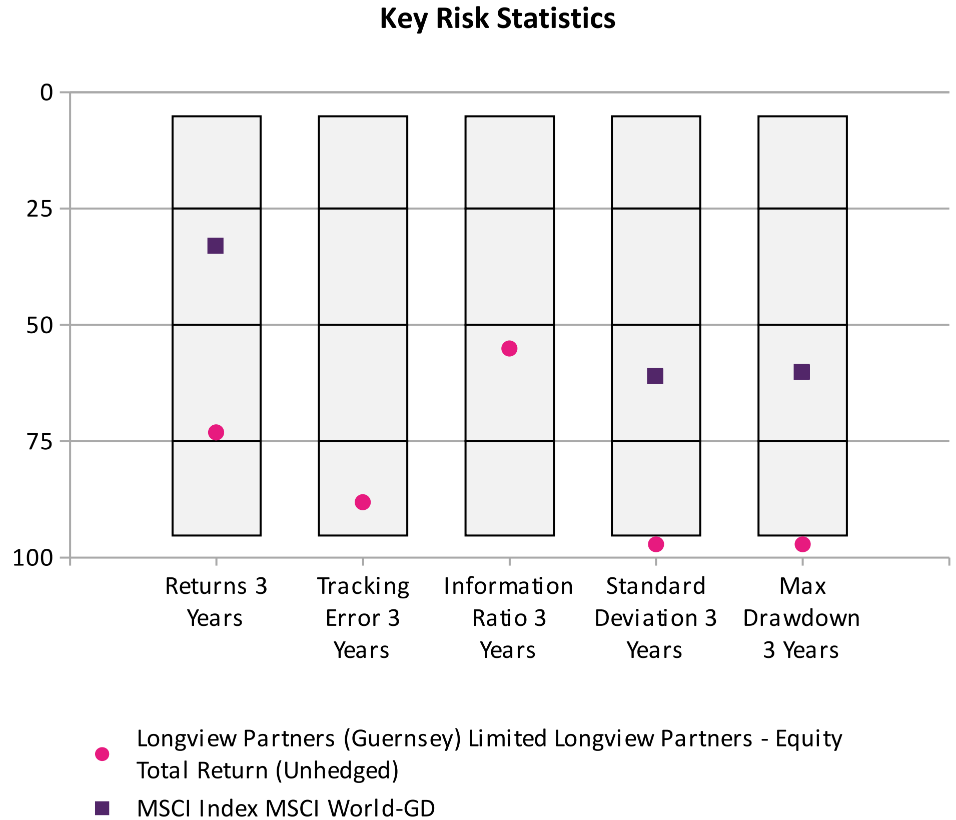
LCIV Global Equity Focus Fund

Peer Analysis

The peer group is the Global Large Cap Core Equity. During the last year and over the longer term (10 years), relative to its peers the Sub-fund has witnessed returns in the top two quartiles and has been particularly strong over the longer time period and Q1 2022. However, the Sub-fund has under-performed the MSCI World benchmark over 3 years and is in the third quartile of the peer group. The Sub-fund has taken a relatively high amount of risk. The 3 year standard deviation and maximum drawdown are at the high end of the range compared to peers and above the benchmark



Source: eVestment as at 31 March 2022

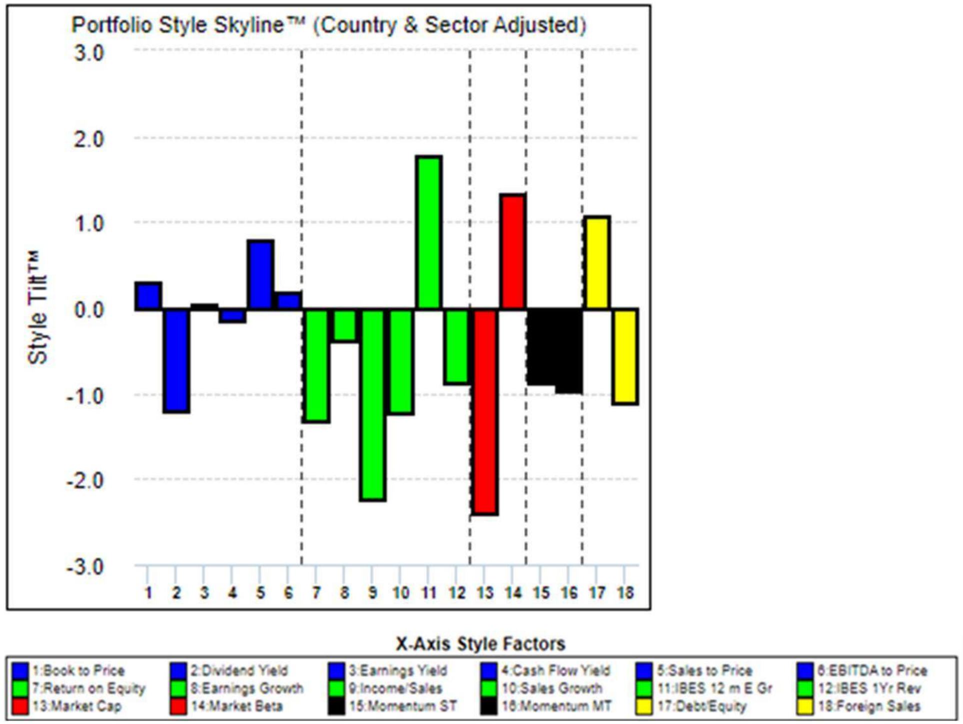


Source: eVestment as at 31 March 2022

LCIV Global Equity Focus Fund

Style Analysis

In terms of style, during the last quarter (Q1 2022) the Sub-fund remains tilted towards value measures, excepting dividend yield, and away from most growth factors (green bars), other than forecast earnings growth. There is a bias towards smaller cap, high beta stocks and those with low foreign sales and low debt/equity. The Sub-fund invests in companies with low momentum.



Source: eVestment as at 31st March 2022

LCIV Global Equity Focus Fund: Portfolio Characteristics

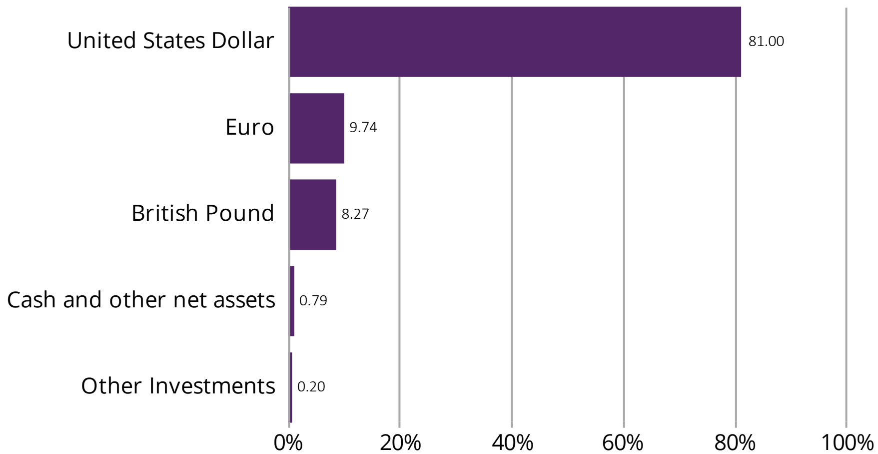
Key Statistics	
Number of Holdings	32
Number of Countries	5
Number of Sectors	7
Number of Industries	20
Yield %	1.46

Source: London CIV data as at 30 June 2022

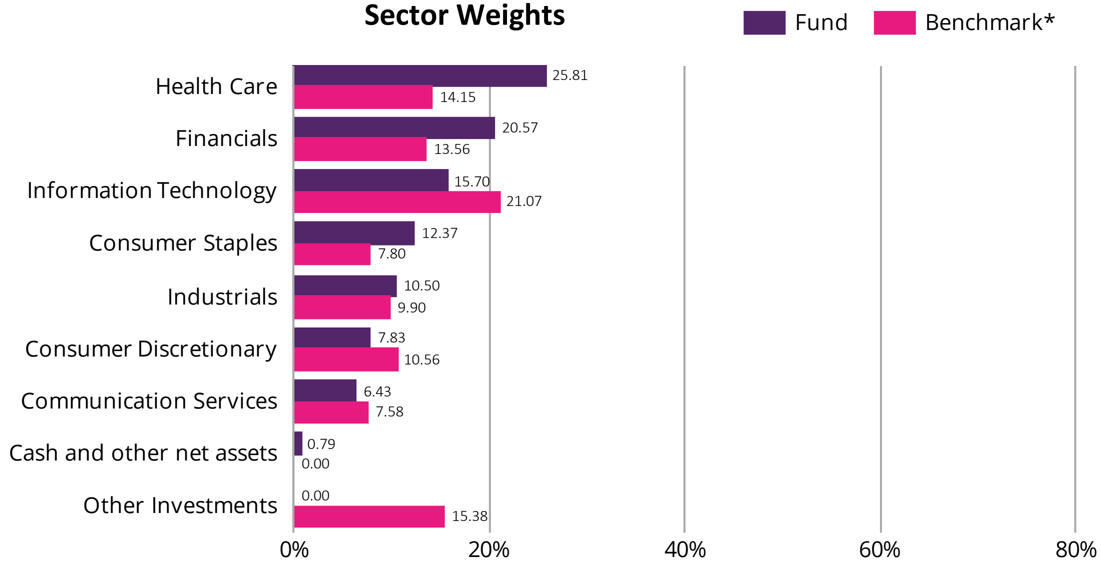
Risk Statistics	
Tracking Error (%)	4.61
Beta to Benchmark	0.97

Source: London CIV

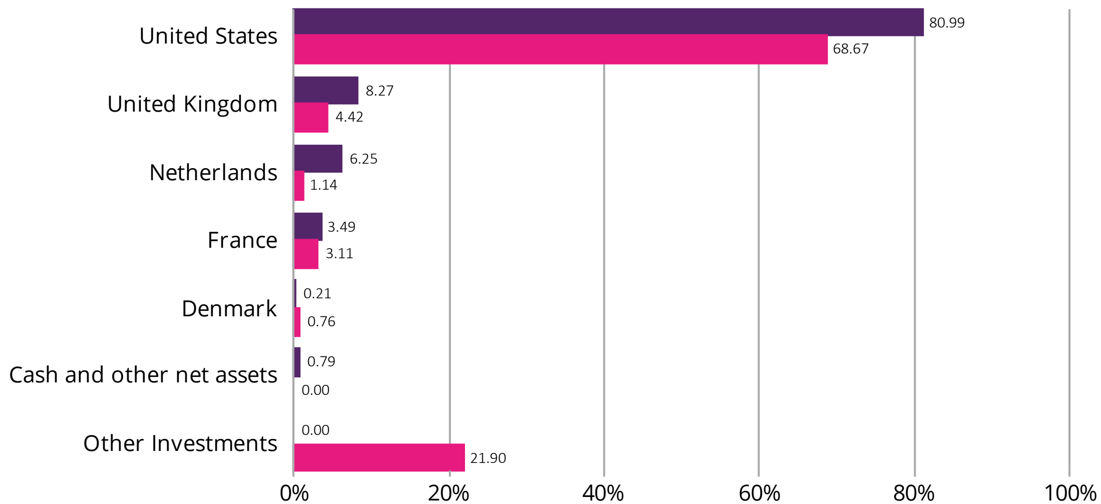
Currency Weights



Sector Weights



Country Weights



Source: London CIV data as at 30 June 2022
**MSCI World (GBP)(TRNet)+2.5%*

LCIV Global Equity Focus Fund: Portfolio Characteristics

Top Ten Equity Holdings	
Security Name	**% of NAV**
IQIVA Holdings	3.86
Sysco	3.82
Marsh & Mclennan Co's	3.81
L3harris Technologies	3.78
Unitedhealth Group	3.74
Henry Schein	3.68
Ww Grainger	3.65
Aon	3.61
Becton Dickinson	3.55
Oracle	3.54

Top Ten Contributors	
Security Name	**% Contribution**
Sysco	+0.43
Unitedhealth Group	+0.39
Sanofi	+0.39
L3harris Technologies	+0.19
Microsoft	+0.13
Becton Dickinson	+0.11
Compass Group	+0.10
Heineken Nv	+0.09
IQIVA Holdings	+0.05
Arrow Electronics	+0.04

Top Ten Detractors	
Security Name	**% Detraction**
HCA Healthcare Inc	(1.12)
State Street	(0.88)
American Express	(0.73)
Alphabet Inc Class A	(0.57)
Aon	(0.41)
Moody's	(0.38)
Medtronic	(0.36)
Bank of New York Mellon	(0.30)
Oracle	(0.28)
Us Foods Holding	(0.21)

New Positions During Quarter
Security Name
Microsoft

Completed Sales During Quarter
Security Name
Arrow Electronics
Frontdoor

Source: London CIV data as at 30 June 2022

LCIV Global Equity Focus Fund: ESG Summary

ESG Activity for the Quarter

During the quarter, Longview appointed Maryse Medawar as their new Head of Sustainability. Maryse has been at Longview since 2018 and was previously in a Relationship Management role.

On engagement, Longview met with W.W. Grainger to monitor a previous engagement, which was to enquire about updates made in their 2021 Corporate Responsibility Report and follow up on their LTIP performance targets disclosures. In 2021, Longview had conveyed that they expect Grainger to provide more information on targets/metrics. Furthermore, Longview asked about their plans to commit to net-zero and reduce Scope 3 emissions. W.W. Grainger explained that they are focusing on reducing emissions but may commit to a net-zero target in the future. Longview asked about their stance on Say-on-Climate and the firm confirmed they would not be opposed to resolutions that allow them to improve their disclosure and position on climate issues. Regarding voting, Longview had voted against W.W. Grainger's executive pay proposal in 2019. Their LTIP performance thresholds are not disclosed; they are hesitant to publish such sensitive information. When pressed, the company indicated they would consider disclosing this in the future. Longview will continue to monitor.

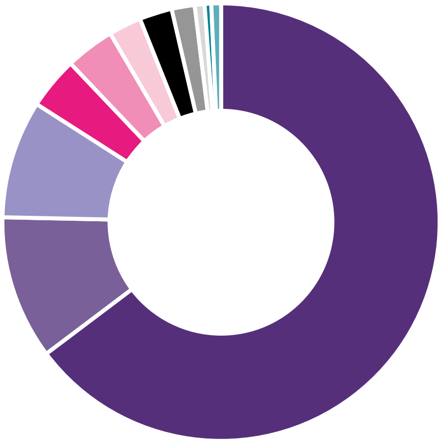
The second engagement was with American Express. Longview followed up on the 2021 AGM shareholder proposals in favour of a D&I report and the right to act by written consent. On the D&I report American Express confirmed that following shareholder feedback, including Longview's, they took action to provide more transparent D&I disclosures. EEO-1 data was included in their full ESG report. They also published an inaugural DEI Report. The shareholder proposal was submitted in 2021 and subsequently retracted after publication of the DEI report. American Express explained the proposal regarding the right to act by written consent was not raised in the 2022 AGM. They sought feedback from shareholders, but consultations could not establish shareholder consensus or determine majority support for a change. They believe the shareholders' right to call a special meeting is sufficient but will review at the annual board meeting.

LCIV Global Equity Focus Fund: ESG Summary

Voting Summary

As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 April 2022 - 30 June 2022).

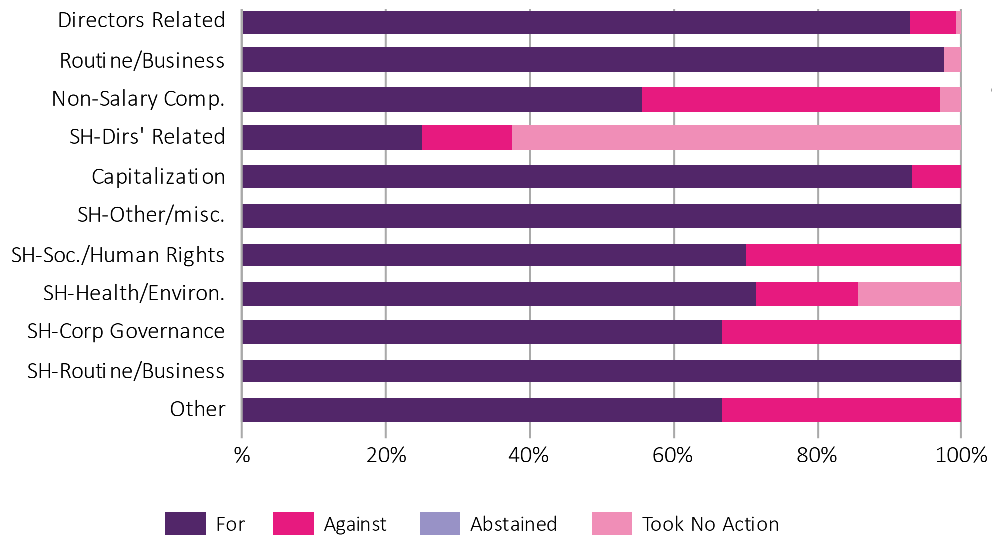
Proposals Breakdown



Directors Related	268
Routine/Business	44
Non-Salary Comp.	36
SH-Dirs' Related	16
Capitalization	15
SH-Other/misc.	10
SH-Soc./Human Rights	10
SH-Health/Environ.	7
SH-Corp Governance	3
SH-Routine/Business	2
Other	3

Source: London CIV data as at 30 June 2022

Voting Instruction Breakdown



Source: London CIV data as at 30 June 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/11555

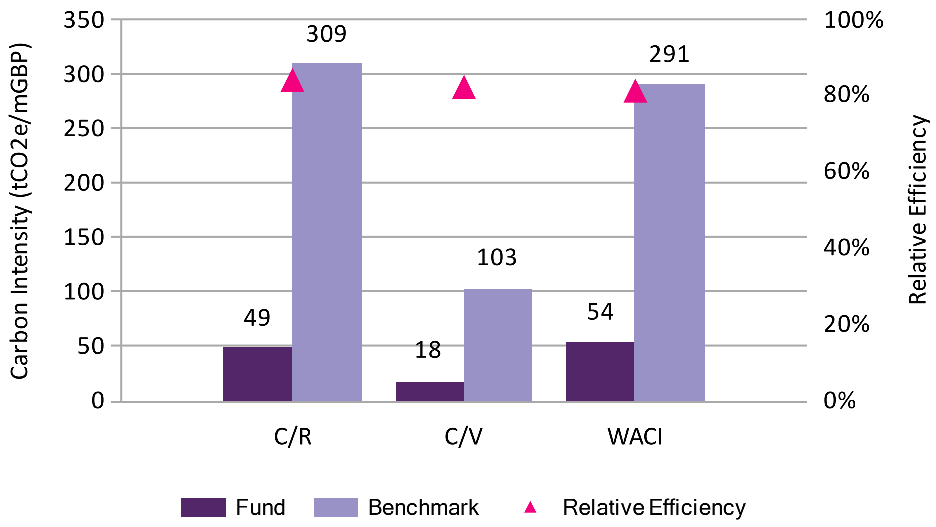
LCIV Global Equity Focus Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

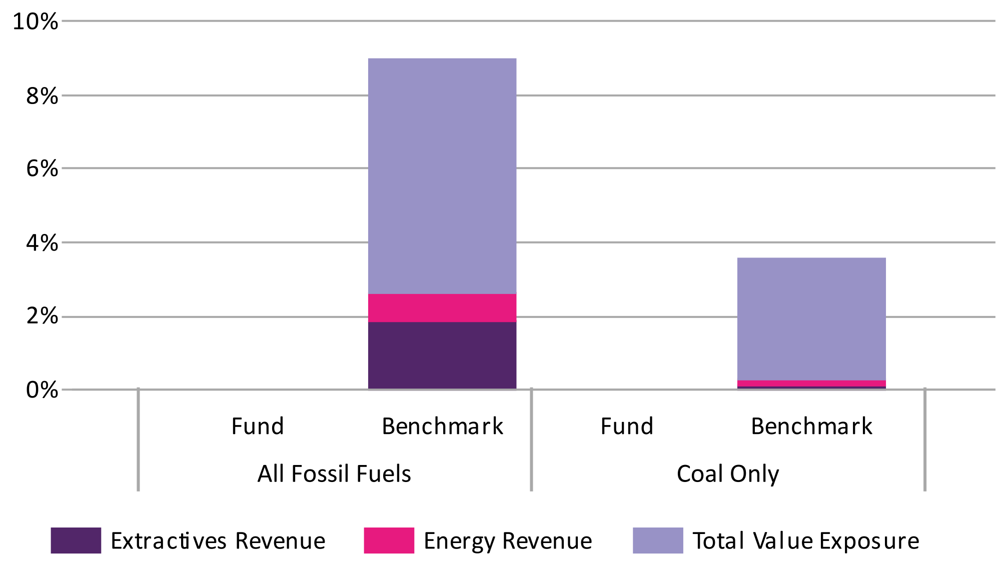
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

The benchmark used in the above is MSCI World

LCIV Global Equity Focus Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Heineken N.V.	323.86	-17.54%	No
Diageo Plc	233.88	-12.07%	No
HCA Healthcare, Inc.	92.19	-2.28%	No
Becton, Dickinson and Company	83.76	-2.00%	No
Whitbread PLC	96.42	-1.00%	No
Zimmer Biomet Holdings, Inc.	81.94	-0.74%	No
Medtronic plc	62.87	-0.47%	No
Alphabet Inc.	57.01	-0.18%	No
Sanofi	55.73	-0.09%	No
US Foods Holding Corp.	53.52	0.03%	No

LCIV Global Alpha Growth Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£1,890.2m

Inception date:	11/04/2016
Price:	201.40p
Distribution frequency:	Quarterly
Next XD date:	01/07/2022
Pay date:	31/08/2022
Dealing frequency:	Daily

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been Baillie Gifford & Co since the Sub-fund's inception date.

Investment Objective

The objective of the Sub-fund is to exceed the rate of return of the MSCI All Country World Index by 2-3% per annum on a gross fee basis over rolling five year periods.

Enfield Valuation:

£95.4m

Enfield investment date: 30/09/2016

This is equivalent to 5.05% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £121,690

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(12.09)	(23.40)	5.58	8.34	12.70	10.18
Investment Objective*	(8.40)	(2.17)	10.37	11.15	14.50	12.26
Relative to Investment Objective	(3.69)	(21.23)	(4.79)	(2.81)	(1.80)	(2.08)
Benchmark**	(8.85)	(4.09)	8.20	8.96	12.25	10.06
Relative to Benchmark	(3.24)	(19.31)	(2.62)	(0.62)	0.45	0.12

** Investment Objective: MSCI All Country World Gross Index (in GBP)+2%*
*** Benchmark: MSCI All Country World Gross Index (in GBP)*

† The investment objective is compounded daily therefore the benchmark return plus the outperformance target may not equal the investment objective.

LCIV Global Alpha Growth Fund

Performance

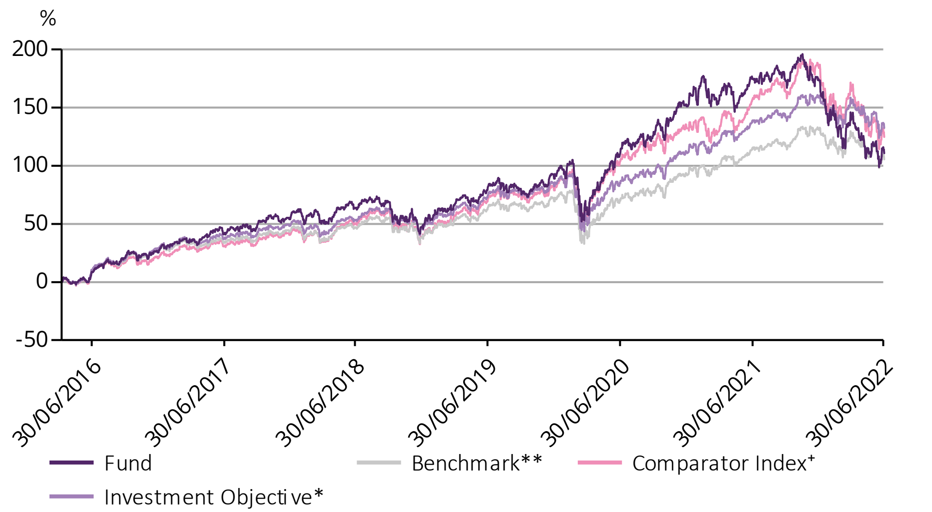
The Sub-fund returned -12.1% in Q2 against -8.9% for the MSCI All Country World benchmark index thus posting a relative underperformance of 3.2%. Consecutive poor quarters continue to take a toll on longer term performance. Over the 12-month period to end June 2022 the Sub-fund returned -23.4%, 19.3% less than the benchmark. The Sub-fund has generated 12.7% on an annualised basis since inception, outperforming the benchmark by 0.5% per annum.

The first half of this year has been a challenging one for stock markets and more so for growth strategies. Share price weakness has been most acute for high-growth companies, where uncertainty about future rewards is highest, with profits and cash flow weighted to future years. These types of companies are a significant part of the Sub-fund, as would be expected given the investment manager's long-term perspective and focus on identifying companies presenting outstanding potential. However, in the current environment the Sub-fund has been severely penalised by a market increasingly focused on shorter term, safer cashflows and low valuations.

Against this backdrop it was not surprising that the largest detractors at the stock level were companies such as Cloudflare and Shopify which spend heavily now to secure future growth as well as companies like Trade Desk and SEA Limited with strong growth prospects but also high sensitivity to consumer sentiment. Despite recent weakness in these names the investment manager remains confident on their long-term prospects.

Consistent with the prevalent market environment was the list of top performance contributors which mainly included stocks rewarded for short term positive cashflows and stability. Two characteristic examples are Prosus where the company management have decided to sell their long-held share in Tencent and return capital to investors and Elevance Health (nee Anthem) where the company's decision to increase their presence into the 'Medicare' segment of the healthcare services market is seen as increasing the stability of cashflows. Elevance (4.2%) and Prosus (3.4%) were the single largest positions in the Sub-fund in absolute terms at the end of Q2.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Investment Objective: MSCI All Country World Gross Index (in GBP)+2%*

*** Benchmark: MSCI All Country World Gross Index (in GBP)*

+ The Comparator Index MSCI Growth Index Net Total Return is not the stated fund objective, but has been selected as an appropriate index given the style of the Sub-fund. For further details, please refer to the Glossary.

Positioning

As at the end of June 2022, the Sub-fund maintained a significant regional allocation to North American equities at c. 56% followed by an exposure of 19.6% to European equities. At the sector level, the largest exposure was to consumer discretionary with 19.1% followed by financials at 16.7% and health care at 16.3%.

LCIV Global Alpha Growth Fund

One result of the recent market environment has been a notable reshaping of the portfolio across the different growth profiles. The ‘compounders’ basket, which includes companies more resilient to market weakness, has risen from around 26% at the end of December 2020 to just over 40% at the end of Q2. According to Baillie Gifford, this is the same situation experienced during the Great Financial Crisis in 2008. During the early years of the subsequent recovery, they were able to take advantage of the opportunities which had emerged by recycling capital from the relatively resilient sleeve of the portfolio into ‘disrupters’ offering higher potential returns over the long run, but with more risk.

We may be entering a similar phase now, with the relative outperformance of names such as Elevance Health potentially offering an opportunity to fund new buys and additions to companies such as Charles Schwab, Chewy and Farfetch for instance, where the investment manager’s strengthening conviction is in sharp contrast to share price weakness.

Rolling one year turnover remained at 12% while the number of holdings has modestly decreased to 94. A notable new purchase over the quarter was Royalty Pharma, the largest buyer of biopharmaceutical royalties in the U.S. The company funds bio innovation both directly, when they partner with companies to co-fund late-stage clinical trials in exchange for future royalties, and indirectly, when they acquire existing royalties from the original innovators. Baillie Gifford anticipate that the acquisition of royalty streams will play an increasing role in the funding mix across the industry enabling Royalty Pharma to deliver attractive growth by re-investing faster than the runoff of patent expires.

In terms of complete sales, the investment manager decided to fully exit the position in Naspers. This has been a long-term holding in the Sub-fund and has added significant value mainly through the company’s exposure to Tencent, China's leading internet platform. However, given the regulatory pressures Tencent is facing in their home market, the investment manager has decided to cut exposure. Baillie Gifford have also decided to fully exit the position in Peloton which has experienced challenges and turmoil over recent months mainly due to the company's poor execution in the management of the hardware element of the business.

London CIV Summary

This was the fifth consecutive quarter of negative relative returns for the Sub-fund with 12-month and 3-year relative performance now firmly into negative territory.

Underperformance of this length and magnitude naturally causes concern about the investment manager’s skill and ability to deliver value. The first thing we assess when such concerns arise is the pattern of performance to ensure that it is in line with the investment manager’s style and the direction of the market. We also look for changes in trading activity and the structure of the portfolio. Baillie Gifford follows an aggressive growth strategy in the management of the Sub-fund so stylistically the direction of performance was not a surprise and is broadly in line with growth style indices and peers. However, the magnitude was significantly wider than expected and this triggered extended discussions with the investment manager to understand what drove the level of underperformance.

The conclusion is that the investment manager has remained true to their process through this period. However, there are aspects of the management of the Sub-fund that could have been better. Firstly, the investment manager could have been more aggressive in trimming winners and locking in gains in the early part of 2021. Being more cautious in China, a market where the full intentions of regulators are rarely fully transparent, could have also helped. Lastly, there were stock specific decisions such as holding Peloton that did not pan out well, but we appreciate that some analytical errors will always happen in an active portfolio.

LCIV Global Alpha Growth Fund

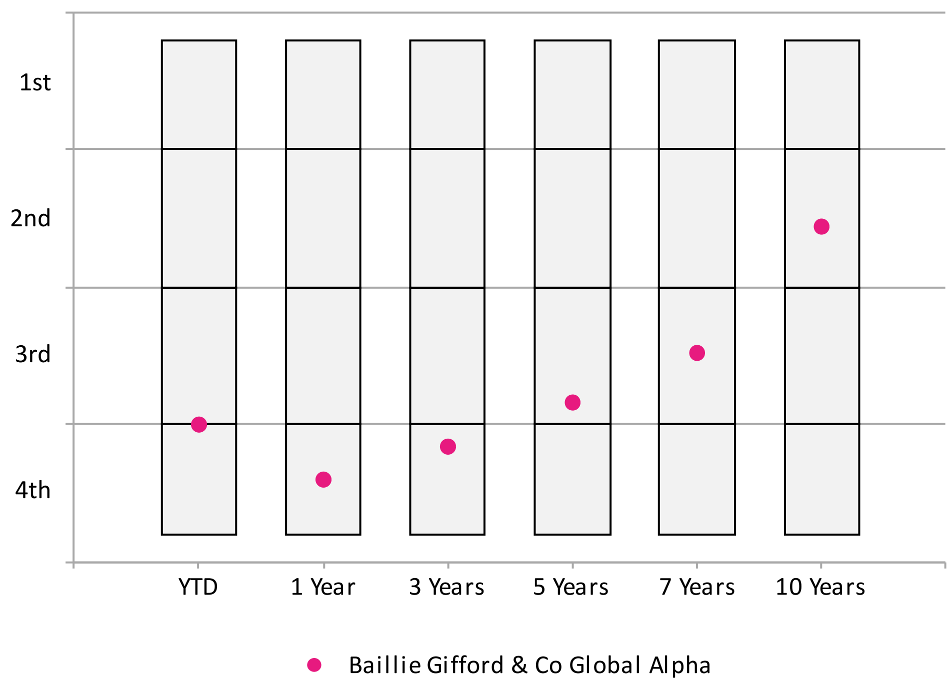
Going forward we want to see the investment manager sticking to their process and remain fully focused on uncovering those high growth opportunities that have the potential to turn the performance back to positive when the market direction changes. There is evidence this is happening, and we are confident that the portfolio can deliver the growth we expect.

LCIV Global Alpha Growth Fund

Peer Analysis

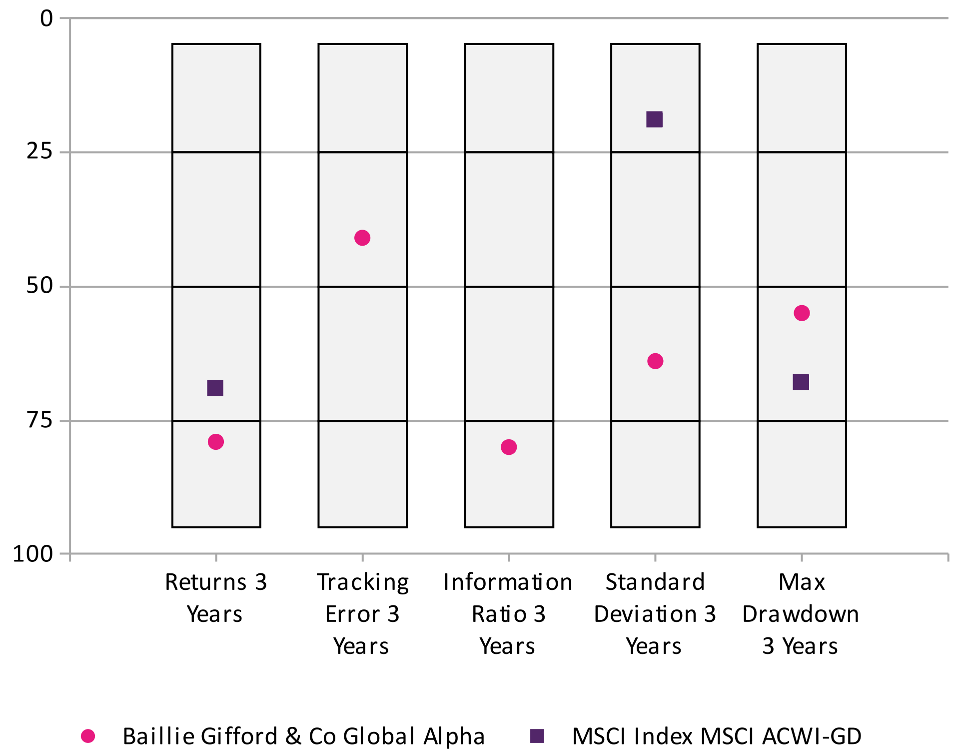
The peer group is the Global All Cap Growth Equity. Over the short to medium-term (up to 7 years to end March 2022), the Sub-fund has not performed as well as it has historically and is in the bottom 2 quartiles of its peer group. However, over the longer term (10 years), the performance remains in the top 2 quartiles. The bottom quartile 3-year performance, coupled with relatively high tracking error has resulted in an information ratio which is in the bottom quartile compared to its peers. The 3-year maximum drawdown is lower than the MSCI ACWI Index and slightly below the median for the peer group.

Returns



Source: eVestment as at 31 March 2022

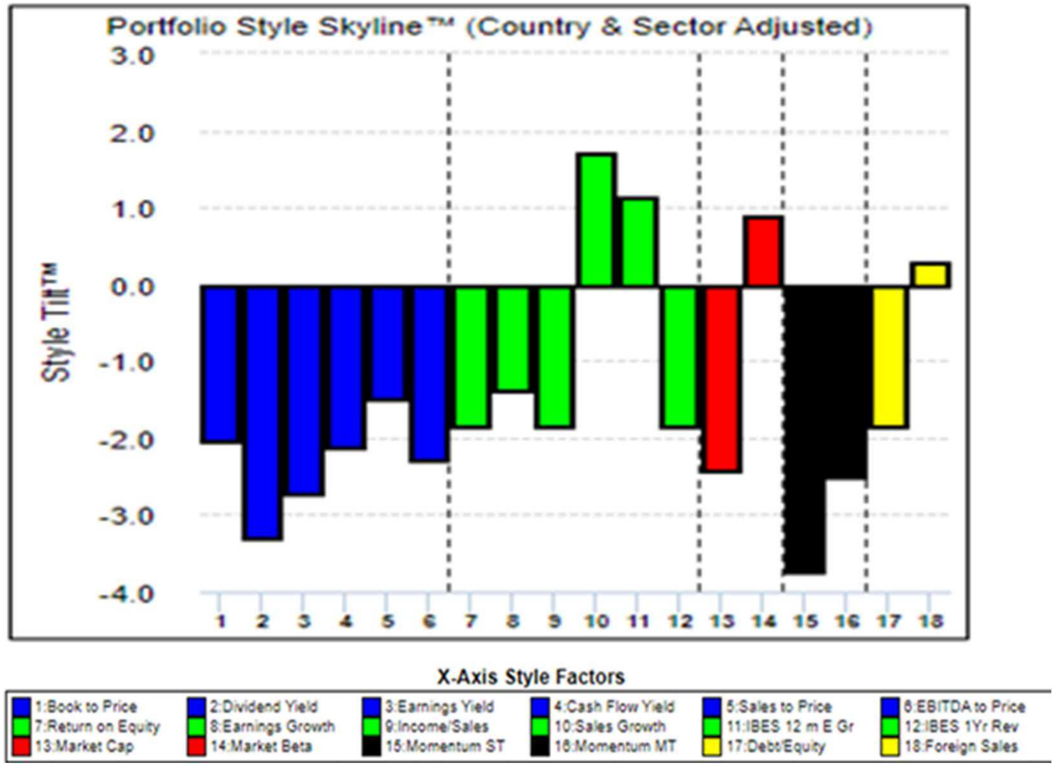
Key Risk Statistics



Source: eVestment as at 31 March 2022

LCIV Global Alpha Growth Fund

Style Analysis



The style of the Sub-fund remains consistent and is tilted away from all value factors and some growth (return on equity, income/sales) with strong positive tilt towards sales and earnings growth. The Sub-fund is also biased towards small cap stocks with a large tilt away from momentum.

Source: **eVestment as at 31st** March 2022

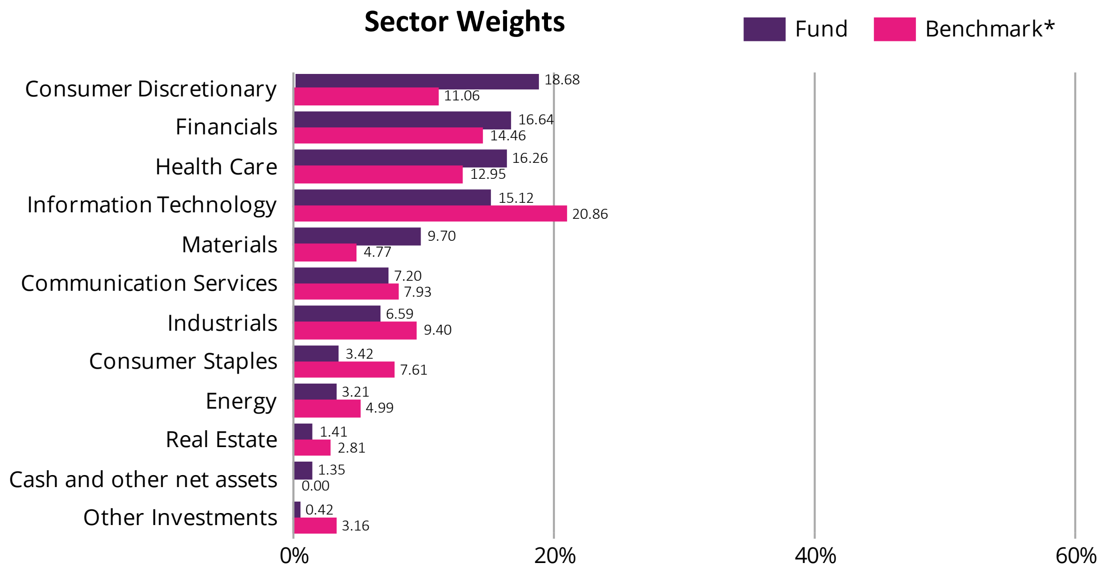
LCIV Global Alpha Growth Fund: Portfolio Characteristics

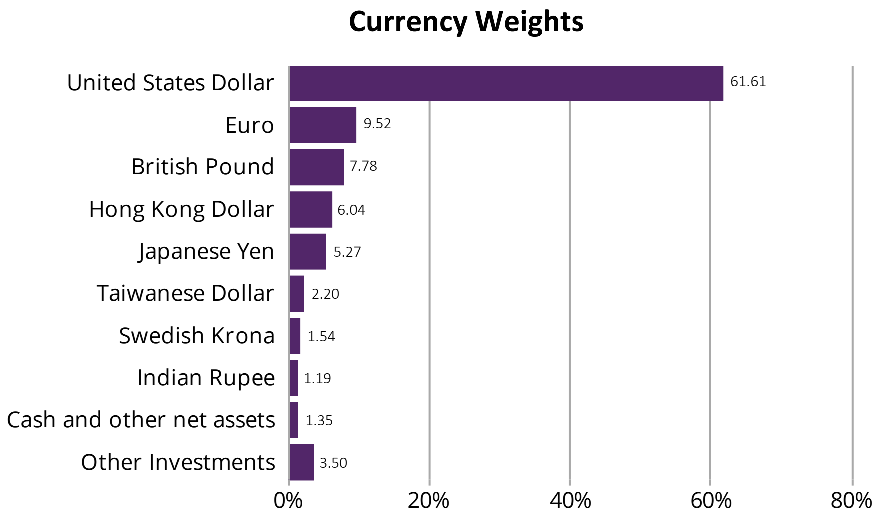
Key Statistics	
Number of Holdings	94
Number of Countries	22
Number of Sectors	10
Number of Industries	34
Yield %	1.34

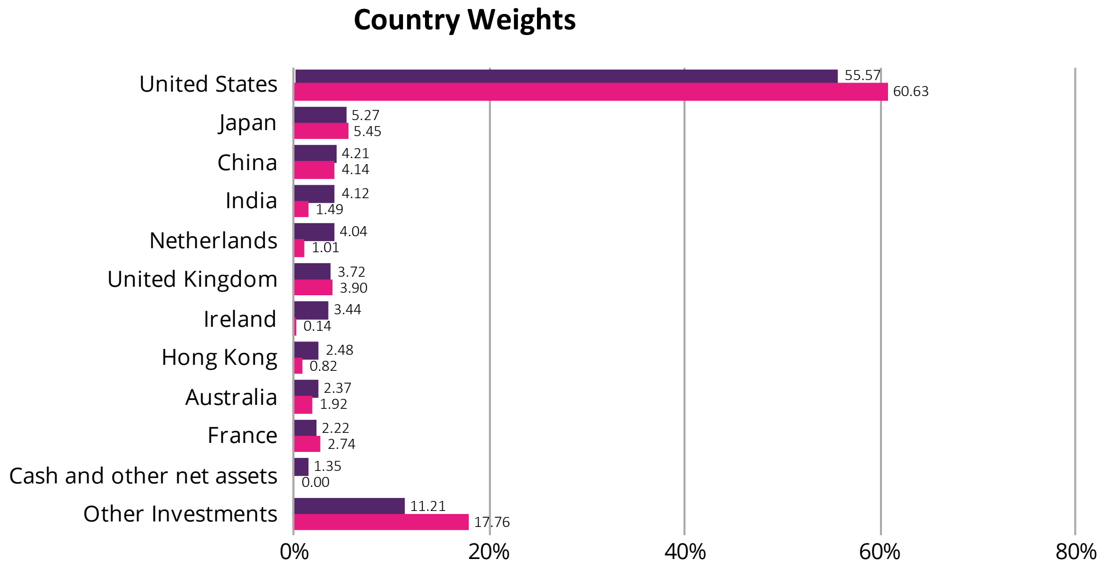
Source: London CIV data as at 30 June 2022

Risk Statistics	
Tracking Error (%)	4.83
Beta to Benchmark	1.04

Source: London CIV







Source: London CIV data as at 30 June 2022
**MSCI All Country World Gross Index (in GBP)+2%*

LCIV Global Alpha Growth Fund: Portfolio Characteristics

Top Ten Equity Holdings

Security Name	% of NAV
Anthem Com	4.19
Prosus Nv	3.38
Microsoft	3.15
Reliance Industries	2.93
Alphabet Inc Class C	2.91
Moody's	2.83
Service Corporation International	2.69
Martin Marietta Materials	2.60
Arthur J Gallagher	2.45
Taiwan Semiconductor Manufacturing	2.20

Top Ten Contributors

Security Name	% Contribution
Prosus Nv	+0.74
LI Auto Inc. ADR	+0.38
Service Corporation International	+0.25
AIA Group	+0.22
Meituan Dianping	+0.21
Olympus	+0.21
Anthem Com	+0.21
Royalty Pharma	+0.10
Alibaba Group Holding	+0.08
Ping An Insurance Group Company of China	+0.06

Top Ten Detractors

Security Name	% Detraction
Amazon.com	(0.67)
Tesla Inc	(0.58)
Cloudfare Inc	(0.56)
Shopify	(0.52)
Illumina	(0.49)
Trade Desk	(0.48)
SEA	(0.46)
Alphabet Inc Class C	(0.46)
Martin Marietta Materials	(0.46)
Taiwan Semiconductor Manufacturing	(0.40)

New Positions During Quarter

Security Name
Shiseido Company Limited Npv

Completed Sales During Quarter

Security Name
Teladoc Health Inc
Peloton Interactive
Tencent Music Entmt Group ADR
KE Holdings
Epiroc Ab

Source: London CIV data as at 30 June 2022

LCIV Global Alpha Growth Fund: ESG Summary

Summary of ESG Activity for the Quarter

Baillie Gifford increased its resources dedicated to ESG activities to 43 people from 40 since last quarter. This includes a new ESG analyst for their dedicated climate and sovereign debt teams and a new impact analyst for their Positive Change Strategy. They have appointed a Head of ESG, Catherine Flockhart to ensure ongoing Partner oversight and ESG development.

Baillie Gifford informed us that they have sold their position in Tencent Music Entertainment due to various challenges, including the company’s regulatory and competition issues. The investment manager was also concerned about the future of data privacy and how consumers spend their time online.

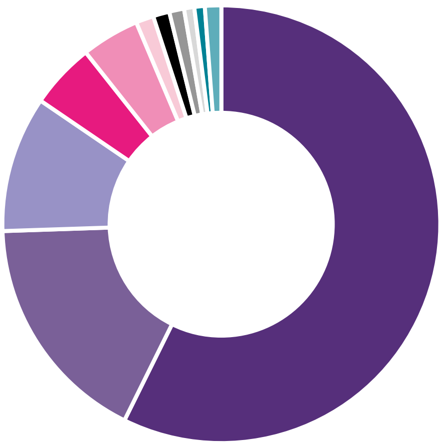
On engagement, the investment manager recognised Albemarle's improved approach to sustainability since their early engagements and arranged to meet with the company’s management team to discuss ESG matters. Key items discussed: Albemarle's climate strategy and its third-party initiative for Responsible Mining Assurance audit of its La Negra plant, and Albemarle's 2022 Sustainability Report. Baillie Gifford stated that Albemarle has recognised the sustainability imperative and now sees improving its performance as a competitive differentiator. 'Advance Sustainability' is now one of its four strategic pillars. Regarding the La Negra plant, it had undergone a third-party audit; outcomes will provide a gap analysis. Regarding climate, Albemarle recognised challenges in maintaining current performance against its carbon intensity goal. The investment manager followed up with the firm and encouraged the company to invest in further mitigating actions to ensure it does not breach its lithium carbon intensity target as output expands. Lastly, the company is considering appointing a sustainability representative on the executive leadership team.

LCIV Global Alpha Growth Fund: ESG Summary

Voting Summary

As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 April 2022 - 30 June 2022).

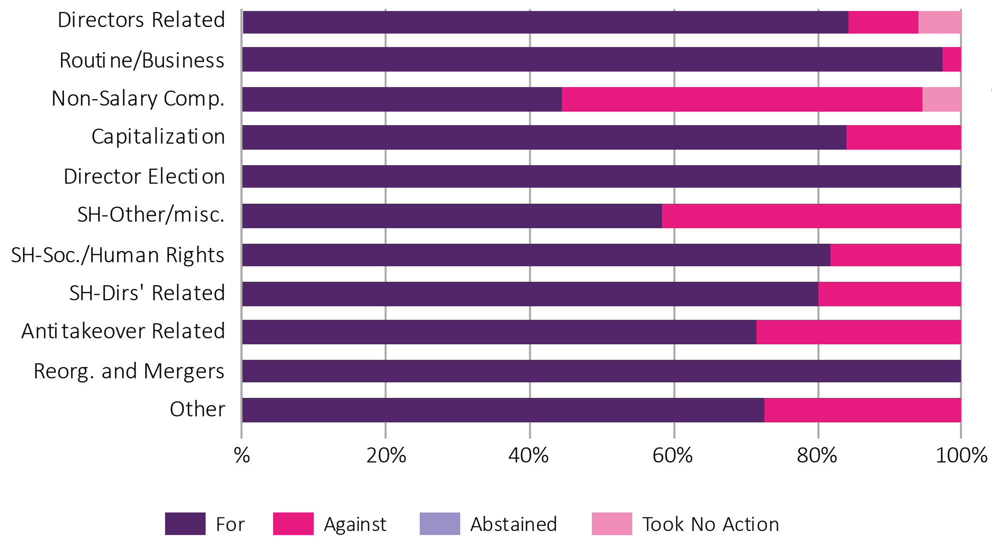
Proposals Breakdown



Directors Related	523
Routine/Business	157
Non-Salary Comp.	92
Capitalization	44
Director Election	39
SH-Other/misc.	12
SH-Soc./Human Rights	11
SH-Dirs' Related	10
Antitakeover Related	7
Reorg. and Mergers	7
Other	11

Source: London CIV data as at 30 June 2022

Voting Instruction Breakdown



Source: London CIV data as at 30 June 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/11552

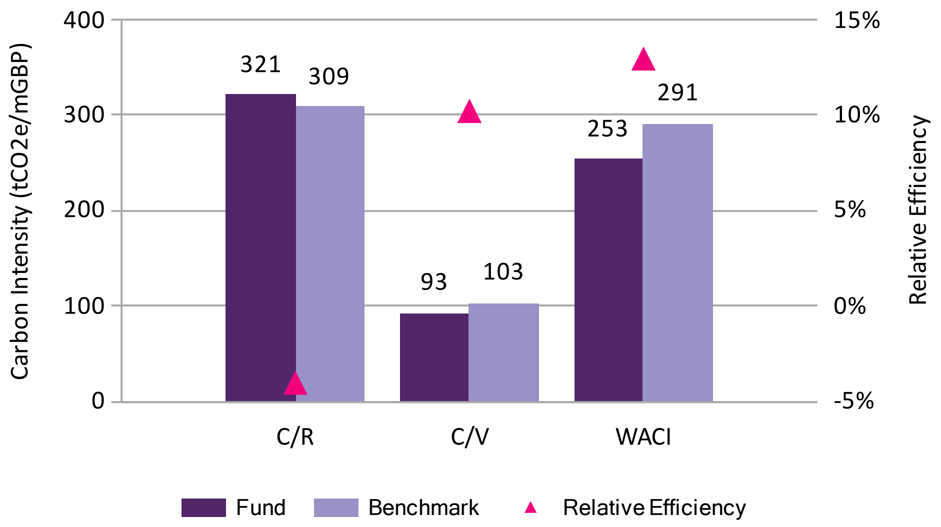
LCIV Global Alpha Growth Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

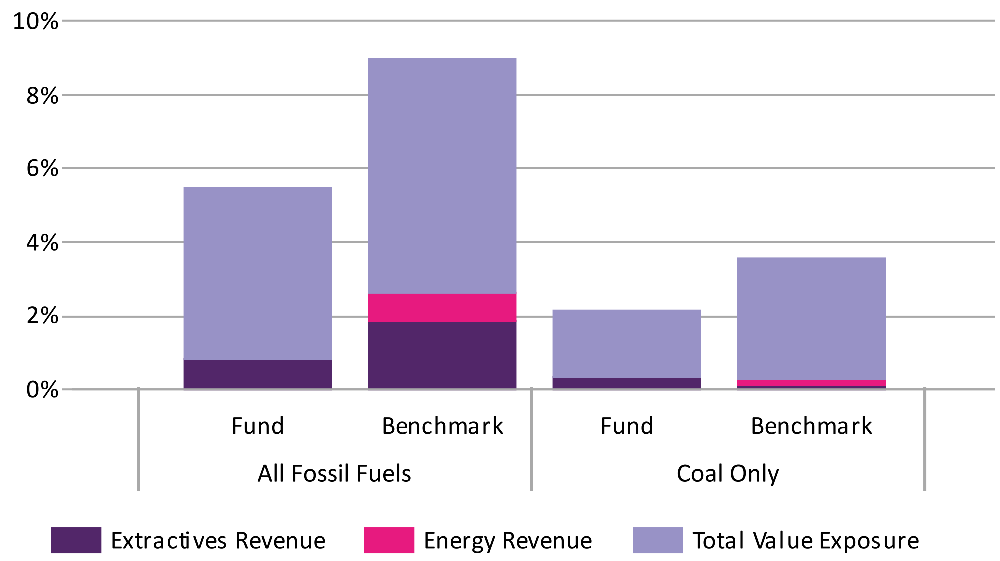
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

The benchmark used in the above is MSCI World

LCIV Global Alpha Growth Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Martin Marietta Materials, Inc.	2,008.95	-19.22%	Yes
CRH Plc	2,091.83	-13.01%	Yes
Ryanair Holdings Plc	1,772.26	-10.99%	No
Reliance Industries Limited	758.15	-6.24%	No
Rio Tinto Group	1,005.81	-5.04%	No
Woodside Energy Group Ltd	3,525.44	-3.82%	Yes
BHP Group Limited	543.92	-2.52%	No
Albemarle Corporation	526.87	-1.94%	No
Wizz Air Holdings Plc	1,578.45	-1.55%	No
Taiwan Semiconductor Manufacturing Company Limited	373.62	-1.11%	No

Top Contributors - Fossil Fuel Revenues

The table below shows the companies with the most significant weighted average fossil fuel revenues. The degree to which the company's own revenues are derived from fossil fuel activities is also indicated. For more information, please consult the Appendix.

Name	Fossil Fuel Revenue	Portfolio Weighted Fossil Fuel Revenue	Climate 100+
BHP Group Limited	23.68%	0.509%	No
Woodside Energy Group Ltd	96.69%	0.285%	Yes
Reliance Industries Limited	0.40%	0.012%	No

LCIV Emerging Market Equity Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£547.3m

Inception date:	11/01/2018
Price:	93.06p
Distribution frequency:	Quarterly
Next XD date:	01/07/2022
Pay date:	31/08/2022
Dealing frequency:	Daily

This is a segregated Sub-fund of the London CIV ACS administered by Northern Trust. The delegated investment manager has been JPMorgan Asset Management (UK) Limited since 11 October 2019. Prior to this the fund was managed by Henderson Global Investors.

Investment Objective

The Sub-fund's objective is to achieve long-term capital growth by outperforming the MSCI Emerging Market Index (Total Return) Net by 2.5% per annum net of fees annualised over rolling three year periods.

Enfield Valuation:

£29.9m

Enfield investment date: 24/10/2018

This is equivalent to 5.46% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: £166,932

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(7.01)	(19.25)	0.13	n/a	(0.62)	3.40
Investment Objective*	(3.40)	(12.89)	4.71	n/a	3.32	8.09
Relative to Investment Objective	(3.61)	(6.36)	(4.58)	n/a	(3.94)	(4.69)
Benchmark**	(4.00)	(15.01)	2.15	n/a	0.80	5.45
Relative to Benchmark	(3.01)	(4.24)	(2.02)	n/a	(1.42)	(2.05)

** Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%*
*** Benchmark: MSCI Emerging Market Index (TR) Net*

† The investment objective is compounded daily therefore the benchmark return plus the outperformance target may not equal the investment objective.

LCIV Emerging Market Equity Fund

Performance

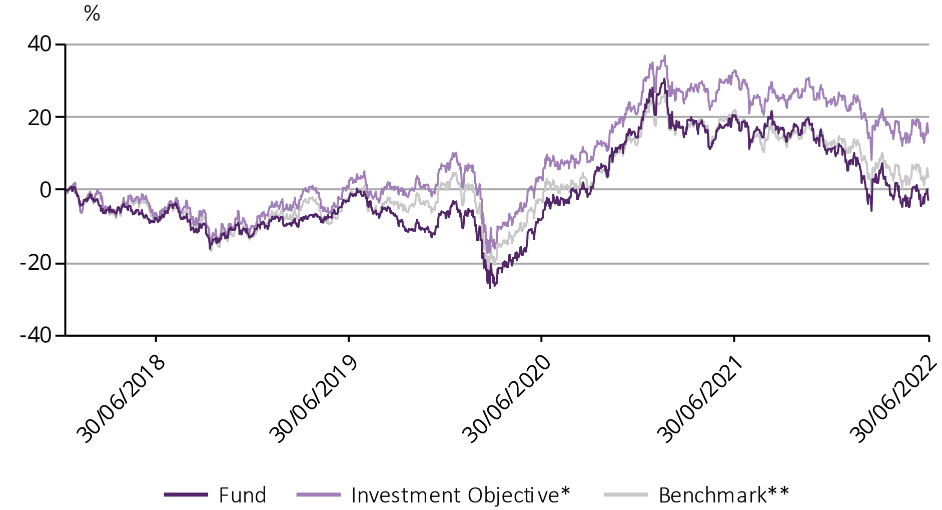
The Sub-fund delivered -7% over the second quarter against -4% for the MSCI Emerging Market Index, a relative underperformance of -3%. One-year return for the Sub-fund is -19.3%, lagging the benchmark by 4.2%. The Sub-fund's relative performance since inception is also negative, with the Sub-fund returning -0.6% against 0.8% for the benchmark. Relative returns since hiring the current investment manager remain positive.

Despite higher forecasted earnings, emerging market equities have lagged global equities for a few years now. This trend persisted over the last year as well, with the MSCI Emerging Market Index plummeting -15%, against a -2.6% decline for the MSCI World Total Return (Net) Index. However, after absorbing the brunt of lockdowns in China and the effects of the Russian invasion in the first quarter, emerging markets outperformed developed market equities in the second quarter. Key reasons for this outperformance were inflation and growth concerns across developed markets, as well as the lifting of Covid-19 lockdowns in China.

The Sub-fund's underperformance in the first quarter was predominantly driven by the sectors or regions not owned in the portfolio, particularly the energy sector. While sector allocation, including the energy underweight, was a mild detractor again in the second quarter, stock selection, particularly within consumer discretionary, was the key to underperformance.

At the stock level, Sea ltd and MercadoLibre continue to be the main short and medium-term detractors. The stock price of Sea ltd, an e-commerce business based in Singapore, dropped nearly 80% since its peak in November 2021. This is in contrast to the stock's performance prior to November 2021 when it had consistently been the 'shining star' of the Sub-fund. The investment manager admits that given the rapid rise (followed by an even swifter demise) of the stock, their price estimates were quite aggressive. The position is now being trimmed. Regarding MercadoLibre, and despite its

Performance since LCIV inception



Source: Fund prices calculated based on published prices. Benchmarks obtained from Bloomberg. All performance reported net of fees and charges with distributions reinvested.

** Investment Objective: MSCI Emerging Market Index (TR) Net+2.5%*
*** Benchmark: MSCI Emerging Market Index (TR) Net*

recent weakness, operating margins are still improving. Therefore, the investment manager is willing to absorb the macroeconomic headwinds in the short run for a stock where fundamentals remain intact.

Positioning

The Sub-fund's lumpy performance is a function of its investment style which is focused on 'quality growth' stocks. These stocks led the market during the Covid-19 recovery phase with the Sub-fund outperforming the benchmark by 11% in 2020. However, these stocks have long duration due to sustainable

LCIV Emerging Market Equity Fund

profitability expected in later years. As bond yields have soared globally, these stocks have been worst hit.

After the recent earnings derating in emerging market equities, expected returns are around 17%, much higher than developed market peers. Looking at price-to-earnings, the gap between high growth and low growth stocks has narrowed substantially. Nonetheless, the gap is still wide enough to warrant caution in a volatile environment.

Across regions, China and India are the largest absolute exposures for the Sub-fund. In active weight terms, the investment manager retains a significant underweight to mainland China counterbalanced by an overweight to companies listed in Hong Kong. The Sub-fund is also overweight in India.

The recent easing of Covid-19 related restrictions in China, along with reduced regulatory pressures, have been a much-needed silver lining for the portfolio. Political and regulatory risk is high in China and the investment manager has recently increased the cost of equity estimate used when valuing Chinese companies. Interestingly, valuations still remain attractive in relative terms even after these adjustments. Overall, China is well positioned from fiscal and monetary policy perspective when compared to developed markets. The investment manager is looking to add to this exposure but is mindful of the risks and likely to add to China through smaller active positions.

India has been a headwind for the portfolio recently due to a rally in low quality stocks. The portfolio is mainly positioned in consumer and financial services stocks that should benefit from a growing economy in the long run.

Over the quarter, Unilever Indonesia was the only addition to the portfolio. The investment manager has been waiting for the right entry point to this stock for some time now and expects the stock to benefit from increased domestic consumption. There have been no other changes to the portfolio over the quarter.

London CIV Summary

The Sub-fund's quality growth bias has failed to protect the portfolio in a declining market this quarter and year-to-date. The current portfolio positioning and style reflects the investment manager's long term investment beliefs. Recent performance was partly expected due to lack of exposure to certain cyclical sectors and the growth bias in the portfolio. Beyond the detrimental asset allocation, stock selection has also contributed to recent underperformance.

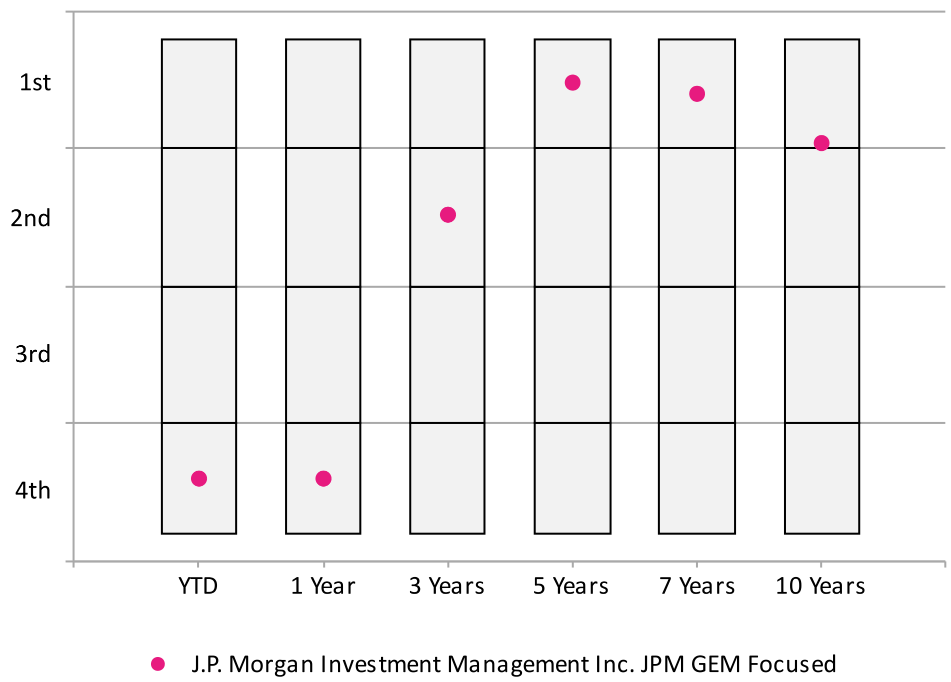
Long term performance for the current investment manager remains in positive territory. The investment manager is still awaiting the outcome of the UK Stewardship Code assessment, and this remains a concern from an ESG perspective. Overall, the Sub-fund has delivered against expectations since they were hired in Q4 2019 and there are no material concerns on the wider factors monitored by London CIV.

LCIV Emerging Market Equity Fund

Peer Analysis

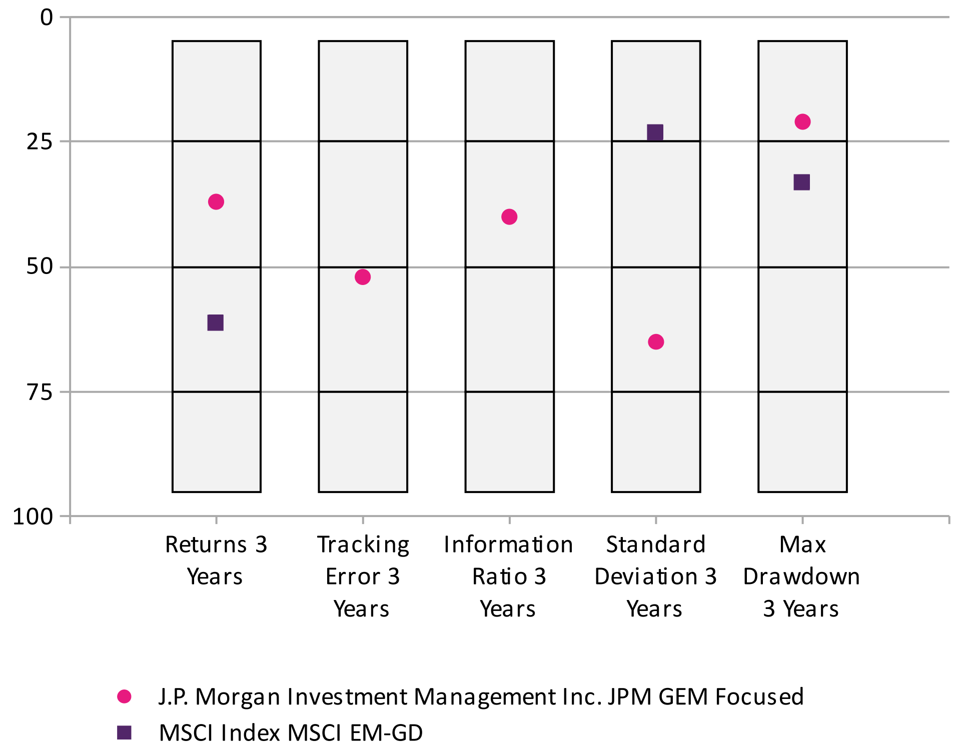
The peer group is the Global Emerging Markets All Cap Core Equity. The investment manager is a first or second quartile performer over medium to long-term periods (3 years to 10 years). However, performance in the most recent 12 month period is in the bottom quartile. Over three years, the standard deviation of returns is above the benchmark index and the median of the peer group. Tracking error is close to the median and the information ratio is in the second quartile.

Returns



Source: eVestment as at 31 March 2022

Key Risk Statistics

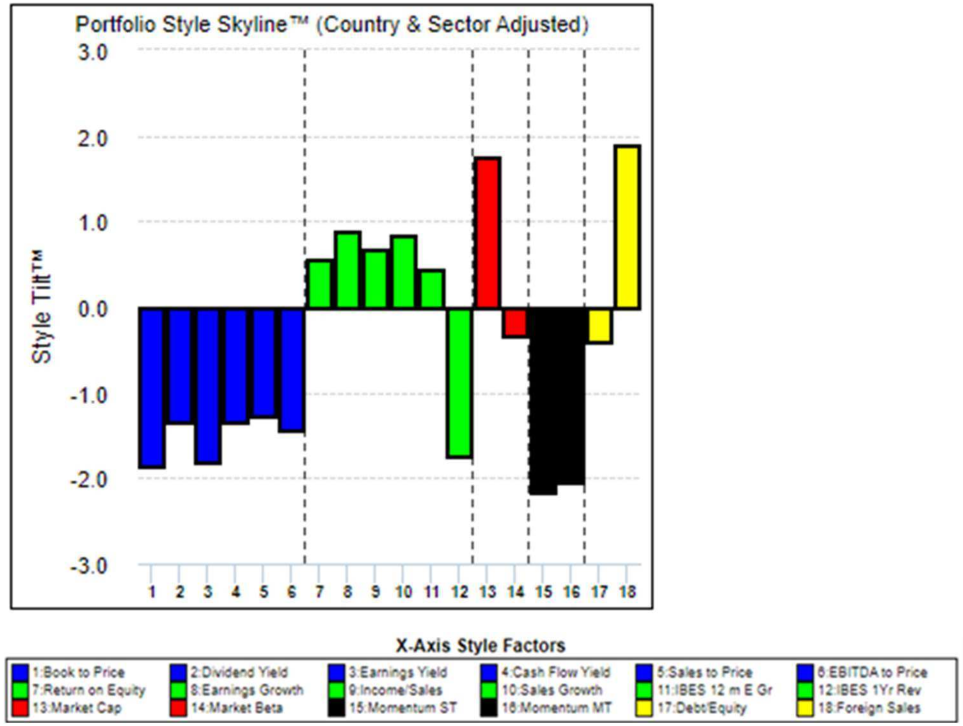


Source: eVestment as at 31 March 2022

LCIV Emerging Market Equity Fund

Style Analysis

The Style analysis shows that the Sub-fund has maintained its exposure to expensive stocks (negative value) with tilts towards most growth factors. The bias towards companies with a larger market cap than the benchmark remains consistent. There has been a move towards stocks with negative momentum.



Source: eVestment as at 31st March 2022

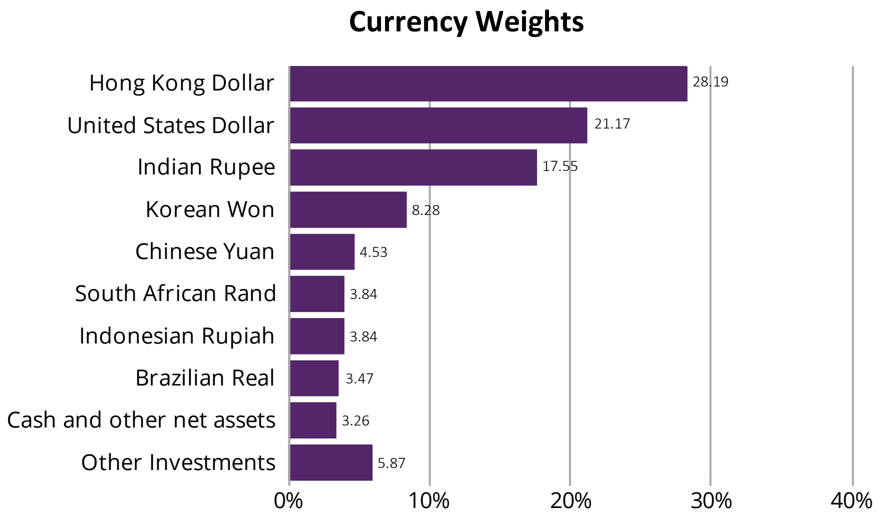
LCIV Emerging Market Equity Fund: Portfolio Characteristics

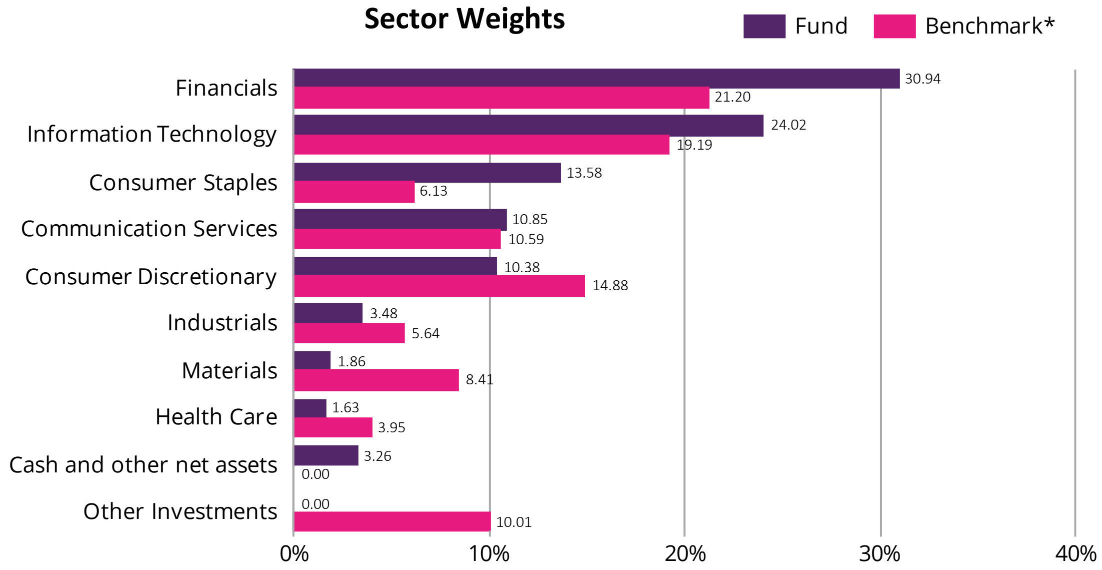
Key Statistics	
Number of Holdings	53
Number of Countries	14
Number of Sectors	8
Number of Industries	25
Yield %	1.67

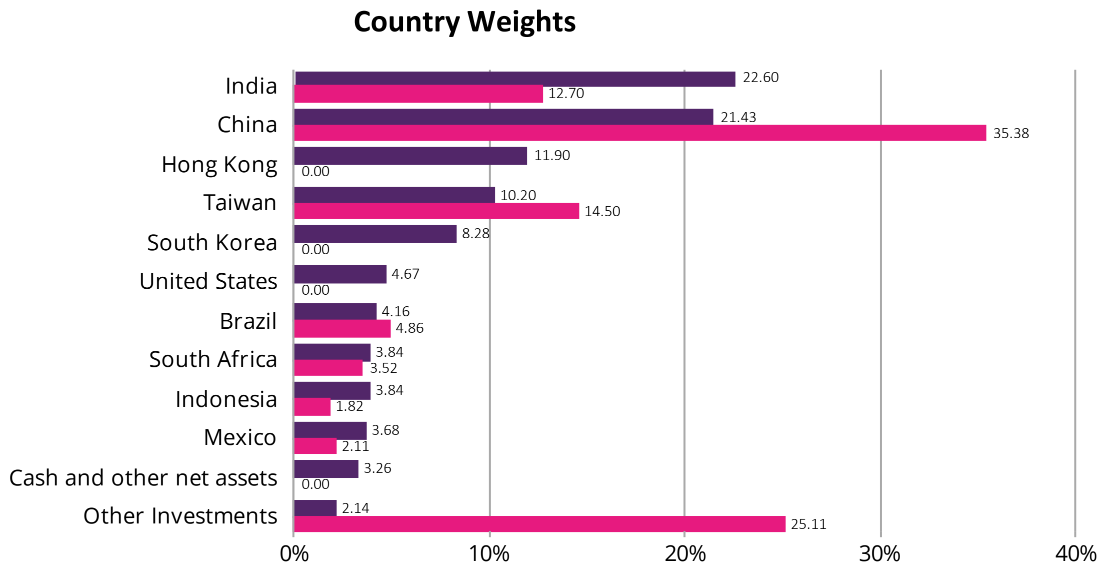
Source: London CIV data as at 30 June 2022

Risk Statistics	
Tracking Error (%)	4.86
Beta to Benchmark	0.96

Source: London CIV







Source: London CIV data as at 30 June 2022
**MSCI Emerging Market Index (TR) Net+2.5%*

LCIV Emerging Market Equity Fund: Portfolio Characteristics

Top Ten Equity Holdings

Security Name	% of NAV
Taiwan Semiconductor Manufactor ADR	7.38
Tencent Holdings	6.94
Samsung Electronics	5.61
HDFC Bank ADR	5.05
AIA Group	4.96
Housing Development Finance	4.69
Tata Consultancy Services	4.15
Infosys	4.08
JD.com	2.47
Hong Kong Exchanges & Clearing	2.31

Top Ten Contributors

Security Name	% Contribution
AIA Group	+0.54
Kweichow Moutai	+0.40
JD.com	+0.38
Budweiser Brewing Apac	+0.34
Wuxi Biologics	+0.26
Hong Kong Exchanges & Clearing	+0.25
Yum China Holdings	+0.20
Foshan Haitian Flavouring & Food	+0.15
Alibaba Group Holding	+0.14
Tencent Holdings	+0.14

Top Ten Detractors

Security Name	% Detraction
Mercadolibre	(1.60)
Taiwan Semiconductor Manufactor ADR	(1.41)
Samsung Electronics	(1.08)
Infosys	(0.92)
SEA	(0.75)
Techtronic Industries	(0.60)
Naver	(0.49)
Tata Consultancy Services	(0.39)
Capitec Bank Holdings	(0.36)
B3 Brasil Bolsa Balcao	(0.29)

New Positions During Quarter

Security Name
Unilever Indonesia Idr2

Completed Sales During Quarter

Security Name
not applicable, no completed sales during the quarter

Source: London CIV data as at 30 June 2022

LCIV Emerging Market Equity Fund: ESG Summary

Summary of ESG Activity for the Quarter

This quarter, JPMAM has provided two engagement case studies:

NetEase:

The Manager held a discussion with NetEase's new ESG team lead regarding ESG governance and human capital management. The company currently has an ESG working group comprising of representatives from different departments. It is in the process of establishing an ESG committee at the board level and is actively searching for the right board candidate, "ideally a female candidate with ESG expertise". The manager offered to connect the company to the 30% Club Hong Kong's Women Pipeline programme (JPMAM is a member of this investor working group that encourages at least 30% female board representation) and the company was receptive to this.

The manager also encouraged NetEase to disclose female representation both at the middle management and executive level, as well as its turnover rate. JPMAM also shared their diversity engagement framework after the meeting which the company promised to review. However, the company shared that there has been internal resistance publishing certain sensitive data such as turnover rate.

On human capital management, the manager asked about the company's mitigation of crunch culture (unpaid overtime work to meet game development deadlines) and 996 culture (working 9am to 9pm, six days a week) in China's technology sector. In its view, neither applies to the company. NetEase stated that it does not force employees to work overtime and according to the company, the employee satisfaction rate is high. The company has been conducting an annual employee engagement survey in which it asks for all employees' feedback on various aspects including business and strategy, innovation, company culture and teamwork. The investment manager further encouraged the company to disclose more details about its employee engagement survey findings.

Samsung Electronics:

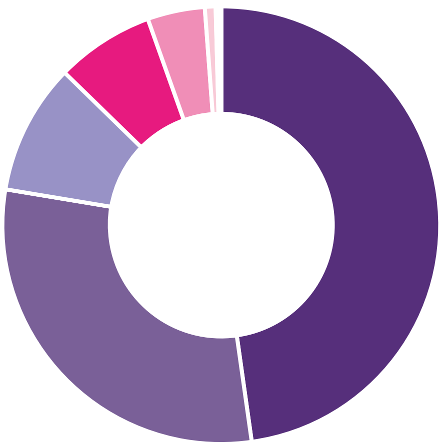
The manager voted against the election of Samsung Electronics' newly nominated independent director, Jun-Sung Kim, due to concerns about the candidate's true independence and concerns about overall board diversity. Samsung argued that the election of Jun-Sung Kim, a former Chief Investment Officer at Samsung Asset Management and former Managing Director at GIC, would bring an investor's perspective to the board. However, the company's inadequate disclosure about his previous role as the Chief Investment Officer at Samsung Asset Management provided insufficient information for them to conclude that he would be truly independent of management. Samsung argued that as he worked for this subsidiary nine years ago, it was unnecessary to provide information regarding his role to shareholders. JPMAM urged the company to include more details about the backgrounds of director candidates in future.

LCIV Emerging Market Equity Fund: ESG Summary

Voting Summary

As stewards of capital, exercising voting rights is an important part of our responsibility towards our Client Funds' ESG objectives. We believe that voting on shareholder resolutions is a powerful part of our stewardship strategy as it helps communicate our views to companies. Being transparent about disclosing our voting records further supports this aim. London CIV's investment managers are expected to vote on all proxies considering the impact of ESG factors to ensure shareholder value is maximised. London CIV monitors voting records on a quarterly basis and expects managers to be able to provide a rationale for all voting activity on a "comply or explain" basis. The following charts give an overview of voting activity for this quarter (1 April 2022 - 30 June 2022).

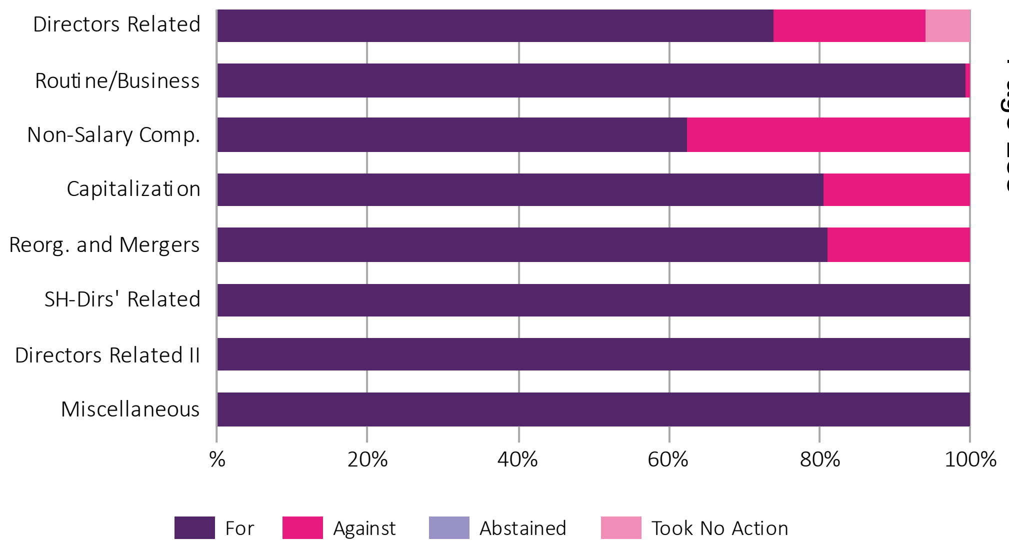
Proposals Breakdown



Directors Related	237
Routine/Business	148
Non-Salary Comp.	48
Capitalization	36
Reorg. and Mergers	21
SH-Dirs' Related	4
Directors Related II	1
Miscellaneous	1

Source: London CIV data as at 30 June 2022

Voting Instruction Breakdown



Source: London CIV data as at 30 June 2022

Link to Underlying Manager's Voting Report for the Quarter

https://londonciv.org.uk/portal/email/download/11551

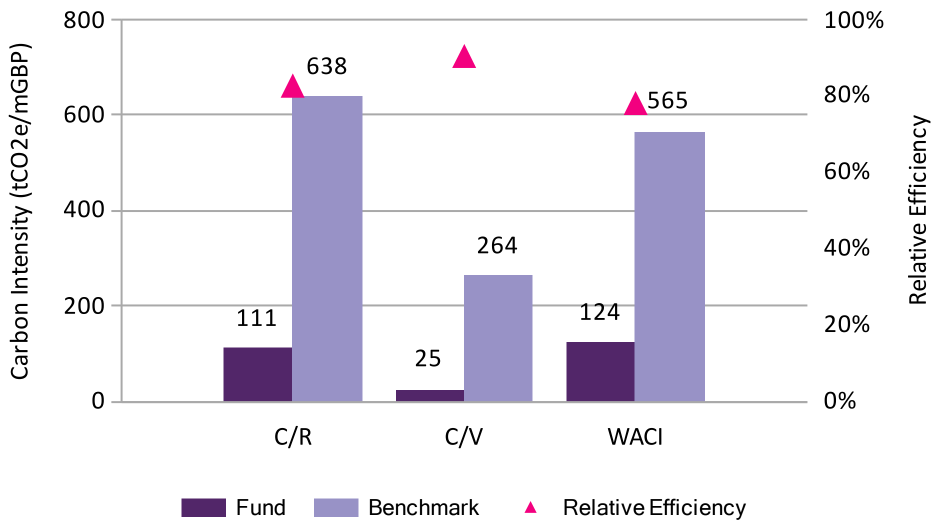
LCIV Emerging Market Equity Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

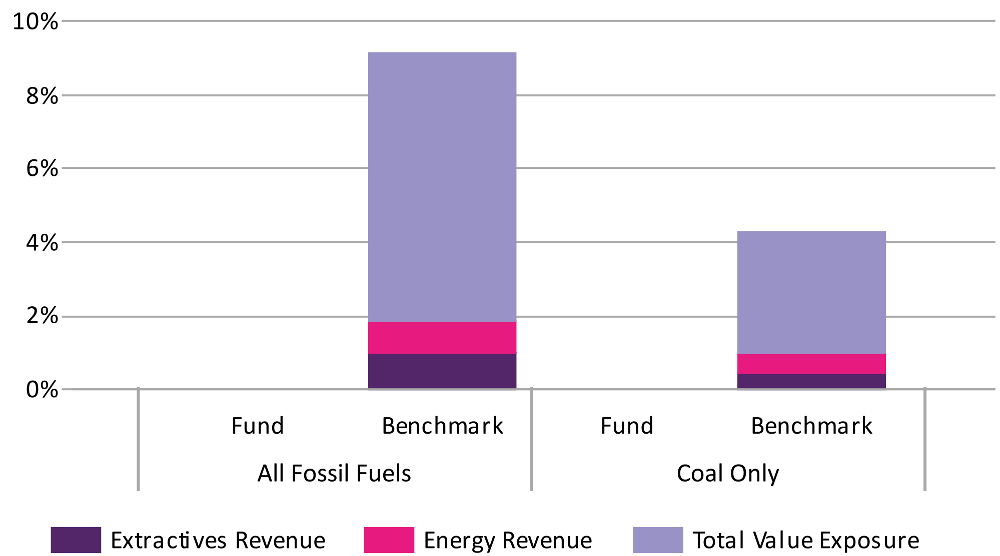
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

The benchmark used in the above is MSCI Emerging Markets

LCIV Emerging Market Equity Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Taiwan Semiconductor Manufacturing Company Limited	373.62	-16.83%	No
Kweichow Moutai Co., Ltd.	387.89	-5.03%	No
ITC Limited	676.65	-4.00%	Yes
LG Chem, Ltd.	676.58	-3.93%	No
Budweiser Brewing Company APAC Limited	364.25	-3.80%	No
Samsung Electronics Co., Ltd.	192.48	-3.38%	No
Yum China Holdings, Inc.	371.83	-2.52%	No
Foshan Haitian Flavouring and Food Company Ltd.	317.69	-1.70%	No
Sands China Ltd.	398.03	-1.38%	No
Ambev S.A.	350.50	-1.32%	No

LCIV MAC Fund

Quarterly Summary as at 30 June 2022

Total Fund Value:

£1,153.3m

Inception date:	31/05/2018
Price:	96.75p
Distribution frequency:	Annually
Next XD date:	03/01/2023
Pay date:	28/02/2023
Dealing frequency:	Monthly

Investment Objective

The Sub-fund's objective is to seek to achieve a return of SONIA (30 day compounded) +4.5%, with a net asset value volatility of less than 8%, on an annualised basis over a rolling 4 year period, net of fees.

The ACS Manager currently intends to invest the Sub-fund through: i) a delegated arrangement with an investment manager, PIMCO Europe Ltd; and ii) one collective scheme, the CQS Credit Multi-Asset Fund a sub-fund of CQS Global Funds (Ireland) p.l.c, an alternative investment fund, authorised by the Central Bank of Ireland. The portfolio is expected to be realigned within three to six months following 28 February 2022.

Enfield Valuation:

£51.6m

Enfield investment date: 30/11/2018

This is equivalent to 4.48% of the Fund

Distribution option: Reinvest

Est. distribution to be reinvested: Nil

Net Performance	Current Quarter %	1 Year %	3 Years p.a. %	5 Years p.a. %	Since Fund Inception p.a. %†	Since CF Inception p.a. %†
Fund	(7.83)	(7.51)	0.04	n/a	0.93	0.90
Investment Objective*	1.33	4.89	4.87	n/a	4.99	4.95
Relative to Investment Objective	(9.16)	(12.40)	(4.83)	n/a	(4.06)	(4.05)

** Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)*

† Please note the benchmark changed from the London Interbank Offered Rate (LIBOR) to the Sterling Overnight Index Average (SONIA) with an effective date 1 January 2022 all benchmark past performance prior to this date continues to be calculated against LIBOR.

LCIV MAC Fund

Performance

The Sub-fund returned -7.8% over the second quarter, a -9.2% return relative to its absolute return objective of SONIA + 4.5%. One-year returns for the Sub-fund are -7.5% an underperformance of -12.4% against the objective. The Sub-fund's returns since inception are also lagging its investment objective by -4.1% per annum.

Overall, credit markets had a brutal awakening in the first half of this year, due to rate increases and spread widening. Drawdowns were widespread across credit asset classes in Q2, compounding the first quarter's losses. These broad declines have resulted in negative returns across the different segments of the Sub-fund, but to a varying degree and at different conjunctures, owing to the addition of a new investment manager.

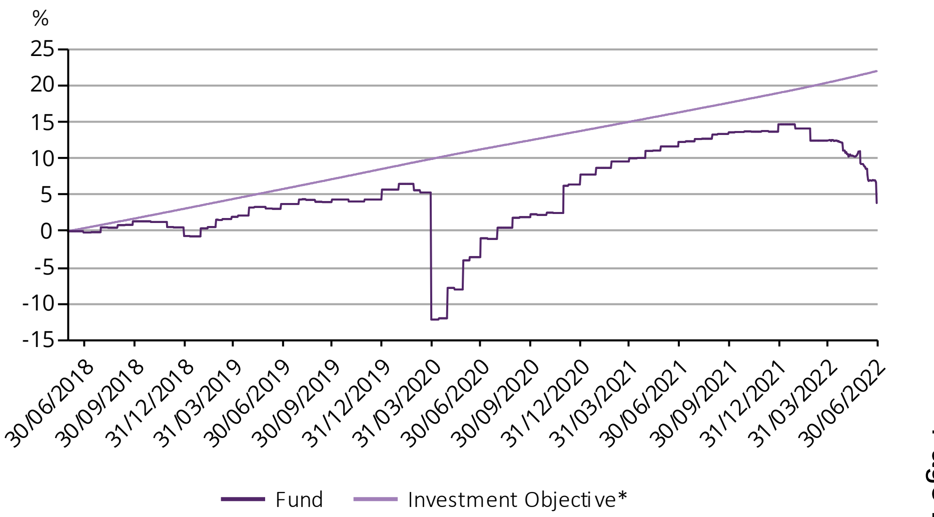
The quarter started with a continuation of inflation and policy tightening headwinds, resulting in short duration and riskier assets such as high yield outperforming (while declining) higher quality investment grade assets. As the narrative shifted from inflation to slower growth, longer duration and higher quality segments outperformed. This recovery in the relative performance of investment grade was not sufficient to offset losses incurred earlier in the quarter.

High yield was the largest detractor in the Sub-fund in Q2. In particular, European high yield faced major challenges due to higher recessionary risks.

Loans are a key asset class for the portfolio and fared better year-to-date than other credit markets leading up to April, due to their floating rate nature. However, as concerns about growth materialized, loans underperformed because they are perceived to be more exposed to default and downgrade risk than bonds.

Another asset class that disappointed was asset backed securities, despite better fundamentals. One key reason was the portfolio's exposure to European CLOs that faced significant repricing.

Performance since LCIV inception



Source: Fund prices calculated based on published prices. All performance reported Net of fees and charges with distributions reinvested.
** Investment Objective: SONIA (30 day compounded) +4.5% (from 1 January 2022, previously 3m LIBOR +4.5%)*

European financials were also a key detractor, as despite strong fundamentals, they were marked down due to macro headwinds and headlines related to U.S. stress tests results for Credit Suisse and HSBC.

Exposure to emerging market hard currency debt increased gradually over the quarter due to the addition of a new investment manager. This segment faced headwinds due to a strengthening US Dollar, geopolitical concerns and risks to growth. A significant part of the underperformance was due to the high duration of these markets.

The Sub-fund had one default in the incumbent manager's loan portfolio. The investment manager remains constructive on the outlook for the underlying

LCIV MAC Fund

business, LowenPlay, a German arcade operator. The Sub-fund's exit will be through a refinancing or sale of the business, expected in 2024.

Positioning

The Sub-fund has steadily continued its journey to an equal allocation across the two underlying investment managers. The tilt towards the incumbent investment manager is lower than at the beginning of the quarter and the final transition (roughly 5% of the Sub-fund) is expected to conclude in July.

The gradual transition of the Sub-fund has resulted in a more diversified exposure to key credit asset classes. This has resulted in the addition of exposure to investment grade credit and emerging markets debt. High yield is a key exposure across both underlying strategies, with a tilt to European high yield. Loans remain a key part of the portfolio.

As a result, in the long run (and as seen to a slight extent year-to-date), one part of the portfolio is expected to perform better when the outlook for growth is stable, due to its focus on higher yielding sub-investment grade credit. Conversely, the addition of investment grade debt should help insulate the Sub-fund when risks to borrowers are relatively high.

Within high yield, while the investment managers are alert to the risk of recession in Europe, they both have a bias in favour of the region. This bias is not too surprising given the wider spreads, and more importantly, the view, based on fundamentals, that Europe offers better risk adjusted returns. Low U.S. exposure could be a headwind if the outlook for Europe deteriorates further due to the higher quality ratings of the U.S. high yield market.

One difference within high yield across the two portfolios is the preference for higher rated issues by the new investment manager. The incumbent investment manager believes that lower rated holdings offer better relative value, particularly in the U.S.

Along with high yield, European financials are part of both underlying strategies. The investment managers perceive this to be a less risky part of the market which has endured repricing that does not reflect the strength of the underlying fundamentals.

Emerging market debt is another key addition to the portfolio. In addition to adding geographical diversification, the new investment manager believes that good credit selection will lead to attractive risk adjusted returns.

Overall, both investment managers believe that investors are pricing in default rates which are excessive relative to fundamentals, and that credit markets are offering an excellent opportunity. The new investment manager is predominantly focused on higher rated issues, even within high yield. The incumbent investment manager is more focused on lower rated credits and has thus far faced just one default. We expect the investment manager to keep defaults well below the rate for the broader market, as they have done over the long term. However, we do expect overall default rates to pick up from here, making diligent credit selection instrumental to performance.

London CIV Summary

The Sub-fund significantly underperformed its absolute return target. However, the performance of the underlying portfolios was broadly a reflection of the volatility in mark to market pricing and unusually high corelation of returns in credit markets. Defaults and downgrades have not had a meaningful impact on performance this year.

The Sub-fund has gradually increased its exposure to the new investment manager. This has expanded the breadth of the Sub-fund and improved its capacity to achieve the performance objective over four-year periods.

LCIV MAC Fund

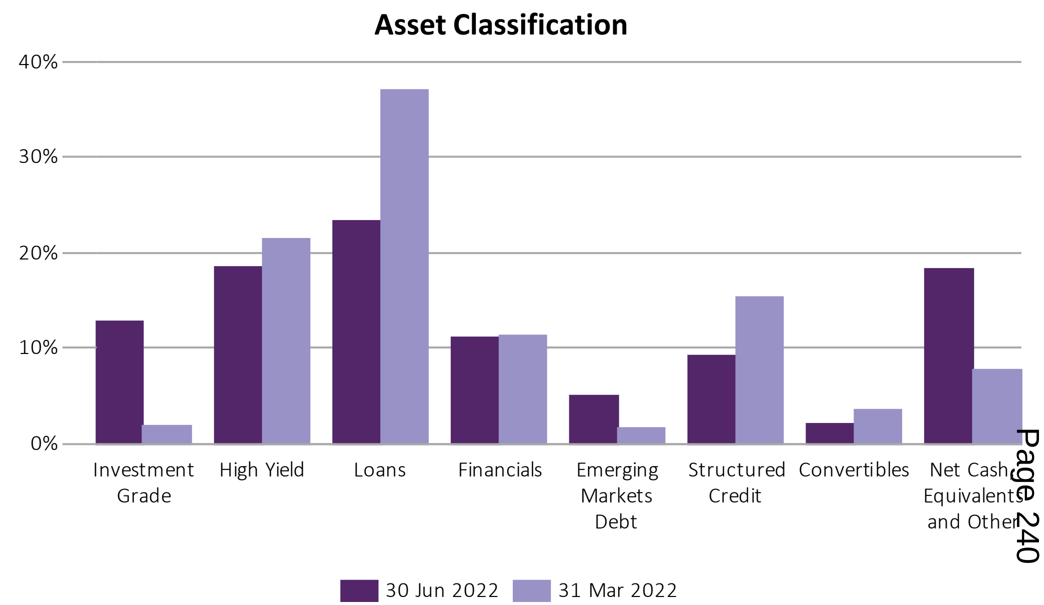
Peer Analysis

Peer Analysis has not been included in this report. This is because of concerns about the accuracy of data. We will resolve these issues and reinstate the Peer Analysis in our next report.

LCIV MAC Fund: Portfolio Characteristics

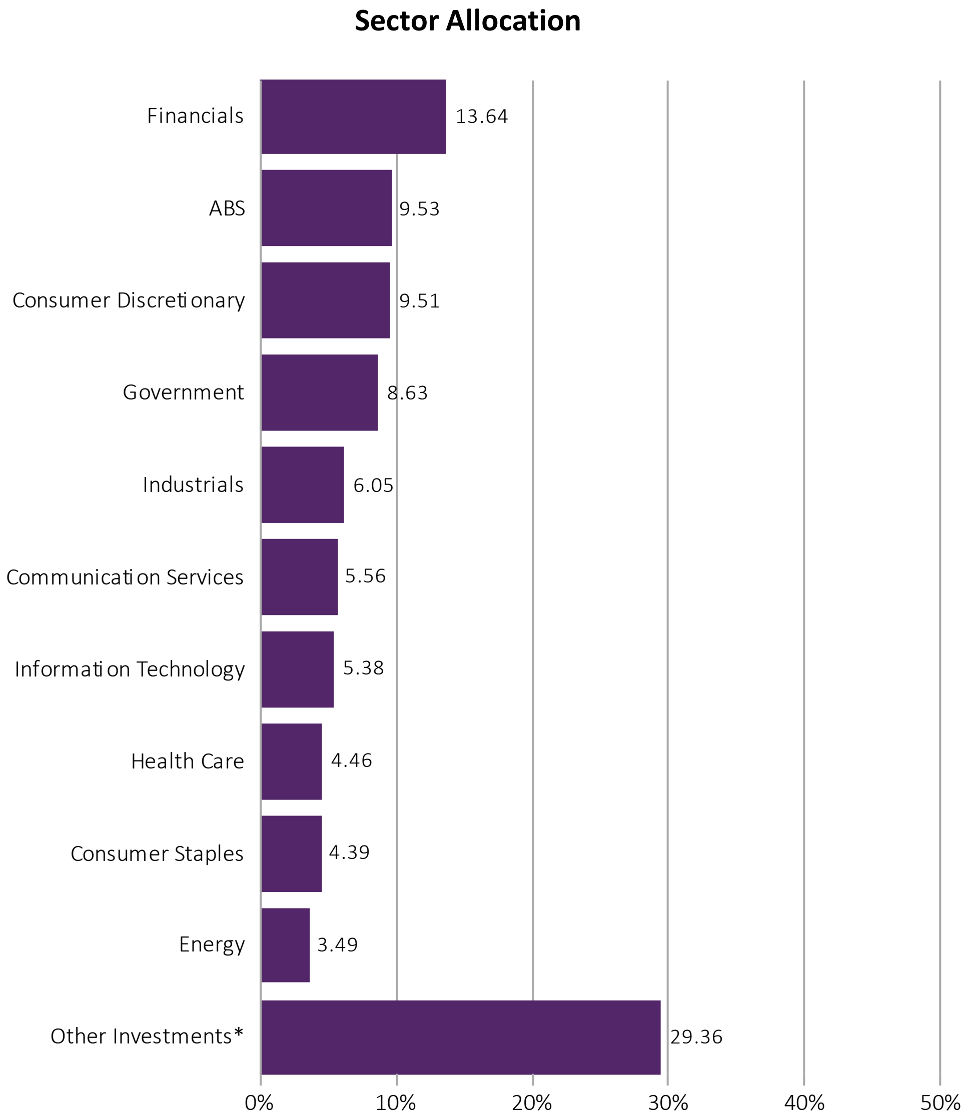
Key Statistics

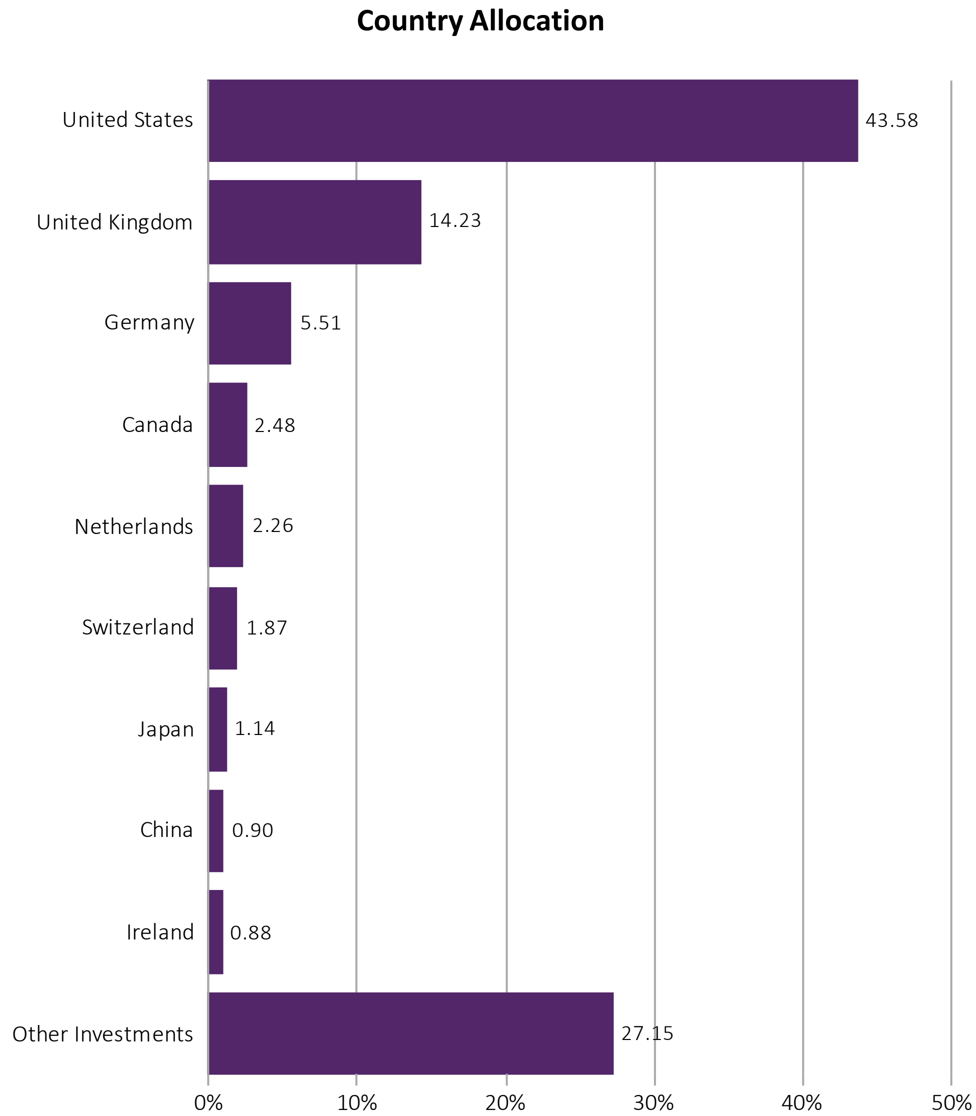
	PIMCO	CQS	LCIV MAC Fund
Weighted Average Rating	A	B+	BB+
Yield to Maturity (%)	7.03	9.92	8.62
Interest Rate Duration (yrs)	4.81	0.94	2.68
Spread Duration (yrs)	4.2	3.25	3.68



Source: CQS and PIMCO. For definitions of key statistics, please refer to the glossary.
All graphs/figures are net exposures shown as a % of NAV.

LCIV MAC Fund: Portfolio Characteristics





Source: CQS and PIMCO

All graphs/figures are net exposures shown as a % of NAV.

**Includes Cash & Cash Equivalents and Derivatives*

LCIV MAC Fund: ESG Summary

ESG Activity for the Quarter

CQS informed us that they have improved their proprietary climate data coverage for the CQS Credit Multi Asset Fund to 97% (excluding Asset Back Securities) from 90% reported last quarter. CQS stated that as a part of their Climate Targeted Engagement Programme, they will now perform targeted engagements for all portfolio companies with no decarbonisation targets in place and/or companies who do not disclose their carbon emissions.

CQS is seeking to improve reported emissions coverage as mentioned above. An example of this is their engagement with CentroMotion. CQS notes that after engagement, the company soon released its first ESG report, and as a result CQS has incorporated their published carbon emission data. In addition, CQS is engaging with them to encourage carbon emission reduction target setting and have offered support to assist.

CQS also engaged with Veolia in May 2022 to understand their strategy to reduce their emission to align with 1.5 degrees pathway. Veolia explained to CQS that they are considering options to reduce their emissions such as moving away from coal in China and carbon capture projects in LATAM. CQS explains that the company has a plan to accelerate biogas recovery and a waste treatment strategy. CQS stated that currently the company has not planned an exit from coal but they will seek to repurpose the plant. Veolia will be relaying CQS's feedback regarding waste management, coal usage and long-term decarbonisation targets to the relevant working groups.

PIMCO provided an engagement example for CPI Property. The investment manager explains that the German-Czech Republic real estate company invests mainly in Central and Eastern Europe. The region is currently still in the early stages of ESG development compared to Western Europe. PIMCO had previous interaction with CPI's green bond program and ESG strategy. The investment manager provided their guidance on best practices when issuing sustainability-linked bonds, including an explicit link to GHG emissions reduction targets. In January 2022, CPI issued its first Sustainability-Linked Bond, with a strong focus and comprehensive scope on reduction in carbon emissions. CPI is in the process of gaining validation by the Science Based Targets initiative (SBTi) that its emission reduction goal is aligned with the Paris Agreement. PIMCO explains that the proceeds will be allocated to green buildings and energy efficiency projects. CPI will aim to target LEED certifications of Gold or above and BREEAM certifications of "Very good" or above.

The second engagement example provided was for UBS. PIMCO states that UBS is currently still lagging on ESG-labelled debt issuance. The investment manager met with UBS to share best practices when issuing ESG bonds as well as discussing UBS's Net Zero strategy. PIMCO informed us that UBS issued its inaugural ESG-labelled bond last year with proceeds used to finance Swiss real estate projects demonstrating the strongest ESG credentials. UBS's issuance was then followed by their commitment to achieve net zero emissions for all of its activities and to set interim SBTi goals.

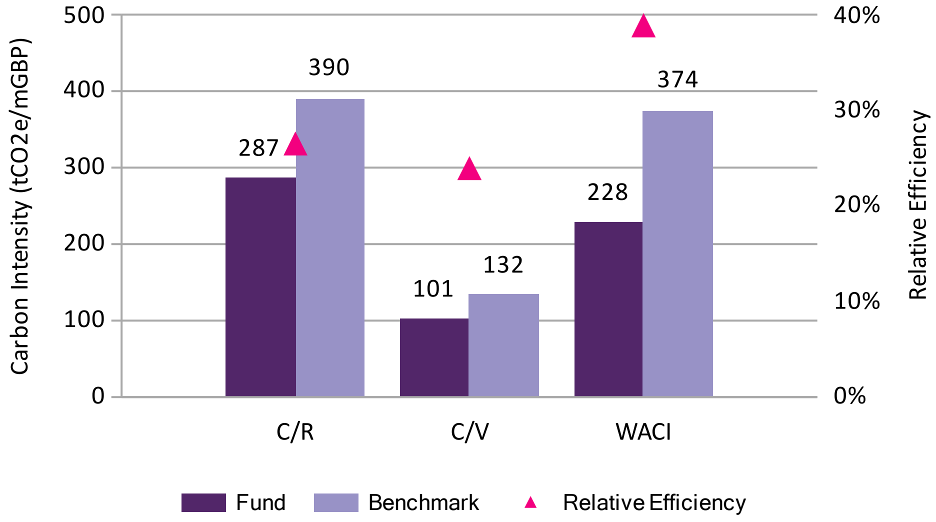
LCIV MAC Fund: ESG Summary

Climate Risk Exposure

To enhance the understanding of climate risks and identify specific areas of exposure, London CIV periodically measures and reports the carbon footprint and fossil fuel exposure of listed equity and corporate fixed income instruments. The following charts produced using data from Trucost provide climate impact and risk exposure metrics that may be used to support climate related disclosures in line with TCFD recommendations and inform internal processes for risk management and strategy development.

Carbon Performance

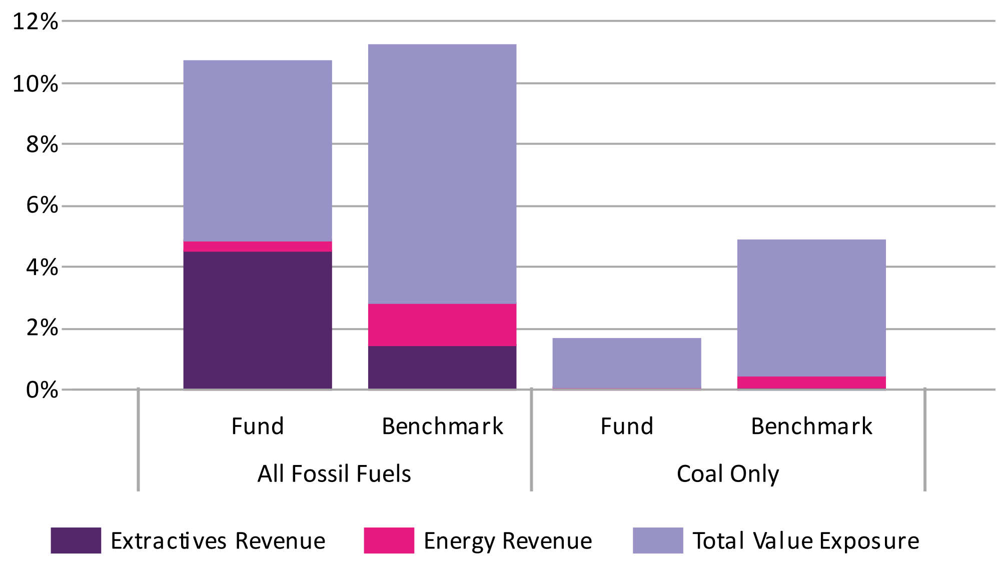
The chart shows the carbon intensity using the three main methodologies, carbon-to-revenue (C/R), carbon-to-value (C/V) and weighted-average carbon intensity (WACI). The scopes used were Direct and First Tier Indirect emissions. For more information, please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

Fossil Fuel Exposure

The chart provides an indication of exposure to companies engaged in any fossil fuel activities (left-hand side), as well as coal only (right-hand side). For more information on the methodology please consult the Appendix.



Source: London CIV based on Trucost data as at 30 June 2022

The benchmark used in the above is Bloomberg Global Aggregate Corporate Total Return Index

LCIV MAC Fund: ESG Summary

Climate Risk Exposure

Top Contributors - Weighted Average Carbon Intensity

The largest contributors to the portfolio's carbon intensity are shown below. The 'WACI Intensity Contribution' is the percentage change in the portfolio's intensity that would be caused by excluding the holding referenced. For more information, please consult the Appendix.

Name	Carbon Intensity (tCO2e/mGBP)	WACI Contribution	Climate 100+
Cheniere Energy Partners, L.P.	1,503.31	-6.74%	No
Petrobras SA	1,805.47	-6.14%	Yes
FirstEnergy Corp.	2,113.26	-5.59%	Yes
Occidental Petroleum Corporation	1,830.19	-4.66%	Yes
Continental Resources, Inc.	1,348.69	-4.58%	No
Delek Group Ltd.	983.52	-3.35%	No
Tullow Oil plc	2,038.78	-3.32%	No
Marubeni Corporation	581.79	-2.96%	No
Danaos Corporation	1,630.61	-2.88%	No
Avantor, Inc.	749.80	-2.09%	No

Top Contributors - Fossil Fuel Revenues

The table below shows the companies with the most significant weighted average fossil fuel revenues. The degree to which the company's own revenues are derived from fossil fuel activities is also indicated. For more information, please consult the Appendix.

Name	Fossil Fuel Revenue	Portfolio Weighted Fossil Fuel Revenue	Climate 100+
EQT Corporation	99.69%	1.111%	No
Continental Resources, Inc.	100.00%	0.926%	No
Occidental Petroleum Corporation	79.89%	0.528%	Yes
Delek Group Ltd.	52.21%	0.524%	No
Transocean Ltd.	100.00%	0.497%	No
Tullow Oil plc	100.00%	0.417%	No
APA Corporation	91.03%	0.216%	No
Marubeni Corporation	8.16%	0.153%	No
Pioneer Natural Resources Company	100.00%	0.139%	No
Nabors Industries Ltd.	87.10%	0.090%	No

Passive Investment Summary

The table below outlines the valuation of investments held per passive manager at the beginning and end of the quarter. For details on the performance of these funds please contact the passive managers directly.

	31 March 2022	30 June 2022
Blackrock	**£**	**£**
ACS WORLD LOW CARBON EQ TKR FD X2	256,147,801	228,037,984
AQ LIFE UP TO 5YR UK GILT IDX S1	55,216,330	54,808,398
AQUILA LIFE ALL STK UK ILG IDX S1	37,188,555	30,617,998
Total	**348,552,686**	**313,464,380**

Source: Passive Investment Manager Blackrock

Glossary of Terms

- **Annualised Alpha** The incremental return of an investment manager when the market is stationary. In other words, it is the extra return due to the non-market factors. The risk-adjusted factor takes into account both the performance of the market as a whole and the volatility of the investment manager. A positive alpha indicates that an investment manager has produced returns above the expected level at that risk level and vice versa for a negative alpha.
- **Bear Duration** An investment portfolio's effective duration after a 50 bp rise in rates. The extent to which a portfolio's bear market duration exceeds its duration is a gauge of extension risk.
- **Beta** The beta is the sensitivity of the investment portfolio to the stated benchmark.
- **Bull Duration** An investment portfolio's effective duration after a 50 bp decline in rates. The extent to which a portfolio's duration exceeds its bull market duration is a gauge of contraction risk.
- **Capacity** Please refer to the prospectus, Sub-funds may be limited by subscriptions into the Sub-fund or by the total Sub-fund valuation size. For queries on remaining capacity as at a relevant date, please contact the Client Service Team at clientservice@londonciv.org.uk.
- **Carbon Intensity:** Carbon emissions should be 'normalized' by a financial indicator (either annual revenues or value invested) to provide a measure of carbon intensity. The three most common approaches to normalization are:
    - Carbon to Revenue (C/R): Dividing the apportioned CO2e by the apportioned annual revenues
    - Carbon to Value Invested (C/V): Dividing the apportioned CO2e by the value invested.
    - Weighted Average Carbon Intensity (WACI): Summing the product of each holding's weight in the portfolio with the company level C/R intensity (no apportioning).

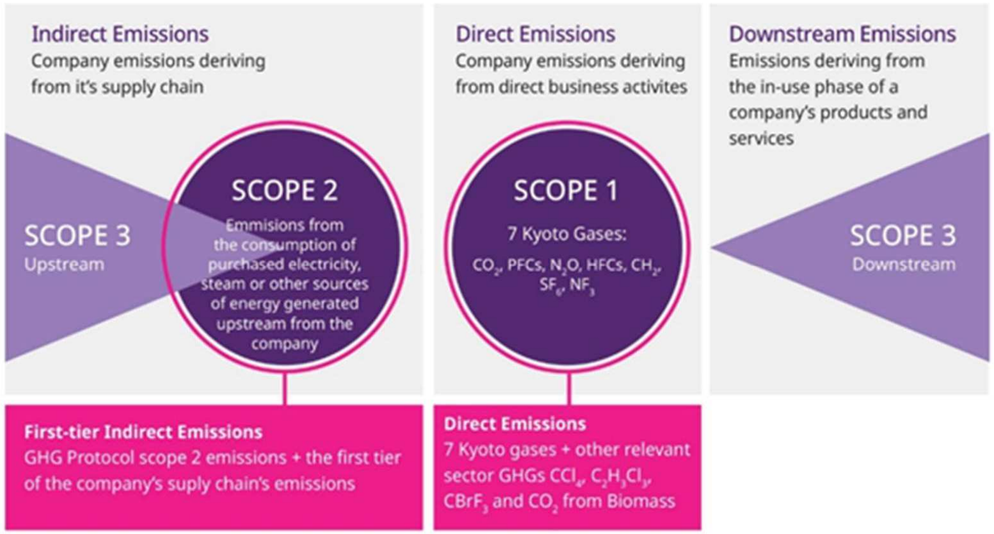
  C/R gives an indication of carbon efficiency with respect to output (as revenues are closely linked to productivity). C/V gives an indication of efficiency with respect to shareholder value creation. The WACI approach circumvents the need for apportioning ownership of carbon or revenues to individual holdings. Whilst the first two methods act as indicators of an investor's contribution to climate change, the weighted average method seeks only to show an investor's exposure to carbon intensive companies, i.e. is not an additive in terms of carbon budgets.

- **ClimateAction100+** is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. These include 100 'systemically important emitters', alongside more than 60 others with significant opportunity to drive the clean energy transition. For more information see http://www.climateaction100.org.
- **Comparator Benchmarks** are indices which represent a style-appropriate reference index to compare the underlying funds. These have been selected following back-testing and holdings-based analysis to ensure that they are relevant to the Sub-fund.
- **Completed Sales** For delegated portfolios any holdings held at the last quarter end which have been sold out of and are no longer held as at the reporting date shown as completed sales. If there are more than ten it is limited to the largest ten as at the end of last quarter. This is not necessarily the largest ten sales for the quarter. Note if a position was bought and sold within the quarter this will not appear.
- **Country Characteristics** The number of holdings in different countries is counted based on the classification to countries of risk of all individual

Glossary of Terms

portfolio holdings within the Northern Trust fund accounting system. Note: the percentage of the portfolio calculations excludes the impact of any cash held within the Sub-fund. For the equity funds holdings have been reflected as the country in which that company is headquartered.

- **Duration** An investment portfolio's price sensitivity to changes in interest rates. An accurate predictor of price changes only for small, parallel shifts of the yield curve. For every 1 basis point fall/ (rise) in interest rates, a portfolio with duration of 1 year will rise /(fall) in price by 1 bp.
- **Emissions Scopes:**



  - Direct (Scope 1) = CO2e emissions based on the Kyoto Protocol greenhouse gases generated by direct company operations.
  - Direct (Other) = Additional direct emissions, including those from CCl4, C2H3Cl3, CBrF3, and CO2 from Biomass.
  - Purchased Electricity (Scope 2) = CO2e emissions generated by purchased electricity, heat or steam.
  - Non-Electricity First Tier Supply Chain (Scope 3) = CO2e emissions generated by companies providing goods and services in the first tier of the supply chain.
  - Other Supply Chain (Scope 3) = CO2e emissions generated by companies providing goods and services in the second to final tier of the supply chain.
  - Downstream (Scope 3) = CO2e emissions generated by the distribution, processing and use of the goods and services provided by a company
- **ESG** This stands for Environmental, Social and Governance and refers to the three main areas of concern that have developed as central factors in measuring the sustainability and ethical impact of an investment in a company or business.
- **Fossil Fuel Exposure:** London CIV assesses Fossil Fuel exposure by calculating the combined value of holdings with business activities in either fossil fuel extraction or fossil fuel energy generation industries. Company level exposure represents the combined weight in the portfolio or benchmark of companies deriving any revenues from fossil fuel related activities, while the Extractives Revenue and Energy revenue segments indicate the weighted average exposure to the revenues themselves.
- **Interest Rate Duration** It is the price sensitivity of the investment portfolio to changes in interest rates.
- **Net Market Move** Change in valuation of the holding due to movement in the market rather than cash flows into or out of the Sub-fund.
- **New Positions** For delegated investment portfolios any new holdings entered into during the quarter that were not held at the last quarter end have been reflected as new positions. If there are more than ten it is limited to the largest ten as at the end of the quarter. This is not necessarily the same as the largest ten purchases for the quarter if pre-

Glossary of Terms

existing holdings have been topped up. Note if a position was bought and has since been sold this will not appear.

- **MRQ** Most Recent Quarter
- **Pay Date** The date on which the distribution amount will be paid in cash. If a reinvestment option is taken this will be reinvested on pay date –2 Business Days
- **Peer Analysis** The peer analysis graphs are taken from eVestment and are dated the most recent available quarter end. When asset managers add their funds on eVestment, eVestment assigns them to a universe based off the information the asset manager provides. The peer analysis graphs use the eVestment primary universe, which comprises funds with the most homogenous attributes in terms of investment objectives, investment characteristics, and risk profiles. This allows for relevant “apples-to-apples" comparisons among investment strategies. London CIV does not choose the asset managers, or the funds used in this peer group analysis. The fund analysed by eVestment is not the LCIV Sub-fund but the mirror fund ran under the same strategy by the investment manager.
- **Performance Attribution** For delegated portfolios the top ten contributors and detractors to performance are shown. This is to show how the structure of the investment portfolio contributed to the total performance.
- **Performance Calculation Basis** Sub-fund performance is calculated net of all fees and expenses. Where a Sub-fund has been open for less than a month the performance will show as “n/a” unless otherwise specified. Since 1 January 2020 the investment performance calculations use a time weighted rather than money weighted basis. The time-weighted rate of return (“TWR”) is a measure of the compound rate of growth in a portfolio. The TWR measure eliminates the distorting effects on growth rates created by inflows and outflows of money.
- **Reporting Date** All data and content within this report is as per the date noted on the front cover, unless otherwise noted. Where the reporting end date falls on a weekend or Bank holiday, data from the previous business day will be used.
- **Securities Financing Transaction “SFT”** A transaction where securities are used to borrow or lend cash. They include repurchase agreements (repos), securities lending activities, and sell/buy-back transactions.
- **Sectors and Industry Characteristics** The number of holdings in different sectors and industries is counted based on the classification to Global Industry Classification Standards (“GICS”) categories of all individual portfolio holdings within the Northern Trust fund accounting system.
- **Set up of the Sub–funds** The London LGPS CIV Ltd (“London CIV”) is the Alternative Investment Fund Manager for the London LGPS CIV Authorised Contractual Scheme and manages the Sub-funds on either a delegated or pooled basis.
    - Delegated: The Sub-fund is structured as a delegated mandate with an appointed investment manager selecting individual securities overseen by the London CIV. The Sub-funds directly own the assets which are held by the custodian. This is the case for the global equity and global bond Sub-funds.
    - Pooled: The Sub-fund holds units in collective investment schemes managed by other investment managers rather than directly holding the individual securities. This is the case for the multi-asset Sub-funds.
- **Since Inception Performance** For Sub-funds / Client Funds that have been live for a period exceeding 12 months, figures are annualised taking into account the period the fund has been open.
- **Spread Duration** This represents the price sensitivity of the investment portfolio to changes in spreads between different credit quality bonds.

Glossary of Terms

Spread duration constitutes an investment portfolio's sensitivity to changes in Option-Adjusted Spread ("OAS"), which affects the value of bonds that trade at a yield spread to treasuries. Corporate, mortgage, and emerging markets spread duration represents the contribution of each sector to the overall portfolio spread duration. For every 1 year of spread duration, portfolio value should rise (fall) by 1 basis point with every 1 basis point of OAS tightening (widening). Negative spread duration indicates the portfolio will benefit from widening spreads relative to treasuries.

- **Standard Deviation** A common risk metric. It measures the average deviations of a return series from its mean. A high standard deviation implies that the data is highly dispersed and there have been large swings or volatility in the manager's return series. A low standard deviation tells us the fund return stream is stable and less volatile.
- **Target Benchmark** is not the Sub-fund objective but has been selected on the basis of the risk taken within the underlying fund. This has been defined using historical analysis and in conjunction with the underlying market participants to triangulate the most appropriate target level.
- **Top Ten Holdings** Largest ten holdings within the investment portfolio as at the reporting date. Note this excludes the impact of any cash held within the Sub-fund.
- **Tracking error** A measure of the risk in an investment portfolio that is due to active management decisions made by the investment manager; it indicates how closely a portfolio follows the benchmark. This is shown in percentage terms.
- **UK Stewardship Code** A code which aims to enhance the quality of engagement between investors and companies to help improve long-term risk-adjusted returns to shareholders. Asset managers who sign up are given a tier rating of one or two. Details of all signatories, with links to the statements on their websites are available on the Financial Reporting Council website https://www.frc.org.uk/investors/uk-stewardship-code
- List of **Underlying Investment Managers** for Delegated ACS Sub-funds:
  - Baillie Gifford & Co for LCIV Global Alpha Growth Fund and LCIV Global Alpha Growth Paris Aligned Fund
  - JPMorgan Asset Management (UK) Limited for LCIV Emerging Market Equity Fund
  - Longview Partners (Guernsey) Limited for LCIV Global Equity Focus Fund
  - Morgan Stanley for LCIV Global Equity Core Fund
  - PIMCO Europe Limited for LCIV Global Bond Fund
  - RBC Global Asset Management (UK) Limited for LCIV Sustainable Equity Fund and the LCIV Sustainable Equity Exclusion Fund
  - Newton Investment Management Ltd for LCIV Global Equity Fund
  - State Street Global Advisors Limited for LCIV Passive Equity Progressive Paris Aligned Fund
- List of Pooled ACS Sub-funds **current Underlying Investment Managers**:
  - Baillie Gifford & Co for LCIV Diversified Growth Fund
  - Newton Investment Management Ltd for LCIV Real Return Fund
  - Pyrford International Limited for LCIV Global Total Return Fund
  - Ruffer LLP for LCIV Absolute Return Fund
  - CQS (UK) LLP for LCIV Alternative Credit Fund
- List of ACS Sub-funds multi strategy **current Underlying Investment Managers**:
  - CQS (UK) LLP and PIMCO Europe Limited for LCIV MAC Fund
- **Volatility Risk** A measure of the total risk in an investment portfolio. This is shown in percentage terms.

Glossary of Terms

- **Weighted Average Rating** This is the weighted average credit rating of all the bonds in the fund which gives an idea of the credit quality and riskiness of the portfolio.
- **XD Date** The date on which the distribution amount will be determined. Units purchased in the Sub-fund on its ex-dividend date or after, will not receive the next payment. Any units held in the Sub-fund before the ex-dividend date, receive the distribution.
- **Yield to Expected Maturity** It is the total return expected on the bond if it is held until it matures.
- **Yield to Maturity** The rate of annual income return on an investment expressed as a percentage. Current yield is obtained by dividing the coupon rate of interest by the market price. Estimated yield to maturity is obtained by applying discounts and premiums from par to the income return. Bond yields move inversely to market prices. As market prices rise, yields on existing securities fall, and vice versa.
- **Yield %** as displayed in the Key Statistics table of the London CIV Equity Sub-funds is the dividend yield as calculated by Northern Trust. It represents an estimate of the dividend-only return on your investment.
- **% Long Bond Equivalent Exposure with Public Rating** This represents the percentage market value of all debt instruments that the fund has bought and have a rating issued by a credit agency.
- **% of Investment with Public Rating** This represents the percentage market value of all debt instruments that the fund is long or short and have a rating issued by a credit agency.

Disclaimer

London CIV
22 Lavington Street
London
SE1 0NZ

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London Borough of Enfield

PENSION BOARD

Meeting Date: 15 September 2022

Subject: **Draft Enfield Pension Fund Annual Report and Accounts 2020/21**

Cabinet Member: **Cllr Leaver**

Executive Director: **Fay Hammond**

Key Decision: **[ ]**

Purpose of Report

1. There is a Statutory Requirement to prepare Pension Fund Annual Report and Accounts and this report updates members on the arrangements for the preparation of the Pension Fund Annual Report and Accounts 2020/21 in accordance with regulations and the arrangements for the separate audit engagement, opinion and certificate for the Fund.

2. The Pension Fund Accounts 2020/21 is in Section 2 of the attached Appendix A to this report. The Pension Fund Accounts are subject to the normal audit of accounts process, which forms part of the overall external audit programme for the Council.

Fund assets increased significantly by £256m over the year	The net asset statement represents the net worth (£1,406m) of the Fund. This increase was due to the outperformance of the global equity market.
PIRC ranked the Fund 74th in their league table with return on investment of 21% for 2020/21	The PIRC average universe for local authority Pension Fund return in 2020/21 was 22.8%. The Enfield Pension Fund had a return on investment of 21% and ranked 74th in the performance league. Looking at the longer-term performance, the 3 year return for the Fund was 0.4% per annum above the PIRC average universe and for over five years, the Fund posted a return of 8.6% p.a. under performing the PIRC average universe of 9.5% by 0.9%.
The valuation update results as at 31st March 2021 demonstrated a Funding level of 107%, given rise to a fund surplus of £85m.	At the last formal valuation (31st March 2019) the Fund assets were £1,185.5m and the liabilities were £1,146.2m, exhibiting a surplus of £39.3m which gave rise to a funding level of 103%. An estimated valuation update was carried out as at 31 March 2021, the outcome gave rise to a fund surplus of £85m with a stronger funding level of 107%.

Proposal(s)

3. Members are recommended to:

   a) note the contents of this report; and

   b) Note and consider the Annual Report for 2021/22 with all the statutory documents. (attached as Appendix A to this report);

   c) Note the Enfield Pension Fund ranking and returns as prepared and produced by PIRC (Pensions & Investment Research Consultants Ltd) UK Local Authority League table for 2021/22, set in section 31 to 34 and Appendix B of this report.

   d) Delegate the publication and distribution of the annual report to interested parties to the Executive Director of Resources, once the audit process is complete.

Reason for Proposal(s)

4. The Committee acts as quasi-trustee to the Pension Fund and as such acts in the capacity of the Administering Authority of the Pension Fund. The Committee's terms of reference require that the Annual Report and Accounts on the activities of the Fund are presented and approved prior to their publication. The Local Government Pension Scheme Regulations 2013, Regulation 57 require the Pension Fund to publish its report and accounts by 1st December following the financial year end and for the Report to contain a number of standard items.

5. The publication of the Pension Fund Annual Report and Statement of Accounts helps to keep Fund members informed, shows good governance and helps to demonstrate effective management of Fund assets.

Relevance to the Council's Corporate Plan

6. Good homes in well-connected neighbourhoods.

7. Build our Economy to create a thriving place.

8. Sustain Strong and healthy Communities.

Background

9. The Council as an administering authority under the Local Government Pension Scheme Regulations and is therefore required to produce a separate set of accounts for the scheme's financial activities and assets and liabilities.

10. The contents and format of the accounts are determined by statutory requirements and mandatory professional standards as established by the Chartered Institute of Public Finance (CIPFA) in their Service Code of Recommended Practice (SERCOP). The annual report has been prepared in

accordance with the Local Government Pension Scheme Regulations 2013 and includes all the items required.

11. The London Borough of Enfield is the Administering Authority for the London Borough of Enfield's Pension Fund and the Pension Policy and Investments Committee act as trustees of the Pension Fund which includes overseeing the accounting and financial management of the Pension Fund.

The Annual Report and Statement of Accounts

12. The Accounts comprise two main statements with supporting notes. The main statements are:
    i) Dealings with Members Employers and Others which is essentially the fund's revenue account; and
    ii) The Net Assets Statement which can be considered as the fund's balance sheet.

13. The return on investment section of the accounts sets out the movement in the net worth of the fund in the year by analysing the relevant financial transactions and movements in the market value of the investment portfolio. The statement has two main sections:
    i) The financial transactions relating to the administration of the fund; and
    ii) The transactions relating to its role as an investor.

14. Overall, the Fund's assets had increased by £256m in the financial year. The reduction was due to the under performance of the financial markets in which the Fund held its investments and a net withdrawals of fund expenditure over income.

15. The net asset statement represents the net worth (£1,406m) of the Fund as at the 31st March 2021. The statement reflects how the transactions outlined in the other statement have impacted on the value of the Fund's assets.

16. The Fund income section of the report principally relates to the receipt of contributions, from employers and active members, and the payment of pensions benefits. The section indicates that the Fund is cash positive in that that the receipt of contributions exceeds payments, which stood at £5.5m net additions for 2020/21 compared to net addition of £6.9m in 2019/20.

17. Investment income increased slightly by some £1.2m over the year as expected this is in line with the Fund assets appreciation. Transfer Values received (amounts paid over when a fund member transfers their benefits from one fund to another) was more by £1.5m over the year. It is not possible to predict the value of transfer value payments as they are dependent on an individual's length of service and salary and as such may vary significantly. The total contributions decreased over the year by £530km.

18. In 2020/21 the overall expenditure increased by some £933k. The major contributors were the overall benefits paid which increased by some £1.6m over the year. The management expenses went up by £1.9m.

19. Overall, fund membership has increased slightly from 23,123 to 23,690, an increase in membership number of 567. The active members increased by 357 members over the year whilst deferred members decreased by 89 and the Retired membership increased by 199 members.

20. The investment performance section of the report details returns on the investment portfolio, the impact of managers' activities and investment markets on the value of investments.

21. As the pension fund accounts remain part of the financial statements of the Council as a whole, the Audit Committee retain ultimate responsibility for receiving, considering and agreeing audit plans as well as receiving any reports arising from the audit. However, the Audit Plan for the Pension Fund and any reports arising from the audit will be reported to this Committee.

22. The External Auditor provides an independent assessment of the Council's Pension Fund financial statements, systems, procedures and performance. The external auditor is required to issue an ISA 260 report, an opinion on the Council's accounts and this will include an opinion on the Pension Fund accounts. The ISA 260 report sets out their opinion and any issues which they believe the Committee should be aware of.

23. The audit of the Pension Fund accounts is yet to be completed and an ISA 260 report will be issued by the auditor once completed, at the time of writing this report ISA 260 has not been issued.

24. The Pension Fund audit is being undertaken by BDO and the audit fee is being maintained at £21,000, this would be charged to the Pension Fund.

25. The annual report also includes three key statements (Funding Strategy Statement, Investment Strategy Statement and Governance Compliance Statement) relating to the management and governance of the scheme and each statement serves a different purpose.

26. The Funding Strategy Statement (FSS) is currently being review, although a detailed review was carried out after the 2019 triennial valuation.

27. The purpose of the Funding Strategy statement is threefold:

    i) To establish a clear and transparent fund specific strategy which will identify how employers' pension liabilities are best met going forward;

    ii) To support the regulatory framework to maintain as nearly constant employer contributions rates as possible; and

    iii) To take a prudent longer-term view of funding those liabilities.

28. The Investment Strategy Statement (ISS). The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State.

29. This ISS is designed to be a living document and is an important governance tool for the Fund. This document sets out the investment strategy of the Fund, provides transparency in relation to how the Fund investments are managed, acts as a risk register, and has been designed to be informative but reader focused.

30. The Governance Compliance Statement sets out the Council's policy as the administering authority in relation to its governance responsibilities for the Fund.

PIRC League Table Performance

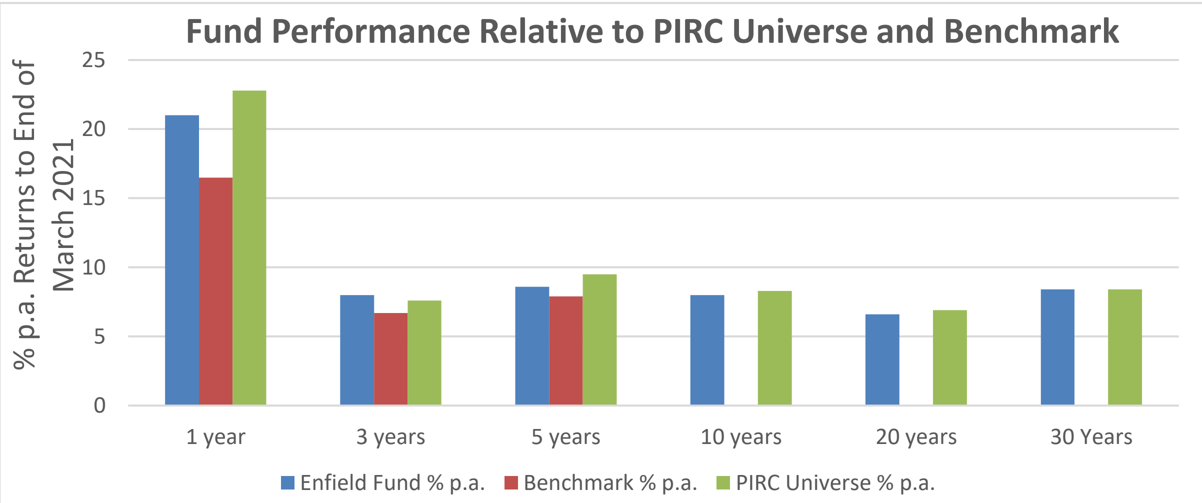
31. PIRC measures the performance of the Fund against their Local Authority Universe data. The PIRC Local Authority Universe is an aggregation of Funds (currently 64 Funds) within the LGPS sector that is used for peer group comparisons. The performance results set out in this section are from the league tables.

32. The PIRC universe average for local authority Pension Fund return for 2020/21 was 22.8% compared to the Fund benchmark of 16.5%, the Fund outperformed its benchmark but underperformed the PIRC universe and ranked at 74th position for this period.

33. The PIRC universe 3-year average performance return for 2020/21 was 7.6% and the Fund benchmark return was 6.7%, the Enfield Fund outperformed its benchmark by 1.3% and the PIRC universe by 0.4% and was ranked in 46th position for this period.

34. Over the longer period of 5, 10, 20 and 30 year are shown in below table:

	One year	3 years	5 years	10 years	20 years	30 Years
Enfield Fund % p.a.	21.0	8.0	8.6	8.0	6.6	8.4
Benchmark % p.a.	16.5	6.7	7.9	-	-	-
PIRC Universe % p.a.	22.8	7.6	9.5	8.3	6.9	8.4
Ranking	74	46	76	63	58	43

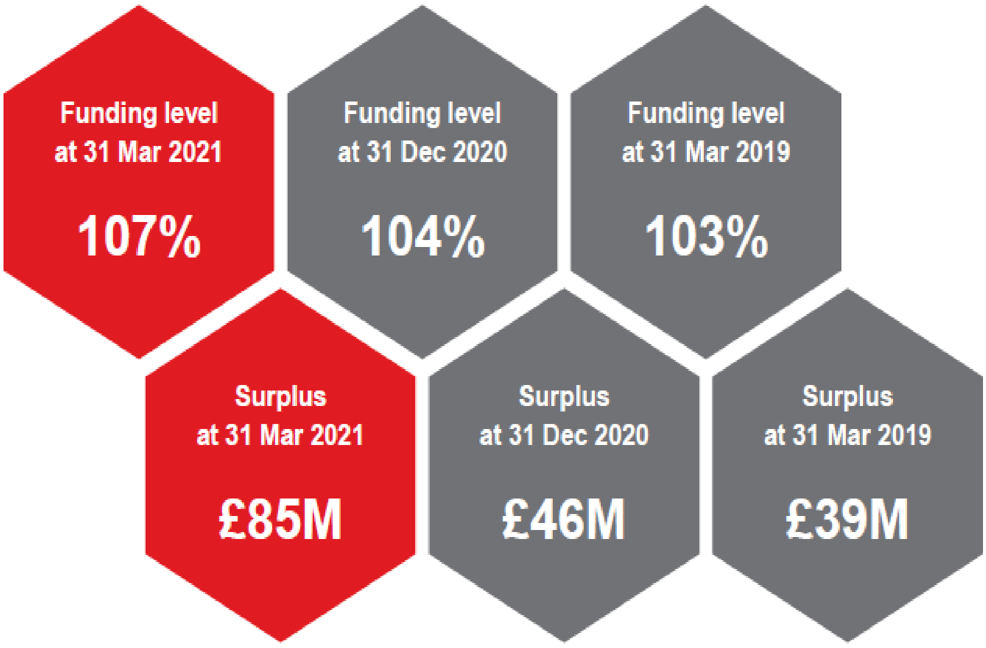


Funding Update

35. An estimated funding update was carried out using the data and some assumptions of the last 2019 formal valuation, the outcome was a stronger funding level of 107% compared to 103% funding level of, the last Fund formal valuation of 31 March 2019.

36. At the last 2019 formal valuation, the funding ratio of 103%, with Fund assets of £1,185m and liabilities of £1,146m, generating a surplus of some £39m as at 31st March 2019 but the update position as at 31st March 2021 gave rise to a fund surplus of some £85m as at 31st March 2021, as shown in the below graph.

Funding Position – Ongoing funding target (from valuation date)

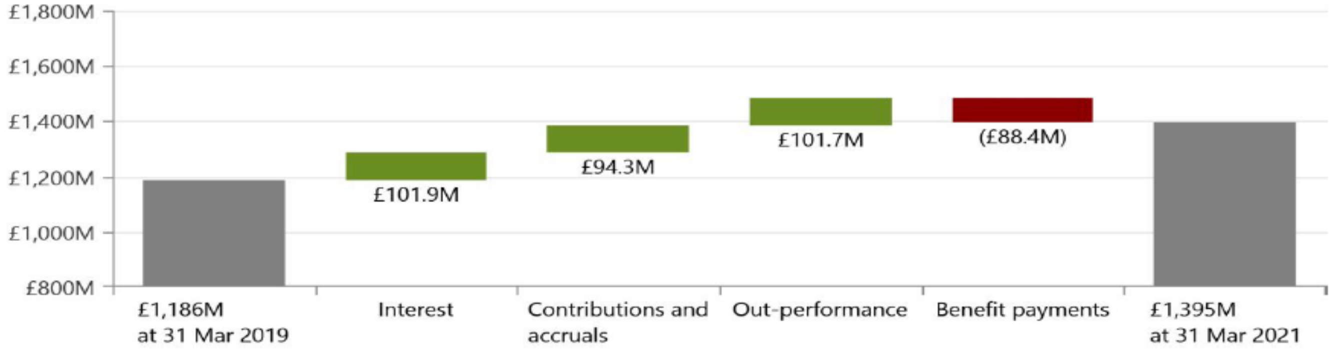


Change to surplus/(deficit) since the valuation at 31 March 2019

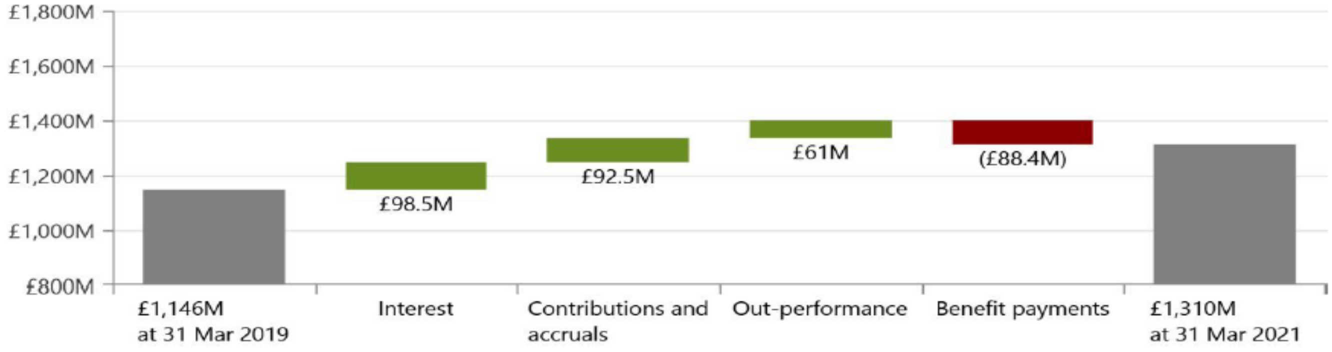
Analysis – Ongoing funding target (from valuation date)

Reason for change since 31 March 2019

Asset attribution



Liability attribution



Safeguarding Implications

37. The report provides clear evidence of sound financial management, efficient use of resources, promotion of income generation and adherence to Best Value and good performance management.

Public Health Implications

38. The Enfield Pension Fund indirectly contributes to the delivery of Public Health priorities in the borough.

Equalities Impact of the Proposal

39. The Council is committed to Fairness for All to apply throughout all work and decisions made. The Council serves the whole borough fairly, tackling inequality through the provision of excellent services for all, targeted to meet the needs of each area. The Council will listen to and understand the needs of all its communities.

Environmental and Climate Change Considerations

40. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

41. Accounts provide an effective mechanism to safeguard the Council's assets and assess the risks associated with its activities.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

42. Not approving the report recommendations and not adhering to the overriding legal requirements could impact on meeting the ongoing objectives of the Enfield Pension Fund.

Financial Implications

43. The Council as Administering Authority has the responsibility of ensuring that the Pension Fund is administered effectively and efficiently and that arrangement for financial management are properly scrutinised. The performance of the fund affects the level of employer's contribution to the fund.

44. The Pension Fund Annual Report and Accounts sets out the financial position of the Pension Fund as at 31st March 2021 and acts as the basis for understanding the financial wellbeing of the Pension Fund. It enables Members to manage and monitor the Scheme effectively, helping to ensure that they are able to fully understand the financial implications of the decisions they make.

Legal Implications

45. Administering authorities are now bound by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 which have replaced the 2009 Regulations. These regulations set out an administering authority's statutory duties in ensuring the proper administration and management of its pension fund.

46. The Council must take proper advice at reasonable intervals about its investments and must consider such advice when taking any steps in relation to its investments.

47. One of the functions of the Pension Policy and Investment Committee is to meet the Council's duties in respect of investment matters. It is appropriate having regard to these matters, for the Committee to receive information about budgetary matters. The Committee's consideration of the information in the report contributes towards the achievement of the Council's statutory duties.

48. Members of this Committee are required by the Council's Constitution to consider pension matters and meet the various statutory obligations and the duties of the Council. This Work Plan provides for certain statutory requirements to be met and for members to be well trained and kept up to date and thus fit for purpose.

49. When making decisions regarding investment of pension funds, the Council must have due regard to the need to eliminate unlawful conduct under the

Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

50. Regulation 57 of the Local Government Pension Scheme Regulations 2013 imposes a duty on the Council as an administering authority to prepare a pension fund annual report. The report must be published by 1st December following the financial year end.

51. The report should deal with the following matters:

i) management and financial performance during the year of the pension;

ii) an explanation of the investment policy for the fund and a review of performance;

iii) a report on arrangements made during the year for administration of the fund;

iv) a statement by an actuary who carried out the most recent valuation of the fund and the level of funding disclosed by that valuation;

v) a Governance Compliance Statement;

vi) a Fund Account and Net Asset Statement;

vii) an Annual Report dealing with levels of performance set out in the pension administration strategy and any other appropriate matters arising from the administration strategy;

viii)the Funding Strategy Statement;

ix) the Investment Statement Strategy;

x) statements of policy concerning communications with members and employing authorities; and

xi) any other material which the authority considers appropriate.

52. When performing its functions as administrator of the Enfield pension fund, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector duty).

Workforce Implications

53. The employer's contribution is a significant element of the Council's budget and consequently any robust monitoring and reviewing system will bring about an improvement in the Fund's performance and will allow the Council to meet this obligation easily and could also make resources available for other corporate priorities.

Other Implications

54. None

Options Considered

55. There are no alternative options in so far as the publication of the Statement of Accounts and Annual Reports is a legislative requirement.

Conclusions

56. Fund assets increased by £256m over the year. The net asset statement represents the net worth (£1,406m) of the Fund. This improvement was because of the market performance.

57. The PIRC average universe for Local Authority Pension Fund return in 2020/21 was 22.8%. The Enfield Pension Fund had a return on investment of 21% and ranked 74th in the performance league. Looking at the longer-term performance, for three year return PIRC ranked the Fund 46th in their league table with return on investment of 7.6% per annum and for five year return, PIRC ranked the Fund 76th in their league table with return on investment of 9.5% per annum.

58. The Fund outperformed its benchmark by returning 4.5% above its benchmark of 16.5% for the year 2020/21. The three-year return for the Fund was 1.3% per annum above its benchmark return and for over five years, the Fund posted a return of 8.6% p.a. outperforming the benchmark return of 7.9% by 0.7% per annum.

59. The estimated valuation updates as at 31st March 2021 demonstrated that since the last formal valuation (31st March 2019) the assets and liabilities have both increased, and the total surplus in the Fund has increased. The Fund funding level has been further strengthened from the last formal valuation by 4% from 103% to 107%, this improvement also gave rise to an increased surplus of some £85m from £39m.

Report Author: Bola Tobun
Finance Manager – Pensions & Treasury
Bola.Tobun@enfield.gov.uk
Tel no. 020 8132 1588

Date of report 14th August 2022

Appendices
Appendix A – Pension Fund Annual Account For 2020/21
Appendix B – PIRC UK Local Authority League table for 2020/21

Background Papers - None

London Borough of Enfield Pension Fund
2020/21 Annual Report and Accounts

Pension Policy and Investment Committee

The London Borough of Enfield is the Administering Authority of the London Borough of Enfield Pension Fund and administers the Local Government Pension Scheme on behalf of participating employers

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Report from Chair of Pension Policy & Investment Committee – Cllr Tim Leaver

Welcome to Enfield Pension Fund Annual Report for 2020/21

As Chair of the Enfield Pension Fund (EPF) Committee, I have the pleasure in introducing the Pension Fund's Annual Report and Accounts for 2020/21. Despite challenging market conditions and restrictions on face-to-face support, the Fund ended the year with annual return of 21% (7.96% p.a. over 3-years, more than recovering falls seen in March 2020).
The accounts focus on the financial activity in 2020/21, however we cannot ignore the continuing impact of the COVID 19 pandemic on our members, families and our community. On behalf of the EPF Committee I offer our heartfelt support and thoughts to all who have been affected by the pandemic.

The membership of the EPF at 31 March 2021 was 23,690 people (active:7,770, deferred: 7,560, undecided/frozen: 2,498 and pensioners: 5,862) and with 53 employer organisations, with £1.406bn funds under management at 31 March 2021 to meet the accrued benefits.

The Fund actuarial valuation at 31st March 2019 had seen the funding level improve to 103% allowing a reduction in the Council's contribution rates from 22.8% to 20% for 2020/21. Since 2019 economic conditions have changed considerably (largely because of the effects of the COVID crisis and Brexit) and as reported in last year report the funding level decreased to 97% at 31st March 2020. I am pleased to report now that by end of 2020/21, due to significant positive investment performance the funding level had recovered to an improved 107%, representing a surplus of £85 million at 31st March 2021. The long term 17 year recovery period assumptions for the valuation put the Fund in a strong position to weather the current uncertainties.

The Pension Policy and Investment Committee (PPIC) is responsible for managing the Fund, with the assistance of the Pension Board, Enfield Council officers, external advisors and fund managers.

This committee has the responsibility for the strategic management of the pension fund, which by the end of 31st March 2021 financial year had assets worth £1.406 billion with 23,690 scheme members. We are responsible for deciding the broad assets allocation of the Pension Fund along with its strategic direction and for ensuring the long term solvency of the fund, i.e. the ability to pay the pensions of all past, present and future scheme members. During the year, we have considered a wide range of issues and taken a number of key decisions affecting the Pension Fund.

For example, as a committee, in 2019 we committed to reducing the Fund's exposure to fossil fuel reserves by 50%. As a consequence, the Fund has made a number of substantial changes to its investment strategic allocations; committing assets to low carbon equity, sustainable funds and renewable investments adopting an approach of acquiring exposure to investments/funds better aligned with the goals of the Paris Agreement. The Committee has also issued a Responsible Investment Policy which fully articulate its investment beliefs.

Currently we have investment of over £220m (15% of the Fund's assets) in Blackrock's MSCI ACS World Low Carbon Target Reduced Fossil Fuel Equity Tracker Fund, to help reduce our exposure to fossil fuels and carbon emissions while maintaining exposure to a wide range of global markets. The allocation was funded by redeeming the exposure to the FTSE Allshare Index, which represented the Funds most significant exposure to fossil fuel companies.

The Committee believes in applying long-term thinking in pursuit of long-term sustainable returns from well governed assets; while using evidence based long-term investment appraisal to inform decision making in the implementation of its responsible investment principles, consistent with its fiduciary responsibilities. It will continue to evaluate and manage the Fund's carbon exposure in order to mitigate risks associated with Climate Change, while seeking to reconcile its need for income to pay pensions with the fact that many of the more carbon intensive companies and sectors provide a significant proportion of the market's dividend income.

EPF continues to favour engagement with companies and sectors over blanket divestment as it believes that this is the most effective strategy for promoting change and protecting its long run investment interests. However, the extent of its exposure to them will reflect an ongoing assessment of progress in engaging with the energy transition, and the associated risks and rewards of holding these assets in the Fund. The Fund does not own stocks directly but seeks to influence company and sector policies via its chosen investment managers.

Enfield has continued to be an active member in the London CIV (Collective Investment Vehicle) investment pool, together with other 32 London LGPS Funds. By the end of 2020/21 a total of £610.5m (44% of the Fund) was invested on the LCIV platform, in the following assets:

Investments	**£ million**
*Passive Global Equities	220,602
*Passive Gilts/Index Link	91,750
Active Emerging Market Equity Funds	35,927
Active Global Equity Funds	207,576
Active Multi Asset Credits	54,707
Total Pooled Investments	610,562

*The passive investment funds are held on a pool governance basis under one investment.

The PPIC and Pension Board have worked hard in order to transform the EPF. I would like to take this opportunity to express my thanks for all the support and input provided by Committee and Board members and the diligence and professionalism of our Officers and Advisers. I look forward to continuing to work with members and officers in the new financial year as the Fund seeks to meet the challenges of an ever-changing national and global environment.
In presenting the Annual Report, I hope you find it helpful in understanding the Fund.

Councillor Tim Leaver
Chair of the Enfield Pension Fund
November 2021

INVESTMENT REPORT

Objectives

The Pension Policy & Investment Committee's overarching objective is to invest the assets of the Fund prudently to ensure that the benefits promised to members are provided.

In setting investment strategy, the Committee first considered the lowest risk asset allocation that it could adopt in relation to the Fund's liabilities. The asset allocation strategy it has selected is designed to achieve a higher return than the lowest risk strategy while maintaining a prudent approach to meeting the Fund's liabilities.

The Strategy

The current target asset allocation strategy chosen to meet the objective above is set out in the table below. The suitability of the target asset allocation is monitored as the liabilities and market conditions develop, and the actual asset allocation will not exactly reflect the target weights at any particular point in time. The Committee monitors the actual asset allocation versus the target weighting.

Asset Class	Actual Position 31 March 2021 %	Target Weighting %	Expected Return (per annum)	Control Range
Equities (including Private Equity)	50.0	40.0	8-11%	30-50%
Bonds	20.2	24.0	4-5%	19-39%
Inflation protection	7.6	10.0		
Hedge Funds	4.6	10.0	9-11%	10-20%
Property (UK)	5.6	10.0	9%	5-15%
Infrastructure/PFI	5.0	6.0	9%	3-9%
Cash	7.0	-	-	-
Total	**100.0**	**100.0**		

Source: Annual Accounts 20/21 & ISS

The asset allocation strategy has been determined with regard to the actuarial characteristics of the Fund, in particular the strength of the funding position and the liability profile. The Fund's policy is to make the assumptions that:

- Other asset classes will outperform bonds over the long term;
- Active fund management can be expected to add value; and
- Returns from other asset classes will be more volatile than bond returns when considered relative to the Fund's liabilities.

The Fund recognises the potential volatility in individual asset class returns, particularly relative to the Fund's liabilities, it has therefore decided to diversify across a wide range of asset classes.

MARKET RETURNS IN 2019/20 & LONGER TERM RETURNS % Source: PIRC – 2020/21 Annual Review

	2020/21 %	3yrs % p.a.	5yrs % p.a.	10yrs % p.a.	20yrs % p.a.	30yrs % p.a.
EQUITIES:						
UK	-18.2	-4.3	0.5	4.9	3.8	7.3
Overseas	-8.8	0.5	5.9	7.7	5.5	7.8
Global	-11.9	0.2	5.8	7.6		
Total Equities	**-12.5**	**-0.7**	**4.3**	**6.9**	**5.1**	**8.0**
BONDS:						
UK Government	8.1	5.0	5.0	2.5		
UK Corporate	0.1	2.0	3.5	1.7		
UK Indexed Linked	2.0	2.5	5.4	7.8		
Overseas bonds	1.7	1.9	4.8	4.6		
Absolute Return	-4.1	-0.2	0.9			
MAC	-11.8					
Total Bonds	**1.7**	**2.2**	**3.7**	**5.6**	**5.9**	**7.7**
Alternatives	**7.4**	**7.8**	**9.5**	**8.4**	**7.4**	
Private Equity	**12.1**	**12.0**	**14.0**	**11.8**		
Hedge Funds	**5.7**	**3.2**	**3.9**	**4.4**		
Infrastructure	**5.5**	**7.8**	**10.0**			
Property	**1.7**	**5.8**	**6.8**	**7.8**	**7.0**	**7.3**
Diversified Growth	**-5.2**	**-1.1**	**0.2**			
Cash		**-0.1**	**0.4**	**1.1**	**2.5**	**4.0**
Total Fund Average	**-4.8**	**1.9**	**5.2**	**6.9**	**5.5**	**7.9**
RANGE OF RESULTS						
Top quartile	-2.7	2.5	5.7	7.3	5.6	8.0
Median	-4.1	1.7	4.8	6.8	5.1	7.7
Bottom quartile	-6.4	1.1	4.1	6.4	4.8	7.5

Fund Manager Structure

The fund manager structure and investment objectives for each fund manager ("mandates") are as follows:

Fund manager	Investment objectives
Adam Street Partners (Fund of Funds Private Equity Portfolio)	*To outperform the MSCI World Index.*
Antin *European Infrastructure Fund*	*15% gross IRR with a gross yield target of 5% p.a.*
BlackRock Advisers UK Ltd (Passively Managed Global Equity, UK Equity and UK Bond Portfolios)	*To perform in line with the prescribed Equity and Bond indices.*
Brockton Opportunistic property	*15% net IRR and 1.5xnet multiple*
CBRE Inflation protecting illiquid	*UK LPI +2.5% p.a. over rolling 10yr period*
CFM-Stratus Multi asset strategy	*To provide a positive absolute return of 14%-16% per annum. (There is no explicit benchmark against which performance is judged.)*
Davidson Kempner (Events driven)	*To provide a positive absolute return of 14%-16% per annum. (There is no explicit benchmark against which performance is judged.)*
International Public Partnerships Limited *(Private Finance Initiative)*	*To achieve a return of at least 4.5% per annum.*
Lansdowne Partners (Long/Short UK Equities Hedge Fund)	*To generate an absolute return. The benchmark is the FTSE All Share index*
Legal & General Investment Management Ltd (Active UK Property Fund)	*To outperform the BNY Mellon CAPS pooled property fund survey median over three and five year periods.*
London Collective Investment Vehicle (LCIV)	*Manages global equity mandates and Multi Asset Credit (MAC) – 3 month LIBOR +4-5% over 4 years*
MFS (Actively Managed Global Equity Portfolio)	*To outperform the MSCI World Index by 4% pa gross of fees over rolling three-year periods.*
M&G Inflation Opportunities Fund	*To outperform the Retail Price Index by 2.5% per annum on a rolling five year basis.*
Western Asset Management (Actively Managed Bond Portfolio)	*To outperform the benchmark (composed of a mixture of bond indices) by 0.75% pa gross of fees over rolling three-year periods.*
York Capital Management (Distressed Debt Fund)	*To provide a positive absolute return of 14%-16% per annum. (There is no explicit benchmark against which performance is judged.)*

FUND VALUE

The Pension Fund has continued to benefit from its strategy of having a diversified investment strategy which is less dependent on the world equity markets than the average local authority pension fund. The Enfield Fund increased by 22% in 2020/21.

The distribution of the Fund's assets amongst the different asset classes is broadly in line with the strategic benchmark weight, albeit there is a need to rebalance the assets and equities is mildly overweight. The overweight position in equities has helped the fund's performance in recent months.

The uncertainty around the impact of Coronavirus on the future of the real estate and infrastructure markets has created difficulties in pricing illiquid assets. In turn, most property fund managers have suspended dealing, to protect investors and avoid having to liquidate assets at potentially highly marked down prices.

Fund Value over 10 Years as at 31st March 2021

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
610	647	731	775	888	916	1,078	1,099	1,185	1,149	1,406

Source: Annual Accounts

Performance of Fund against other Local Government Pension Schemes (LGPS)

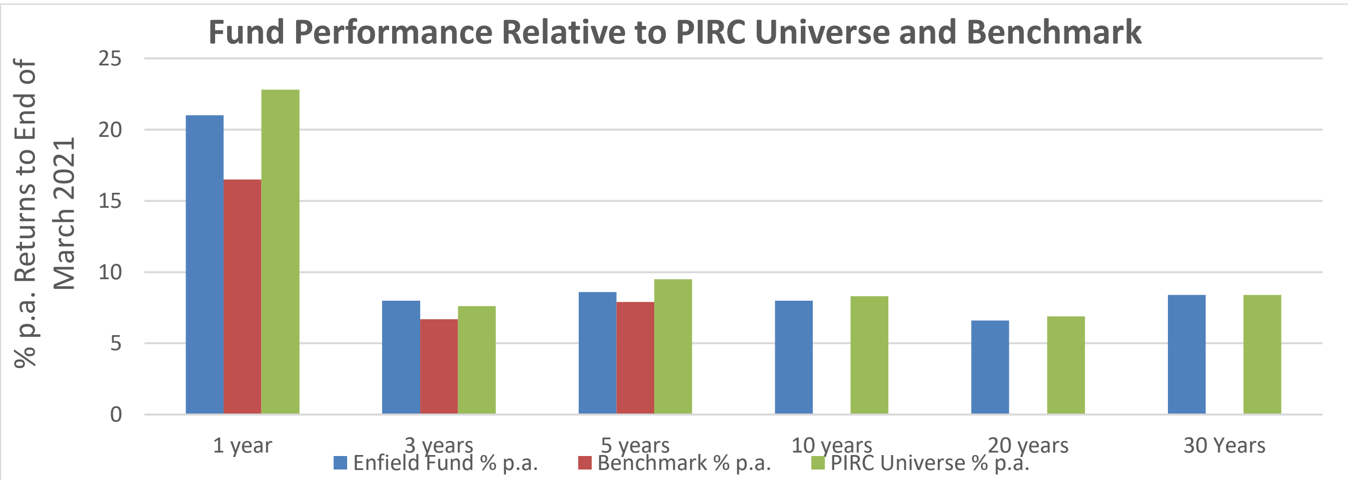
Fund performance

The continued out-performance of equities has continued to hurt the Enfield performance in relation to other LGPS funds. Nevertheless, longer term performance continues to be in the top quartile for longer term time periods.

	1 year	3 years	5 years	10 years	20 years	30 Years
Enfield Fund % p.a.	21.0	8.0	8.6	8.0	6.6	8.4
Benchmark % p.a.	16.5	6.7	7.9	-	-	-
PIRC Universe % p.a.	22.8	7.6	9.5	8.3	6.9	8.4
Ranking	74	46	76	63	58	43

Source: PIRC 2020/21

While the Fund has outperformed its benchmark over the medium term it has trailed its peers. This reflects the more cautious asset allocation that the Fund has in place.
Returns have consistently outpaced the important measure of inflation – and by a substantial margin.



The PIRC L.A. average asset allocation as at 31 March 2021 compared to the Enfield Fund			
	Local Authority Average	**Enfield**	**Difference**
	%	%	%
Equities (including private equity)	**56**	**50**	**-6**
Bonds	**17**	**20**	**+3**
Property	**8**	**6**	**-2**
Alternatives	**13**	**17**	**+4**
Diversified Growth	**4**	**-**	**-4**
Cash	**2**	**7**	**+5**
	100	**100**	

Source PIRC/Annual Accounts

Movement of Funds into London Collective Investment (LCIV) Pool					
	Mandate	**31 Mar 2018**	**31 Mar 2019**	**31 Mar 2020**	**31 Mar 2021**
		£000's	**£000's**	**£000's**	**£000's**
Blackrock - UK	Passive Equity	11,295	12,022	9,782	-
Blackrock - Global	Passive Equity	138,611	155,836	148,736	220,602
Blackrock - Emerging	Passive Equity	12,202	-	-	-
Blackrock - Bonds	Passive ILB	86,301	89,072	90,762	91,750
LCIV - Baillie Gifford	Global Equity	51,528	75,336	74,376	116,232
LCIV – JP Morgan	Emerging Equity	-	28,156	23,420	35,927
LCIV - Longview	Global Equity	-	76,950	67,187	91,344
LCIV- CQS	Multi Asset Credit	-	50,696	43,676	54,707
		299,937	**488,068**	**457,939**	**610,562**
Percentage In LCIV		**27.3%**	**41.3%**	**40.3%**	**43.7%**

Source: Annual Accounts (based on Market values for the respective year)

Note * held as life funds so held outside the Pool but LCIV have negotiated fees for London boroughs

Pension Fund net Asset Statement		
Market value 31 March 2020 £000s		Market value 31 March 2021 £000s
	Bonds	
2,702	UK Public sector quoted	2,758
42,101	UK Corporate quoted	49,038
806	Overseas Public sector quoted	1,324
45,013	Overseas Corporate quoted	46,090
90,622		99,209
	Equities	
45,015	UK –quoted	48,424
-	Overseas –quoted	-
45,015		48,424
	Pooled funds –additional analysis	
90,762	Indexed linked securities	91,734
426,067	Equities	602,281
38,925	Developed markets equity long short fund	0
36,286	Events driven fund hedge fund	34,431
73,161	Inflation opportunities fund	78,638
29,321	Absolute bond fund	31,855
27,839	Multi-strategy equity hedge fund	30,153
43,676	Multi asset credit fund	54,707
766,037		925,799
	Pooled property investments	
68,861	UK property investments	68,986
68,861		68,986
	Private equity	
6,791	Opportunistic property	7,936
21,764	European infrastructure	22,776
73,403	Fund of Funds global private equity	102,436
22,042	UK secured long income fund	27,696
124,000		160,844
	Derivatives- Assets	
168	Futures	5
-	Forward foreign exchange	44
168		49
1,094,703	**Total Investment Assets**	**1,303,312**
52,855	Cash deposits	100,369
2,351	Investment income due	2,445
-	Amounts receivable from sales	240
1,149,909		**1,406,366**
	Investment liabilities	
-	Derivatives- futures	-
(252)	Derivatives- forward foreign exchanges	(141)
(149)	Investment expenses	(735)
(401)		**(876)**
1,149,508	**Net investment assets**	**1,406,489**

CORPORATE GOVERNANCE

Introduction

Whilst the London Borough of Enfield Pension Fund is governed by Statute, there is an amount of discretion in the regulations for pension funds within the Local Government Pension Scheme to manage their own affairs. The London Borough of Enfield Pension Fund has established its own corporate governance model that reflects the best practice from both private sector and local government schemes.

The Pension Fund Regulations require a new additional governance arrangement (Pensions Board) to be in place from 1 April 2015.

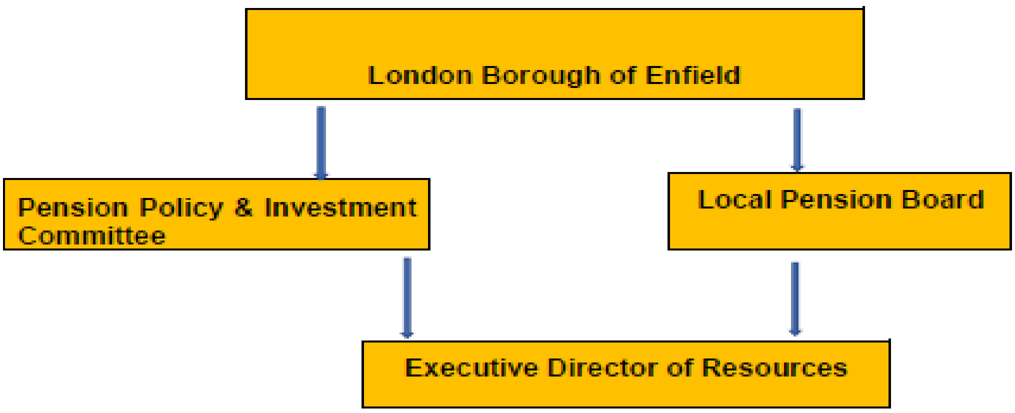
The London Borough of Enfield, as the Administering Authority of the Pension Fund, has delegated responsibility for the management of the Pension Fund to the Pensions Committee and the new regulatory requirement is for a Pensions Board to assist the Authority in monitoring compliance with regulations by overseeing the Pensions Committee work in how the Fund is administered.

Full Council approved the establishment of the Pensions Board at its meeting in September 2015 with delegation authority for the composition of it and terms of reference to the Pension Policy and Investments Committee. The composition of the board comprises four Employer Representatives and four Employee Representatives.

The Government's principles for the management of final salary schemes requires funds to draw up a forward-looking business plan, including a training plan for both the trustees and officers involved in their management and administration.

The Council has a Pension Policy & Investment Committee which sets the investment strategy objective and oversees the management of the Pension Fund. It also considers all investment decisions regarding the Fund. The Committee recognised that to meet the increasing demands and complexities of the Fund, it would be appropriate to appoint an independent pension advisor to help members 'test' the advice of its investment consultant and to provide support for new areas of investment.

All operational decisions to implement these policies are delegated to the Council's Executive Director of Resources. Please see below chart illustrating the new governance arrangement.



LEGAL FRAMEWORK

The London Borough of Enfield is the Administering Authority for the Pension Fund and pensions and entitlement to benefits are fully protected in law. Membership of the Scheme is open to all employees of the Council with the exception of teachers (who have their own pension scheme). Other employers are admitted to the Pension Fund and depending on their status their employees may also be able to participate in the LGPS

The London Borough of Enfield Pension Fund ('the Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by the London Borough of Enfield ('The Council'). The Fund was established to provide benefits for employees that include retirement pensions, widows pensions, death grants and other lump sum payments.

The Fund is governed by the Public Services Pensions Act 2013 and the following secondary legislation:

- The LGPS Regulations 2013 (amended)
- The LGPS (transitional Provisions, Savings and Amendment) Regulations 2014 (as amended) and
- The LGPS (Management and Investment of Funds) Regulations 2016

The Role of the Pension Policy & Investment Committee

The Local Authority (Functions & Responsibilities) (England) Regulations 2000, state that the functions relating to the Local Government Pension Scheme are the responsibility of the full council. The Council has delegated these functions to the Pension Policy & Investment Committee whose terms of reference are agreed annually by Council.

The Pension Policy & Investment Committee consists of six members appointed by the Full Council who are responsible for the administration of the London Borough of Enfield Pension Fund in accordance with Statutory Regulations. The Committee meets a minimum of four times a year.

Governance of the Pension Fund Investments

The Committee considers the Fund's investment strategy and asset allocation of the Fund's portfolio. The Committee appointed an independent pension fund advisor, Carolan Dobson, to also sit on the Committee to give expert advice, support members, and to clarify the many complex technical issues that arise from such a diversified fund.

The Committee meets quarterly to review investment strategy and to receive reports on investment activity undertaken in the previous period. One of its important tasks is to monitor the performance of the Fund's managers in conjunction with our professional advisors Aon Hewitt, independent advisor and officers.

All other operational decisions to implement these policies are delegated to the Council's Director of Finance, Procurement & Commercial.

The Pension Policy & Investment Committee for 2020/21:

Cllr T. Leaver (Chair)
Cllr C. Stewart (Vice Chair)
Cllr Ergun Eren
Cllr D. Levy
Cllr T. Neville OBE JP
Cllr D. Taylor
Carolan Dobson (Professional Independent Advisor)
Daniel Carpenter (Investment Consultant – Aon)

The following are the terms of reference for the Pension Policy & Investment Committee:

- To act as Trustees of the Council's Pension Fund, consider pension matters and meet the obligations and duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pensions' legislation.
- To make arrangements for the appointment of and to appoint suitably qualified pension fund administrators, actuaries, advisers, investment managers and custodians and periodically to review those arrangements.
- To formulate and publish an Investment Strategy Statement.
- To set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and to develop a medium-term plan to deliver the objectives.
- To determine the strategic asset allocation policy, the mandates to be given to the investment managers and the performance measures to be set for them.
- To make arrangements for the triennial actuarial valuation, to monitor liabilities and to undertake any asset/liability and other relevant studies as required.
- To monitor the performance and effectiveness of the investment managers and their compliance with the Statement of Investment Principles.
- To set an annual budget for the operation of the Pension Fund and to monitor income and expenditure against budget.
- To receive and approve an Annual Report on the activities of the Fund prior to publication.
- To make arrangements to keep members of the Pension Fund informed of performance and developments relating to the Pension Fund on an annual basis.
- To determine all matters relating to admission body issues.
- To focus on strategic and investment related matters at two meetings.
- To review the Pension Fund's policy and strategy documents on a regular basis and review performance against the Fund's objectives within the business plan
- To maintain an overview of pensions training for Members.

Committee Members Attendance Pension Policy & Investment Committee 2020/21

Pension Policy & Investment Committee	23rd July 2020	17th Sept 2020	26th Nov 2020	28th Jan 2021	25th Mar 2021
Cllr T. Leaver	P	P	P	P	P
Cllr C. Stewart	P	P	P	P	P
Cllr E. Eren	P	P	P	A	A
Cllr D. Levy (Sept. 2020)	P	P	N/A	N/A	N/A
Cllr T. Neville OBE JP	P	P	P	P	P
Cllr E. Smith (Nov.2020)	N/A	N/A	P	A	P
Cllr D. Taylor	P	P	P	P	P
Carolan Dobson	A	A	A	P	P
Daniel Carpenter	P	P	P	P	P

Note: P: Present, A: Absence; N/A: Not Applicable (Attendance not required as the individual is not a member)

Pension Board

A key aim of the Pension Board is to raise the standard of management and administration of public service pension schemes and to achieve more effective representation of employer and employee interests in that process.

The eight board members for 2020/21 are:

Employer Side:

- Cllr A. Oykener (Vice Chair)
- Cllr S. Boztas
- Cllr A. Milne
- Alison Cannur

Employee Side

- Pauline Kettless (Chair)
- Paul Bishop
- Victor Ktorakis
- Tracey Adnan

Knowledge and Skills Policy Statement

CIPFA Code of Practice on Public Sector Pensions – Finance Knowledge and Skills

The adoption of the CIPFA "Pensions Finance, knowledge and skills framework, Technical Guidance for Elected Representatives and Non-executives in the Public Sector" (2010) provides the basis for a training and development programme for the Pension Policy & Investments Committee based on the latest national guidance.
London Borough of Enfield Pension Fund adopts the key recommendations of the Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

London Borough of Enfield recognises that effective financial administration, scheme governance and decision-making can only be achieved where those involved have the requisite knowledge and skills.

London Borough of Enfield will ensure that it has formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of the relevant public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial administration, scheme governance and decision-making.

These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Pensions Finance Knowledge and Skills Frameworks.

London Borough of Enfield will report on an annual basis how these policies have been put into practice throughout the financial year.

London Borough of Enfield has delegated responsibility for the implementation of the requirements of the CIPFA Code of Practice to the Corporate Director of Resources, who will act in accordance with the organisation's policy statement, and where they are a CIPFA member with CIPFA Standards of Professional Practice.

London Borough of Enfield recognises the importance of ensuring that it has the necessary resources to discharge its pension administration responsibilities and that all staff and members charged with the financial administration, governance and decision-making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

London Borough of Enfield therefore seeks to utilise individuals who are both capable and experienced and it will provide and/or arrange training for staff and members of the pensions decision making and governance bodies, to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

PENSIONS KNOWLEDGE AND SKILLS FRAMEWORK FOR PENSIONS COMMITTEE MEMBERS

Core technical areas and areas of knowledge

Legislative and governance framework
- General pensions framework
- Scheme-specific legislation for LGPS
- Pensions regulators and advisors
- Constitutional framework for pension fund committees within administering authorities
- Pension scheme governance

Accounting and auditing standards
- Accounts and Audit regulations
- Role of internal and external audit

Procurement of financial services and relationship management
- Procurement requirements of UK and EU legislation
- Supplier risk management

Investment performance and risk management
- Monitoring of investment performance
- Performance of advisors
- Performance of the Pensions Committee
- Performance of support services

Financial markets and investment products
- Investment strategy
- Financial markets
- Regulatory requirements regarding investment products

Actuarial methods, standards and practices
- Valuations, funding strategy and inter-valuation monitoring
- Ill-health and early retirement
- Admitted bodies
- Outsourcing and bulk transfers

Pension Training on Skills & Knowledge

The Committee has an agreed Training policy by which committee members are bound. During 2020/21 all new members attended a training workshop on an introduction to the Local Government Scheme.

Committee members also attended a number of pension fund relate conferences during the year.

Training was also provided during committee meetings to ensure that Committee members maintained their ongoing pension development.

Membership Report

Overview of the Scheme

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended)
- the Local Government Pension Scheme (Transitional Provisions, Savings and (Amendment) Regulations 2014 (as amended)
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by London Borough of Enfield to provide pensions and other benefits for pensionable employees of London Borough of Enfield and a range of other scheduled and admitted bodies within the borough. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The fund is overseen by the Enfield Pension Policy & Investment Committee, which is a committee of London Borough of Enfield.

The London Borough of Enfield is the Administering Authority for the Pension Fund and pensions and entitlement to benefits are fully protected in law. Membership of the Scheme is open to all employees of the Council including school employees with the exception of teachers (who have their own pension scheme). Other employers are admitted to the Pension Fund and depending on their status; their employees may also be able to participate in the LGPS. Employee contributions are determined by central government and are between 5.5% and 12.5% of pensionable pay. Employer rates are set by the Fund actuary every 3 years following a valuation of the assets and liabilities of the Fund, with the next valuation due to take place as at 31 March 2022.

The conditions of the Local Government Pension Scheme (LGPS) Regulations set out in clear terms the benefits that are payable to Scheme members and as such the benefits are guaranteed for those members and therefore members are not reliant on investment performance for their pension benefits. The contributions payable by Scheme members are also defined in the Regulations. Employing Authorities are required to pay contributions into the Scheme in order to meet the cost of funding employee benefits and as such, are required to meet any shortfall in funding the pension liabilities of Scheme members.

The Pension Scheme as applying during the financial year 2020/21 was a defined benefit career average revalued earnings scheme which aligns LGPS retirement age with an individual's state pension age. The key benefits of the scheme are outlined below:

- Pension benefits based on a 1/49th accrual basis for each year of pensionable service with benefits calculated on the career average pay revalued annually in line with inflation.

- Pre-2014 benefits guaranteed with a final salary link for any benefits earnt prior to 1 April 2014.

Membership Report (Continue)

- Option to pay 50% of the contribution rate to accrue 50% of the benefits.
- Option to convert some pension to lump sum on retirement on a 1:12 ratio.
- Life assurance cover 3x member final pay applicable from the day of joining scheme. Pensions for dependents: - spouses, civil partners and eligible co-habiting partners and eligible children.
- An entitlement to have pension paid early on medical grounds.
- Pensions increase annually in line with the cost of living. It should be noted that the foregoing is not an exhaustive list and that certain conditions have to be met for an individual to be entitled to the benefits outlined.

  The foregoing benefit structure came into effect on 1 April 2014 and saw the start of significant changes to the public sector pension schemes, with most other schemes introducing their changes a year later on 1 April 2015. The previous LGPS introduced in 2008 was a defined benefit final salary scheme and was in operation until 31 March 2014, although it should be recognised that a large number of scheme members will have benefits accrued under both schemes and indeed some under the pre-2008 scheme. The key benefits under the 2008 scheme are outlined below:

  - A guaranteed pension based on final pay and length of time in the scheme and an accrual rate of 1/60th per annum.
  - Tax free lump sum on benefit accumulated prior to 1 April 2008 and option to convert some of the pension into tax free lump sum on post 1 April 2008 service.
  - Life assurance cover 3x member final pay applicable from the day of joining scheme.
  - Pensions for spouses/civil and co-habiting partners and children.
  - An entitlement to have pension paid early on medical grounds.
  - Pensions increase annually in line with the CPI.

WHO BELONGS TO THE ENFIELD PENSION FUND?

The London Borough of Enfield Fund Pension Fund consists of the employees of Enfield Council and the following bodies.

	Number of contributors	Pensioners	Deferred Members	Frozen /Undecided
London Borough of Enfield	**5,683**	**5,440**	**6,388**	1,856
Scheduled Bodies				
Capel Manor College	193	60	221	127
Oasis Enfield Academy	148	16	89	83
Oasis Hadley Academy	92	9	157	80
Aylward Academy	32	9	28	20
AIM Academy North (formally Nightingale Academy)	21	15	42	22
Kingsmead Academy	48	16	23	10
Enfield Grammar Academy	55	9	26	9
Edmonton County Academy	94	10	23	17
Southgate School Academy	51	8	5	7
Lea Valley Academy (formally Cedars Learning Trust)	32	6	72	35
Enfield Learning Trust	311	13	0	1
Adnan Jaffrey Trust (formally One Degree Academy)	6	0	39	39
Attigo Academy Trust	134	5	9	32
ARK John Keats Academy	65	0	6	7
Meridian Angel Primary School	7	1	42	13
Ivy Learning Trust	212	9	44	59
Jewish Community Academy	25	0	27	12
Children First Academy	291	9	32	16
Wren Academy	8	0	1	4
Cuckoo Hall Academy Trust	164	13	2	1
Enfield Height Academy	0	0	0	0
Southgate College	0	99	119	16
Enfield College	0	36	41	8
Subtotal – Scheduled Bodies	**1,989**	**343**	**1048**	618
Admitted Bodies				
Enfield Voluntary Groups	4	5	3	0
Enfield Carers Centre	1	0	12	2
Fitzpatrick	0	10	57	10
NORSE commercial services	0	20	1	0
Churchill	0	0	0	1
Metropolitan Support Trust	0	1	21	1
Leisure Trust	0	7	9	0

Fusion Lifestyle	5	17	0	0
Kier Group Services	0	0	0	3
Edwards & Blake	0	0	0	0
Sodexo	5	2	1	0
Hughes Gardner	0	0	0	0
Equion Facilities Management	0	2	11	0
Outward Housing	1	5	1	0
Olive Dining	9	2	1	0
Elior UK	0	2	0	3
REED Wellbeing	4	0	0	2
Birkin -Bishop Stopford	0	0	1	0
Birkin – Winchmore	0	0	0	0
Birkin – Nightingale	1	0	1	0
Birkin – Aylward	0	0	0	1
BDI Securities UK Ltd	0	0	0	0
European Cleaning Services	3	0	0	0
North London Homecare & Support Ltd	1	0	0	0
Purgo Supply Services	0	1	1	0
Sanctuary Housing	0	5	4	1
Lewis & Graves Partnership	0	0	0	0
The Pantry (UK) Ltd	13	0	0	0
Hertfordshire Catering Ltd	51	0	0	0
Lunchtime Co	0	0	0	0
Subtotal – Admitted Bodies	**98**	**79**	**124**	24
Total Membership	**7,770**	**5,862**	**7,560**	2,498

Membership Trends

	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021
Current Employees	7,312	7,447	7,385	7,246	7,413	7,770
Pensioners	4,964	5,265	5,188	5,453	5,663	5,862
Deferred Benefits*	6,598	7,978	8,774	7,187	10,047	10,058
	18,874	**20,690**	**21,347**	**19,886**	**23,123**	**23,690**

Actives Age			
Age	**Female**	**Male**	**Total**
Under 20	17	13	30
20-24	188	79	267
25-29	364	156	520
30-34	392	150	542
35-39	576	151	727
40-44	704	235	939
45-49	805	207	1012
50-54	1,030	285	1315
55-59	1,026	257	1283
60-64	628	202	830
65-69	185	81	266
70-74	20	18	38
75- 85	1	0	1
Grand Total	**5936**	**1834**	**7770**

Pensioner Age			
Age	**Female**	**Male**	**Total**
Up to 39	22	22	44
40-44	1	4	5
45-49	6	5	11
50-54	12	14	26
55-59	160	61	221
60-64	599	223	822
65-69	951	408	1,359
70-74	825	438	1,263
75-79	601	289	890
80-84	399	184	583
85-89	263	131	394
90-94	129	68	197
95-99	27	14	41
100-110	6	0	6
Grand Total	**4,001**	**1,861**	**5,862**

Pension Fund Budget 2021-2024				
2020/21		2021/22	2022/23	2023/24
Actual		Estimate	Estimate	Estimate
£000		£000	£000	£000
11,078	Employee contributions	9,200	8,800	7,950
38,730	Employer contributions	40,165	38,050	36,750
1,236	Early retirements	1,000	1,000	1,000
3,971	Transfers in	4,000	4,000	4,000
55,015	**Total Income**	**54,365**	**51,850**	**49,700**
35,828	Pensions	36,905	34,415	34,020
6,949	Retirement/death grants	7,995	8,200	7,750
5,173	Transfers out	4,000	4,000	4,000
1,145	Admin costs	950	860	880
279	Oversight & Governance	400	400	400
1,390	Asset Managers Invoiced Fees	1,250	1,375	1,450
50,764	**Total Expenditure**	**51,500**	**49,250**	**48,500**
4,251	**Net Surplus/(Deficit)**	**2,865**	**2,600**	**1,200**
24.8%	**Employers contribution %**	**20.0%**	**20.0%**	**20.0%**

Corporate Governance

The Fund's Corporate Governance is set out in the Fund's Investment Strategy Statement. This publication is available through Bola Tobun email Bola.Tobun@enfield.gov.uk

Employers Summary

Statue specifies that contributions must be paid into the fund by the 19th day of the following month to that which they relate. The Pension Regulations allows for interest to be levied on contributions that are not paid on time, there were 6 late payments during 2020/21, but were considered as minor breaches & payments were received within the month, so this power was not exercised.

Payments made by employers into the Pension Fund during 2020/21 (including analysis of late payments)												
£000's	April	May	June	July	August	September	October	November	December	January	February	March
Enfield	2,088	2,107	2,229	2,226	2,227	2,587	2,317	2,346	2,367	2,395	2,463	2,425
Latymer school	20	19	19	19	21	22	22	22	21	21	21	20
Capel Manor	58	57	56	55	57	56	58	56	58	59	62	59
Oasis Enfield	77	72	75	70	83	80	83	86	85	87	71	83
Oasis Hadley	24	24	24	24	24	25	27	26	28	26	27	31
Aylward Academy	13	13	13	13	14	18	14	8	13	12	13	13
AIM Academy North	7	7	7	6	6	7	7	7	7	7	7	7
Kingsmead academy	18	17	19	16	19	19	16	20	19	20	19	19
Enfield Grammar Academy	17	17	17	17	18	20	18	19	18	18	19	18
Edmonton County Academy	31	31	32	31	32	30	37	32	33	33	33	33
Southgate School Academy	16	16	15	15	15	17	16	16	16	16	15	15
Lea valley Academy	11	11	11	11	10	12	15	12	14	13	14	14
Enfield Learning Trust	75	76	77	75	75	88	80	77	76	88	85	69
Adnan Jaffery Trust	1	1	1	2	1	1	2	2	2	2	1	2
Attigo Academy Trust	38	38	38	39	38	41	35	35	35	35	36	38
Ark John Keats Academy	16	16	16	18	17	15	16	18	15	16	17	18
Meridian Angel Primary School	2	2	2	2	2	2	3	1	2	1	2	2
Ivy Learning Trust	58	58	56	56	56	64	58	57	55	55	61	60
Jewish Community Academy	7	8	7	8	8	10	9	9	9	8	9	9
Children First Academy	72	72	72	72	71	82	73	74	75	74	76	76
Wren Academy	0	0	0	0	0	0	0	0	0	0	21	0
Cuckoo Hall Academy Trust	45	42	44	43	44	57	46	48	49	48	49	52
European Cleaning Services	1	1	1	1	1	0	1	1	1	1	1	-1

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Lunchtime Co.	0	0	0	0	0	0	0	0	0	0	84	0
The Pantry (UK) Ltd	0	0	0	0	0	0	0	0	0	0	0	18
Hertfordshire Catering Ltd	0	0	0	0	0	0	0	0	0	0	0	133
Olive Dinning Edmonton Bury & Edmonton Cambridge	1	1	0	1	1	1	0	2	1	0	1	1
Reed Wellbeing (momenta)	1	1	2	1	1	1	2	1	2	1	3	1
Sodexo	2	1	2	1	1	2	1	1	2	1	1	2
Fusion Lifestyle	0	0	0	0	0	0	0	0	0	0	0	0
Edwards and Blake	1	0	0	0	0	0	0	1	0	0	0	0
OutWard Housing	0	0	0	0	0	0	0	0	0	0	0	0
Independence & Wellbeing Enfield (re-joined LBE Jun ‘21)	103	106	0	0	0	0	0	0	0	0	0	0
Voluntary Bodies	2	3	3	3	3	3	2	2	2	2	2	2
Enfield Carers Centre (crossroad)	0	0	0	0	0	0	0	1	1	0	1	1
Olive Dining (Aylward)	1	1	0	1	1	0	1	0	0	0	0	0
Birkin Cleaning (Nightingale)	0	0	0	0	0	0	0	1	0	0	0	0
Olive Dining (Nightingale)	0	1	0	1	0	1	0	1	0	1	0	1
Norfolk Cleaning Service	5	0	0	0	0	0	0	0	0	0	0	0
North London Homecare & Support Ltd	0	1	0	0	1	0	0	0	1	0	0	0

Note: Red blocks refer to late payments. Employers experienced disruptions due to Covid19 lockdown at the beginning of the year

PENSION ADMINISTRATION KEY PERFORMANCE AND STATISTICS

The Fund provides value for money for its members and employers. It is in the interest of both employees and the public that the Fund is well managed and continues to provide high returns and excellent value for money.

The administration of the Fund comprises of 10 full-time equivalent (fte) staff, cost a bit under £72 per member as shown below.

Costs of Fund Administration		
	£000's	**£ per member**
Pension administration	1,455	61.42
Payroll costs	202	8.53
Actuary	47	1.98
Total Costs	**1,704**	**71.93**

Complaints Received

The pension administration team occasionally deal with members of the fund who dispute an aspect of their pension benefits. These cases are dealt with by the Internal Dispute Resolution Procedure (IDRP).

There were no IDRP case during 2020/21. No Ombudsman rulings against Enfield Council effective 2020/21.

Key Performance Indicators

A number of performance indicators are presented below to ensure that service to members of the pension fund is effective.

Process	No. of cases commenced in year	No. of cases completed within timescale	Good Practise timescales	% completed in year
Deaths – initial letter acknowledging death of members	140	93	2 months	66.43%
Retirements – letter notifying estimate retirement benefits	587	563	2 months	95.91%
Retirements – letter notifying actual retirement benefits	343	270	2 months	78.82%
Deferment – calculate and notify deferred benefits	1,045	881	2 months	84.31%
Transfers in/out – letter detailing transfer quote	382	295	2 months	77.23%
Refund – Process & pay a refund	86	83	2 months	96.51%
Divorce quote – letter detailing cash equivalent value and other benefits	27	18	2 months	66.67%
Divorce settlement – letter detailing implementation of pension sharing orders	1	1	3 months	100.0%
Joiners – notification of date of enrolment	1,045	881	2 months	84.31%

RISK MANAGEMENT REVIEW

The Fund's primary long-term risk is that its assets fall short of its liabilities such that there are insufficient assets to pay promised benefits to members. The investment objectives have been set with the aim of maximising investment returns over the long term within specified risk tolerances. This aims to optimise the likelihood that the promises made regarding members' pensions and other benefits will be fulfilled.

Responsibility for the Fund's risk management strategy rests with the Pension Policy and Investments Committee.
In order to manage risks a Pension Fund Risk Register is maintained and reviewed quarterly. Risks identified have been reduced through planned actions. The Risk Register is managed by the Pension & Treasury Manager.

Risks arising from financial instruments are outlined in the notes to the Pension Fund Accounts (Note 17). This provides readers of the accounts with an overview of the impact of market movements, including increases and decreases under the scenarios where standard deviations apply.

The Funding Strategy Statement (at Appendix 1) sets out the key risks, including demographic, regulatory, governance, to not achieving full funding in line with the strategy. The actuary reports on these risks at each triennial valuation or more frequently if required.

The key risks identified within the Pension Fund risk register are:

Objective area at risk	**Risk**	**Risk Rating**	**Mitigating actions**
Funding	Scheme members live longer than expected leading to higher than expected liabilities.	High	Review at each triennial valuation and challenge actuary as required.
Administration	Structural changes in an employer's membership or an employer fully/partially closing the scheme. Employer bodies transferring out of the pension fund or employer bodies closing to new membership. An employer ceases to exist with insufficient funding or adequacy of bond placement.	Medium	**TREAT** 1) Administering Authority actively monitors prospective changes in membership. 2) Maintain knowledge of employer future plans. 3) Contributions rates and deficit recovery periods set to reflect the strength of the employer covenant. 4) Periodic reviews of the covenant strength of employers are undertaken and indemnity applied where appropriate. 5) Risk categorisation of

			employers planned to be part of 2019 actuarial valuation. 6) Monitoring of gilt yields for assessment of pensions deficit on a termination basis.
Governance	That the London Collective Investment Vehicle (LCIV) disbands or the partnership fails to produce proposals/solutions deemed sufficiently ambitious.	High	**TOLERATE** 1) Partners for the pool have similar expertise and like mindedness of the officers and members involved with the fund, ensuring compliance with the pooling requirements. 2) Ensure that ongoing fund and pool proposals are comprehensive and meet government objectives. 3) Member presence on Shareholder Committee and officer groups.
Funding	Employee pay increases are significantly more than anticipated for employers within the Fund.	Medium	**TOLERATE** 1) Fund employers should monitor own experience. 2) Assumptions made on pay and price inflation (for the purposes of IAS19/FRS102 and actuarial valuations) should be long term assumptions. Any employer specific assumptions above the actuary's long-term assumption would lead to further review. 3) Employers to made aware of generic impact that salary increases can have upon the final salary linked elements of LGPS benefits (accrued benefits before 1 April 2014).
Investment	Significant volatility and negative	Medium	**TREAT** 1) Continued dialogue

	sentiment in global investment markets following disruptive politically inspired events in US.		with investment managers re management of political risk in global developed markets. 2) Investment strategy involving portfolio diversification and risk control. 3) Investment strategy review will follow post actuarial 2019 valuation.
Funding	Price inflation is significantly more than anticipated in the actuarial assumptions: an increase in CPI inflation by 0.1% over the assumed rate will increase the liability valuation by upwards of 1.7%	Medium	**TREAT** 1) The fund holds investment in index-linked bonds (RPI protection which is higher than CPI) and other real assets to mitigate CPI risk. Moreover, equities will also provide a degree of inflation protection.

THIRD PARTY RISKS

The Council has outsourced the following functions of the Fund:

- Investment management;
- Custodianship of assets; and
- Pensions administration system.

As these functions are outsourced, the Council is exposed to third party risk. A range of investment managers are used to diversify manager risk.

To mitigate the risks regarding investment management and custodianship of assets, the Council obtains independent internal controls assurance reports from the reporting accountants to the relevant service providers. These independent reports are prepared in accordance with international standards. Any weaknesses in internal control highlighted by the controls assurance reports are reviewed and reported as necessary to the Pension Policy and Investment Committee.

The Council's internal audit service undertakes planned programmes of audits of all the Councils' financial systems on a phased basis, all payments and income/contributions are covered by this process as and when the audits take place.

PENSION FUND ADVISERS AND OTHER SERVICE PROVIDERS

During 2020/21 the following provided services to the Pension Fund:

Custodial Services
Northern Trust - 50 Bank Street, Canary Wharf, London E14 5NT

Actuarial Services
Aon Hewitt Limited - 25, Marsh Street, Bristol, BS1 4AQ

Investment Consultancy and Advice Services
Aon Hewitt Limited - 122 Leadenhall Street London, EN3 4AW

Independent Fund Advisor
Carolan Dobson

Fund Administrator
London Borough of Enfield - Julie.barker@enfield.gov.uk

Pension Fund Performance Measurement
PIRC - Suite 8.02, Exchange Tower 2, Harbour Exchange Square, Isle of Dogs, London E14 9GE
Northern Trust - 50 Bank Street, Canary Wharf, London E14 5NT

External Auditors
BDO LLP, 16 The Havens, Ipswich IP3 9SJ.

Legal Services
Legal services were provided in-house by the Enfield Council

AVC Provider
Prudential
Email: natalie.read@prudential.co.uk or call on 0845 2680440.

Corporate Governance
Local Authority Pension Forum (LAPF) - Proxy Voting
Pensions Lifetime Savings Association (PLSA)

The Fund's Bankers
HSBC PLC
1st Floor, 60 Queen Victoria Street, London, EC4N 4TR

Fund Accountant
Bola Tobun, London Borough of Enfield
Bola.Tobun@enfield.gov.uk

Scheme Administrator (Section 151 Officer Local Government Act)
Fay Hammond, London Borough of Enfield
Fay.Hammond@enfield.gov.uk

If you have any comments on the Annual Report, please call 020 8132 1588, Email: Bola.Tobun@enfield.gov.uk or write to the following address:

London Borough of Enfield Pension Fund, Civic centre,
Finance Department, Silver Street, Enfield EN1 3XF

LONDON BOROUGH OF ENFIELD PENSION FUND ACCOUNT			
2019/20 £000s		**Notes**	**2020/21 £000s**
	Dealings with members, employers and others directly involved in the Fund		
51,044	Contributions	7	49,031
3,971	Transfers in from other pension funds	8	5,454
55,015			**54,485**
(42,778)	Benefits payable	9	(44,374)
(5,302)	Payments to and on account of leavers	10	(4,639)
(48,080)			**(49,013)**
6,935	**Net additions/(withdrawals) from dealings with members**		**5,472**
(10,089)	Management expenses	11	(12,063)
(3,154)	**Net additional/(withdrawals) including fund management**		**(6,591)**
	Returns on investments		
11,960	Investment income	12	13,214
0	Taxes on income	13a	
(44,875)	Profit & losses on disposal of investments and changes in the market value of investments	14a	249,979
(32,915)	**Net returns on investments**		**263,193**
(36,069)	**Net change in assets available for benefits during the year**		256,602
1,185,500	**Opening net assets of the scheme**		1,149,431
1,149,431	**Closing net assets of the scheme**		**1,406,033**

NET ASSETS STATEMENT FOR YEAR ENDED 31 MARCH 2021			
2019/20 £000s		**Notes**	**2020/21 £000s**
1,094,703	Investment assets	14	1,303,311
(251)	Investment liabilities		(141)
1,094,451			**1,303,170**
52,855	Cash deposits	14	100,369
2,351	Other investment balances -assets	14	2,685
(149)	Other investment balances - liabilities	14	(735)
1,149,508	**Total net investments**	14	**1,405,489**
53	Long term debtor	20a	96
897	Current assets	20	937
(1,027)	Current liabilities	21	(489)
1,149,431	**Net assets of the fund available to fund benefits at the end of the reporting period**		**1,406,033**

Note: The fund's financial statements do not take account of liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed at Note 19.

Signed:

Fay Hammond

Executive Director Resources

31st July 2021

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1. Description of the Fund

The Enfield Pension Fund ('the fund') is part of the LGPS and is administered by London Borough of Enfield. The council is the reporting entity for this pension fund.

The following description of the fund is a summary only. For more detail, reference should be made to the Enfield Pension Fund Annual Report 2020/2 and the underlying statutory powers underpinning the scheme.

a) General

The scheme is governed by the Public Service Pensions Act 2013. The fund is administered in accordance with the following secondary legislation:

- the Local Government Pension Scheme Regulations 2013 (as amended).
- the Local Government Pension Scheme (Transitional Provisions, Savings and (Amendment) Regulations 2014 (as amended).
- the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

It is a contributory defined benefit pension scheme administered by London Borough of Enfield to provide pensions and other benefits for pensionable employees of London Borough of Enfield and a range of other scheduled and admitted bodies within the borough. Teachers, police officers and firefighters are not included as they come within other national pension schemes.

The fund is overseen by the Enfield Pension Policy & Investment Committee, which is a committee of London Borough of Enfield.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the fund include the following:

Scheduled bodies, which are local authorities and similar bodies whose staff are automatically entitled to be members of the fund.

Admitted bodies, which are other organisations that participate in the fund under an admission agreement between the fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There are 39 employer organisations within the fund (including the Council itself), and 23,690 individual members, as detailed below. A full analysis is included

Enfield Pension Fund	31 March 2020	31 March 2021
Number of employers with active members	7,413	7,770
Number of pensioners	5,663	5,862
Deferred pensioners	6,899	7,560
Frozen/undecided	3,148	2,498
Total number of members in pension scheme	**23,123**	**23,690**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the Local Government Pension Scheme Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2021. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The results of recent formal valuation as at 31 March 2019 has employer contribution rates range from 0% to 34.6% of pensionable pay.

d) Benefits
Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service, summarised below.

	Service pre April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary.	Each year worked is worth 1/60 x final pensionable salary.
Lump sum	Automatic lump sum of 3 x pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Price Index.

There are a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits.

2. Basis of preparation

The statement of accounts summarises the fund's transactions for the 2020/21 financial year and its position at year-end as at 31 March 2021. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts report on the net assets available to pay pension benefits. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year nor do they take into account the actuarial present value of promised retirement benefits. The Code gives administering authorities the option to disclose this information in the net assets statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 19.

The accounts have been prepared on a going concern basis.

3. Summary of significant accounting policies

Fund account – revenue recognition

a) Contribution income

Normal contributions, both from the members and from the employer, are accounted for on an accruals basis at the percentage rate recommended by the fund actuary in the payroll period to which they relate.

Employer deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset. Amounts not due until future years are classed as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations 2013 (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see below) to purchase scheme benefits are accounted for on a receipts basis and are included in transfers in (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) **Interest income** Interest income is recognised in the fund account as it accrues, using the effective interest rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs (where material) or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) **Dividend income** Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iii) **Distributions from pooled funds** Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

iv) **Movement in the net market value of investments** Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

e) Taxation

The fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

f) Management expenses

The Code does not require any breakdown of pension fund administrative expenses; however, it requires the disclosure of investment management transaction costs. For greater transparency, the fund discloses its pension fund management expenses in accordance with the CIPFA's Accounting for Local Government Pension Scheme Management Expenses (2016), which shows the breakdown of administrative expenses, including transaction costs.

i) **Administrative expenses** All administrative expenses are accounted for on an accruals basis. All staff costs of the pension's administration team are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.

ii) **Oversight and governance costs** All oversight and governance expenses are accounted for on an accruals basis. All staff costs associated with governance and oversight are charged direct to the fund. Associated management, accommodation and other overheads are apportioned to this activity and charged as expenses to the fund.

iii) **Investment management expenses** All investment management expenses are accounted for on an accruals basis.

Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change.

In addition the fund has negotiated with the following managers that an element of their fee be performance related. Where an investment manager's fee note has not been received by the year-end date, an estimate based upon the market value of their mandate as at the end of the year is used for inclusion in the fund account.

Net assets statement

g) Financial assets

Financial assets are included in the net assets statement on a fair value basis as at the reporting date. A financial asset is recognised in the net assets statement on the date the fund becomes party to the contractual acquisition of the asset. From this date any gains or losses arising from changes in the fair value of the asset are recognised in the fund account.

The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS13 (see Note 15). For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in *Practical Guidance on Investment Disclosures* (PRAG/Investment Association, 2016).

Foreign currency transactions

h) Dividends

Interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

i) Cash and cash equivalents

Cash comprises cash in hand and demand deposits and includes amounts held by the fund's external managers.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

j) Financial liabilities

The fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the fund.

k) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under the Code, the fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the net assets statement (Note 19).

l) Additional voluntary contributions

The Enfield Pension Fund provides an additional voluntary contribution (AVC) scheme for Its employers and are specifically for providing additional benefits for individual contributors. The fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 22).

m) Contingent assets and contingent liabilities

A contingent liability arises where an event has taken place prior to the year-end giving rise to a possible financial obligation whose existence will only be confirmed or otherwise by the occurrence of future events. Contingent liabilities can also arise in circumstances where a provision would be made, except that it is not possible at the balance sheet date to measure the value of the financial obligation reliably.

4. Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 3 above, the Fund has had to make certain critical judgements about complex transactions or those involving uncertainty about future events.

Pension fund liability

The Pension Fund carries out a funding valuation on a triennial basis, the assumptions underpinning the valuation are agreed with the actuary and are summarised in Note 18.

In addition to the triennial funding valuation, the Fund's actuary also undertakes an accounting valuation of the Fund's liabilities on an IAS19 basis every year. This uses membership data from the funding valuation with economic assumptions adjusted for the current financial year. This valuation is used for statutory accounting purposes and uses different assumptions from the triennial funding valuation; the assumptions used are summarised in Note 19.

Valuation of Financial instruments carried at fair value – Level 2 and Level 3

Financial instruments at Level 2 are those where quoted market investments are not available; for example, where an instrument is traded in a market that is not considered to be active or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable data. Such instruments would include unquoted debt investments (such as private debt), which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The Coronavirus pandemic has resulted in uncertainty over the valuation of the Fund's property assets; an estimate has been provided by the manager as the standard valuation approach, which uses observable inputs from the UK commercial property market, cannot be applied at this time. These assets have previously been classified as Level 2 but have been reclassified to Level 3 given the current uncertainty.

5. Assumptions made about the future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the year-end and the amounts reported for income and expenditure during the year. Estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual results could differ from the assumptions and estimates.

The items in the net assets statement at 31 March 2021 (for which there is a significant risk of material adjustment in the forthcoming financial year are set out in the table below:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits (Note 19)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the fund with expert advice about the assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance: a. 1% decrease in the discount rate assumption would result in a decrease in the pension liability of approximately £223m. b. 1% increase in assumed earnings inflation would decrease the value of liabilities by approximately £223m. c. if life expectancy increases by two years, it would decrease the liability by approximately £92m. ***It should be noted that any changes in the above would not have an effect on either the Fund Account or the Net Asset Statement.***
Hedge fund of funds (Note 15)	The fund of funds is valued at the sum of the fair values provided by the administrators of the underlying funds plus adjustments that the fund of funds' directors or independent administrators judge is necessary. These investments are not publicly listed and as such, there is a degree of estimation involved in the valuation.	The total hedge fund of funds value in the financial statements is £230m. There is a risk that the investment may be under or overstated in the accounts. Given a tolerance of +/-7.5% around the net asset values on which the valuation is based, this would equate to a tolerance of +/- £17.3m.
Private equity – venture capital investments (Note 15)	The figure for “Investments at fair value” is based on the latest information received from asset managers prior to the Fund’s accounting records closing for the quarter. The valuation methodologies are considered to be consistent with the International Private Equity and Venture Capital Valuation Guidelines.	The venture capital private equity investments in the financial statements are £102.4m. There is a risk that this may be over or understated. Further detail is shown in Note 15 regarding the sensitivity of this valuation.
Pooled property investments (Note 15)	Valuation techniques are used to determine the carrying amount of pooled property funds and directly held freehold and leasehold property. Where possible these valuation techniques are based on observable data but where this is not possible management uses the best available data.	Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property-based investments by up to 10% i.e. an increase or decrease of £6.9m, on carrying values of £69m.

NOTE 6: EVENTS AFTER THE REPORTING DATE

Management have reviewed and can confirm that there are no significant events occurring after the reporting period.

NOTE 7: CONTRIBUTIONS

By category

2019/20 £000s		2020/21 £000s
11,078	**Employees' contributions**	12,055
	Employers' contributions: -	
29,648	Normal	33,353
9,503	Deficit recovery contributions	2,482
815	Augmentation contributions	1,141
39,966	**Total employers' contributions**	**36,976**
51,044		**49,031**

By authority

2019/20 £000s		2020/21 £000s
39,237	Administering authority	38,497
9,724	Scheduled bodies	9,820
2,083	Admitted bodies	714
51,044		**49,031**

NOTE 8: TRANSFERS IN FROM OTHER PENSION FUNDS

2019/20 £000s		2020/21 £000s
3,971	Individual transfers	5,454
3,971		**5,454**

NOTE 9: BENEFITS PAID/PAYABLE

By category

2019/20 £000s		2020/21 £000s
(35,828)	Pensions	(37,222)
(6,684)	Commutation and lump sum retirement benefits	(6,488)
(266)	Lump sum death benefits	(664)
(42,778)		**(44,374)**

By authority

2019/20 £000s		2020/21 £000s
(40,988)	Administration authority	(41,668)
(1,405)	Scheduled bodies	(2,199)
(385)	Admitted bodies	(507)
(42,778)		**(44,374)**

NOTE 10: PAYMENTS TO AND ON ACCOUNT OF LEAVERS

2019/20 £000s		2020/21 £000s
(129)	Refunds to members leaving service	(85)
(5,173)	Individual transfers	(4,554)
(5,302)		**(4,639)**

NOTE 11: MANAGEMENT EXPENSES

2019/20 £000s		2020/21 £000s
(1124)	Administrative costs	(1,659)
(108)	Oversight and governance costs	(90)
(8,857)	Investment management expenses	(10,315)
(10,089)		**(12,063)**

NOTE 11A: INVESTMENT MANAGEMENT EXPENSES

2019/20 £000s		2020/21 £000s
(6,512)	Management fees	(6,857)
(304)	Performance related fees	(1,032)
(1,848)	Transaction costs	(2,226)
(63)	Custody fees	(83)
(130)	Other	(116)
(8,857)		**(10,315)**

NOTE 12: INVESTMENT INCOME

2019/20 £000s		2020/21 £000s
2,053	Income from equities	2,225
3,439	Income from bonds	3,439
1,786	Pooled property investments	2,389
4,121	Pooled investments – unit trusts and other managed funds	5,133
561	Interest on cash deposits	28
11,960		**13,214**

NOTE 13: TAXES ON INCOME

2019/20 £000s		2020/21 £000s
	Withholding tax	
(0)	Income from equities	(0)
(0)	Pooled investments – unit trusts and other managed funds	(0)
(0)		**(0)**

NOTE 13A: EXTERNAL AUDIT FEES

2019/20 £000s		2020/21 £000s
19	Paid in respect of external audit (excluding VAT)	19
19		**19**

Market value 31 March 2020 £000s		Market value 31 March 2021 £000s
	Investments	
90,622	Fixed interest securities	99,209
45,015	Equities	48,424
766,037	Pooled investments	925,799
68,861	Pooled property investments	68,986
124,000	Private equity	160,844
	Derivative contracts:	
168	- Futures	5
0	- Forward currency contracts	44
1,094,703	**Total investment assets**	**1,303,311**
52,855	Cash deposits	100,369
2,351	Investment income due	2,445
0	Amounts receivable for sales	240
1,149,909	**Total investment assets**	**1,406,365**
	Investment liabilities	
	Derivative contracts:	
(69)	- Futures	(141)
(183)	- Forward currency contracts	(0)
(149)	Investment expenditure due	(735)
(401)	**Total investment liabilities**	**(876)**
1,149,508	**Net investment assets**	**1,405,489**

NOTE 14A: RECONCILIATION OF MOVEMENTS IN INVESTMENTS & DERIVATIVES

	Market value 1 April 2020	Purchases	Sales	Management fees in Market value	Change in market value	Market value 31 March 2021
Period 2020/21	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Bonds	90,622	14,680	(12,684)	(400)	6,992	99,209
Equities	45,015	69,180	(68,989)	(2,112)	5,330	48,424
Pooled investments	766,037	12,411	(49,076)	(1,695)	198,122	925,799
Pooled property	68,861	0	(1,047)	(367)	1,486	68,933
Private equity	124,000	11,052	(14,078)	(2,283)	42,206	160,896
	1,094,535	107,323	(145,874)	(6,857)	254,136	1,303,261
Derivatives contracts:						
Futures Options	99	513	(384)	-	(364)	(136)
Forward foreign exchange	(183)	350	(446)	-	323	44
	(84)	863	(830)	0	(41)	(92)
	1,094,451	**108,186**	**(146,704)**	**(6,857)**	**254,095**	**1,303,169**
Other investment balances						
Cash deposits	52,855				(4,115)	100,369
Investment income due	2,351					2,445
Pending investment sales	(149)					(735)
Pending investment purchases	-					240
Net investment assets	**1,149,508**				**249,979**	**1,405,489**

**Change in MV of short term bills and notes*

	Market value 1 April 2019	Purchases	Sales	Management fees in Market value	Change in market value	Market value 31 March 2020
Period 2019/20	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**	**£000s**
Bonds	88,278	30,830	(27,041)	(0)	(1,445)	90,622
Equities	43,141	989	0	0	885	45,015
Pooled investments	824,211	10,111	(8,764)	(4,714)	(54,807)	766,037
Pooled property	69,598		0	(178)	(559)	68,861
Private equity	98,549	29,270	(10,973)	(1,681)	8,835	124,000
	1,123,777	71,200	(46,778)	(6,573)	(47,091)	1,094,535
Derivatives contracts:						
Futures Options	66	901	(1,290)	-	422	99
Forward foreign exchange	33	486	(455)	-	(247)	(183)
	99	1,387	(1,745)	-	175	(84)
	1,123,876	**72,587**	**(48,523)**	**(6,573)**	**(46,916)**	**1,094,451**
Other investment balances						
Cash deposits	58,091				1,859*	52,855
Investment income due	2,386					2,351
Pending investment sales	1,147					(149)
Other investment expenses	(183)					-
Net investment assets	**1,185,317**				**(45,057)**	**1,149,508**

**Change in MV of short term bills and notes*

Purchases and sales of derivatives are recognised in Note 14a above as follows:

- Futures – on close out or expiry of the futures contract the variation margin balances held in respect of unrealised gains or losses are recognised as cash receipts or payments, depending on whether there is a gain or loss.
- Forward currency contracts – forward foreign exchange contracts settled during the period are reported on a gross basis as gross receipts and payments.

NOTE 14B: ANALYSIS OF INVESTMENTS

Market value 31 March 2020 £000s		Market value 31 March 2021 £000s
	Bonds	
	UK	
2,702	Public sector quoted	2,758
42,101	Corporate quoted	49,038
	Overseas	
806	Public sector quoted	1,324
45,013	Corporate quoted	46,090
90,622		**99,209**
	Equities	
45,015	UK –quoted	48,424
-	Overseas –quoted	-
45,015		**48,424**
	Pooled funds –additional analysis	
90,762	Indexed linked securities	91,734
426,067	Equities	604,281
38,925	Developed markets equity long short fund	0
36,286	Events driven fund hedge fund	34,431
73,161	Inflation opportunities fund	78,638
29,321	Absolute bond fund	31,855
27,839	Multi-strategy equity hedge fund	30,153
43,676	Multi asset credit fund	54,707
766,037		**925,799**
	Pooled property investments	
68,861	UK property investments	68,986
68,861		**68,986**
	Private equity	
6,791	Opportunistic property	7,936
21,764	European infrastructure	22,776
73,403	Fund of Funds global private equity	102,436
22,042	UK secured long income fund	27,696
124,000		**160,844**
	Derivatives- Assets	
168	Futures	5
-	Forward foreign exchange	44
168		**49**
1,094,703	**Total Investment Assets**	**1,303,312**
52,855	Cash deposits	100,369
2,351	Investment income due	2,445
-	Amounts receivable from sales	240
1,149,909		**1,406,366**
	Investment liabilities	
(69)	Derivatives- futures	(141)
(183)	Derivatives- forward foreign exchanges	(0)
(149)	Investment expenses	(735)
(401)		**(876)**
1,149,508	**Net investment assets**	**1,405,489**

NOTE 14C: INVESTMENTS ANALYSED BY FUND MANAGER

Market value 31 March 2020 £000s	%		Market value 31 March 2021 £000s	%
		Fixed income securities		
90,621	7.9%	Western Asset Management	98,381	7.0%
		Equities		
45,015	3.9%	International Public Partnerships	48,424	3.4%
		Pooled investments		
90,762	7.9%	Blackrock indexed linked bonds	91,734	6.5%
9,782	0.9%	Blackrock UK passive fund	-	-
148,736	12.9%	Blackrock Global passive	-	-
-	-	Blackrock Low carbon Global passive	220,389	15.7%
102,567	8.9%	MFS global equities	140,390	10.0%
74,376	6.5%	LCIV Baillie Gifford global equities	116,232	8.3%
23,420	2.0%	LCIV JP Morgan emerging equities	35,926	2.6%
67,187	5.8%	LCIV Longview	91,344	6.5%
43,676	3.8%	LCIV CQS Multi asset	54,707	3.9%
38,925	3.4%	Lansdowne hedge fund	0	0.0%
11,051	1.0%	York Capital hedge fund	5,980	0.4%
73,161	6.4%	M&G inflation opportunities	78,638	5.6%
29,321	2.6%	Insight hedge fund	31,855	2.3%
27,839	2.4%	Davidson Kempner hedge fund	30,153	2.1%
25,235	2.2%	CFM hedge fund	28,451	2.0%
		Pooled property		
342	-	RREEF commercial property	53	-
35,263	3.1%	Blackrock commercial property	34,825	2.5%
33,256	2.9%	Legal & General commercial prop.	34,108	2.4%
		Private equity		
73,403	6.4%	Adam St Partners fund of funds	102,436	7.3%
21,764	1.9%	Antin European infrastructure	22,776	1.6%
6,791	0.6%	Brockton opportunistic property	7,936	0.6%
22,042	1.8%	CBRE UK secured long income fund	27,696	2.0%
		Cash & accruals		
35,868	3.1%	Goldman Sachs cash	31,296	2.2%
16,952	1.5%	Northern Trust cash	69,039	4.9%
35	-	Blackrock MMF	35	0.0%
2,118	0.2%	Investment accruals	2,685	0.2%
1,1149,508	**100.0%**		**1,405,489**	**100.0%**

The following investments represent more than 5% of the net assets of the scheme. All of these companies are registered in the UK.

Security	Market value 31 March 2020 £000s	% of total Fund	Market value 31 March 2021 £000s	% of total Fund
Blackrock – Global Equities	148,736	12.9%		
Blackrock – Low Carbon Equities			220,389	15.7%
MFS global equities	102,567	8.9%	140,390	10.0%
Western Asset – corporate bonds	90,621	7.9%	98,381	7.0%
Blackrock – indexed linked bonds	90,762	7.9%	91,734	6.5%
LCIV – Longview global equities	67,187	5.8%	91,344	6.5%
LCIV – Baillie Gifford global equities	74,376	6.5%	116,232	8.3%
M&G Inflation opportunities	73,161	6.4%	78,638	5.6%
Adam Street Partners – private equity	73,403	6.4%	102,436	7.3%

NOTE 15: FAIR VALUE – BASIS OF VALUATION

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date**.**

Description of asset	Valuation hierarchy	Basis of valuation	Observable & unobservable inputs	Key sensitivities affecting the valuations provided
Market quoted investments	Level 1	Published bid market price ruling on the final day of the accounting period	Not required	Not required
Quoted bonds	Level 1	Fixed interest securities are valued at a market value based on current yields	Not required	Not required
Futures and options in UK bonds	Level 1	Published exchange prices at the year-end	Not required	Not required
Forward foreign exchange derivatives	Level 2	Market forward exchange rates at the year-end	Exchange rate risk	Not required
Overseas bond options	Level 2	Option pricing model	Annualised volatility of counterparty credit risk	Not required
Pooled investments – overseas unit trusts and property funds	Level 2	Published bid market price at end of the accounting period.	NAV per share	Not required
Pooled investments – hedge funds	Level 2	Most recent valuation	NAV published, Cashflow transactions, i.e. distributions or capital calls	Not Required
Property held in a limited partnership	Level 3	Most recent published NAV updated for cashflow transactions to the end of the accounting period	NAV published, Cashflow transactions, i.e. distributions or capital calls	Valuations could be affected by material events between the date of the pool fund financial statements and the fund's own reporting date, including cash flows transacted in between the audited accounts received and the pension fund's year end.

Private equity	Level 3	Most recent valuations updated for cashflow transactions and foreign exchange movements to the end of the accounting period. The Market approach may be used in some circumstances for the valuation of underlying assets by the fund manager. Prepared in line with *International Private Equity and Venture Capital Valuation Guidelines* (2018)	Cashflow transactions, i.e. distributions or capital calls, foreign exchange movements. Audited financial statements for underlying assets, which may include market approach valuations: taking into account actual observed transactions for the underlying assets or similar assets to help value the assets of each partnership.	Valuations could be affected by material events between the date of the financial statements provided by the asset managers and the pension fund's own reporting date, including cash flows transacted in between the audited accounts received and the pension fund's year end.

Sensitivity of assets valued at level 3
Having analysed historical data and current market trends, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2021.

Description of asset	Assessed valuation range (+/-) %	Value at 31 March 2020 £000s	Value on increase £000s	Value on decrease £000s
Pooled Property	10.0%	68,986	75,885	62,087
UK secured long income fund	7.5%	27,696	29,773	25,619
UK opportunistic property	10.0%	7,936	8,730	7,142
European Infrastructure	5.0%	22,776	23,915	21,637
Private equity fund of funds	15.0%	102,436	117,801	87,071
Total		**229,830**	**244,068**	**203,556**

NOTE 15A: FAIR VALUE HIERARCHY
Asset and liability valuations have been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur. Criteria utilised in the instrument classifications are detailed below

Level 1
Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, exchange traded quoted index linked securities and unit trusts. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2
Financial instruments at level 2 are those where quoted market prices are not available; for example, where an investment is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3
Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments (private equity), which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2021	Quoted market price Level 1 £000s	Using observable inputs Level 2 £000s	With significant unobservable inputs Level 3 £000s	Total £000s
Financial assets at fair value	147,634	925,848	229,830	**1,303,312**
Financial liabilities at fair value	(141)	(735)	-	**(876)**
Net investment assets	**147,493**	**925,113**	**229,830**	**1,302,436**

Values at 31 March 2020	Quoted market price Level 1 £000s	Using observable inputs Level 2 £000s	With significant unobservable inputs Level 3 £000s	Total £000s
Financial assets at fair value	135,637	766,205	192,861	**1,094,703**
Financial liabilities at fair value	(69)	(332)	-	**(401)**
Net investment assets	**135,568**	**765,873**	**192,861**	**1,094,302**

NOTE 15B: TRANSFERS BETWEEN LEVELS 1 AND 2

There has been no movement during 2020/21.

NOTE 15C: RECONCILIATION OF FAIR VALUE MEASUREMENTS WITHIN LEVEL 3

	Market value 1April 2020 £000s	Transfers in/out of level £000s	Purchases during the year £000s	Sales during the year £000s	Unrealised gains/losses £000s	Realised gains/losses £000s	Market value 31March 2021 £000s
Pooled Property	*68,861	0	0	0	125		68,986
	68,861	0	**0**	**0**	**125**	0	**68,986**
Venture capital	73,403	0	5,506	(8,619)	(946)	5,179	102,436
Infrastructure	21,764	0	2,459	0	2,260	0	22,776
Property Funds	22,042	0	18,505	0	(1,074)	0	27,696
UK Secured Income Funds	6,791	0	2,800	(2,354)	(344)	2,079	7,936
	124,000	**0**	**29,270**	**(10,973)**	**(104)**	**7,258**	**160,844**
	192,861	**0**	**29,270**	**(10,973)**	**(841)**	**7,258**	**229,830**

*There has been significant volatility in the financial markets as a result of the COVID-19 pandemic, the effect of this required these assets to be moved from a fair value hierarchy level 2 to level 3 as at 31 March 2020

NOTE 16: FINANCIAL INSTRUMENTS

NOTE 16A: CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table analyses the carrying amounts of financial instruments by category and net assets statement heading. No financial instruments were reclassified during the accounting period

31 March 2020				31 March 2021		
Fair value through profit& loss	Financial assets at amortised cost	Financial liabilities at amortised cost		Fair value through profit& loss	Financial assets at amortised cost	Financial liabilities at amortised cost
£000s	£000s	£000s		£000s	£000s	£000s
			Financial assets			
90,622			Bonds	99,210		
45,015			Equities	48,424		
766,037			Pooled investments	925,799		
68,861			Pooled property	68,986		
124,000			Private equity	160,844		
168			Derivative contracts	49		
	52,855		Cash deposits		100,369	
	2,351		Other investment balances		2,685	
			Trade debtors			
1,094,703	**55,206**	**-**	**Total financial assets**	**1,303,312**	**103,054**	**-**
			Financial liabilities			
		(252)	Derivative contracts			(141)
		(149)	Other investment balances			(735)
			Trade creditors			
	-	**(401)**	**Total financial liabilities**		**-**	**(876)**
1,094,703	**55,206**	**(401)**	**Grand total**	**1,303,312**	**103,054**	**(876)**

NOTE 16B: NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

31 March 2020 £000s		31 March 2021 £000s
	Financial assets	
(46,916)	Designated at fair value through profit & loss	254,095
1,859	Financial assets at amortised costs	(4,116)
(45,057)	**Total**	**249,979**

The authority has not entered into any financial guarantees that are required to be accounted for as financial instruments.

NOTE 17: NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Pension Fund's investment objective is to achieve a return on Fund assets, which is sufficient, over the long term, to fully meet the cost of benefits and to ensure stability of employer's contribution rates. Achieving the investment objectives requires a high allocation to growth assets in order to improve the funding level, although this leads to a potential higher volatility of future funding levels and therefore contribution rates.

Management of risk

The Pension Fund is invested in a range of different types of asset – equities, bonds, property, private equity and cash. This is done in line with the Local Government Pension Scheme Management and Investment of Funds Regulations 2016, which require pension funds to invest any monies not immediately required to pay benefits. These regulations require the formulation of an Investment Strategy Statement which sets out the Fund's approach to investment including the management of risk.

Responsibility for the fund's risk management strategy rests with the pension fund committee. Risk management policies are established to identify and analyse the risks faced by the council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the council and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The fund manages these risks in two ways:

1. the exposure of the fund to market risk is monitored through a factor risk analysis, to ensure that risk remains within tolerable levels
2. specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The fund is exposed to share and derivative price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the council to ensure it is within limits specified in the fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the Fund has determined that the following movements in market price risk are reasonably possible for the 2020/21 reporting period (based on assumption made in March 2021 on data provided by the Fund's investment consultant. The sensitivities are consistent with the assumptions contained in the investment advisor's most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same. To demonstrate the impact of this volatility, the table below shows the impact of potential price changes based on the observed historical volatility of asset class returns.

Asset type	Potential market movements (+/-) 2019/20	Potential market movements (+/-) 2020/21
Fixed income government bond	0.2%	0.9%
Inflation-linked government bonds	0.2%	0.1%
Investment grade corporate bonds	1.5%	1.5%
Equities	7.2%	6.3%
Private equity	9.2%	8.3%
Real estate	5.4%	5.4%
Hedge funds	3.2%	3.4%

Had the market price of the fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows (the prior year comparator is shown below).

Asset type	Value at 31 March 2021 £000	Potential value on increase £000	Potential value on decrease £000
Fixed income government bond	4,082	4,119	4,045
Inflation-linked government bonds	91,734	91,826	91,642
Investment grade corporate bonds	94,300	95,715	92,886
Equities	652,705	693,825	611,585
Private equity	160,844	174,194	147,494
Real estate	68,986	72,711	65,261
Hedge funds	229,784	237,597	221,971
Cash & accruals	103,054	103,054	103,054
	1,405,489	**1,473,040**	**1,337,938**

Asset type	Value at 31 March 2020 £000	Potential value on increase £000	Potential value on decrease £000
Fixed income government bond	3,508	3,515	3,501
Inflation-linked government bonds	90,762	90,944	90,580
Investment grade corporate bonds	87,114	88,421	85,807
Equities	471,044	504,959	437,129
Private equity	124,000	135,408	112,592
Real estate	68,861	72,579	65,143
Hedge funds	249,013	256,981	241,045
Cash & accruals	55,206	55,206	55,206
	1,149,508	**1,208,013**	**1,091,003**

Interest rate risk

The fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The fund's interest rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The fund's direct exposure to interest rate movements as at 31 March 2021 and 31 March 2020 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate risk sensitivity analysis
The council recognises that interest rates can vary and can affect both income to the fund and the carrying value of fund assets, both of which affect the value of the net assets available to pay benefits. A 100 basis point (BPS) movement in interest rates is consistent with the level of sensitivity applied as part of the fund's risk management strategy. The fund's investment advisor has advised that long-term average rates are expected to move less than 100 basis points from one year to the next and experience suggests that such movements are likely.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- 100 BPS change in interest rates.

Assets exposed to interest rate risk	Value as at 31 March 2021 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Cash deposits	-	-	-	-
Cash & cash equivalents	100,369	1,004	-	-
Cash balances	53	-	-	-
Bonds	190,944	1,909	192,853	189,035
Total	291,366	2,913	192,853	189,035

Assets exposed to interest rate risk	Value as at 31 March 2020 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Cash deposits	-	-	-	-
Cash & cash equivalents	52,855	529	-	-
Cash balances	53	-	-	-
Bonds	181,383	1,814	183,197	179,569
Total	234,291	2,343	183,197	179,569

Income exposed to interest rate risks	Amount receivable as at 31 March 2021 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Interest on cash deposits	28	0	28	29
Bonds	3,439	34	3,473	3,508
Total	3,467	35	3,502	3,536

Income exposed to interest rate risks	Amount receivable as at 31 March 2020 £000	Potential movement on 1% change in interest rates £000	Value on increase £000	Value on decrease £000
Interest on cash deposits	614	6	620	626
Bonds	3,440	34	3,474	3,406
Total	4,053	41	4,094	4,134

This analysis demonstrates that a 1% increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value, and vice versa. Changes in interest rates do not impact on the value of cash and cash equivalent balances but they will affect the interest income received on those balances. Changes to both the fair value of assets and the income received from investments impact on the net assets available to pay benefits.

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the fund (UK sterling). The fund holds both monetary and non-monetary assets denominated in currencies other than UK sterling.

The fund's currency rate risk is routinely monitored by the council and its investment advisors in accordance with the fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

Currency risk – sensitivity analysis

There is a risk that due to exchange rate movements the sterling equivalent value of the investments falls. The Fund acknowledges that adverse foreign currency movements relative to Sterling can reduce the value of the fund's investment portfolio. The table below demonstrates the potential value of the fund's investments based on positive or adverse currency movements by 10%.

Assets exposed to currency risk	Assets value as at 31 March 2021	Potential movement	Value on increase	Value on decrease
	£000	£000	£000	£000
Canadian Dollar	3	-	3	3
Euro	26,961	2,696	29,657	24,265
Hong Kong Dollar	50	5	55	45
Japanese Yen	21,325	2,132	23,457	19,193
Swiss Franc	38	4	42	34
US Dollar	231,315	23,132	254,447	208,183
	279,692	**27,969**	**307,661**	**251,723**

Assets exposed to currency risk	Assets value as at 31 March 2020	Potential movement	Value on increase	Value on decrease
	£000	£000	£000	£000
Canadian Dollar	1,079	108	1,187	971
Danish Krone	4,091	409	4,500	3,682
Euro	34,661	3,466	38,127	31,195
Hong Kong Dollar	7,993	799	8,792	7,194
Japanese Yen	18,787	1,879	20,666	16,908
Swedish Krona	5	1	6	4
Norwegian Krone	611	61	672	550
Swiss Franc	1,153	115	1,268	1,038
US Dollar	222,875	22,288	245,163	200,587
	291,255	**29,126**	**320,381**	**262,129**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the fund's financial assets and liabilities.

In essence the fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives' positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment or receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties.

Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the council's credit criteria. The council has also set limits as to the maximum percentage of the deposits placed with any one class of financial institution. In addition, the council invests an agreed percentage of its funds in the money markets to provide diversification. Money market funds chosen all have AAA rating from a leading ratings agency.

The Council believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The fund's cash holding under its treasury management arrangements at 31 March 2021 was £100.4m (31 March 2020 - £52.9m). This was held with the following institutions:

	Rating	Balances as at 31 March 2020 £000	Balances as at 31 March 2021 £000
Termed deposits			
Close Brothers	A-	-	-
Money market funds			
Goldman Sachs money market fund	AAAm	35,868	31,296
Blackrock money market fund	AAAm	35	35
Bank current accounts			
HSBC	AA-	53	53
Northern Trust Custodian	AA-	15,108	65,373
Cash held by fund managers		1,844	3,666
		52,908	**100,423**

c) Liquidity risk - represents the risk that the fund will not be able to meet its financial obligations as they fall due. The council therefore takes steps to ensure that the pension fund has adequate cash resources to meet its commitments. This will particularly be the case for cash from the cash flow matching mandates from the main investment strategy to meet the pensioner payroll costs; and also cash to meet investment commitments.

The Fund has immediate access to its pension fund cash holdings.

Management prepares periodic cash flow forecasts to understand and manage the timing of the fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the fund investment strategy.

All financial liabilities at 31 March 2020 are due within one year.

d) Refinancing risk - The key risk is that the council will be bound to replenish a significant proportion of its pension fund financial instruments at a time of unfavourable interest rates. The council does not have any financial instruments that have a refinancing risk as part of its investment strategy

NOTE 18: FUNDING ARRANGEMENTS

In line with the Local Government Pension Scheme Regulations 2013, the fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2019 and the results was approved by the Pension Policy & Investment Committee at their February 2020 meeting, for implementation from 01 April 2020.

The key elements of the funding policy are:

1) to ensure the long-term solvency of the fund, i.e. that sufficient funds are available to meet all pension liabilities as they fall due for payment
2) to ensure that employer contribution rates are as stable as possible
3) to minimise the long-term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
4) to reflect the different characteristics of employing bodies in determining contribution rates where it is reasonable to do so, and
5) to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.

The aim is to achieve 100% solvency over a period of 19 years and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Normally this is three years. Solvency is achieved when the funds held, plus future expected investment returns and future contributions, are sufficient to meet expected future pension benefits payable.

At the 2019 actuarial valuation, the fund was assessed as 103% funded.

Financial assumptions

The valuation was carried out using the projected unit actuarial method for most employers and the main actuarial assumptions used for assessing the funding target and the contribution rates are shown in note 20 in the financial assumption section.

Demographic assumptions

The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S2P Light mortality tables with appropriate scaling factors applied based on the mortality experience of members within the Fund and included an allowance for improvements based on the Continuous Mortality Investigation (CMI) 2014 Core Projections with a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 were:

Life expectancy from age 65 as valuation date	Males	Females
Current pensioners aged 65 at the valuation date	22.3	24.2
Future pensioners aged 45 at the valuation date	22.9	24.9

NOTE 19: ACTUARIAL PRESENT VALUE OF PROMISED RETIREMENT BENEFITS

Introduction

The Scheme Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the London Borough of Enfield Pension Fund (the Fund) is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2019 by Aon, in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.

Actuarial Position

a) The valuation as at 31 March 2019 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2019 (of £1,185.5M) covering 103% of the liabilities allowing, in the case of pre- 1 April 2014 membership for current contributors to the Fund, for future increases in pensionable pay.

b) The valuation also showed that the aggregate level of contributions required to be paid by participating employers with effect from 1 April 2020 was:

- 18.5% of pensionable pay. This is the rate calculated as being sufficient, together with contributions paid by members, to meet the liabilities arising in respect of service after the valuation date (the primary rate),

Plus

- an allowance of 1.5% of pay for McCloud and cost management – see paragraph 9 below,

c) In practice, each individual employer's or group of employers' position is assessed separately and contributions are set out in Aon's report dated 31 March 2020 (the "actuarial valuation report"). In addition to the contributions certified, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

Total contributions payable by all employers over the three years to 31 March 2023 are estimated to be:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2020	19.8	0.008
2021	19.8	0.008
2022	19.8	0.009

d) The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement. Different approaches were adopted in relation to the calculation of the primary contribution rate and individual employers' recovery periods as agreed with the Administering Authority and reflected in the Funding Strategy Statement, reflecting the employers' circumstances.

e) The valuation was carried out using the projected unit actuarial method for most employers and the main financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows.

Discount rate for periods in service	
Scheduled and subsumption body funding target *	4.20% p.a.
Low risk funding target	1.30% p.a.
Ongoing Orphan funding target	3.30% p.a.
Discount rate for periods after leaving service	
Scheduled and subsumption body funding target *	4.20% p.a.
Low risk funding target	1.30% p.a.
Ongoing Orphan funding target	1.60% p.a.
Rate of pay increases	3.60% p.a.
Rate of increase to pension accounts	2.10% p.a.
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.10% p.a.

** The scheduled and subsumption body discount rate was used for scheduled bodies and other employers whose liabilities will be subsumed after exit by a scheduled body.*

The assets were valued at market value.

Further details of the assumptions adopted for the valuation, including the demographic assumptions, are set out in the actuarial valuation report.

f) The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S2P mortality tables with appropriate scaling factors applied based on an analysis of the Fund's postcode data using Aon's Demographic Horizons™ longevity model, and included an allowance for improvements based on the 2018 Continuous Mortality Investigation (CMI) Projections Model (CMI2018), with s_k of 7.5 and parameter A of 0.0 assuming a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 (for normal health retirements) were:

	Men	Women
Current pensioners aged 65 at the valuation date	22.3	24.2
Current active members aged 45 at the valuation date	22.9	24.9

g) The valuation results summarised in paragraphs 1 and 2 above are based on the financial position and market levels at the valuation date, 31 March 2019. As such the results do not make allowance for changes which have occurred subsequent to the valuation date. The Actuary, in conjunction with the Administering Authority, monitors the funding position on a regular basis.

h) The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2020 to 31 March 2023 were signed on 31 March 2020. Other than as agreed or otherwise permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2022 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.

i) There are a number of uncertainties regarding the Scheme benefits and hence liabilities:

- **Increases to Guaranteed Minimum Pensions (GMPs):**
  The 2019 valuation allows for the extension of the 'interim solution' for public service schemes to pay full inflationary increases on GMPs for those reaching State Pension Age (SPA) between 6 April 2016 and 5 April 2021. On 23 March 2021, the Government published a response to its consultation on the longer term solution to achieve equalisation for GMPs as required by the High Court judgement in the Lloyds Bank case. The response set out its proposed longer term solution, which is to extend the interim solution further to those reaching SPA after 5 April 2021.

  The results of the 2019 valuation do not allow for the impact of this proposed longer term solution. Based on approximate calculations, at a whole of fund level, the impact of providing full pension increases on GMPs for those members reaching State Pension Age after 5 April 2021 is an increase in past service liabilities of between 0.1% to 0.2% across the Fund as a whole.

- **Cost Management Process and McCloud judgement:**
  Initial results from the Scheme Advisory Board 2016 cost management process indicated that benefit improvements / member contribution reductions equivalent to 0.9% of pay would be required. However, the cost management process was paused following the Court of Appeal ruling that the transitional arrangements in both the Judges' Pension Scheme (McCloud) and Firefighters' Pension Scheme (Sargeant) constituted illegal age discrimination. Government confirmed that the judgement would be treated as applying to all public service schemes including the LGPS (where the transitional arrangements were in the form of a final salary underpin) and a consultation on changes to the LGPS was issued in July 2020.

  The employer contributions certified from 1 April 2020 as part of the 2019 valuation include an allowance of 1.5% of pay in relation to the potential additional costs following the McCloud judgement / cost management process. This was a simplified approach which didn't take account of different employer membership profiles or funding targets and may be more or less than the assessed cost once the details of the LGPS changes arising from the McCloud judgement and (if applicable) arising from the 2016 cost management process have been agreed.

Work on the 2020 cost management process has now been started, and it is possible that further changes to benefits and/or contributions may ultimately be required under that process, although the outcome is not expected to be known for some time.

- **Goodwin**
  An Employment Tribunal ruling relating to the Teachers' Pension Scheme concluded that provisions for survivor's benefits of a female member in an opposite sex marriage are less favourable than for a female in a same sex marriage or civil partnership, and that treatment amounts to direct discrimination on grounds of sexual orientation. The chief secretary to the Treasury announced in a written ministerial statement on 20 July 2020 that he believed that changes would be required to other public service pension schemes with similar arrangements, although these changes are yet to be reflected in LGPS regulations. We expect the average additional liability to be less than 0.1%, however the impact will vary by employer depending on their membership profile.

j) This Statement has been prepared by the Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of the actuarial valuation which was carried out as at 31 March 2019. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

Aon does not accept any responsibility or liability to any party other than our client, London Borough of Enfield, the Administering Authority of the Fund, in respect of this Statement.

k) The report on the actuarial valuation as at 31 March 2019 is available on the Fund's website at the following address:

https://new.enfield.gov.uk/pensions/wp-content/uploads/2017/10/London-Borough-of-Enfield-Pension-Fund-Actuarial-valuation-as-at-31-March-2019-.pdf

NOTE 20: CURRENT ASSETS

31 March 2020 £000s		31 March 2021 £000s
	Debtors	
208	Contributions due - employees	195
636	Contributions due - employers	577
0	Sundry debtors	144
844		**916**
	Cash balances	
53	Current account	21
897		**937**

NOTE 20A: LONG TERM DEBTORS

31 March 2020 £000s		31 March 2021 £000s
	Debtors	
53	Pensioner Tax liability	**96**
53		**96**

NOTE 21: CURRENT LIABILITIES

31 March 2020 £000s		31 March 2021 £000s
(460)	Sundry creditors	-1
(567)	Benefits payable	(488)
(1,027)		**(489)**

NOTE 22: ADDITIONAL VOLUNTARY CONTRIBUTIONS

Members of the Fund are able to make AVCs in addition to their normal contributions. The related assets are invested separately from the main Fund and in accordance with the Local Government Pension Scheme (Management and Investment of Funds) regulations 2016, are not accounted for within the financial statements. If on retirement members opt to enhance their Scheme benefits using their AVC funds, the amounts returned to the Fund by the AVC provider are disclosed within transfers-in.

The current provider is Prudential. Funds held are summarised below:

	Opening Balance at 1st April 20 £000s	Contributions & Transfers £000s	Sums Paid Out £000s	Investment Return £000s	Closing Balance at 31 March 2021 £000s
Plan Value	**3,282**	721	(326)	198	**3,875**
	3,282	**721**	**(326)**	**198**	**3,875**

NOTE 23: AGENCY SERVICES

The Enfield Pension Fund does not use any agency services to administer the pension service.

NOTE 24: RELATED PARTY TRANSACTIONS

London Borough of Enfield

The Enfield Pension Fund is administered by the London Borough of Enfield. Consequently, there is a strong relationship between the Council and the Pension fund.

During the reporting period, the Council incurred costs of £1.695m (2019/20: £1.124m) in relation to the administration of the fund and was subsequently reimbursed by the fund for these expenses. The Council is also the single largest employer of members of the pension fund and contributed £38.5m to the fund in (2019/20 £39.2m). At year end the Pension Fund owed the Council £126k (£460k in 2019/20).

Scheduled and admitted bodies owed the Fund £898k (£844k in 2019/20) from employer & employee contributions. All payments were received by 19th April 2021.

Governance

The Enfield Council has decided that Councillors should not be allowed to join the LGPS scheme and receive pension benefits from the Fund.

No allowances are paid to Members directly in respect of the Pension Policy & Investment Committee. The Chair of the Pension Policy & Investment Committee, however, is paid a special responsibility allowance.

During the year, no member or Council Officer with direct responsibility for pension fund issues had undertaken any declarable material transactions with the Pension Fund. Each member of the Pension Committee is required to declare their interests at meetings.

NOTE 24A: KEY MANAGEMENT PERSONNEL

The key management personnel of the fund are the Pension manager, Finance Manager (Pensions & Treasury), the Head of Exchequer Services. As required by paragraph 3.9.4.2 of the CIPFA code of practice 2020/21 the figures below show the total remuneration and the change in value of post-employment benefits provided to these individuals over the accounting year.

31 March 2020 £000s		31 March 2021 £000s
237	Short-term benefits	267
72	Post-employment benefits	74
309		**341**

NOTE 25: CONTINGENT LIABILITIES AND CONTRACTUAL COMMITMENTS

The total outstanding capital commitments (investments) at 31 March 2021 are £40m (31 March 2020 were £70m).

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts ‘called’ by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

Section 3: Statutory Statements – Funding Strategy Statement (FSS)

1. Introduction

This is the Funding Strategy Statement (FSS) of the London Borough of Enfield Pension Fund ("the Fund"), which is administered by the London Borough of Enfield, ("the Administering Authority").

It has been reviewed by the Administering Authority in collaboration with the Fund's Actuary, Aon Hewitt. This revised version replaces the previous FSS and is effective from 1 April 2020.

1.1 Regulatory Framework

Scheme members' accrued benefits are guaranteed by statute. Members' contributions are fixed in the Regulations at a level which covers only part of the cost of accruing benefits. Employers currently pay the balance of the cost of delivering the benefits to members. The FSS focuses on the pace at which these liabilities are funded and, insofar as is practical, the measures to ensure that employers pay for their own liabilities.

This Statement has been prepared in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013 (the 'LGPS Regulations'). The Statement describes London Borough of Enfield's strategy, in its capacity as Administering Authority, for the funding of the London Borough of Enfield Pension Fund.

As required by Regulation 58(4)(a), the Statement has been prepared having regard to guidance published by CIPFA in March 2004 and updated guidance published by CIPFA in September 2016.

In accordance with Regulation 58(3), all employers participating within the London Borough of Enfield Pension Fund have been consulted on the contents of this Statement and their views have been taken into account in formulating the Statement. However, the Statement describes a single strategy for the Fund as a whole.

In addition, the Administering Authority has had regard to the Fund's Investment Strategy Statement published under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the Investment Regulations).

1.2 Review of FSS

The FSS is reviewed in detail at least every three years ahead of the triennial valuation being completed. Annex 1 is updated more frequently to reflect any changes to employers.

The Administering Authority will monitor the funding position of the Fund on a regular basis between valuations and will discuss with the Fund Actuary whether any significant changes have arisen that require action.

The FSS is a summary of the Fund's approach to funding liabilities. It is not an exhaustive statement of policy on all issues. If you have any queries, please contact Bola Tobun in the first instance at bola.tobun@enfield.gov.uk
or on 0208 132 1588

2. Purpose

2.1 Purpose of FSS

The Ministry for Housing, Communities & Local Government (MHCLG) stated that the purpose of the FSS is to set out the processes by which the Administering Authority:

- *"establishes a **clear and transparent fund-specific funding strategy,** that will identify how employers' pension liabilities are best met going forward;*
- *supports desirability of maintaining **as nearly constant a primary contribution rate as possible, as defined in Regulation 62(5) of the LGPS Regulations 2013**;*
- *ensures that the regulatory requirements to set contributions so as to ensure the **solvency and long-term cost efficiency** of the Fund are met;*
- *takes a **prudent longer-term view** of funding those liabilities."*

These objectives are desirable individually but may be mutually conflicting.

This statement sets out how the Administering Authority has balanced the conflicting aims of affordability of contributions, transparency of processes, stability of employers' contributions, and prudence of the funding basis.

2.2 Purpose of the Fund

The Fund is a vehicle by which scheme benefits are delivered. The Fund:

- receives contributions, transfers in and investment income; and
- pays scheme benefits, transfers out, costs, charges and expenses as defined in the LGPS Regulations and as required in the Investment Regulations.

Three objectives of a funded scheme are:

- to reduce the variability of pension costs over time for employers compared with an unfunded (pay-as-you-go) alternative;

- not to unnecessarily restrain the investment strategy of the Fund so that the Administering Authority can seek to maximise investment returns (and hence minimise the cost of the benefits) for an appropriate level of risk; and

- to help employers recognise and manage pension liabilities as they accrue, with consideration to the effect on the operation of their business where the Administering Authority considers this appropriate.

Therefore it is the aim of the Fund to enable employer contribution levels to be kept as nearly constant as possible and (subject to the Administering Authority not taking undue risks) at reasonable cost to the taxpayers, scheduled, resolution and admitted bodies, while achieving and maintaining Fund solvency and long term cost efficiency, which should be assessed in light of the risk profile of the Fund and the risk appetite of the Administering Authority and employers alike.

The roles and responsibilities of the key parties involved in the management of the pension scheme are summarised in Annex 2.

2.3 Aims of the Funding Policy

The objectives of the Fund's funding policy include the following:

- to comply with regulation 62 of the LGPS Regulations, and specifically:

- to ensure that sufficient funds are available to meet all benefits as they fall due for payment;

- to ensure the long-term solvency and long term cost efficiency of the Fund as a whole and the solvency of each of the sub-funds notionally allocated to individual employers, which should be assessed in light of the risk profile of the Fund and Employers;

- to minimise the degree of short-term change in the level of employers' contributions where the Administering Authority considers it reasonable to do so;

- to use reasonable measures to reduce the risk to other employers and ultimately to the Council Tax payer from an employer defaulting on its pension obligations;

- to address the different characteristics of the disparate employers or groups of employees, to the extent that this is practical and cost effective; and

- to maintain the affordability of the Fund to employers as far as is reasonable over the longer term.

3.1 Derivation of Employer Contributions

Employer contributions are normally made up of two elements:

a) the estimated cost of future benefits being accrued, referred to as the "*future service rate*" or the primary contribution rate; plus

b) an adjustment for the funding position of accrued benefits relative to the Fund's funding target, the "*past service adjustment".* If there is a surplus there may be a contribution reduction. If there is a deficit, there may be a contribution addition, with the surplus or deficit spread over an appropriate period. This is known as the secondary contribution.

The Fund's Actuary is required by the regulations to report the *Primary Contribution Rate*[1], for all employers collectively at each triennial valuation. There is no universally agreed interpretation of the composition of the Primary Rate across Local Government Pension Scheme Funds. For the purpose of publishing a Primary Contribution Rate, the aggregate future service rate is used.

The Fund's Actuary is also required to adjust the Primary Contribution Rate for circumstances which are deemed "peculiar" to an individual employer[2]. It is the adjusted contribution rate which employers are actually required to pay, and this is referred to as the Secondary employer contribution requirement.

In effect, the *Primary Contribution Rate* is a notional quantity. Separate future service rates are calculated for each employer, or pool, together with individual past service adjustments according to employer (or pool) -specific spreading and phasing periods.

Any costs of early retirements, other than on the grounds of ill-health, must be paid as lump sum payments at the time of the employer's decision in addition to the contributions described above (or by instalments shortly after the decision).

Employers' contributions are expressed as minima, with employers able to pay regular contributions at a higher rate. Employers should discuss their intentions with the Administering Authority before making any additional capital payments.

3.2 Funding Principle

The Fund is financed on the principle that it seeks to provide funds sufficient to enable payment of 100% of the benefits promised.

3.3 Funding Targets

Risk Based Approach

The Fund utilises a risk based approach to funding strategy.

A risk based approach entails carrying out the actuarial valuation on the basis of the assessed likelihood of meeting the funding objectives, rather than relying on a 'deterministic' approach which gives little idea of the associated risk. In practice, three key decisions are required for the risk based approach:

[1] See Regulation 62(5)
[2] See Regulation 62(7)

- what the Solvency Target should be (the funding objective - where the Administering Authority wants the Fund to get to),

- the Trajectory Period (how quickly the Administering Authority wants the Fund to get there), and

- the Probability of Funding Success (how likely the Administering Authority wants it to be now that the Fund will actually achieve the Solvency Target by the end of the Trajectory Period).

These three choices, supported by complex risk modelling carried out by the Fund Actuary, define the appropriate levels of contribution payable now and, by extension, the appropriate valuation approach to adopt now. Together they measure the riskiness of the funding strategy.

These three terms are considered in more detail below.

Solvency Target and Funding Target

Solvency and Funding Success

The Administering Authority's primary aim is long-term solvency. Accordingly, employers' contributions will be set to ensure that 100% of the liabilities can be met over the long term, using appropriate actuarial assumptions. The Solvency Target is the amount of assets which the Fund wishes to hold at the end of the Trajectory Period (see later) to meet this aim.

The Fund is deemed to be solvent when the assets held are equal to or greater than 100% of the Solvency Target, where the Solvency Target is the value of the Fund's liabilities evaluated using appropriate methods and assumptions.

The Administering Authority believes that its funding strategy will ensure the solvency of the Fund because employers collectively have the financial capacity to increase employer contributions should future circumstances require, in order to continue to target a funding level of 100%.

For Scheduled Bodies and Admission Bodies with guarantors of sound covenant agreeing to subsume assets and liabilities following exit, the Solvency Target is set at a level advised by the Fund Actuary as a prudent long-term funding objective for the Fund to achieve at the end of the Trajectory Period based on a long-term investment strategy that allows for continued investment in a mix of growth and matching assets intended to deliver a return above the rate of increases in pensions and pension accounts (CPI).

For Admission Bodies and other bodies whose liabilities are expected to be orphaned following exit, the required Solvency Target will typically be set at a more prudent level dependent on circumstances. For most such bodies, the chance of achieving solvency will be set commensurate with assumed investment in an appropriate portfolio of Government index linked and fixed interest bonds after exit.

Probability of Funding Success

The Administering Authority deems funding success to have been achieved if the Fund, at the end of the Trajectory Period, has achieved the Solvency Target. The Probability of Funding Success is the assessed chance of this happening based on the level of contributions payable by members and employers, and asset-liability modelling carried out by the Fund Actuary. For this purpose, the Trajectory Period is defined to be the period of 25 years following the valuation date.

Consistent with the aim of enabling employers' total contribution levels to be kept as nearly constant as possible, the required chance of achieving the Solvency Target at the end of the Trajectory Period for each employer or employer group can be altered at successive valuations within an overall envelope of acceptable risk.

The Administering Authority will not permit contributions to be set following a valuation that create an unacceptably low chance of achieving the Solvency Target at the end of the Trajectory Period.

Funding Target

The Funding Target is the amount of assets which the Fund needs to hold at the valuation date to pay the liabilities at that date. It is a product of the data, chosen assumptions, and valuation method. The assumptions for the Funding Target are chosen to be consistent with the Administering Authority's desired Probability of Funding Success.

The valuation method including the components of Funding Target, future service costs and any adjustment for the surplus or deficiency simply serve to set the level of contributions payable, which in turn dictates the chance of achieving the Solvency Target at the end of the Trajectory Period (defined below). The Funding Target will be the same as the Solvency Target only when the methods and assumptions used to set the Funding Target are the same as the appropriate funding methods and assumptions used to set the Solvency Target (see above).

The discount rate, and hence the overall required level of employer contributions, has been set at the 2019 valuation such that the Fund Actuary estimates there is an 80% chance that the Fund would reach or exceed its Solvency Target after 25 years.

Consistent with the aim of enabling employers' contribution levels to be kept as nearly constant as possible:

- Primary contribution rates are set by use of the Projected Unit valuation method for most employers. The Projected Unit method is used in the actuarial valuation to determine the cost of benefits accruing to the Fund as a whole and for employers who continue to admit new members. This means that the contribution rate is derived as the cost of benefits accruing to employee members over the year following the valuation date expressed as a percentage of members' pensionable pay over that period.

- For employers who no longer admit new members, the Attained Age valuation method is normally used. This means that the contribution rate is derived as the average cost of benefits accruing to members over the period until they die, leave the Fund or retire.

Application to different types of body

Some comments on the principles used to derive the Solvency and Funding Target for different bodies in the Fund are set out below.

Scheduled Bodies and certain other bodies of sound covenant

The Administering Authority will adopt a general approach in this regard of assuming indefinite investment in a broad range of assets of higher risk than low risk assets for Scheduled Bodies whose participation in the Fund is considered by the Administering Authority to be indefinite and for certain other bodies which are long term in nature e.g. Admission Bodies with a subsumption commitment from such Scheduled Bodies.

For other Scheduled Bodies the Administering Authority may without limitation, take into account the following factors when setting the funding target for such bodies:

- the type/group of the employer
- the business plans of the employer;
- an assessment of the financial covenant of the employer;
- any contingent security available to the Fund or offered by the employer such as a guarantor or bond arrangements, charge over assets, etc.

Admission Bodies and certain other bodies whose participation is limited

For Admission Bodies, bodies closed to new entrants and other bodies whose participation in the Fund is believed to be of limited duration through known constraints or reduced covenant, and for which no access to further funding would be available to the Fund after exit the Administering Authority will have specific regard to the potential for participation to cease (or for the employer to have no contributing members), the potential timing of such exit, and any likely change in notional or actual investment strategy as regards the assets held in respect of the body's liabilities at the date of exit (i.e. whether the liabilities will become 'orphaned' or whether a guarantor exists to subsume the notional assets and liabilities).

3.4 Full funding

The Fund is deemed to be fully funded when the assets held are equal to 100% of the Funding Target, where the funding target is assessed based on the sum of the appropriate funding targets across all the employers / groups of employers. When assets held are greater than this amount the Fund is deemed to be in surplus, and when assets held are less than this amount the Fund is deemed to be in deficit.

3.5 Ongoing Funding Basis

Demographic assumptions

The demographic assumptions are intended to be best estimates of future experience in the Fund having regard to past experience in the Fund as advised by the Fund Actuary.

It is acknowledged that future life expectancy and in particular, the allowance for future improvements in mortality, is uncertain. The Administering Authority, in discussions with the Actuary, keeps the longevity experience of the Fund members under review. Contributions are likely to increase in future if longevity exceeds the funding assumptions.

The approach taken is considered reasonable in light of the long term nature of the Fund and the assumed statutory guarantee underpinning members' benefits. The demographic assumptions vary by type of member and so reflect the different profile of employers.

Financial assumptions

The key financial assumption is the anticipated return on the Fund's investments. The investment return assumption makes allowance for anticipated returns from the Fund's assets in excess of gilts. There is, however, no guarantee that the assets will out-perform gilts or even match the return on gilts. The risk is greater when measured over short periods such as the three years between formal actuarial valuations, when the actual returns and assumed returns can deviate sharply.

The problem is that these types of investment are expected to provide higher yields because they are less predictable – the higher yield being the price of that unpredictability. It is therefore imprudent to take advance credit for too much of these extra returns in advance of them actually materialising.

Higher employers' contribution rates would be expected to result if no advance credit was taken. The Administering Authority and the Fund Actuary have therefore agreed that it is sufficiently prudent and consistent with the Regulations to take advance credit for some of the anticipated extra returns, but not all.

3.6 Primary or Future Service Contribution Rates

The Primary (future service) element of the employer contribution requirement is calculated on the ongoing valuation basis, with the aim of ensuring that there are sufficient assets built up to meet future benefit payments in respect of future service.

The approach used to calculate the employer's future service contribution rate depends on whether or not new entrants are being admitted.

Employers should note that only certain employers have the power not to automatically admit all eligible new staff to the Fund, e.g. certain Admission Bodies depending on the terms of their Admission Agreements and employment contracts.

3.7 Adjustments for Individual Employers

Notional sub-funds

In order to establish contribution levels for individual employers, or groups of employers, it is convenient to notionally subdivide the Fund as a whole between the employers, or group of employers where grouping operates, as if each employer had its own notional sub-fund within the Fund.

This subdivision is for funding purposes only. It is purely notional in nature and does not imply any formal subdivision of assets, nor ownership of any particular assets or group of assets by any individual employer or group of employers.

Roll-forward of notional sub-funds

The notional sub-fund allocated to each employer will be rolled forward allowing for all cashflows associated with that employer's membership, including contribution income, benefit outgo, transfers in and out and investment income allocated as set out below. In general, no allowance is made for the timing of contributions and cashflows for each year are assumed to be made half way through the year with investment returns assumed to be uniformly earned over that year.

Further adjustments are made for:

- A notional deduction to meet the expenses paid from the Fund in line with the assumption used at the previous valuation.

- Allowance for any known material internal transfers in the Fund (cashflows will not exist for these transfers). The Fund Actuary will assume an estimated cashflow equal to the value of the Cash Equivalent Transfer Value (CETV) of the members transferring from one employer to the other unless some other approach has been agreed between the two employers.

- Allowance for death in service benefits, ill-health retirement costs and any other benefits shared across all employers (see earlier).

- An overall adjustment to ensure the notional assets attributed to each employer is equal to the total assets of the Fund which will take into account any gains or losses related to the orphan liabilities.

In some cases information available will not allow for such cashflow calculations. In such a circumstance:

- Where, in the opinion of the Fund Actuary, the cashflow data which is unavailable is of low materiality, estimated cashflows will be used.

- Where, in the opinion of the Fund Actuary, the cashflow data which is unavailable is material, the Fund Actuary will instead use an analysis of gains and losses to roll forward the notional sub-fund. Analysis of gains and losses methods are less precise than use of cashflows and involve calculation of gains and losses relative to the surplus or deficit exhibited at the previous valuation. Having established an expected surplus or deficit at this valuation, comparison of this with the liabilities evaluated at this valuation leads to an implied notional asset holding.

- Analysis of gains and losses methods will also be used where the results of the cashflow approach appears to give unreliable results, perhaps because of unknown internal transfers.

Fund maturity

To protect the Fund, and individual employers, from the risk of increasing maturity producing unacceptably volatile contribution adjustments as a percentage of pay, the Administering Authority will normally require defined capital streams from employers in respect of any disclosed funding deficiency.

In certain circumstances, for secure employers considered by the Administering Authority as being long term in nature, contribution adjustments to correct for any disclosed deficiency may be set as a percentage of payroll. Such an approach carries an implicit assumption that the employer's payroll will increase at an assumed rate over the longer term. If payroll fails to grow at this rate, or declines, insufficient corrective action will have been taken. To protect the Fund against this risk, the Administering Authority will monitor payrolls and where evidence is revealed of payrolls not increasing at the anticipated rate as used in the calculations, the Administering Authority will consider requiring defined streams of capital contributions rather than percentages of payroll.

Where defined capital streams are required, the Administering Authority will review at future valuations whether any new emerging deficiency will give rise to a new, separate, defined stream of contributions, or will be consolidated with any existing stream of contributions into one new defined stream of contributions.

Attribution of investment income

Where the Administering Authority has agreed with an employer that it will have a tailored asset portfolio notionally allocated to it, the assets notionally allocated to that employer will be credited with a rate of return appropriate to the agreed notional asset portfolio.

Where the employer has not been allocated a tailored notional portfolio of assets, the assets notionally allocated to that employer will be credited with the rate of return earned by the Fund assets as a whole, adjusted for any return credited to those employers for whom a tailored notional asset portfolio exists.

3.8 Stability of Employer Contributions

3.8.1 Recovery and Trajectory Periods

The Trajectory Period in relation to an employer is the period between the valuation date and the date on which solvency is targeted to be achieved.

Where a valuation reveals that the employer or employer group's sub-fund is in surplus or deficiency against the Funding Target, employers' contribution rates will be adjusted to target restoration of full funding over a period of years (the Recovery Period). The Recovery Period to an employer or group of employers is therefore the period over which any adjustment to the level of contributions in respect of a surplus or deficiency relative to the Funding Target used in the valuation is payable.

In the event of a surplus the Administering Authority may at its discretion opt to retain that surplus in the employer's sub-fund (i.e. base that employer's contribution on the primary contribution rate alone without any deduction to reflect surplus) or may determine the deduction for surplus so as to target a funding level of higher than 100% at the end of the Recovery Period. At the 2019 valuation the policy adopted by the Administering Authority for most employers in surplus is to target a funding level of 105% at the end of the Recovery Period.

The Trajectory Period and the Recovery Period are not necessarily equal.
The Recovery Period applicable for each participating employer is set by the Administering Authority in consultation with the Fund Actuary and the employer, with a view to balancing the various funding requirements against the risks involved due to such issues as the financial strength of the employer and the nature of its participation in the Fund.

The Administering Authority recognises that a large proportion of the Fund's liabilities are expected to arise as benefit payments over long periods of time. For employers of sound covenant, the Administering Authority is prepared to agree to recovery periods which are longer than the average future working lifetime of the membership of that employer. The Administering Authority recognises that such an approach is consistent with the aim of keeping employer contribution rates as nearly constant as possible. However, the Administering Authority also recognises the risk in relying on long Recovery Periods for employers with a deficiency and has agreed with the Fund Actuary a limit of 16 years, for employers with a deficiency which are assessed by the Administering Authority as being long term secure employers. For surplus recovery (where applicable) in relation to employers in surplus, the Administering Authority has agreed with the Fund Actuary that a Recovery Period of 19 years will normally be used, or for employers with a fixed term of participation the remaining term of participation may be used as the Recovery Period.

For employers with a deficiency, the Administering Authority's policy is normally to set Recovery Periods for each employer which are as short as possible within this framework, whilst attempting to maintain stability of contribution levels where possible. An exception applies for academies – see subsection 3.9.7. For employers whose participation in the fund is for a fixed period it is unlikely that the Administering Authority and Fund Actuary would agree to a Recovery Period longer than the remaining term of participation.

3.8.2 Grouped contributions

In some circumstances it may be desirable to group employers within the Fund together for funding purposes (i.e. to calculate employer contribution rates). Reasons might include reduction of volatility of contribution rates for small employers, facilitating situations where employers have a common source of funding or accommodating employers who wish to share the risks related to their participation in the Fund.

The Administering Authority recognises that grouping can give rise to cross subsidies from one employer to another over time. Employers may be grouped entirely, such that all of the risks of participation are shared, or only partially grouped such that only specified risks are shared. The Administering Authority's policy is to consider the position carefully at the initial grouping and at each valuation and to notify each employer that is grouped, which other employers it is grouped with, and details of the grouping method used. If the employer objects to this grouping, it will be offered its own contribution rate on an ungrouped basis. For employers with more than 50 contributing members, the Administering Authority would look for evidence of homogeneity between employers before considering grouping. For employers whose participation is for a fixed period grouping is unlikely to be permitted.

Best Value Admission Bodies continue to be ineligible for grouping.

Where employers are grouped for funding purposes, this will only occur with the consent of the employers involved.

All employers in the Fund are grouped together in respect of the risks associated with payment of lump sum and spouses pension benefits on death in service as well as ill-health retirement costs – in other words, the cost of such benefits is shared across the employers in the Fund. Such benefits can cause immediate funding strains which could be significant for some of the smaller employers without insurance or sharing of risks. The Fund, in view of its size, does not see it as cost effective or necessary to insure these benefits externally and this is seen as a pragmatic and low-cost approach to spreading the risk.

3.8.3 Stepping

Again, consistent with the desirability of keeping employer contribution levels as nearly constant as possible, the Administering Authority will consider, at each valuation, whether new contribution rates should be payable immediately, or should be reached by a series of steps over future years. The Administering Authority will discuss with the Fund Actuary the risks inherent in such an approach and will examine the financial impact and risks associated with each employer. The Administering Authority's policy is that in the normal course of events no more than three annual steps will be permitted. Further steps may be permitted in extreme cases in consultation with the Fund Actuary, but the total is very unlikely to exceed six steps.

3.8.4 Long-term cost efficiency

In order to ensure that measures taken to maintain stability of employer contributions are not inconsistent with the statutory objective for employer contributions to be set so as to ensure the long-term cost efficiency of the Fund, the Administering Authority has assessed the actual contributions payable by considering:

- The implied average deficit recovery period, allowing for the stepping of employer contribution changes where applicable;

- The investment return required to achieve full funding over the recovery period; and

- How the investment return compares to the Administering Authority's view of the expected future return being targeted by the Fund's investment strategy

3.8.5 Inter-valuation funding calculations

In order to monitor developments, the Administering Authority may from time to time request informal valuations or other calculations. Generally, in such cases the calculations will be based on an approximate roll forward of asset and liability values, and liabilities calculated by reference to assumptions consistent with the most recent preceding valuation. Specifically, it is unlikely that the liabilities would be calculated using individual membership data, and nor would the assumptions be subject to review as occurs at formal triennial valuations.

3.9 Special Circumstances related to certain employers

3.9.1 Interim reviews

Regulation 64(4) of the LGPS Regulations provides the Administering Authority with a power to carry out valuations in respect of employers which are expected to cease at some point in the future, and for the Fund Actuary to certify revised contribution rates, between triennial valuation dates.

The Administering Authority's overriding objective at all times in relation to Admission Bodies is that, where possible, there is clarity over the Funding Target for that body, and that contribution rates payable are appropriate for that Funding Target. However, this is not always possible as any date of exit of participation may be unknown (for example, participation may be assumed at present to be indefinite), and also because market conditions change daily.

The Administering Authority's general approach in this area is as follows:

- Where the date of exit is known, and is more than three years hence, or is unknown and assumed to be indefinite, interim valuations will generally not be carried out at the behest of the Administering Authority.

- For Admission Bodies falling into the above category, the Administering Authority sees it as the responsibility of the relevant Scheme Employer to instruct it if an interim valuation is required. Such an exercise would be at the expense of the relevant Scheme Employer unless otherwise agreed.

- A material change in circumstances, such as the date of exit becoming known, material membership movements or material financial information coming to light may cause the Administering Authority to informally review the situation and subsequently formally request an interim valuation.

- For an employer whose participation is due to cease within the next three years, the Administering Authority will keep an eye on developments and may see fit to request an interim valuation at any time.

Notwithstanding the above guidelines, the Administering Authority reserves the right to request an interim valuation of any employer at any time if Regulation 64(4) applies.

3.9.2 Guarantors

Some employers may participate in the Fund by virtue of the existence of a Guarantor. The Administering Authority maintains a list of employers and their associated Guarantors. The Administering Authority, unless notified otherwise, sees the duty of a Guarantor to include the following:

- If an employer ceases and defaults on any of its financial obligations to the Fund, the Guarantor is expected to provide finance to the Fund such that the Fund receives the amount certified by the Fund Actuary as due, including any interest payable thereon.

- If the Guarantor is an employer in the Fund and is judged to be of suitable covenant by the Administering Authority, the Guarantor may defray some of the financial liability by subsuming the residual liabilities into its own pool of Fund liabilities. In other words, it agrees to be a source of future funding in respect of those liabilities should future deficiencies emerge.

- During the period of participation of the employer a Guarantor can at any time agree to the future subsumption of any residual liabilities of an employer. The effect of that action would be to reduce the Funding and Solvency Targets for the employer, which would probably lead to reduced contribution requirements.

3.9.3 Bonds and other securitization

Paragraph 6 of Schedule 2 Part 3 of the LGPS Regulations creates a requirement for a new admission body to carry out, to the satisfaction of the Administering Authority (and Scheme Employer in the case of an Admission Body admitted under paragraph 1 (d)(i) of that part of the Regulations), an assessment taking account of actuarial advice, of the level of risk arising on premature termination of the provision of service or assets by reason of insolvency, winding up or liquidation of the admission body.

Where the level of risk identified by the assessment is such as to require it, the Admission Body shall enter into an indemnity or bond with an appropriate party.

Where for any reason it is not desirable for an Admission Body to enter into an indemnity bond, the Admission Body is required to secure a guarantee in a form satisfactory to the Administering Authority from an organisation who either funds, owns or controls the functions of that admission body.

The Administering Authority's approach in this area is as follows:

- In the case of Admission Bodies admitted under Paragraph 1(d) of Part 3, Schedule 2 of the LGPS Regulations and other Admission Bodies with a Guarantor, and so long as the Administering Authority judges the relevant Scheme Employer or Guarantor to be of sufficiently sound covenant, any bond exists purely to protect the relevant Scheme Employer or Guarantor on default of the Admission Body. As such, it is entirely the responsibility of the relevant Scheme Employer or Guarantor to arrange any risk assessments and decide the level of required bond from the Admission Body, if any. The Administering Authority will be pleased to supply some standard calculations provided by the Fund Actuary to aid the relevant Scheme Employer or Guarantor, but this should not be construed as advice to the relevant Scheme Employer or Guarantor on this matter. Once the Scheme Employer or Guarantor confirms their agreement to the level of bond cover proposed, the Administering Authority will be happy to supply a separate document (provided by the Fund Actuary) to the Admission Body setting out the level of cover that the Administering Authority and Scheme Employer/Guarantor consider suitable. Again, this should not be construed as advice relevant to the Admission Body on this matter. The Administering Authority notes that levels of required bond cover can fluctuate and recommends that relevant Scheme Employers review the required cover regularly, at least once a year.

- In the case of Admission Bodies admitted under Paragraph 1(d) of Part 3, Schedule 2 of the Regulations or Admission Bodies admitted under that Part of the Regulations where the Administering Authority does not judge the relevant Scheme Employer to be of sufficiently strong covenant and Admission Bodies admitted under Paragraph 1(e) of Part 3, Schedule 2 of the Regulations where there is no Guarantor or where the Administering Authority does not judge the Guarantor to be of sufficiently strong covenant, the Administering Authority must be involved in the assessment of the required level of bond to protect the Fund. The admission will only be able to proceed once the Administering Authority has agreed the level of bond cover. As such, the Administering Authority will obtain some "standard" calculations from the Fund Actuary to assist them to form a view on what level of bond would be satisfactory. The Administering Authority will be pleased to supply this calculation to the Scheme Employer or Guarantor, where relevant, but this should not be construed as advice to the relevant Scheme Employer or Guarantor on this matter. Once the Scheme Employer or Guarantor, where relevant, confirms their agreement to the level of bond proposed, the Administering Authority will be happy to provide a separate document to the Admission Body setting out the level of cover which the Administering Authority and Scheme Employer/Guarantor, where relevant, consider suitable, but this should not be constructed as advice relevant to the Admission Body on this matter. The Administering Authority notes that levels of required bond cover can fluctuate and will require the relevant Scheme Employer or Guarantor, where relevant, to jointly review the required cover with it regularly, at least once a year.

3.9.4 Subsumed liabilities

Where an employer is ceasing participation in the Fund such that it will no longer have any contributing members, it is possible that another employer in the Fund agrees to provide a source of future funding in respect of any emerging deficiencies in respect of those liabilities.

In such circumstances the liabilities are known as subsumed liabilities (in that responsibility for them is subsumed by the accepting employer). For such liabilities the Administering Authority will assume that the investments held in respect of those liabilities will be the same as those held for the rest of the liabilities of the accepting employer. Generally, this will mean assuming continued investment in more risky investments than Government bonds.

3.9.5 Orphan liabilities

Where an employer is exiting the Fund such that it will no longer have any contributing members, unless any residual liabilities are to become subsumed liabilities, the Administering Authority will act on the basis that it will have no further access for funding from that employer once any exit valuation, carried out in accordance with Regulation 64, has been completed and any sums due have been paid. Residual liabilities of employers from whom no further funding can be obtained are known as orphan liabilities.

The Administering Authority will seek to minimise the risk to other employers in the Fund that any deficiency arises on the orphan liabilities such that this creates a cost for those other employers to make good the deficiency. To give effect to this, the Administering Authority will seek funding from the outgoing employer sufficient to enable it to match the liabilities with low risk investments, generally Government fixed interest and index linked bonds.

To the extent that the Administering Authority decides not to match these liabilities with Government bonds of appropriate term then any excess or deficient returns will be added to or deducted from the investment return to be attributed to the notional assets of the other employers participating in the Fund.

3.9.6 Cessation of participation

Where an employer ceases participation, an exit valuation will be carried out in accordance with Regulation 64. That valuation will take account of any activity as a consequence of cessation of participation regarding any existing contributing members (for example any bulk transfer payments due) and the status of any liabilities that will remain in the Fund.

In particular, the exit valuation may distinguish between residual liabilities which will become orphan liabilities, and liabilities which will be subsumed by other employers.

Unless the Administering Authority has agreed to the contrary, the Funding Target in the exit valuation will anticipate investment in low risk investments such as Government bonds.

For subsumed liabilities, the Administering Authority may in its absolute discretion instruct the Actuary to value those liabilities using the Funding Target appropriate to the accepting employer.

The departing employer will be expected to make good any deficit revealed in the exit valuation. The fact that liabilities may become subsumed liabilities does not remove the possibility of an exit payment being required from the employer.

In relation to employers exiting on or after 14 May 2018, where there is an agreement between the departing employer and the accepting employer that a condition of accepting the liabilities is that there is to be no exit credit to the exiting employer on exit, all of the assets which are notionally allocated to the liabilities being accepted will transfer to the accepting employer and no exit credit will be paid to the departing employer.

In all other cases where the exit valuation above shows a surplus in relation to employers exiting on or after 14 May 2018, an exit credit will be paid to the exiting employer within 3 months of the later of (a) the exit date; and (b) the date when the employer has provided the Fund with all requisite information in order for the Fund to facilitate the exit valuation.

3.9.7 Academies

Academies are scheduled bodies and, as such, have an automatic right to join the LGPS. Guidance has been issued by the Secretaries of State for Education and Communities and Local Government but in practice differing approaches are being taken when setting the funding strategy for academies.

New Academy conversions

In future for a new academy conversion while the London Borough of Enfield's sub-fund is in deficit, the Administering Authority's standard approach will be to:

- Allocate liabilities to the academy in relation to its current employees only, with the London Borough of Enfield Group sub-fund retaining liability for former employees;

- Allocate a share of assets from the London Borough of Enfield's sub-fund to the new academy's sub-fund based on what is known as a "prioritised share of fund" approach. This means that the academy will inherit an appropriate share of the deficit attributable at conversion to the London Borough of Enfield's former employees as well as the academy's own employees.

- Set contribution levels prior to the next valuation in line with the London Borough of Enfield's contribution rate, provided this leads to a Recovery Period for the Academy which is no longer than the Recovery Period for the London Borough of Enfield. In the latter case the Recovery Period would be set to coincide with the Recovery Period for the London Borough of Enfield and a contribution level determined accordingly.

In future for a new academy conversion while the London Borough of Enfield's sub-fund is in surplus, the Administering Authority's standard approach will be to:

- Allocate liabilities to the academy in relation to its current employees only, with the London Borough of Enfield Group sub-fund retaining liability for former employees;

- Allocate a share of assets from the London Borough of Enfield's sub-fund to the new academy's sub-fund which is equal to the value placed on the liabilities upon conversion for the academy's current employees.

- Set contribution levels prior to the next valuation in line with the London Borough of Enfield's future service ("primary") contribution rate.

The same principles as above apply for the allocation of assets and liabilities in cases where a local authority school is being converted to join a Multi Academy Trust. However, the contribution level required will be in line with the rate applicable to the Multi Academy Trust.

Existing academies and Multi Academy Trusts

Where contributions are reviewed at triennial valuations, the same principles apply in relation to existing academies and Multi Academy Trusts as for other employers.

The exception is that for academies which converted on or after 1 April 2017 with a deficit and whose sub-fund has subsequently remained in deficit (and where the London Borough of Enfield's sub-fund is also in deficit at that valuation), the contribution levels for the academy will normally be set in line with the London Borough of Enfield's rate provided this leads to a Recovery Period not longer than the relevant period for the London Borough of Enfield (in which case the Recovery Period will be set to coincide with the Recovery Period for the London Borough of Enfield).

3.9.8 Admission Bodies with 10 members or fewer

In the case of an Admission Body which has 10 members or fewer (active members, deferred pensioners and pensioners) at a triennial valuation date or on its admission to the Fund between valuations, the Administering Authority may at its sole discretion permit/require the employer to pay the same long-term total % of pay contribution rate as applies for the London Borough of Enfield.

The above approach (which can involve higher/lower contribution levels being required than might be the case if the contributions were set on an employer-specific basis) is adopted in the interests of simple and cost-effective administration, having weighed up the advantages of the approach against the associated risks. The Administering Authority will keep the approach under review at future valuations.

3.10 Early Retirement Costs

3.10.1 Non Ill-Health retirements

The Actuary's funding basis makes no allowance for premature retirement except on grounds of ill-health. All employers, irrespective of whether or not they are pooled, are required to pay additional contributions wherever an employee retires early (see below) with no reduction to their benefit or receives an enhanced pension on retirement. The current costs of these are calculated by reference to formulae and factors provided by the Actuary.

In broad terms it assumed that members' benefits on retirement are payable from the earliest age that the employee could retire without incurring a reduction to their benefit and without requiring their employer's consent to retire. Members receiving their pension unreduced before this age, other than on ill-health grounds, are deemed to have retired early. The additional costs of premature retirement are calculated by reference to this age.

4. Links to investment strategy

Funding and investment strategy are inextricably linked. The investment strategy is set by the Administering Authority, after consultation with the employers and after taking investment advice.

4.1 Investment strategy

The investment strategy currently being pursued is described in the Fund's Investment Strategy Statement.

The investment strategy is set for the long-term, but is reviewed from time to time, normally every three years, to ensure that it remains appropriate to the Fund's liability profile. The Administering Authority has adopted a benchmark, which sets the proportion of assets to be invested in key asset classes such as equities, bonds and property.

The investment strategy of lowest risk would be one which provides cashflows which replicate the expected benefit cashflows (i.e. the liabilities). Equity investment would not be consistent with this.

The lowest risk strategy is not necessarily likely to be the most cost-effective strategy in the long-term.

The Fund's benchmark includes a significant holding in equities and other growth assets, in the pursuit of long-term higher returns than from a liability matching strategy. The Administering Authority's strategy recognises the relatively immature liabilities of the Fund, the security of members' benefits and the secure nature of most employers' covenants.

The same investment strategy is currently followed for all employers. The Administering Authority does not currently operate different investment strategies for different employers.

4.2 Consistency with funding bases

The Administering Authority recognises that future experience and investment returns cannot be predicted with certainty. Instead, there is a range of possible outcomes, and different assumed outcomes will lie at different places within that range.

The more optimistic the assumptions made in determining the Funding Target, the more likely that outcome will sit towards the favourable end of the range of possible outcomes, the lower will be the probability of experience actually matching or being more favourable than the assumed experience, and the lower will be the Funding Target calculated by reference to those assumptions.

The Administering Authority will not adopt assumptions for Scheduled Bodies and certain other bodies which, in its judgement, and on the basis of actuarial advice received, are such that it is less than 55% likely that the strategy will deliver funding success (as defined earlier in this document). Where the Probability of Funding Success is less than 65% the Administering Authority will not adopt assumptions which lead to a reduction in the aggregate employer contribution rate to the Fund.

The Administering Authority's policy will be to monitor an underlying low risk position (making no allowance for returns in excess of those available on Government stocks) to ensure that the Funding Target remains realistic.

The Fund does not hold a contingency reserve to protect it against the volatility of equity investments.

4.3 Balance between risk and reward

Prior to implementing its current investment strategy, the Administering Authority considered the balance between risk and reward by altering the level of investment in potentially higher yielding, but more volatile, asset classes like equities. This process was informed by the use of Asset-Liability techniques to model the range of potential future solvency levels and contribution rates.

Enabling employers to follow alternative investment strategies would require investment in new systems and higher ongoing costs which would have to be borne by the employers. The potential benefits of multiple investment strategies would need to be assessed against the costs.

4.4 Intervaluation Monitoring of Funding Position

The Administering Authority monitors investment performance relative to the growth in the liabilities by means of regular monitoring.

5. Key Risks & Controls

5.1 Types of Risk

The Administering Authority's has an active risk management programme in place. The measures that the Administering Authority has in place to control key risks most likely to impact upon the funding strategy are summarised below under the following headings:

- Investment
- Employer
- Liquidity and maturity
- Liability
- Regulatory and compliance;
- Recovery period; and
- Stepping.

5.2 Investment Risk

The risk of investments not performing (income) or increasing in value (growth) as forecast. Examples of specific risks would be:

Risk	Summary of Control Mechanisms
Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term	*Only anticipate long-term return on a relatively prudent basis to reduce risk of under-performing.* *Commission regular funding updates for the Fund as a whole, on an approximate basis.* *Analyse progress at three yearly valuations for all employers.* *Inter-valuation roll-forward of liabilities between formal valuations.*
Systematic risk with the possibility of interlinked and simultaneous financial market volatility	*The Fund's assets are diversified by asset class, geography and investment managers. The diversification serves to reduce, but not eliminate, the investment risk associated with financial market volatility. The Fund regularly monitors its investment strategy.*
Insufficient funds to meet liabilities as they fall due	*Commission regular funding updates for the Fund as a whole, on an approximate basis. Analyse progress at three yearly actuarial valuations.*
Inadequate, inappropriate or incomplete investment and actuarial advice is taken and acted upon	*Regular review of advisers in line with national procurement frameworks*
Counterparty failure	*The Fund regularly reviews its investment managers to review the risk of operational and counterparty failure for its pooled fund investments. For segregated mandates the Fund employs a global custodian to provide safekeeping. The custodian is reviewed on a periodic basis.*
Inappropriate long-term investment strategy	*Set Fund-specific benchmark, informed by Asset-Liability modelling of liabilities. Consider measuring performance and setting managers' targets relative to bond based target, absolute returns or a Liability Benchmark Portfolio and not relative to indices.*
Fall in risk-free returns on Government bonds, leading to rise in value placed on liabilities	*Inter-valuation monitoring, as above. Some investment in bonds helps to mitigate this risk.*

Active investment manager under-performance relative to benchmark	*Short term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark.*
Pay and price inflation significantly more than anticipated	*The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases.* *Inter-valuation monitoring, as above, gives early warning.* *Some investment in index-linked bonds also helps to mitigate this risk.* *Employers pay for their own salary awards and are reminded of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer-serving employees.*
Effect of possible increase in employers' contribution rate on service delivery and admission/scheduled bodies	*Seek feedback from employers on scope to absorb short-term contribution rises.* *Mitigate impact through deficit spreading and phasing in of contribution rises.*

5.3 Employer Risk

Risk	**Summary of Control Mechanisms**
These risks arise from the ever-changing mix of employers; from short-term and ceasing employers; and the potential for a shortfall in payments and/or orphaned liabilities.	*The Administering Authority will put in place a funding strategy statement which contains sufficient detail on how funding risks are managed in respect of the main categories of employer (e.g. scheduled and admitted) and other pension fund stakeholders.* *The Administering Authority will also consider building up a knowledge base on their admitted bodies and their legal status (charities, companies limited by guarantee, group/subsidiary arrangements) and use this information to inform the Funding Strategy Statement.*

5.4 Liquidity and maturity Risk

Risk	Summary of Control Mechanisms
The LGPS is going through a series of changes, each of which will impact upon the maturity profile of the LGPS and have potential cash flow implications. The increased emphasis on outsourcing and other alternative models for service delivery, which result in active members leaving the LGPS; transfer of responsibility between different public sector bodies; scheme changes which might lead to increased opt-outs; the implications of spending cuts – all of these will result in workforce reductions that will reduce membership, reduce contributions and prematurely increase retirements in ways that may not have been taken account of fully in previous forecasts.	*To mitigate this risk the Administering Authority monitors membership movements on a quarterly basis, via a report from the administrator at quarterly meetings. The Actuary may be instructed to consider revising the rates and Adjustments certificate to increase an employer's contributions (under Regulation 78) between triennial valuations and deficit contributions may be expressed in monetary amounts (see Annex 1).* *In addition to the Administering Authority monitoring membership movements on a quarterly basis, it requires employers with Best Value contractors to inform it of forthcoming changes. It also operates a diary system to alert it to the forthcoming termination of Best Value Admission Agreements to avoid failing to commission the Fund Actuary to carry out an exit valuation for a departing Admission Body and losing the opportunity to call in a debt.*
There is also a risk of employers ceasing to exist with insufficient funding or adequacy of a bond.	*The risk is mitigated by seeking a funding guarantee from another scheme employer, or external body, wherever possible and alerting the prospective employer to its obligations and encouraging it to take independent actuarial advice. The Administering Authority also vets prospective employers before admission. Where permitted under the regulations requiring a bond to protect the Fund from the extra cost of early retirements on redundancy if the employer failed.*

5.5 Liability Risk

Risk	Summary of Control Mechanisms
The main risks include inflation, life expectancy and other demographic changes, interest rate and wage and salary inflation which will all impact on future liabilities.	*The Administering Authority will ensure that the Fund Actuary investigates these matters at each valuation or, if appropriate, more frequently, and reports on developments. The Administering Authority will agree with the Fund Actuary any changes which are necessary to the assumptions underlying the measure of solvency to allow for observed or anticipated changes.* *If significant liability changes become apparent between valuations, the Administering Authority will notify all employers of the anticipated impact on costs that will emerge at the next valuation and will review the bonds that are in place for Admission Bodies* admitted under Paragraph 1(d) of Part 3, Schedule 2 of the Regulations.

5.6 Regulatory and compliance risk

Risk	Summary of Control Mechanisms
The risks relate to changes to both general and LGPS specific regulations, national pension requirements or HM Revenue and Customs' rules.	*The Administering Authority will keep abreast of all proposed changes. If any change potentially affects the costs of the Fund, the Administering Authority will ask the Fund Actuary to assess the possible impact on costs of the change. Where significant, the Administering Authority will notify employers of the possible impact and the timing of any change.* *In particular, for the 2019 valuation, there is currently significant uncertainty as to whether improvements to benefits and/or reductions to employee contributions will ultimately be required under the cost management mechanisms introduced as part of the 2014 Scheme, and also as to what improvements to benefits will be required consequent on the "McCloud" equal treatment judgement. The Administering Authority will consider any guidance emerging on these issues during the course of the valuation process and will consider the appropriate allowance to make in the valuation, taking account of the Fund Actuary's advice. At present the Administering Authority considers an appropriate course of action for the 2019 valuation is to include a loading within the employer contribution rates certified by the Fund Actuary that reflects the possible extra costs to the Fund as advised by the Fund Actuary. It is possible that the allowance within contribution rates might be revisited by the Administering Authority and Fund Actuary at future valuations (or, if legislation permits, before future valuations) once the implications for Scheme benefits and employee contributions are clearer.*

5.7 Recovery Period

Risk	Summary of Control Mechanisms
Permitting surpluses or deficits to be eliminated over a Recovery Period rather than immediately introduces a risk that action to restore solvency is insufficient between successive measurements, and/ or that the objective of long-term cost efficiency is not met.	*The Administering Authority will discuss the risks inherent in each situation with the Fund Actuary and limit the Recovery Period where appropriate. Details of the Administering Authority's policy are set out earlier in this Statement.*

5.8 Stepping

Risk	Summary of Control Mechanisms
Permitting contribution rate changes to be introduced by annual steps rather than immediately introduces a risk that action to restore solvency is insufficient in the early years of the process, and/or that the objective of long-term cost efficiency is not met.	*The Administering Authority will discuss the risks inherent in each situation with the Fund Actuary and limit the number of permitted steps as appropriate. Details of the Administering Authority's policy are set out earlier in this Statement.*

Annex 1 – Responsibilities of Key Parties

The three parties whose responsibilities to the Fund are of particular relevance are the Administering Authority, the individual employers and the Fund Actuary.

Their key responsibilities are set out below.

The Administering Authority should:

- operate the pension fund
- collect investment income and other amounts due to the Fund as set out in the LGPS Regulations including employer and employee contributions;
- pay from the Fund the relevant entitlements as set out in the relevant Regulations;
- invest surplus monies in accordance with the Investment Regulations;
- ensure that cash is available to meet liabilities as and when they fall due;
- take measures as set out in the regulations to safeguard the Fund against consequences of employer default;
- manage the valuation process in consultation with the Fund's Actuary;
- prepare and maintain a FSS and a Investment Strategy Statement (ISS), both after proper consultation with interested parties;
- monitor all aspects of the Fund's performance and funding and amend the FSS/ISS as appropriate; and
- effectively manage any potential conflicts of interest arising from its dual role both as Administering Authority and as Scheme Employer.
- Enable the Local Pension Board to review the valuation process as set out in their terms of reference.

The Individual Employers should:

- deduct contributions from employees' pay correctly;
- pay all ongoing contributions, including their own as determined by the Fund Actuary, promptly by the due date;
- develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework;

- make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement strain;
- notify the Administering Authority promptly of all changes to membership or, as may be proposed, which affect future funding;
- pay any exit payments as required in the event of their ceasing participation in the Fund; and
- note and if desired respond to any consultation regarding the Funding Strategy Statement, the Investment Strategy Statement or other policies.

The Fund Actuary should prepare advice and calculations and provide advice on:

- funding strategy and the preparation of the Funding Strategy Statement
- will prepare actuarial valuations including the setting of employers' contribution rates and issue of a Rates and Adjustments Certificate, after agreeing assumptions with the Administering Authority and having regard to the Funding Strategy Statement and the LGPS Regulations
- bulk transfers, individual benefit-related matters such as pension strain costs, compensatory added years costs, etc
- valuations of exiting employers, i.e. on the cessation of admission agreements or when an employer ceases to employ active members
- bonds and other forms of security for the Administering Authority against the financial effect on the Fund and of the employer's default.

Such advice will take account of the funding position and Funding Strategy Statement of the Fund, along with other relevant matters.

The Fund Actuary will assist the Administering Authority in assessing whether employer contributions need to be revised between actuarial valuations as required by the Administration Regulations.

The Fund Actuary will ensure that the Administering Authority is aware of any professional guidance requirements which may be of relevance to his or her role in advising the Administering Authority.

INVESTMENT STRATEGY STATEMENT

1. Introduction

1.1 This is the Investment Strategy Statement (ISS) of the London Borough of Enfield Pension Fund adopted by Enfield Council (the Council) in its capacity as Administering Authority of the Local Government Pension Scheme. In this capacity the Council has responsibility to ensure the proper management of the Fund.

1.2 The Council has delegated to its Pension Policy & Investment Committee ("the Committee") "all the powers and duties of the Council in relation to its functions as Administering Authority except for those matters delegated to other committees of the Council or to an officer."

1.3 The ISS has been prepared by the Committee having taken appropriate advice. It meets the requirements of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the Regulations).

1.4 The ISS is subject to periodic review at least every three years and without delay after any significant change in investment policy. The Committee has consulted on the contents of the Strategy with each of its employers and the Pension Board. The ISS should be read in conjunction with the Fund's Funding Strategy Statement.

2. Statutory background

2.1 Regulation 7(1) of the Regulations requires an administering authority to formulate an investment strategy which must be in accordance with guidance issued by the Secretary of State.

3. Directions by the Secretary of State

3.1 Regulation 8 of the Regulations enables the Secretary of State to issue a Direction if he is satisfied that an administering authority is failing to act in accordance with guidance issued by the Department of Communities and Local Government.

3.2 The Secretary of State's power of intervention does not interfere with the duty of elected members under general public law principles to make investment decisions in the best long-term interest of scheme beneficiaries and taxpayers.

4. Advisers

4.1 Regulation 7 of the Regulations requires the Council to take proper advice when making decisions in connection with the investment strategy of the Fund. In addition to the expertise of the members of the Pension Policy & Investment Committee and Council officers such advice is taken from:

- Aon Hewitt Ltd – investment consultancy
- Independent consultant member with Fund management experience
- Actuarial advice, which can have implications for the investment strategy, is provided by Aon Hewitt Ltd.

5. Objective of the Fund

5.1 The objective of the Fund is to provide pension and lump sum benefits for scheme members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefits basis. The sums required to fund these benefits and the amounts actually held (i.e. the funding position) are reviewed at each triennial actuarial valuation, or more frequently as required.

5.2 The target investment strategy is designed to have an expected return in excess of the discount rate while achieving a level of risk the Committee considers to be appropriate. The aim is to ensure contribution rates are set at a level to attain 100% funding within the timescale agreed with the Fund Actuary and set out in the Funding Strategy Statement.

6 Investment beliefs

6.1 The Fund's fundamental investment beliefs which inform its strategy and guide its decision making are:

- The Fund has a paramount duty to seek to obtain the best possible return on its investments taking into account a properly considered level of risk
- A well-governed and well-managed pension fund will be rewarded by good investment performance in the long term
- Strategic asset allocation is the most significant factor in investment returns and risk; risk is only taken when the Fund believes a commensurate long term reward will be realised
- Asset allocation structure should be strongly influenced by the quantum and nature of the Fund's liabilities and the Funding Strategy Statement
- Since the lifetime of the liabilities is very long the time horizon of the investment strategy should be similarly long term
- Risk of underperformance by active equity managers is mitigated by allocating a significant portion of the Fund's assets to other asset classes
- Long-term financial performance of companies in which the Fund invests is likely to be enhanced if they follow good practice in their environmental, social and governance policies
- Costs need to be properly managed and transparent

6.2 At its meeting of 27th February 2020, the Committee approved additional investment beliefs as set out in Appendix 3 of this statement. This set out the ESG themes of important areas of focus for the Fund Responsible Investment activities, and our core positions in each area. This provides greater clarity about the Fund expectations to both investee businesses and other stakeholders

7 The suitability of particular investments and types of investments

7.1 The Committee decides on the investment policies most suitable to meet the liabilities of the Fund and has ultimate responsibility for investment strategy.

7.2 The Committee has translated its investment objective into a suitable strategic asset allocation benchmark for the Fund. This benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility, risk and the nature of the Fund's liabilities.

7.3 The approach seeks to ensure that the investment strategy takes due account of the maturity profile of the Fund (in terms of the relative proportions of liabilities in respect of pensioners, deferred and active members) and the liabilities arising therefrom, together with the level of disclosed surplus or deficit (relative to the funding bases used) and the Fund's projected cash flow requirements.

7.4 Following the triennial valuation in 2016 the Panel, as advised by Aon Hewitt, considered its investment strategy alongside its funding objective and agreed the following structure:

Asset Class	Target Weighting %	Expected Return (per annum)	Control Range
Equities (including Private Equity)	40	8-11%	30-50%
Bonds	24	4-5%	19-39%
Inflation protection	10		
Hedge Funds	10	9-11%	10-20%
Property (UK)	10	9%	5-15%
Infrastructure/PFI	6	9%	3-9%
Cash	-	-	-
Total	**100**		

7.5 The most significant rationale of the structure is to invest the majority of the Fund assets in "growth assets" i.e. those expected to generate 'excess' returns over the long term. The structure also includes an allocation to "matching" assets, such as index bonds, gilts and corporate bonds. The investments in property and infrastructure provide diversification whilst the hedge fund protects the Fund on the downside by targeting absolute returns. This strategy is aimed to provide in excess of the discount rate used to value liabilities in the triennial valuation.

7.6 The Committee monitors investment strategy on an ongoing basis, focusing on factors including, but not limited to:

- Suitability and diversification given the Fund's level of funding and liability profile
- The level of expected risk
- Outlook for asset returns

7.7 The Committee also monitors the Fund's actual allocation on a regular basis to ensure it does not deviate from within the target range. If such a deviation occurs, a rebalancing exercise is carried out to ensure that the allocation remains within the range set.

7.8 It is intended that the Fund's investment strategy will be reviewed at least every three years, following actuarial valuations of the Fund. The investment strategy review will typically involve the Panel, in conjunction with its advisers, undertaking an in-depth Asset Liability Modelling exercise to understand the risks within the Fund's current investment strategy and establish other potentially suitable investment strategies for the Fund in the future. This approach was adopted following the 2013 triennial valuation.

7.9 The results of the 2019 valuation showed a 103% funding level which has since weakened to 96%. The intention is for an Asset Liability Modelling exercise to be undertaken and the strategy reviewed over the first quarter of 2021. Investment Strategy Statement will subsequently be updated to reflect the outcome of this strategy review and to include the expected return and volatility of the investment strategy.

8 Asset classes

8.1 The Fund may invest in quoted and unquoted securities of UK and overseas markets including equities and fixed interest, index linked and corporate bonds, hedge funds, infrastructure and property either directly or through pooled funds. The Fund may also make use of contracts for differences and other derivatives either directly or in pooled funds investing in these products for the purpose of efficient portfolio management or to hedge specific risks.

8.2 In line with the Regulations, the Council's investment strategy does not permit more than 5% of the total value of all investments of fund money to be invested in entities which are connected with the Council within the meaning of section 212 of the Local Government and Public Involvement in Health Act 2007"

8.3 With investment returns included, the Fund has a positive cash flow that enables investment in illiquid asset classes e.g. property. The majority of the Fund's assets are highly liquid i.e. can be readily converted into cash, and the Council is satisfied that the Fund has sufficient liquid assets to meet all expected and unexpected demands for cash. However, as a long term investor the Council considers it prudent to include illiquid assets in its strategic asset allocation in order to benefit from the additional diversification and extra return this should provide.

8.4 For most of its investments the Council has delegated to the fund managers responsibility for the selection, retention and realisation of assets. The Fund retains sufficient cash to meet its liquidity requirements, and cash balances are invested in appropriate interest earning investments pending their use. The investment of these cash balances is managed internally.

9 Fund Managers

9.1 The Council has delegated the management of the Fund's investments to professional investment managers, appointed in accordance with the Local Government Pension Scheme Regulations. Their activities are specified in either detailed investment management agreements or subscription agreements and regularly monitored. The Committee is satisfied that the appointed fund managers, all of whom are authorised under the Financial Services and Markets Act 2000 to undertake investment business, have sufficient expertise and experience to carry out their roles.

9.2 The investment style is to appoint fund managers with clear performance benchmarks and place maximum accountability for performance against that benchmark with them. Multiple fund managers are appointed to give diversification of investment style and spread of risk. The fund managers appointed are mainly remunerated through fees based on the value of assets under management.

9.3 The managers are expected to hold a mix of investments which reflect their views relative to their respective benchmarks. Within each major market and asset class, the managers maintain diversified portfolios through direct investment or pooled vehicles.

9.4 The investment management agreement in place for each fund manager, sets out, where relevant, the benchmark and performance targets. The agreements also set out any statutory or other restrictions determined by the Council. Investment may be made in accordance with The Regulations in equities, fixed interest and other bonds and property, in the UK and overseas markets.

9.5 As at the date of this ISS the details of the managers appointed by the Committee are set out in Appendix 1

9.6 Where appropriate, custodians are appointed to provide trade settlement and processing and related services. Where investments are held through pooled funds, the funds appoint their own custodians.

9.7 Performance targets are generally set on a three-year rolling basis and the Committee monitors manager performance quarterly. Advice is received as required from officers, the professional investment adviser and the independent advisory member. In addition, the Committee requires all managers to attend a separate manager day meeting twice a year, and officers meet each of the managers in the "alternate quarters" (i.e. when there is no "manager day" meeting) to review and scrutinise performance.

9.8 The Committee also monitors the qualitative performance of the Fund managers to ensure that they remain suitable for the Fund. These qualitative aspects include changes in ownership, changes in personnel, and investment administration.

10 Stock lending

10.1 The Committee's current policy is not to engage in stock lending.

11 Approach to risk

11.1 The Committee recognise a number of risks involved in the investment of the assets of the Fund.

11.2 **Funding risks**

i) As described by the investment objectives, the Fund invests in asset classes which are expected to demonstrate volatility when compared to the development of the Fund's liabilities. This policy is adopted in anticipation of achieving returns above those assumed in the actuarial valuation. The Committee considered a number of investment strategies with varying degrees of risk relative to the Fund's liabilities. In determining an appropriate level of risk (or expected volatility) the Committee considered:

a) The strength of the Employer's covenant and attitude to risk.
b) Contribution rate volatility.
c) Likely fluctuations in funding level.
d) The required return to restore the funding level over a set period in conjunction with the funding policy.
e) The tolerance to a deterioration in the funding level as a result of taking risk.
f) The term and nature of the Fund's liabilities.

ii) To monitor the volatility of the Fund's funding level and the success or otherwise of the investment decisions the Committee monitors on a regular basis:-

a) The return on the assets, the benchmark and the liabilities.
b) Estimated funding level and how it compares to the expected or targeted funding level.
c) The probability of the Fund achieving its long-term funding objectives.

11.3 **Manager risks**

The Committee monitors the managers' performance on a quarterly basis, and compares the investment returns with the appropriate performance objectives to ensure continuing acceptable performance. The Committee also examines the risk being run by each of the investment managers. In particular, the performance reporting reviewed by the Committee considers the achieved variation in returns between each manager's portfolio and its benchmark and compares the level of active manager risk and excess return of each manager against a universe of similar mandates and the benchmark.

11.4 **Liquidity risk**
The Committee have adopted a strategy that makes due allowance of the need for liquidity of the Fund's assets.

11.5 **Concentration risk**
The Committee have adopted a strategy that ensures that the risk of an adverse influence on investment values from the poor performance of a small number of individual investments is reduced by diversification of the assets:

- by asset class (Global Equities, Diversified Growth Funds, Fixed Interest and Property)
- by region (UK, overseas)
- within asset classes, by the use of a range of products with different risk/return profiles

11.6 **Market risk**
The failure of investment markets to achieve the rate of investment return assumed by the Panel. This risk is considered by the Committee and its advisors when setting the Fund's investment strategy and on an ongoing basis.

11.7 **Operational risk**
The risk of fraud, poor advice or acts of negligence. The Committee has sought to minimise such risks by ensuring that all advisers and third party service providers are suitably qualified and experienced and that suitable liability and compensation clauses are included in all contracts for professional services received.

12 Approach to pooling

12.1 The Fund is a participating member in the London Collective Investment Vehicle (CIV) as part of the Government's pooling agenda.

12.2 Since July 2016, the London CIV has made changes to its governance structure, which now operates as follows:
London LGPS CIV Limited ("London CIV") is fully authorised by the FCA as an Alternative Investment Fund Manager (AIFM) with permission to operate a UK based Authorised Contractual Scheme fund (ACS Fund). FCA firm registered as London LGPS CIV Ltd, Reference Number 710618.

12.3 Approval for the structure has been signed off by the 32 participating London Authorities.

12.4 The governance structure of the CIV has been designed to ensure that there are both formal and informal routes to engage with all the Authorities as both shareholders and investors. This is achieved through:

- The Shareholder Committee, which acts on behalf of the Shareholders as a consultative body, including on the Company's business plans and financial performance, and topics such as Responsible Investment. It comprises 12 Committee Members made up of 8 Local Authority Pension Committee Chairs (or Leaders of London Local Authorities) and 4 Local Authority Treasurers. The Chair of the Board of London CIV is also a member of the Committee. A trade union representative sits as an observer.

- The client services framework, which is informed by shareholder consultation and includes a programme of events for clients collectively.

12.5 At the company level for London CIV, it is the Board of Directors that is responsible for decision making within the company, which will include the decisions to appoint and remove investment managers

13 Social, environmental and governance considerations

13.1 Climate change is a key financially material environmental risk. The Committee believe that, over the expected lifetime of Enfield Pension Fund, climate-related risks and opportunities will be financially material to the performance of the investment portfolio. As such, the Committee will consider climate change issues across Enfield Pension Fund and specifically in areas such as Strategic Asset Allocation, Investment Strategy and Risk Management with the aim of minimising adverse financial impacts and maximising the opportunities for long-term economic returns on Enfield Pension Fund's assets.

13.2 A fiduciary duty is an obligation to act with loyalty and honesty and in a manner consistent with the best interests of another party. The Enfield Pension Fund Committee has a fiduciary duty to deliver the best risk-adjusted returns for the members of the pension scheme over the long term. And will seek to invest in a way that is financially and socially beneficial to scheme members by ensuring that the businesses in which we invest are both financially and environmentally sustainable, have high standards of governance and are responsible employers.

13.3 The concern over the potential financial risk posed by carbon-intensive investments is therefore a key driver of the fund's carbon exposure management agenda

13.4 The Fund is committed to be a long term steward of the assets in which it invests and expects this approach to protect and enhance the value of the Fund in the long term. In making investment decisions, the Fund seeks and receives proper advice from internal and external advisers with the requisite knowledge and skills.

13.5 The Fund requires its investment managers to integrate all material financial factors, including corporate governance, environmental, social, and ethical considerations, into the decision-making process for all fund investments. It expects its managers to follow good practice and use their influence as major institutional investors and long-term stewards of capital to promote good practice in the investee companies and markets to which the Fund is exposed.

13.6 The Fund expects its external investment managers (and specifically the London Collective Investment Vehicle through which the Fund will increasingly invest) to undertake appropriate monitoring of current investments with regard to their policies and practices on all issues which could present a material financial risk to the long-term performance of the fund such as corporate governance and environmental factors. The Fund expects its fund managers to integrate material Economic Social Governance (ESG) factors within its investment analysis and decision making.

13.7 Where appropriate, the Committee considers how it wishes to approach specific ESG factors in the context of its role in asset allocation and investment strategy setting. Taking into account the ratification in October 2016 of the Paris Agreement, the Committee considers that significant exposure to fossil fuel reserves within the Fund's portfolio could pose a material financial risk. In Autumn 2019, Trucost were commissioned to produce a Carbon Risk Audit for the Fund, quantifying the Fund's exposure through its equity portfolio to fossil fuel reserves and power generation and where the greatest risks lie.

13.8 Having taken into account the risks associated with exposure to fossil fuel reserves, the Committee has approved a target to:

a. Reduce the Fund's total equity portfolio relative exposure to future emissions from fossil fuel reserves (measured in $MtCO_2e$ – million tonnes of CO_2 emissions) by 50% over 5 years up to 30 September 2025.
b. Measure the reduction relative to the Fund's total equity portfolio position as at 30 September 2019 and adjusted for Assets Under Management (£AUM)

13.9 The target will be periodically reviewed to ensure that it remains consistent with the risks associated with investment in carbon assets and with the Committee's fiduciary duties.

13.10 The Committee considers exposure to carbon risk in the context of its role in asset allocation and investment strategy setting. Consideration has therefore been given in setting the Fund's Investment Strategy to how this objective can be achieved within a pooled investment structure and the Committee, having taken professional advice, will work with the London CIV to ensure that suitable strategies are made available.

13.11 Where necessary, the Fund will also engage with its Investment Managers or the London CIV to address specific areas of carbon risk. The Fund expects its investment managers to integrate financially material ESG factors into their investment analysis and decision making and may engage with managers and the London CIV to ensure that the strategies it invests in remain appropriate for its needs. However, the Fund does not at this time operate a blanket exclusion policy in respect of specific sectors or companies.

13.12 The Fund will invest on the basis of financial risk and return having considered a full range of factors contributing to the financial risk including social, environment and governance factors to the extent these directly or indirectly impact on financial risk and return.

13.13 At the present time the Committee does not take into account non-financial factors when selecting, retaining, or realising its investments. The Committee reviews its approach to non-financial factors periodically, taking into account relevant legislation and the Law Commission's guidance on when such factors may be considered. Additionally, the Committee monitors legislative and other developments with regards to this subject and will review its approach in the event of material changes.

13.14 The Fund does not at the time of preparing this statement hold any assets which it deems to be social investments; however, this ISS places no specific restrictions on the Fund in respect of such investments beyond those of suitability within the Investment Strategy as a whole and compatibility with the Committee's fiduciary duties. In considering any such investment in the future, the Committee will have regard to the Guidance issued by the Secretary of State and to the Law Commission's guidance on financial and non-financial factors.

13.15 The Fund, in preparing and reviewing its Investment Strategy Statement, will consult with interested stakeholders including, but not limited to, Fund employers, investment managers, Local Pension Board, advisers to the Fund and other parties that it deems appropriate to consult with.

14 Exercise of the rights (including voting rights) attaching to investments

14.1 The Fund recognises the importance of its role as stewards of capital and the need to ensure the highest standards of governance and promoting corporate responsibility in the underlying companies in which its investments reside. The Fund recognises that ultimately this protects the financial interests of the Fund and its ultimate beneficiaries. The Fund has a commitment to actively exercising the ownership rights attached to its investments reflecting the Fund's conviction that responsible asset owners should maintain oversight of the companies in which it ultimately invests recognising that the companies' activities impact upon not only their customers and clients, but more widely upon their employees and other stakeholders and also wider society.

14.2 The Fund requires its investment managers to integrate all material financial factors, including corporate governance, environmental, social, and ethical considerations, into the decision-making process for all fund investments. It expects its managers to follow good practice and use their influence as major institutional investors and long-term stewards of capital to promote good practice in the investee companies and markets to which the Fund is exposed.

14.3 The Fund's investments through the London CIV are covered by the voting policy of the CIV which has been agreed by the Pensions Sectoral Joint Committee. Voting is delegated to the external managers and monitored on a quarterly basis. The CIV will arrange for managers to vote in accordance with voting alerts issued by the Local Authority Pension Fund Forum as far as practically possible to do so and will hold managers to account where they have not voted in accordance with the LAPFF directions.

15 Stewardship

15.1 The Fund has not issued a separate Statement of Compliance with the Stewardship Code, but fully endorses the principles embedded in the Principles of the Stewardship Code.

15.2 The Fund expects its external investment managers to be signatories of the Stewardship Code and reach Tier One level of compliance or to be seeking to achieve a Tier One status within a reasonable timeframe. Where this is not feasible the Fund expects a detailed explanation as to why it will not be able to achieve this level. In addition, the Fund expects its investment managers to work collaboratively with others if this will lead to greater influence and deliver improved outcomes for shareholders and more broadly.

15.3 The Fund through its participation in the London CIV will work closely with other LGPS Funds in London to enhance the level of engagement both with external managers and the underlying companies in which it invests. In addition, the Fund gives support to shareholder resolutions where these reflect concerns which are shared and represent the Fund's interest.

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16 Compliance with "Myners" Principles

16.1 In Appendix 2 are set out the details of the extent to which the Fund complies with the six updated "Myners" principles set out in the CIPFA publication "Investment Decision-Making and Disclosure in the Local Government Pension Scheme: A Guide to the Application of the Myners Principles".

Appendix 1

Fund Manager Structure (This prescribed in the ISS regulations)

The fund manager structure and investment objectives for each fund manager (“mandates”) are as follows:

Fund manager	Investment objectives
Equities & Private Equity	
BlackRock Advisers UK Ltd (Passively Managed Global Equity and UK Equity)	*To perform in line with the prescribed Equity and Bond indices.*
MFS (Actively Managed Global Equity Portfolio)	*To outperform the MSCI World Index by 4% pa gross of fees over rolling three-year periods.*
London CIV – Baillie Gifford (Actively Managed Global Equity Portfolio)	*To outperform the MSCI All country World Index by 2-3% per annum gross of fees over rolling three year periods.*
London CIV – Longview (Actively Managed Global Equity Portfolio	*To outperform the MSCI World Index by 2% per annum gross of fees over rolling three year periods.*
London Collective Investment Vehicle (LCIV) – JP Morgan (Actively Managed EM Equity Portfolio)	*To outperform the MSCI Emerging Market Index (Total return) by 2.5% per annum net of fees over rolling three year periods.*
Adam Street Partners (Private Equity Portfolio)	*To outperform the MSCI World Index.*
Bonds	
BlackRock Advisers UK Ltd (Passively Managed Bond & Index linked Portfolios)	*To perform in line with the prescribed Bond indices.*
Insight Bond Fund Absolute bond return	*3 month LIBOR +4% per annum over rolling three period.*
London CIV – CQS (Actively Managed Multi Asset Credit Portfolio)	*To seek to achieve 3 month LIBOR +4% per annum net of fees over rolling four year period.*
Western Asset Management (Actively Managed corporate Bond Portfolio)	*To outperform the benchmark (composed of a mixture of bond indices) by 0.75% pa gross of fees over rolling three-year periods.*
Inflation Protection	
M&G Inflation Opportunities Fund	*To outperform the Retail Price Index by 2.5% per annum on a rolling five year basis.*

CBRE – Inflation protection illiquid	*UK LPI +2.5%pa over a rolling ten year period*
Property	
Brockton Opportunistic property	*15% net IRR and 1.5xnet multiple*
BlackRock Advisers UK Ltd (Actively UK Property Fund) Equity and emerging Portfolios)	*To outperform the BNY Mellon CAPS pooled property fund survey median over three and five year periods.*
Legal & General Investment Management Ltd (Active UK Property Fund)	*To outperform the BNY Mellon CAPS pooled property fund survey median over three and five year periods.*
RREEF Management (Active UK Property Fund)	*To achieve a return of at least 4.5% per annum, net of all fees and costs, above the UK Retail Prices Index over 5 to 10 years.*
Infrastructure	
Antin	*15% Gross IRR with a gross target of 5% p.a.*
International Public Partnerships Limited *(Private Finance Initiative)*	*To achieve a return of at least 4.5% per annum.*
Hedge Funds	
CFM-Stratus Multi asset strategy	*To provide a positive absolute return of 14%-16% per annum. (There is no explicit benchmark against which performance is judged.)*
Davidson Kempner (Events driven)	*To provide a positive absolute return of 14%-16% per annum. (There is no explicit benchmark against which performance is judged.)*
Lansdowne Partners (Long/Short UK Equities Hedge Fund)	*To generate an absolute return. The benchmark is the FTSE All Share index*
York Capital Management (Distressed Debt Fund)	*To provide a positive absolute return of 14%-16% per annum. (There is no explicit benchmark against which performance is judged.)*

Appendix 2

Compliance with "Myners" Principles"

Principle 1: Effective Decision Making
Compliant: The Borough of Enfield has an appointed Pension Fund Committee consisting of elected members and there is a clearly defined decision-making process. The Committee is supported by named offices on investment and administration issues. The Committee has appointed an independent advisory member with experience in investment advice. It also employs an investment consultant and actuary. The Local Pension Board made up of Fund employers and employees has an oversight and scrutiny body.

Training on investment issues is provided by the Investment Managers at the regular meetings of the Committee. Members of the Committee are also encouraged to attend training sessions offered from time to time by other external bodies.

Principle 2: Clear Objectives
Compliant: The overall objective for the Fund is to keep the employers' contribution rates as low and stable as possible while achieving full funding on an ongoing basis. The Committee had as its starting point the latest actuarial valuation when reviewing the investment arrangements to adopt the risk budget and set the investment strategy. The independent investment adviser gave comprehensive training and advice throughout this exercise. The Investment Managers have been advised of the strategy and have clearly defined investment performance targets. The objectives will be reconsidered following the next actuarial valuation and investment strategy review to ensure they remain appropriate.

Principle 3: Risk and Liabilities
Compliant: The Committee has given due consideration to risks and liabilities as explained in the 'Risk' section above. A strategic asset allocation benchmark has been set for the Fund. The Fund also subscribes to the Pensions & Investment research consultants (PIRC) Local Authority Universe as a broad comparison with other local authority schemes.

Principle 4: Performance Assessment
Compliant: The returns of the Investment Managers are measured independently against their performance objectives and they are required to report on investment performance each quarter.
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Principle 5: Responsible Ownership
Compliant: The Panel's policy on Sustainability is detailed in an earlier section of this document. The Investment Managers have been asked to adopt the Institutional Shareholders' Committee (ISC) Statement of Principles on the responsibilities of shareholders and agents, and to report to the Committee on related activity at the regular meetings.

Principle 6: Transparency and Reporting
Compliant: Documents relating to the management of the Pension Fund investments are published on the Council's website – these include the Investment Strategy Statement, the Annual Report and Accounts, the Funding Strategy Statement and the Governance Compliance Statement. The 'Pensions Charter' is published on the website and this details the information which is provided to scheme members.

Appendix 3

London Borough of Enfield – Investment Beliefs (9/1/2020)

The Pension Policy and Investment Committee of London Borough of Enfield believes that: -

1. Responsible investment is **supportive of long-term risk-adjusted returns**, across all asset classes. As a long-term investor, the Fund should invest in assets with sustainable business models in fulfilling its fiduciary duty to the scheme members.
2. Investee companies and asset managers with robust governance structures are better positioned to handle shocks and stresses. They capture opportunities by investing in companies which have weak but improving governance of financially material Environmental, Social and Governance (ESG) issues. *[An opportunity is defined by its potential and intention to become aligned with the Fund's objectives and strategy].*
3. The Fund Investment managers should include the Fund ESG considerations in their investment processes**.**
4. It is important to consider a range of ESG risks and opportunities. **Investible priorities should be based on the United Nations Sustainable Development Goals (UN SDGs)**.
5. **Climate change** (SDG 13, Climate Action) represents a long term material financial risk for the Fund, and will impact our members, employers and our portfolio holdings, and is therefore one of these priorities.
6. It must prioritise the following SDGs in its investment strategy:
    a. SDG 7 – Affordable and Clean Energy
    b. SDG 9 – Industry, Innovation and Infrastructure
    c. SDG 11 - Sustainable Cities and Communities
    d. SDG 12 – Responsible Consumption and Production
    e. SDG 13 - Climate Action
7. The Fund's appointed Investment Managers are **accountable for implementing** appropriate responsible Investment policies, **tailored to these priorities**. The Investment managers should report back on these priorities.
8. **Divestment** mitigates ESG-related risk, when **collaborative engagement** with companies by investors and investment managers fails to produce positive responses, which meet its ESG-related priorities.
9. The exercise of **voting rights** is consistent with an asset owner's fiduciary duty: The Committee expects its managers to exercise this right fully and reserves the right to **direct votes**.

Supporting evidence

Investment Theses behind the chosen SDGs (**G applies to all)**

- SDG7 - Affordable and Clean Energy. Governmental pressure to meet carbon emission goals presents a serious risk to the profitability and assets of traditional energy companies. At the same time, climate-related investment opportunities are available in areas such as energy efficiency and renewable energy sources. **(E)**
- SDG9 - Industry, Innovation and Infrastructure. Industrial and Infrastructure development represent a long term source of investment and social opportunity as well as a risk of increased emissions / social stress. It also supports goals of social inclusion and gender equality. **(E, S)**
- SDG11 - Sustainable Cities and Communities. Increasing urbanisation represents a long term source of investment and social opportunity as well as a risk of increased emissions / social stress **(E, S)**
- SDG12 - Responsible Consumption and Production. Companies running energy efficient and socially responsible operations and supply chains are less exposed to risk and are likely to be favoured by customers and regulators. **(E, S)**
- SDG13 - Climate change. Climate change and the response of policy makers has the potential to have a serious impact on financial markets. **(E)**

A fiduciary duty is an obligation to act with loyalty and honesty and in a manner consistent with the best interests of another party.

The concern over the potential financial risk posed by carbon-intensive investments is therefore a key driver of the fund's carbon exposure management agenda.

The Enfield Pension Fund Committee has a fiduciary duty to deliver the best risk-adjusted returns for the members of the pension scheme over the long term. And will seek to invest in a way that is financially and socially beneficial to scheme members by ensuring that the businesses in which we invest are both financially and environmentally sustainable, have high standards of governance and are responsible employers.

GOVERNANCE AND COMPLIANCE STATEMENT

Introduction

The London Borough of Enfield is the Administering Authority of the London Borough of Enfield Pension Fund and administers the Local Government Pension Scheme on behalf of participating employers.

Regulation 55 of the Local Government Pension Scheme Regulations 2013 requires Local Government Pension Scheme (LGPS) Administering Authorities to publish Governance Policy and Compliance Statements setting out information relating to how the Administering Authority delegates its functions under those regulations and whether it complies with guidance given by the Secretary of State for Communities and Local Government. It also requires the Authority to keep the statement under to review and to make revisions as appropriate and where such revisions are made to publish a revised statement.

Aims and Objectives

Enfield Council recognises the significance of its role as Administering Authority to the London Borough of Enfield Pension Fund on behalf of its stakeholders which include:

- Over 23,100 current and former members of the Fund, and their dependants
- around 40 employers within the Enfield Council area or with close links to Enfield Council
- the local taxpayers within the London Borough of Enfield.

In relation to the governance of the Fund, our objectives are to ensure that:

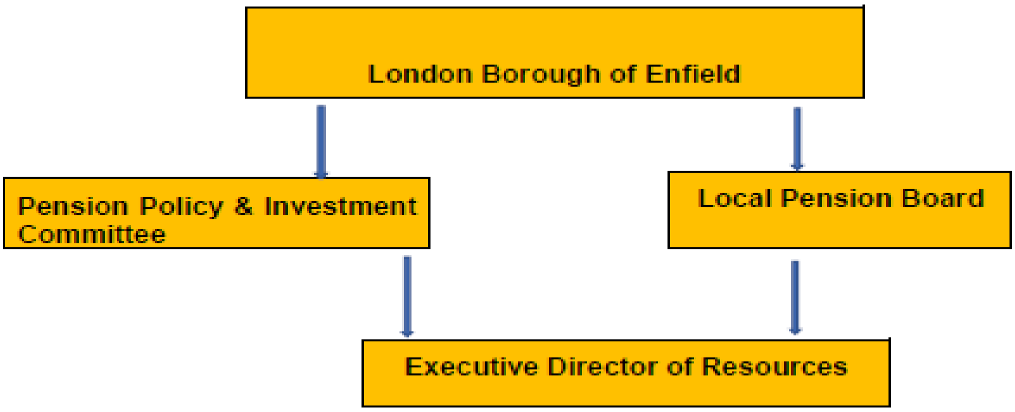
- all staff and Pension Policy & Investment Committee Members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them
- the Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties
- all relevant legislation is understood and complied with
- the Fund aims to be at the forefront of best practice for LGPS funds
- the Fund manages Conflicts of Interest appropriately

Structure

The Constitution of the Council sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and that those who made the decisions are accountable to local people.

The Council delegates its responsibility for administering the Fund to the Pension Policy & Investment Committee. The terms of this delegation are as set out in the Council Constitution and provide that the Committee is responsible for consideration of all pension matters and discharging the obligations and duties of the Council under the Superannuation Act 1972 and various statutory matters relating to investment issues.

The Constitution sets out the framework under which the Pension Fund is to be administered as depicted in the diagram below.



Terms of Reference for the Pension Policy & Investment Committee

The Constitution allows for the appointment of a Pension Policy & Investment Committee which has responsibility for the discharge of all non-executive functions assigned to it.

The following are the terms of reference for the Pension Policy & Investment Committee:

a) To act as Trustees of the Council's Pension Fund, consider pension matters and meet the obligations and duties of the Council under the Superannuation Act 1972, the Public Service Pensions Act 2013, and the various pensions' legislation.
b) To make arrangements for the appointment of and to appoint suitably qualified pension fund administrators, actuaries, advisers, investment managers and custodians and periodically to review those arrangements.
c) To formulate and publish an Investment Strategy Statement.
d) To set the overall strategic objectives for the Pension Fund, having taken appropriate expert advice, and to develop a medium-term plan to deliver the objectives.
e) To determine the strategic asset allocation policy, the mandates to be given to the investment managers and the performance measures to be set for them.
f) To make arrangements for the triennial actuarial valuation, to monitor liabilities and to undertake any asset/liability and other relevant studies as required.
g) To monitor the performance and effectiveness of the investment managers and their compliance with the Statement of Investment Principles.
h) To set an annual budget for the operation of the Pension Fund and to monitor income and expenditure against budget.
i) To receive and approve an Annual Report on the activities of the Fund prior to publication.
j) To make arrangements to keep members of the Pension Fund informed of performance and developments relating to the Pension Fund on an annual basis.
k) To keep the terms of reference under review.
l) To determine all matters relating to admission body issues.
m) To focus on strategic and investment related matters at two Pension Policy & Investment Committee meetings.

n) To review the Pension Fund's policy and strategy documents on a regular basis and review performance against the Fund's objectives within the business plan
o) To maintain an overview of pensions training for Members.

Membership of the Pension Policy & Investment Committee

The Council decides the composition and makes appointments to the Pension Policy & Investment Committee. Currently the membership of the Committee is a minimum of 6 elected Members from Enfield Council on a politically proportionate basis and the Pension Policy & Investment Committee will elect a Chair and Vice Chair. All Enfield Council elected Members have voting rights on the Committee and three voting members of the Committee are required to be able to deem the meeting quorate.

Members of the Pension Policy & Investment Committee are required to declare any interests that they have in relation to the Pension Fund or items on the agenda at the commencement of the meeting.

The Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties; meetings are open to members of the public who are welcome to attend. However, there may be occasions when members of the public are excluded from meetings when it is likely in view of the nature of the business to be transacted
or the nature of the proceedings that confidential information would be disclosed.

Meetings
The Pension Policy & Investment Committee shall meet at least four times a year in the ordinary course of business and additional meetings may be arranged as required to facilitate its work.

Work for the year will be agreed with the Committee to include dedicated training sessions for Committee members.
Agendas for meetings will be agreed with the Chair and will be circulated with supporting papers to all members of the Committee, Officers of the Council as appropriate and the Fund's Investment Advisor.

The Council will give at least five clear working days' notice of any meeting by posting details of the meeting at the Enfield Civic Centre and on the Council's website. The Council will make copies of the agenda and reports open to the public available for inspection at least five clear working days before the meeting. If an item is added to the agenda later, the revised agenda will be open to inspection from the time the item was added to the agenda. The reason for lateness will be specified in the report.

There may on occasions be items which may be exempt from the agenda, reports and minutes of the meetings when it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed. Items which are most likely to be excluded are issues where to disclose information would contravene an individual's privacy or where there are financial interests which may be compromised as a result of
disclosure for example discussions surrounding contracts.

The Council will make available copies of the minutes of the meeting and records of decisions taken for six years after a meeting. Minutes of meetings and records of decisions are available for inspection on the Council's website:
http://governance.enfield.gov.uk/ieListMeetings.aspx?CommitteeId=664

Other Delegations of Powers

The Pension Policy & Investment Committee act as quasi trustees and oversee the management of the Pension Fund. As quasi trustees the Committee has a clear fiduciary duty in the performance of their functions, they must ensure that the Fund is managed in accordance with the regulations and to do so prudently and impartially and to ensure the best possible outcomes for the Pension Fund, its participating employers, local taxpayers and Scheme members. Whilst trustees can delegate some of their powers, they cannot delegate their responsibilities as trustees. Appendix A outlines the areas that the Pension Policy & Investment Committee has currently delegated though these may be added to from time to time.

Under the Council's Constitution delegated powers have been given to the Executive Director of Resources in relation to all other pension fund matters, in addition to his role as Chief Financial Officer (often called S151 Officer). As Chief Financial Officer he is responsible for the preparation of the Pension Fund Annual Report & Accounts and ensuring the proper financial administration of the Fund. As appropriate the Executive Director of Resources will delegate aspects of the role to other officers of the Council including the Pensions & Treasury Manager and to professional advisors within the scope of the LGPS Regulations.

Pension Board

With effect from 1 April 2015, each Administering Authority is required to establish a local Pension Board to assist them with:

- securing compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme, and requirements imposed in relation to the LGPS by the Pensions Regulator
- ensuring the effective and efficient governance and administration of the Pension Fund

Such Pension Boards are not local authority committees; as such the Constitution of Enfield Council does not apply to the Pension Board unless it is expressly referred to in the Board's terms of reference. The Enfield Pension Board established by Enfield Council and the full terms of reference of the Board can be found within the Council's Constitution. The key points are summarised below.

Role of the Pension Board

The Public Service Pensions Act 2013 established the requirement for local Pension Boards in the LGPS with responsibility for assisting the Administering Authority in relation to the following:

- Securing compliance with the scheme regulations
- Ensuring the effective and efficient governance and administration of the scheme
- Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and

- Such other matters as the LGPS regulations may specify.

The Council has charged the Pension Board with providing oversight of the matters outlined above. The Pension Board, however, is not a decision making body in relation to the management of the Pension Fund and the Pension Fund's management powers and responsibilities which have been delegated by the Council to the Pension Policy & Investment Committee or otherwise remain solely the powers and responsibilities of them, including but not limited to the setting and delivery of the Fund's strategies, the allocation of the Fund's assets and the appointment of contractors, advisors and fund managers.

Membership of the Pension Board

The Pension Board consists of 8 members as follows:

- Four Employer Representatives
- Four Scheme Member Representatives

Pension Board members, (excluding any Independent Member), have individual voting rights but it is expected the Pension Board will as far as possible reach a consensus.

A meeting of the Pension Board is only quorate when four of the eight Employer and Scheme Member Representatives are present, and where the Board has an Independent Member, they must also be present.

The members of the Board are appointed by an Appointments Panel which consists of:

- the Cabinet Member for Resources
- the Executive Director of Resources
- the Director of Finance
- the Executive Director of Legal & Governance

Members of the Pension Board are required to declare any interests that they have in relation to the Pension Fund or items on the agenda at the commencement of the meeting.

Meetings

The Pension Board meets at least twice a year in the ordinary course of business and additional meetings may be arranged as required to facilitate its work. The Pension Board will be treated in the same way as a Committee of Enfield Council and, as such, members of the public may attend, and papers will be made public in the same way as described above for the Pension Policy & Investment Committee.

Policy Documents

In addition to the foregoing, there are a number of other documents which are relevant to the Governance and management of the Pension Fund. Brief details of these are listed below and the full copies of all documents can be found on the Pension Fund Website:
http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Funding Strategy Statement

The Funding Strategy Statement forms part of the framework for the funding and management of the Pension Fund. It sets out how the Fund will approach its liabilities and contains a schedule of the minimum contribution rates that are required of individual employers within the Fund. The Funding Strategy Statement (FSS) is drawn up by the Administering Authority in collaboration with the Fund's actuary and after consultation with the Fund's employers. The FSS forms part of a broader framework which covers the Pension Fund and applies to all employers participating in the Fund. The FSS represents a summary of the Fund's approach to funding the liabilities of the Pension Fund.

Investment Strategy Statement

The Investment Strategy Statement (ISS) replaced the Statement of Investment Principles from 1st April 2016. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require administering authorities to formulate and to publish a statement of its investment strategy, in accordance with guidance issued from time to time by the Secretary of State.

This ISS is designed to be a living document and is an important governance tool for the Fund. This document sets out the investment strategy of the Fund, provides transparency in relation to how the Fund investments are managed, acts as a risk register, and has been designed to be informative but reader focused.

This document will be reviewed following the completion of the Fund investment strategy review and updated revised version will be tabled at the November Pension Policy & Investment Committee meeting for approval.

Governance Policy Compliance Statement

This sets out the Pension Fund's compliance with the Secretary of State's Statutory Guidance on Governance in the LGPS. This is attached as Appendix B and shows where the Fund is compliant or not compliant with best practice and the reasons why it may not be compliant.

Training Policy

Enfield Council has a Training Policy which has been put in place to assist the Fund in achieving its governance objectives and all Pension Policy & Investment Committee members, Pension Board members and senior officers are expected to continually demonstrate their own personal commitment to training and to ensuring that the governance objectives are met.

To assist in achieving these objectives, the London Borough of Enfield Pension Fund aims to comply with:

- the knowledge and skills elements of the Public Service Pensions Act 2013;
- the CIPFA Knowledge and Skills Frameworks and
- the Pensions Regulator's (TPR) Code of Practice for Public Service Schemes.

As well as any other LGPS specific guidance relating to the knowledge and skills of Pension Policy & Investment Committee members, Pension Board members or pension fund officers which may be issued from time to time.

Members of the Pension Policy & Investment Committee, Pension Board and officers involved in the management of the Fund will receive training to ensure that they meet the aims of the Training Policy with training schedules drawn up and reviewed on at least on annual basis.

Annual Report and Accounts

As part of the financial standing orders it is the duty of the Chief Financial Officer to ensure that record keeping, and accounts are maintained by the Pension Fund. The Pension Fund accounts are produced in accordance with the accounting recommendations of the Financial Reports of Pension Schemes - Statement of Recommended Practice. The financial statements summarise
the transactions of the Scheme and deal with the net assets of the Scheme. The statement of accounts is reviewed by both the Pension Policy & Investment Committee and the Audit Committee and incorporated in the Statement of Accounts for the Council. Full copies of the Report and Accounts are distributed to employers in the Fund and other interested parties and a copy placed on the websites: http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Communication Policy

This document sets out the communications policy of the administering authority and sets out the strategy for ensuring that all interested parties are kept informed of developments in the Pension Fund. This helps to ensure transparency and an effective communication process for all interested parties. A copy of the policy can be found on the Pensions website:
http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Discretions Policies

Under the Local Government Pension Scheme regulations, the Administering Authority has a level of discretion in relation to a number of areas. The Administering Authority reviews these policies as appropriate and will notify interested parties of any significant changes. Employing Authorities are also required to set out their discretions policies in respect of areas under the Regulations where they have a discretionary power. Copies of both the Administering Authority and the London Borough of Enfield' Employing Authority Discretions can be found on the website: http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Pension Administration Strategy and Employer Guide

In order to assist with the management and efficient running of the Pension Fund, the Pension Administration Strategy and Employer Guide encompassing administrative procedures and responsibilities for the Pension Fund for both the Administering Authority and Employing Authorities has been distributed to employers within the Fund following consultation and can be found on the website: http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

This represents part of the process for ensuring the ongoing efficient management of the Fund and maintenance of accurate data and forms part of the overall governance procedures for the Fund.

Approval, Review and Consultation

This Governance Policy and Statement was approved by the London Borough of Enfield Pension Policy & Investment Committee following consultation with all the participating employers in the Fund and other interested parties. It will be formally reviewed and updated at least every year or sooner if the governance arrangements or other matters included within it merit reconsideration. In August 2019, this document was reviewed and approved by Pension Policy & Investment Committee at its meeting of 5th September 2019.

Contact Information Further information on the London Borough of Enfield Pension Fund can be found as shown below:
Email: pensions@enfield.gov.uk
Website: http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=664

Or contact:
Bola Tobun – Finance Manager (Pensions & Treasury)
London Borough of Enfield
E-mail - Bola.Tobun@enfield.gov.uk
Telephone – 020 8132 1588

Appendix A – Delegation of Functions to Officers by Enfield Pension Policy & Investment Committee

Key:
PPIC – Pension Policy & Investment Committee *PTM – Pensions & Treasury Manager*
EDR – Executive Director of Resources & Officers *DF - Director of Finance* *OAP- Officers & Advisers Panel*
IC – Investment Consultant *FA – Fund Actuary*
IA – Independent Adviser

Function delegated to PPIC	Delegation to Officer(s)	Delegated Officer(s)	Communication and Monitoring of Use of Delegation
Rebalancing and cash management	Implementation of strategic allocation including use of ranges	EDR, DF & PTM (having regard to ongoing advice of the IC, IA, FA and OAP)	High level monitoring at PPIC with more detailed monitoring by OAP and or PTM
Investment strategy – approving the Fund's investment strategy, Investment Strategy Statement and Myners Compliance Statement including setting investment targets and ensuring these are aligned with the Fund's specific liability profile and risk appetite	To formally review the Scheme’s asset allocation at least every three year’s taking account of any changes in the profile of Scheme liabilities and will assess any guidance regarding tolerance of risk. It will recommend changes in asset allocation to the Pension Policy & Investment Committee	EDR, DF & PTM (having regard to ongoing advice of the IC, IA, FA and OAP)	High level monitoring at PPIC with more detailed monitoring by OAP and or PTM
Monitoring the implementation of these policies and strategies on an ongoing basis.	New mandates / emerging opportunities To consider the Scheme’s approach to social, ethical and environmental issues of investment, corporate governance and shareholder activism and recommend revisions to the Pension Policy & Investment Committee.	EDR, DF & PTM (having regard to ongoing advice of the IC, IA, FA and OAP)	High level monitoring at PPIC with more detailed monitoring by OAP and or PTM
Selection, appointment and dismissal of the Fund’s advisers, including actuary, benefits consultants, investment consultants, global custodian, fund managers, lawyers, pension funds administrator, and independent professional advisers.	Ongoing monitoring of Fund Managers and Pool Operator Selection, appointment, addition, replacement and dismissal of Fund Managers	EDR, DF and PTM (having regard to ongoing advice of the IA & IC) and subject to ratification by PPIC	High level monitoring at PPIC with more detailed monitoring by PTM & OAP Notified PPIC via ratification process.

	To evaluate the credentials of potential managers and make recommendations to the Pension Policy & Investment Committee To review the Scheme's AVC arrangements annually. If it considers a change is appropriate, it will make recommendations to the Pension Policy & Investment Committee.		
Agreeing the Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.	Agreeing the Administering Authority responses where the consultation timescale does not provide sufficient time for a draft response to be approved by PPIC.	EDR, DF and PTM, subject to agreement with Chairman and Vice Chairman (or either, if only one available in timescale)	PPIC advised of consultation via email (if not already raised previously at PPIC) to provide opportunity for other views to be fed in. Copy of consultation response provided at following PPIC for noting.
Agreeing the Fund's Knowledge and Skills Policy for all Pension Policy & Investment Committee members and for all officers of the Fund, including determining the Fund's knowledge and skills framework, identifying training requirements, developing training plans and monitoring compliance with the policy.	Implementation of the requirements of the CIPFA Code of Practice	EDR & DF	Regular reports provided to PPIC and included in Annual Report and Accounts.
The Committee may delegate a limited range of its functions to one or more officers of the Authority. The Pension Policy & Investment Committee will be responsible for outlining expectations in relation to reporting progress of delegated functions back to the Pension Policy & Investment Committee.	Other urgent matters as they arise	EDR, DF and PTM subject to agreement with Chairman and Vice Chairman (or either, if only one is available in the timescale)	PPIC advised of need for delegation via e-mail as soon as the delegation is necessary. Result of delegation to be reported for noting to following PPIC.
	Other non-urgent matters as they arise	Decided on a case by case basis	As agreed at PPIC and subject to monitoring agreed at that time.

Appendix B

PRINCIPLE	REQUIREMENT	COMPLIANCE	COMMENT
STRUCTURE	The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council	Compliant	The Council's Constitution states that the Pension Policy & Investment Committee is responsible for the management of the Pension Fund
	That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Compliant	Trade union representatives and representatives of admitted bodies sit on the Pension Board.
	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Compliant	A report of the Pension Board and subcommittees meetings are presented at the following Pension Policy & Investment Committee. All key recommendations of the Pension Board are considered, noted and ratified by the Pension Policy & Investment Committee as deemed appropriate.
	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Compliant	All members of the sub committees are also members of the Pension Policy & Investment Committee.
REPRESENTATION	That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include: - ■ employing authorities (including nonscheme employers, e.g. admitted bodies), ■ scheme members (including deferred and pensioner scheme members), ■ independent professional observers, ■ expert advisors (on an ad-hoc basis).	Compliant	Trade unions and admitted bodies are represented on the Local Pension Board
	That where lay members sit on a main or	Compliant	Papers for Local Pension Board and the Pension Policy & Investment

	secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.		Committee are made available to all members of each body at the same time and are published well in advance of the meetings in line with the council's committee agenda publication framework.
SELECTION & ROLE OF LAY MEMBERS	That committee or board members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.	Compliant	Members of the Local Pension Board and Pension Policy & Investment Committee have access to the terms of reference of each body and are aware of their roles and responsibilities as members of these bodies.
VOTING	The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Compliant	Members of the Pension Policy & Investment Committee does not currently confer voting rights on non-Councillors in line with common practice across the local government sector.
TRAINING/FACILITY TIME/EXPENSES	That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.	Compliant	Regular training is arranged for members of the Local Pension Board and the Pension Policy & Investment Committee. In addition members are encouraged to attend external training courses. The cost of any such courses attended will be met by the Fund.
	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Compliant	The rule on training provision is applied equally across all members of the Local Pension Board and the Pension Policy & Investment Committee.
MEETINGS (FREQUENCY/ QUORUM)	That an administering authority's main committee or committees meet at least quarterly.	Compliant	Meetings of the Local Pension Board and the Pension Policy & Investment Committee are arranged to take place quarterly.
	That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	Compliant	Meetings of the Local Pension Board and the Pension Policy & Investment Committee are arranged to take place quarterly.
	That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of	Compliant	Union representatives are on the Local Pension Board. Other stakeholders of the Fund are able to make representations at the Annual

	those arrangements by which the interests of key stakeholders can be represented.		General Meeting of the Pension Fund.
ACCESS	Subject to any rules in the Council's Constitution, all members of the main and secondary committees or panels have equal access to committee papers, documents and advice that fails to be considered at meetings of the main committee.	Compliant	Board/Committee meeting papers are circulated at the same time to all members of the Local Pension Board / Pension Policy & Investment Committee.
SCOPE	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Compliant	Local Pension Board and Pension Policy & Investment Committee considers a range of issues at their meetings and therefore has taken steps to bring wider scheme issues within the scope of the governance arrangements.
PUBLICITY	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	Compliant	This Governance Compliance Statement is a public document that is attached as an appendix to the annual pension fund report.

Communication Policy Statement

This statement is prepared in accordance with the Local Government Pension Scheme (Amendment) (No.2) Regulations 2005, which require an administering authority to prepare, maintain and publish a statement on its communication strategy.

The London Borough of Enfield Local Government Pension Scheme currently has 39 admitted/scheduled employers and approximately 23,123 scheme members. This statement sets out the communication methods with each group.

Employers

Communication with the employers in the Fund takes several forms:

i) **Regular Update Letters**
All employers receive regular updates as and when issues arise e.g. changes to scheme regulations.

ii) **Annual Report and Accounts**
A copy of the document is sent to all employers.

iii) **Investment reports and minutes**
These are available on request to any employers who wish to see them.

iv) **Advice and help**
Enfield staff are available to give advice on the telephone or by e-mail.

Scheme Members

The methods of communicating with scheme members are:

i) **Telephone helpline**
A telephone helpline for all enquiries from scheme members on any aspect of their pension arrangements.

ii) **Annual Benefit Statements**
All active and deferred scheme members receive an annual benefit statement setting out what level of benefits have already been built up, along with a forecast of benefits at retirement.

iii) **Internet**
The scheme's website provides information about any updates to the Pension Fund.

iv) **Information letters**
Information about changes in regulations is provided to employees via their employers by e-mail or letter.

v) **Payslips**
All pensioners receive at least 1 payslip every year and messages are included whenever there is new information to be communicated.

Prospective Scheme Members

The methods of ensuring that prospective members are aware of the Scheme and its benefits are:

i) **Job Advertisements**
Employers advertise the benefits of the Fund in their job advertisements.

ii) **Scheme Booklet**
All new starters in the employing organisations in the Fund are provided with a scheme booklet, which sets out the benefits available from the Fund and employees are given three months to opt out of the Fund.

TRAINING AND DEVELOPMENT POLICY

Introduction

This is the Training & Development Policy of the London Borough of Enfield Pension Fund in relation to the Local Government Pension Scheme (LGPS), which is managed and administered by Enfield Council. The Policy details the training strategy for members of the Pension Policy & Investment Committee and Pension Board, and senior officers responsible for the management of the Fund.

This Training & Development Policy is established to assist Pension Policy & Investment Committee and Pensions Board members and senior officers in developing their knowledge and capabilities in their individual roles, with the ultimate aim of ensuring that the London Borough of Enfield Pension Fund is managed by individuals who have the appropriate levels of knowledge and skills.

Enfield Council has delegated responsibility for the implementation of this Training & Development Policy to the Executive Director of Resources.

Aims and Objectives

Enfield Council recognises the significance of its role as Administering Authority to the London Borough of Enfield Pension Fund on behalf of its stakeholders which include:

- over 23,000 current and former members of the Fund, and their dependants
- about 40 employers within the Enfield Council area or with close links to Enfield Council the local taxpayers within the London Borough of Enfield.

In relation to the governance of the Fund, the objectives are to ensure that:

- all staff and Pension Policy & Investment Committee Members charged with the financial administration and decision-making with regard to the
- Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them
- the Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties
- all relevant legislation is understood and complied with
- the Fund aims to be at the forefront of best practice for LGPS funds
- the Fund manages Conflicts of Interest appropriately

This Policy has been put in place to assist the Fund in achieving these objectives and all Pension Policy & Investment Committee Members, Pension Board members and senior officers to whom this Policy applies are expected to continually demonstrate their own personal commitment to training and to ensuring that these objectives are met.

To assist in achieving these objectives, the London Borough of Enfield Pension Fund will aim to comply with:

- the CIPFA Knowledge and Skills Frameworks and
- the knowledge and skills elements of the Public Service Pensions Act 2013 and The Pensions Regulator's (TPR) Code of Practice for Public Service Schemes

As well as any other LGPS specific guidance relating to the knowledge and skills of Pension Policy & Investment Committee members, Pension Board members or pension fund officers which may be issued from time to time.

This Training & Development Policy applies to all Members of the Pension Policy & Investment Committee, Pensions Board, including scheme member and employer representatives. It also applies to all managers in the Enfield Council Pension Fund Management Team and the Chief Finance Officer (Section 151 Officer) (from here on in collectively referred to as the senior officers of the Fund).

Other officers involved in the daily management of the Pension Fund will also be required to have appropriate knowledge and skills relating to their roles, which will be determined and managed by the Pension Fund Manager and Pension & Treasury Manager and his/her team.

The advisers to the Fund that provides the day to day and strategic advice to the London Borough of Enfield Pension Fund are also expected to be able to meet the objectives of this Policy, as are all other officers of employers participating in the London Borough of Enfield Pension Fund who are responsible for pension matters are also encouraged to maintain a high level of knowledge and understanding in relation to LGPS matters, and Enfield Council will provide appropriate training for them.
This is considered separately in the London Borough of Enfield Pension Fund Administration Strategy.

CIPFA and TPR Knowledge and Skills Requirements - (CIPFA Knowledge and Skills Framework and Code of Practice)

In January 2010 CIPFA launched technical guidance for Representatives on Pension Policy & Investment Committees and non-executives in the public sector within a knowledge and skills framework. The Framework details the knowledge and skills required by those responsible for pension scheme financial management and decision making.

In July 2015 CIPFA launched technical guidance for Local Pension Board members by extending the existing knowledge and skills frameworks in place. This Framework details the knowledge and skills required by Pension Board members to enable them to properly exercise their functions under Section 248a of the Pensions Act 2004, as amended by the Public Service Pensions Act 2013.

The Framework covers eight areas of knowledge and skills identified as the core requirements (which include all those covered in the existing Committee and nonexecutives' framework):

i) Pensions legislation
ii) Public sector pensions governance
iii) Pension accounting and auditing standards
iv) Pensions administration
v) Financial services procurement and relationship management
vi) Investment performance and risk management
vii) Financial markets and products knowledge
viii) Actuarial methods, standards and practice

CIPFA's Code of Practice recommends (amongst other things) that Local Government Pension Scheme administering authorities -

- formally adopt the CIPFA Knowledge and Skills Frameworks (or an alternative training programme)
- ensure that the appropriate policies and procedures are put in place to meet the requirements of the Frameworks (or an alternative training programme);
- publicly report how these arrangements have been put into practice each year.

The Pensions Act 2004 and the Pension Regulator's Code of Practice

Section 248a of the Pensions Act 2004, as amended by The Public Service Pensions Act 2013 (PSPA13) requires Pension Board members to:

- be conversant with the rules of the scheme and any document recording policy about the administration of the scheme, and
- have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the Pension Board.
These requirements are incorporated and expanded on within the TPR Code of Practice which came into force on 1 April 2015. It is expected that guidance will also be issued by the Local Government Pension Scheme Advisory Board which will explain further how these requirements will relate to LGPS administering authorities.

Application to the London Borough of Enfield Pension Fund

Enfield Council recognises that effective financial administration, scheme governance and decision-making can only be achieved where those involved have the requisite knowledge and skills. Accordingly, it fully supports the use of the CIPFA Knowledge and Skills Frameworks, and TPR's Code of Practice. Enfield Council adopts the principles contained in these publications in relation to the London Borough of Enfield Pension Fund, and this Training and Development Policy highlights how the Council will strive to achieve those principles through use of a Training Plan together with regular monitoring and reporting.

The London Borough of Enfield Pension Fund Training and Development Plan

Enfield Council recognises that attaining, and then maintaining, relevant knowledge and skills is a continual process for Pension Policy & Investment Committee members, Pension Board members and senior officers, and that training is a key element of this process. Enfield Council will develop a rolling Training Plan based on the following key elements:

1) Individual Training Needs: A training needs analysis will be developed for the main roles of Pension Policy & Investment Committee members, Pension Board members and senior officers customised appropriately to the key areas in which they should be proficient. Training will be required in relation to each of these areas as part of any induction and on an ongoing refresher basis.

2) Hot Topic Training: The Training Plan will be developed to ensure appropriately timed training is provided in relation to hot topic areas, such as a high risk area or a

specific area where decisions need to be made. This training may be targeted at specific roles.

3) General Awareness: Pension Policy & Investment Committee members, Pension Board members and senior officers are expected to maintain a reasonable knowledge of ongoing developments and current issues, which will allow them to have a good level of general awareness of pension related matters appropriate for their roles and which may not be specific to the London Borough of Enfield Pension Fund.

Each of these training requirements will be focussed on the role of the individual i.e. a Pension Policy & Investment Committee member, a Pension Board member or the specific role of the officer.

The Pension Policy & Investment Committee agrees a training plan on an annual basis at the first meeting of the Municipal Year. The training plan is developed taking into consideration the needs of the Committee, the Board and officers to both enhance existing knowledge and skills and to develop new areas of understanding. This ensures that training is accessible to all Committee and Board members and key officers involved in the management of the Pension Fund.

Training will be delivered through a variety of methods including:

- In-house training days provided by officers and/or external providers
- Training as part of meetings (e.g. Pension Policy & Investment Committee) provided by officers and/or external advisers
- External training events
- Circulation of reading material
- Attendance at seminars and conferences offered by industry-wide
- bodies
- Attendance at meetings and events with the London Borough of Enfield Pension Fund's investment managers and advisors
- Links to on-line training
- Access to the London Borough of Enfield Pension Fund website where useful London Borough of Enfield Pension Fund specific material is available.

In addition London Borough of Enfield Pension Fund officers and advisers are available to answer any queries on an ongoing basis including providing access to materials from previous training events.

Initial Information and Induction Process

On joining the Pension Policy & Investment Committee, the Pension Board or the London Borough of Enfield Pension Fund Management Team, a new member or officer will be provided with the following documentation to assist in providing them with a basic understanding of London Borough of Enfield Pension Fund:

i) The members' guide to the Local Government Pension Scheme (LGPS)

ii) The latest Actuarial Valuation report

iii) The Annual Report and Accounts, which incorporate:

a) The Funding Strategy Statement
b) The Governance Policy and Compliance Statement

c) The Statement of Investment Principles including the London Borough of Enfield Pension Fund's statement of compliance with the LGPS Myners Principles
d) The Communications Policy
e) The Administration Strategy

iv) The administering authority's Discretionary Policies
v) The Training Policy

In addition, an individual training plan will be developed to assist each Pension Policy & Investment Committee member, Pension Board member or officer to achieve, within six months, their identified individual training requirements.

Monitoring Knowledge and Skills

To identify if Pension Policy & Investment Committee members, Pension Board members and senior officers are meeting the objectives of this policy we will:

1) Compare and report on attendance at training based on the following:

i) Individual Training Needs – ensuring refresher training on the key elements takes place for each individual at least once every three years.
ii) Hot Topic Training – attendance by at least 80% of the required Pension Policy & Investment Committee members, Pension Board members and senior officers at planned hot topic training sessions. This target may be focussed at a particular group of Pension Policy & Investment Committee members, Pension Board members or senior officers depending on the subject matter.
iii) General Awareness – each Pension Policy & Investment Committee member, Pension Board member or officer attending at least one day each year of general awareness training or events.
iv) Induction training – ensuring areas of identified individual training are completed within six months.

2) Consider whether the objectives have been met as part of the annual self-assessment carried out each year which is completed by all Pension Policy & Investment Committee members, Pension Board members and senior officers.

The key risks to the delivery of this Policy are outlined below:

i) Changes in Pension Policy & Investment Committee and/or Pension Board membership and/or senior officers' potentially diminishing knowledge and understanding.
ii) Poor attendance and/or a lack of engagement at training and/or formal meetings by Pension Policy & Investment Committee Members, Pension Board Members and/or other senior officers resulting in a poor standard of decision making and/or monitoring.
iii) Insufficient resources being available to deliver or arrange the required training.
iv) The quality of advice or training provided not being to an acceptable standard.

The Pension Policy & Investment Committee members, with the assistance of London Borough of Enfield senior officers and Pension Board members will monitor these and other key risks and consider how to respond to them.

Reporting

A report will be presented to the Pension Policy & Investment Committee on an annual basis setting out:

i) The training provided / attended in the previous year at an individual level
ii) Attendance at Pension Policy & Investment Committee and Pension Board meetings
iii) The results of the measurements identified above.

This information will also be included in the London Borough of Enfield Pension Fund's Annual Report and Accounts.

At each Pension Policy & Investment Committee and Pensions Board meeting, members will be provided with details of forthcoming seminars, conferences and other relevant training events as well as a summary of the events attended since the previous meeting.

Costs

All training costs related to this Training and Development Policy are met directly by the London Borough of Enfield Pension Fund.

Approval, Review and Consultation

This Training and Development Policy to be approved and at the London Borough of Enfield Pension Policy & Investment Committee meeting of 21 November 2019. This Training and Development Policy to be adopted by the London Borough of Enfield Pension Board at their next meeting. It will be formally reviewed and updated at least every year or sooner if the training arrangements or other matters included within it worth re-evaluation.

Further Information

If you require further information about anything in or related to this Training and Development Policy, please contact:

Bola Tobun
Pension & Treasury Manager
London Borough of Enfield
Civic Centre
Silver Street
London
EN1 3XF
E-mail Bola.Tobun@enfield.gov.uk
Telephone 020 8132 1588

Appendix 1

CIPFA Knowledge and Skills Framework for Members of Pension Committees

Core Areas:
1. Pensions Legislative and Governance Context

General Pensions Framework
A general awareness of the pension's legislative framework in the UK.

Scheme-specific legislation
- An overall understanding of the legislation specific to the scheme and the main features relating to benefits, administration and investment.
- An awareness of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and Local Government Pension Scheme (Administration) Regulations 2008 and their main features.
- An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.
- A regularly updated appreciation of the latest changes to the scheme rules.
- Knowledge of the role of the administering authority in relation to LGPS.

Pensions regulators and advisors
An understanding of how the roles and powers of the Pension Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.

General constitutional framework
- Broad understanding of the role of pension fund committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.
- Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.

Pensions scheme governance
- An awareness of the LGPS main features.
- Knowledge of the Myners principles and associated CIPFA and Society of Local Authority Chief Executives (SOLACE) guidance.
- A detailed knowledge of the duties and responsibilities of committee members.
- Knowledge of the stakeholders of the pension fund and the nature of their interests.
- Knowledge of consultation, communication and involvement options relevant to the stakeholders.

Pensions Accounting and Standards
- Awareness of the Accounts and Audit Regulations and legislative requirements relating to the role of the committee and individual members in considering and signing off the accounts and annual report.

Appendix 2 Local Pension Boards: A Technical Knowledge and Skills Framework: Learning needs analysis and training requirements

Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training requirements	Training plan (sources and timing)

1 – Pensions legislation		
A general understanding of the pensions legislative framework in the UK.	1 2 3 4 5	
An overall understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration and investment.	1 2 3 4 5	
An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.	1 2 3 4 5	
A regularly updated appreciation of the latest changes to the scheme rules.	1 2 3 4 5	
2 – Pensions governance		
Knowledge of the role of the administering authority in relation to the LGPS.	1 2 3 4 5	
An understanding of how the roles and powers of the DCLG, the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.	1 2 3 4 5	
Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.	1 2 3 4 5	
A broad understanding of the role of pension fund committees in relation to the fund, the administering authority, employing authorities, scheme members and taxpayers.	1 2 3 4 5	
An awareness of the role and statutory responsibilities of the treasurer and monitoring officer.	1 2 3 4 5	

Resources Department
Enfield Council
Civic Centre, Silver Street
Enfield EN1 3XY

www.enfield.gov.uk

Appendix 2 Local Pension Boards: A Technical Knowledge and Skills Framework: Learning needs analysis and training requirements

Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training requirements	Training plan (sources and timing)

Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.	1 2 3 4 5	
A detailed knowledge of the duties and responsibilities of pension board members.	1 2 3 4 5	
Knowledge of the stakeholders of the pension fund and the nature of their interests.	1 2 3 4 5	
Knowledge of consultation, communication and involvement options relevant to the stakeholders.	1 2 3 4 5	
Knowledge of how pension fund management risk is monitored and managed.	1 2 3 4 5	
An understanding of how conflicts of interest are identified and managed.	1 2 3 4 5	
An understanding of how breaches in law are reported.	1 2 3 4 5	
3 – Pensions administration		
An understanding of best practice in pensions administration eg performance and cost measures.	1 2 3 4 5	
Understanding of the required and adopted scheme policies and procedures relating to: • member data maintenance and record-keeping processes • internal dispute resolution • contributions collection • scheme communication and materials.	1 2 3 4 5	

Appendix 2 Local Pension Boards: A Technical Knowledge and Skills Framework: Learning needs analysis and training requirements

Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training requirements	Training plan (sources and timing)

Knowledge of how discretionary powers operate.	1 2 3 4 5	
Knowledge of the pensions administration strategy and delivery (including, where applicable, the use of third party suppliers, their selection, performance management and assurance processes).	1 2 3 4 5	
An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.	1 2 3 4 5	
An understanding of what AVC arrangements exist and the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.	1 2 3 4 5	
4 – Pensions accounting and auditing standards		
An understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.	1 2 3 4 5	
An understanding of the role of both internal and external audit in the governance and assurance process.	1 2 3 4 5	
An understanding of the role played by third party assurance providers.	1 2 3 4 5	
5 – Pensions services procurement and relationship management		
An understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision-makers and organisations.	1 2 3 4 5	

Appendix 2 Local Pension Boards: A Technical Knowledge and Skills Framework: Learning needs analysis and training requiremen

Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training requirements	Training plan (sources and timing)
A general understanding of the main public procurement requirements of UK and EU legislation.		1 2 3 4 5	
An understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.		1 2 3 4 5	
An understanding of how the pension fund monitors and manages the performance of their outsourced providers.		1 2 3 4 5	
6 – Investment performance and risk management			
An understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.		1 2 3 4 5	
An awareness of the Myners principles of performance management and the approach adopted by the administering authority.		1 2 3 4 5	
Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.		1 2 3 4 5	

Procedure for Recording and Reporting Breaches of the Law

1. Introduction

1.1 This document sets out the procedures to be followed by certain persons involved with the Enfield Pension Fund, the Local Government Pension Scheme managed and administered by Enfield Council, in relation to reporting breaches of the law to the Pensions Regulator.

1.2 Breaches can occur in relation to a wide variety of the tasks normally associated with the administrative function of a scheme such as keeping records, internal controls, calculating benefits and making investment or investment-related decisions.

1.3 This Procedure document applies, in the main, to:

- all members of the Enfield Pension Policy & Investment Committee and Board;
- all officers involved in the management of the Pension Fund;
- personnel of the shared service pensions administrator providing day to day administration services to the Fund, and any professional advisers including auditors, actuaries, legal advisers and fund managers; and
- officers of employers participating in the Enfield Pension Fund who are responsible for pension matters.

2. Requirements

2.1 This section clarifies the full extent of the legal requirements and to whom they apply.

2.2 ***Pensions Act 2004***
Section 70 of the Pensions Act 2004 (the Act) imposes a requirement on the following persons:

- a trustee or manager of an occupational or personal pension scheme;
- a member of the pension board of a public service pension scheme;
- a person who is otherwise involved in the administration of such a scheme an occupational or personal pension scheme;
- the employer in relation to an occupational pension scheme;
- a professional adviser in relation to such a scheme; and
- a person who is otherwise involved in advising the trustees or managers of an occupational or personal pension scheme in relation to the scheme, to report a matter to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that:
  (a) a legal duty relating to the administration of the scheme has not been or is not being complied with, and
  (b) the failure to comply is likely to be of material significance to The Pensions Regulator.

The Act states that a person can be subject to a civil penalty if he or she fails to comply with this requirement without a reasonable excuse. The duty to report breaches under the Act overrides any other duties the individuals listed above may have. However the duty to report does not override 'legal privilege'. This means that, generally, communications between a professional legal adviser and their client, or a person representing their client, in connection with legal advice being given to the client, do not have to be disclosed.

2.3 *The Pension Regulator's Code of Practice*

Practical guidance in relation to this legal requirement is included in The Pension Regulator's Code of Practice including in the following areas:

- implementing adequate procedures.
- judging whether a breach must be reported.
- submitting a report to The Pensions Regulator.
- whistleblowing protection and confidentiality.

2.4 *Application to the Enfield Pension Fund*

This procedure has been developed to reflect the guidance contained in The Pension Regulator's Code of Practice in relation to the Enfield Pension Fund and this document sets out how the Board will strive to achieve best practice through use of a formal reporting breaches procedure.

3 The Enfield Pension Fund Reporting Breaches Procedure

The following procedure details how individuals responsible for reporting and whistleblowing can identify, assess and report (or record if not reported) a breach of law relating to the Enfield Pension Fund. It aims to ensure individuals responsible are able to meet their legal obligations, avoid placing any reliance on others to report. The procedure will also assist in providing an early warning of possible malpractice and reduce risk.

3.1 *Clarification of the law*

Individuals may need to refer to regulations and guidance when considering whether or not to report a possible breach. Some of the key provisions are shown below:

- Section 70(1) and 70(2) of the Pensions Act 2004:
  www.legislation.gov.uk/ukpga/2004/35/contents
- Employment Rights Act 1996:
  www.legislation.gov.uk/ukpga/1996/18/contents
- Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (Disclosure Regulations):
  www.legislation.gov.uk/uksi/2013/2734/contents/made
- Public Service Pension Schemes Act 2013:
  www.legislation.gov.uk/ukpga/2013/25/contents
- Local Government Pension Scheme Regulations (various):
  http://www.lgpsregs.org/timelineregs/Default.html (pre 2014 schemes)
  http://www.lgpsregs.org/index.php/regs-legislation (2014 scheme)

- The Pensions Regulator's Code of Practice: http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-publicservice-pension-schemes.aspx
  In particular, individuals should refer to the section on 'Reporting breaches of the law', and for information about reporting late payments of employee or employer contributions, the section of the code on 'Maintaining contributions'.

Further guidance and assistance can be provided by the Council Monitoring Officer and the Executive Director of Resources, provided that requesting this assistance will not result in alerting those responsible for any serious offence (where the breach is in relation to such an offence).

3.2 ***Clarification when a breach is suspected***

Individuals need to have reasonable cause to believe that a breach has occurred, not just a suspicion. Where a breach is suspected the individual should carry out further checks to confirm the breach has occurred. Where the individual does not know the facts or events, it will usually be appropriate to check with the Council Monitoring Officer and the Executive Director of Resources, a member of the Pension Policy & Investment Committee or Pension Board or others who are able to explain what has happened. However there are some instances where it would not be appropriate to make further checks, for example, if the individual has become aware of theft, suspected fraud or another serious offence and they are also aware that by making further checks there is a risk of either alerting those involved or hampering the actions of the police or a regulatory authority. In these cases The Pensions Regulator should be contacted without delay.

3.3 ***Determining whether the breach is likely to be of material significance***

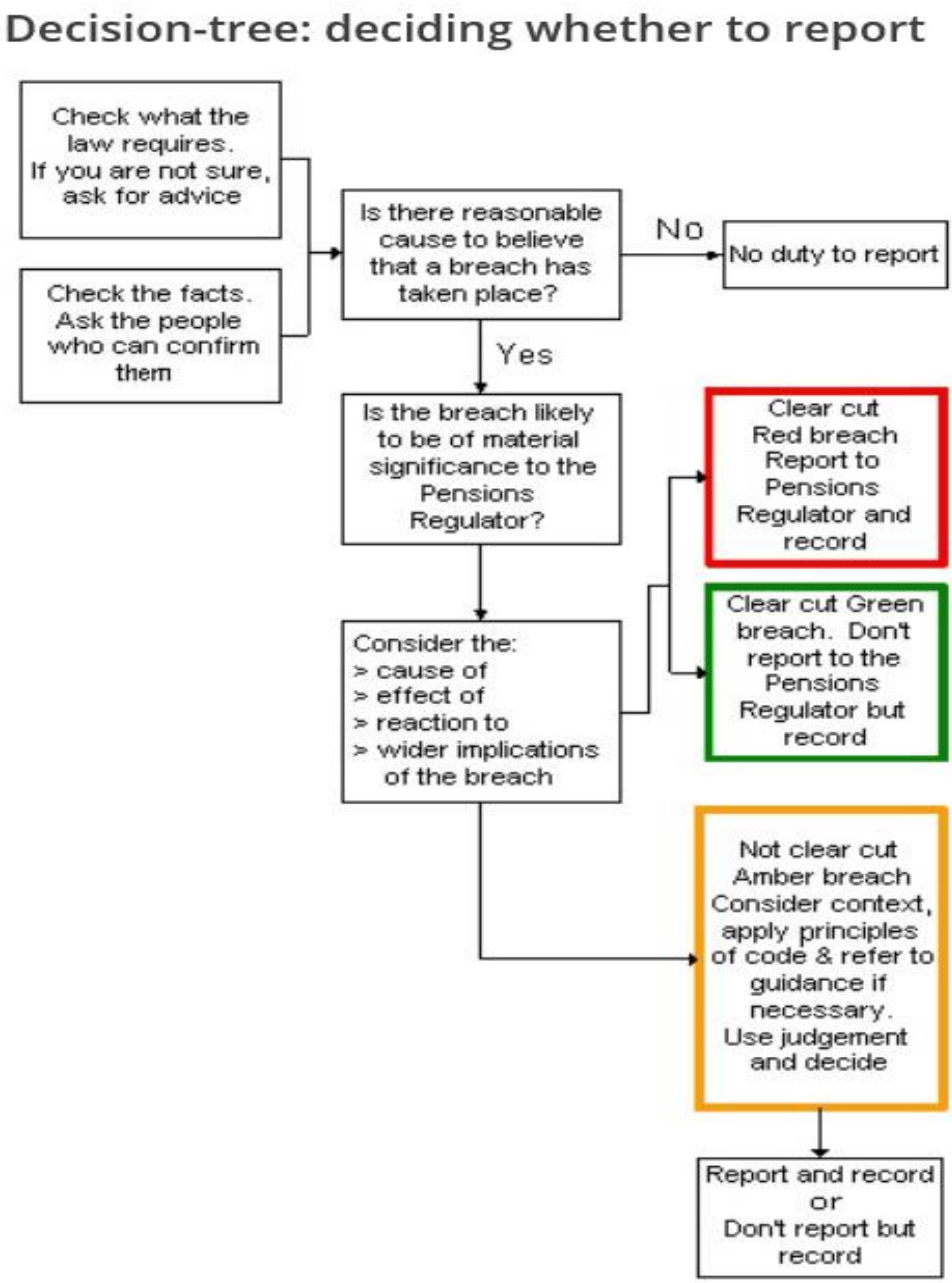
To decide whether a breach is likely to be of material significance an individual should consider the following, both separately and collectively:

- cause of the breach (what made it happen);
- effect of the breach (the consequence(s) of the breach);
- reaction to the breach; and
- wider implications of the breach.

Further details on the above four considerations are provided in Appendix A to this procedure.

The individual should use the traffic light framework described in Appendix B to help assess the material significance of each breach and to formally support and document their decision.

3.4 A decision tree is provided below to show the process for deciding whether or not a breach has taken place and whether it is materially significant and therefore requires to be reported.



3.5 ***Referral to a level of seniority for a decision to be made on whether to report***

Enfield Council has a designated Monitoring Officer to ensure the Council acts and operates within the law. They are considered to have appropriate experience to help investigate whether there is reasonable cause to believe a breach has occurred, to check the law and facts of the case, to maintain records of all breaches and to assist in any reporting to The Pensions Regulator, where appropriate. If breaches relate to late or incorrect payment of contributions or pension benefits, the matter should be highlighted to the Council Director of Finance and the Executive Director of Resources, at the earliest opportunity to ensure the matter is resolved as a matter of urgency. Individuals must bear in mind, however, that the involvement of the Monitoring Officer is to help clarify the potential reporter's thought process and to ensure this procedure is followed. The reporter remains responsible for the final decision as to whether a matter should be reported to The Pensions Regulator.

The matter should not be referred to any of these officers if doing so will alert any person responsible for a possible serious offence to the investigation (as highlighted in section 2). If that is the case, the individual should report the matter to The Pensions Regulator setting out the reasons for reporting, including any uncertainty – a telephone call to the Regulator before the submission may be appropriate, particularly in more serious breaches.

3.6 ***Dealing with complex cases***

The Council Director of Finance and the Executive Director of Resources may be able to provide guidance on particularly complex cases. Information may also be available from national resources such as the Scheme Advisory Board or the LGPC Secretariat (part of the LG Group - http://www.lgpsregs.org/). If timescales allow, legal advice or other professional advice can be sought and the case can be discussed at the next Board meeting.

3.7. ***Timescales for reporting***

The Pensions Act and Pension Regulators Code require that if an individual decides to report a breach, the report must be made in writing as soon as reasonably practicable. Individuals should not rely on waiting for others to report and nor is it necessary for a reporter to gather all the evidence which The Pensions Regulator may require before taking action. A delay in reporting may exacerbate or increase the risk of the breach. The time taken to reach the judgements on “reasonable cause to believe” and on “material significance” should be consistent with the speed implied by ‘as soon as reasonably practicable’. In particular, the time taken should reflect the seriousness of the suspected breach.

3.8 ***Early identification of very serious breaches***

In cases of immediate risk to the scheme, for instance, where there is any indication of dishonesty, The Pensions Regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty, the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert The Pensions Regulator to the breach.

3.9 ***Recording all breaches even if they are not reported***

The record of past breaches may be relevant in deciding whether to report a breach (for example it may reveal a systemic issue). Enfield Council will maintain a record of all breaches identified by individuals and reporters should therefore provide copies of reports to the Council Monitoring Officer and the Executive Director of Resources. Records of unreported breaches should also be provided as soon as reasonably practicable and certainly no later than within 20 working days of the decision made not to report. These will be recorded alongside all reported breaches. The record of all breaches (reported or otherwise) will be included in the quarterly Monitoring Report at each Pension Committee, and this will also be shared with the Pension Board.

3.10 ***Reporting a breach***

Reports must be submitted in writing via The Pensions Regulator's online system at www.tpr.gov.uk/exchange, or by post, email or fax, and should be marked urgent if appropriate. If necessary, a written report can be preceded by a telephone call. Reporters should ensure they receive an acknowledgement for any report they send to The Pensions Regulator. The Pensions Regulator will acknowledge receipt of all reports within five working days and may contact reporters to request further information. Reporters will not usually be informed of any actions taken by The Pensions Regulator due to restrictions on the disclosure of information.

As a minimum, individuals reporting should provide:

- full scheme name (Enfield Pension Fund);
- description of breach(es);
- any relevant dates;
- name, position and contact details;
- role in connection to the scheme; and
- employer name or name of scheme manager (the latter is Enfield Council).

If possible, reporters should also indicate:

- the reason why the breach is thought to be of material significance to The Pensions Regulator;
- scheme address (provided at the end of this procedures document);
- scheme manager contact details (provided at the end of this procedures document);
- pension scheme registry number (PSR – 10041083); and
- whether the breach has been reported before.

The reporter should provide further information or reports of further breaches if this may help The Pensions Regulator in the exercise of its functions. The Pensions Regulator may make contact to request further information.

3.11 ***Confidentiality***

If requested, The Pensions Regulator will do its best to protect a reporter's identity and will not disclose information except where it is lawfully required to do so. If an individual's employer decides not to report and the individual employed by them disagrees with this and decides to report a breach themselves, they may have protection under the Employment Rights Act 1996 if they make an individual report in good faith.

3.12 ***Reporting to Pension Policy & Investment Committee and Pensions Board***

A report will be presented to the Pension Policy & Investment Committee and the Pensions Board on a quarterly basis setting out:

- all breaches, including those reported to The Pensions Regulator and those unreported, with the associated dates;
- in relation to each breach, details of what action was taken and the result of any action (where not confidential);
- any future actions for the prevention of the breach in question being repeated; and
- highlighting new breaches which have arisen in the last year/since the previous meeting.

This information will also be provided upon request by any other individual or organisation (excluding sensitive/confidential cases or ongoing cases where discussion may influence the proceedings). An example of the information to be included in the quarterly reports is provided in Appendix C to this procedure.

3.13 ***Review***

This Reporting Breaches Procedure will be kept under review and updated as considered appropriate by the Executive Director of Resources. It may be changed as a result of legal or regulatory changes, evolving best practice and ongoing review of the effectiveness of the procedure.

Further Information

If you require further information about reporting breaches or this procedure, please contact:

Bola Tobun - Pensions & Treasury Manager
Email: Bola.Tobun@enfield.gov.uk
Telephone: 020 8379 6879

Enfield Pension Fund
London Borough of Enfield, London EN1 3XF

Designated officer contact details:

1) Director of Finance – Matt Bowmer (Interim)
Email: Matt.Bowmer@enfield.gov.uk

2) Executive Director of Resources – Fay Hammond (Acting)
Email: Fay.Hammond@enfield.gov.uk

3) Monitoring Officer/Director of Law & Governance – Jeremy Chambers
Email: Jeremy.Chambers@enfield.gov.uk

Appendix A

Determining whether a breach is likely to be of material significance

To decide whether a breach is likely to be of material significance individuals should consider the following elements, both separately and collectively:

- cause of the breach (what made it happen);
- effect of the breach (the consequence(s) of the breach);
- reaction to the breach; and
- wider implications of the breach.

The cause of the breach

Examples of causes which are likely to be of concern to The Pensions Regulator are provided below:

- acting, or failing to act, in deliberate contravention of the law;
- dishonesty;
- incomplete or inaccurate advice;
- poor administration, i.e. failure to implement adequate administration procedures;
- poor governance; or
- slow or inappropriate decision-making practices.

When deciding whether a cause is likely to be of material significance individuals should also consider:

- whether the breach has been caused by an isolated incident such as a power outage, fire, flood or a genuine one-off mistake.
- whether there have been any other breaches (reported to The Pensions Regulator or not) which when taken together may become materially significant.

The effect of the breach

Examples of the possible effects (with possible causes) of breaches which are considered likely to be of material significance to The Pensions Regulator in the context of the LGPS are given below:

- Committee/Board members not having enough knowledge and understanding, resulting in pension boards not fulfilling their roles, the scheme not being properly governed and administered and/or scheme managers breaching other legal requirements.
- Conflicts of interest of Committee or Board members, resulting in them being prejudiced in the way in which they carry out their role and/or the ineffective governance and administration of the scheme and/or scheme managers breaching legal requirements.
- Poor internal controls, leading to schemes not being run in accordance with their scheme regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the scheme at the right time.

- Inaccurate or incomplete information about benefits and scheme information provided to members, resulting in members not being able to effectively plan or make decisions about their retirement.
- Poor member records held, resulting in member benefits being calculated incorrectly and/or not being paid to the right person at the right time.
- Misappropriation of assets, resulting in scheme assets not being safeguarded.
- Other breaches which result in the scheme being poorly governed, managed or administered.

The reaction to the breach

A breach is likely to be of concern and material significance to The Pensions Regulator where a breach has been identified and those involved:

- do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence;
- are not pursuing corrective action to a proper conclusion; or
- fail to notify affected scheme members where it would have been appropriate to do so.

The wider implications of the breach

Reporters should also consider the wider implications when deciding whether a breach must be reported. The breach is likely to be of material significance to The Pensions Regulator where the fact that a breach has occurred makes it more likely that further breaches will occur within the Fund or, if due to maladministration by a third party, further breaches will occur in other pension schemes.

Appendix B

Traffic light framework for deciding whether or not to report

It is recommended that those responsible for reporting use the traffic light framework when deciding whether to report to The Pensions Regulator. This is illustrated below:

RED

This where the cause, effect, reaction and wider implications of a breach, when considered together, are likely to be of material significance.

These must be reported to The Pensions Regulator.
Example: Several members' benefits have been calculated incorrectly. The errors have not been recognised and no action has been taken to identify and tackle the cause or to correct the errors.

AMBER

This where the cause, effect, reaction and wider implications of a breach, when considered together, may be of material significance. They might consist of several failures of administration that, although not significant in themselves, have a cumulative significance because steps have not been taken to put things right. You will need to exercise your own judgement to determine whether the breach is likely to be of material significance and should be reported.

Example: Several members' benefits have been calculated incorrectly. The errors have been corrected, with no financial detriment to the members. However the breach was caused by a system error which may have wider implications for other public service schemes using the same system.

GREEN

This where the cause, effect, reaction and wider implications of a breach, when considered together, are not likely to be of material significance. These should be recorded but do not need to be reported.

Example: A member's benefits have been calculated incorrectly. This was an isolated incident, which has been promptly identified and corrected, with no financial detriment to the member. Procedures have been put in place to mitigate against this happening again.

All breaches should be recorded even if the decision is not to report.

When using the traffic light framework individuals should consider the content of the red, amber and green sections for each of the cause, effect, reaction and wider implications of the breach, before you consider the four together.
Some useful examples of this is framework is provided by The Pensions Regulator at the following link:
http://www.thepensionsregulator.gov.uk/codes/code-related-report-breaches.aspx

Appendix C

Enfield Pension Fund - Record of Breaches

Date	Category (e.g. administration, contributions, funding, investment, criminal activity)	Description and cause of breach	Possible effect of breach and wider implications	Reaction of relevant parties to breach	Reported / Not reported (with justification if not reported and dates)	Outcome of report and/or investigations	Outstanding actions

*New breaches since the previous meeting should be highlighted

CONFLICTS OF INTEREST POLICY

Introduction

Conflicts of interest have always existed for those with LGPS administering authority responsibilities as well as for advisers to LGPS funds. This simply reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example as a member of the scheme, as an elected member of an employer participating in the LGPS or as an adviser to more than one LGPS administering authority. Further any of those persons may have an individual personal, business or other interest which might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.

It is generally accepted that LGPS administering authorities have both fiduciary and public law duties to act in the best interest of both the scheme beneficiaries and participating employers. This, however, does not preclude those involved in the management of the fund from having other roles or responsibilities which may result in an actual or potential conflict of interest. Accordingly, it is good practice to document within a policy, such as this, how any such conflicts or potential conflicts are to be managed.

This is the Conflicts of Interest Policy of the Enfield Pension Fund, which is managed by London Borough of Enfield. The Policy details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the Enfield Pension Fund whether directly or in an advisory capacity.

This Conflicts of Interest Policy is established to guide the Pension Policy & Investment Committee members, Pension Board members, officers and advisers. Along with other constitutional documents, including the various Codes of Conduct, it aims to ensure that those individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimising the risk of any matter prejudicing decision making or management of the Fund otherwise.

In relation to the governance of the Fund, the Administering Authority's objectives are to:

- Act in the best interests of the Fund's members and employers
- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
- Act with integrity and be accountable to stakeholders for all decisions, ensuring they are robust and well based
- **Understand and monitor risk**

- Strive to ensure compliance with the appropriate legislation and statutory guidance, and to act in the spirit of other relevant guidelines and best practice guidance
- Clearly articulate its objectives and how it intends to achieve those objectives through business planning, and continually measure and monitor success

The identification and management of potential and actual conflicts of interest is integral to the Administering Authority achieving its governance objectives.

To whom this Policy Applies

This Conflicts of Interest Policy applies to all members of the Pension Policy & Investment Committee and the Pension Board, including scheme member and employer representatives, whether voting members or not. It applies to all managers in the management of London Borough of Enfield Pension Fund, the Chief Finance Officer (Section 151 Officer), Executive Directors, Directors and the Service Heads (from here on in collectively referred to as the senior officers of the Fund).

The Pension Manager/Pension Investment & Treasury Manager will monitor potential conflicts for less senior officers involved in the daily management of the Pension Fund and highlight this Policy to them as he/she considers appropriate.

This Policy and the issue of conflicts of interest in general must be considered in light of each individual's role, whether this is a management, advisory or assisting role.

The Policy also applies to all advisers and suppliers to the Fund, whether advising the Pension Board, Pension Policy & Investment Committee or Fund officers.

In this Policy, reference to advisers includes all advisers, suppliers and other parties providing advice and services to the Administering Authority in relation to pension fund matters. This includes but is not limited to actuaries, investment consultants, independent advisers, benefits consultants, third party administrators, fund managers, lawyers, custodians and AVC providers. Where an advisory appointment is with a firm rather than an individual, reference to "advisers" is to the lead adviser(s) responsible for the delivery of advice and services to the Administering Authority rather than the firm as a whole.

In accepting any role covered by this Policy, those individuals agree that they must:

- acknowledge any potential conflict of interest they may have;
- be open with the Administering Authority on any conflicts of interest they may have;
- adopt practical solutions to managing those conflicts; and
- plan ahead and agree with the Administering Authority how they will manage any conflicts of interest which arise in future.

The procedures outlined later in this Policy provide a framework for each individual to meet these requirements.

Legislative and related context

The overriding requirements in relation to the management of potential or actual conflicts of interest for those involved in LGPS funds are contained in various elements of legislation and guidance. These are considered further below.

The Public Service Pensions Act 2013

Section 5 of this Act requires that the scheme manager (in the case of the LGPS, this is the administering authority) must be satisfied that a Pension Board member does not have a conflict of interest at the point of appointment and from time to time thereafter. It also requires Pension Board members (or nominated members) to provide reasonable information to the scheme manager for this purpose.

The Act defines a conflict of interest as “a financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme).”

Further, the Act requires that scheme managers must have regard to any such guidance that the national scheme advisory board issue (see below).

The Local Government Pension Scheme Regulations 2013

Regulation 108 of these Regulations applies the requirements of the Public Service Pensions Act (as outlined above) to the LGPS, placing a duty on each Administering Authority to satisfy itself that Pension Board members do not have conflicts of interest on appointment or whilst they are members of the board. It also requires those pension board members to provide reasonable information to the administering authority in this regard.

Regulation 109 states that each Administering Authority must have regard to guidance issued by the Secretary of State in relation to Pension Boards. Further, regulation 110 provides that the national scheme advisory board has a function of providing advice to Administering Authorities and Pension Boards. At the point of writing this Policy, the shadow LGPS national scheme advisory board has issued guidance relating to the creation of Pension Boards including a section on conflicts of interest. It is expected that this guidance will be adopted by the scheme advisory board when it is created by statute and possibly also by the Secretary of State. This Conflicts of Interest Policy has been developed having regard to that guidance.

The Pensions Act 2004

The Public Service Pensions Act 2013 also added a number of provisions to the Pensions Act 2004 related to the governance of public service pension schemes and, in particular, conflicts of interest.

Section 90A requires the Pensions Regulator to issue a code of practice relating to conflicts of interest for pension board members. The Pensions Regulator has issued such a code and this Conflicts of Interest Policy has been developed having regard to that code.

Further, under section 13, the Pensions Regulator can issue an improvement notice (i.e. a notice requiring steps to be taken to rectify a situation) where it is considered that the requirements relating to conflicts of interest for Pension Board members are not being adhered to.

Local Government Act 2000
All members and co-opted members of the Enfield Pension Policy & Investment Committee are required by the Local Government Act 2000 to abide by Enfield's Members' Code of Conduct. Part 3 of that Code contains provisions relating to personal interests, personal and prejudicial interests, their disclosure and limitations on members' participation where they have any such interest.

The Public Services Ombudsman for Wales' Ten Guiding Principles
The Local Government Act 2000 empowered the National Assembly to issue principles to which local authority elected members must have regard in undertaking their role as a member. These principles draw on the 7 Principles of Public Life which were set out in the Nolan Report "Standards of Conduct in Local Government in England, Scotland and Wales". Three more were added to these; a duty to uphold the law, proper stewardship of the Council's resources and equality and respect for others.

The current principles were set out in a statutory instrument and are detailed below. Many of the principles are integral to the successful implementation of this Policy.

CODE OF CONDUCT & CONFLICT OF INTEREST POLICY

1. **Code of conduct**

1.1 As members of a publicly funded body with a responsibility to discharge public business, members of the Enfield Pension Board should have the highest standards of conduct.

1.2 Pension Board members should have regard to the Seven Principles of Public life:
- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

1.3 All Enfield Pension Board members must:
- Act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

- Not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

- Make all choices on merit and must be impartial and seen to be impartial, when carrying out your public duties.

- Co-operate fully with whatever scrutiny is appropriate to your role.

- Not, without proper authority, reveal any confidential and sensitive information that is provided to you, such as personal information about someone, or commercially sensitive information which, if disclosed, might harm the commercial interests of the Council or another person or organisation.

- Ensure when using or authorising the use by others of the resources of the authority that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

- Promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

- Sign the Conflict of Interest Declaration and declare any further potential conflicts of interest that may arise once appointed as a member.

- Comply with the Enfield Pension Fund Code in addition to all other existing Codes of Conduct or Protocols (e.g. The Member Code of Conduct).

2. Conflict of interest

2.1 The Public Service Pensions Act 2013, Section 5(4) requires that any member of a Pension Board must not have a “conflict of interest”, which is defined in Section 5(5) as a “financial or other interest which is likely to prejudice the person’s exercise of functions as a member of the board, but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme.”

2.2 A conflict of interest exists where a decision on a matter might reasonably be regarded as affecting (to a greater extent than other persons who may be affected by the decision) the well-being or financial position of the Councillor, a relative or a friend or

- the employment or business carried out by those persons, or in

which they might be investors (above a certain level),
- any of the bodies with which the decision maker is associated, and which decision maker will have registered in the appropriate register of interests.

It does not need to be shown that a conflict of interest actually exists. It is sufficient if it appears to a fair and informed observer that there was a real possibility of conflict.

2.3 Examples of potential conflicts of interest, not only for the Board but also for all those involved in managing the Pension Fund, are listed at appendix A.

2.4 All prospective Pension Board members are required to complete the Enfield Pension Fund Conflict of interest declaration before they are appointed to the Pension Board, attached at appendix B.

2.5 All appointments to the Pension Board should be kept under review by the Executive Director, Resources.

2.5 It is the duty of any appointed Pension Board member to declare any potential conflict of interest. This declaration should be made to the Chair of the Pension Board in the first instance or to the Scheme Manager and recorded in a register of interests.

2.7 The Pension Board shall identify and monitor any potential conflict of interests in a register of interests (attached at appendix C). The register of interests should be circulated to the Enfield Pension Board and Scheme Manager for review and publication.

2.8 If the Pension Board suspects any conflict of interest it should report its concerns to the Scheme Manager.

2.9 When seeking to prevent a potential conflict of interest becoming detrimental to the conduct and decisions of the Pension Board, the Enfield Pension Board must consider obtaining legal advice when assessing its course of action and response. The Enfield Pension Board should consult the Monitoring Officer or the Service Head, Legal Services in the first instance.

2.10 Education on identifying and dealing with conflicts of interest will be included as part of the training requirement in the Knowledge and Understanding policy.

3. Operational procedure for officers, Pension Policy & Investment Committee members and Pension Board members

3.1 The following procedures must be followed by all individuals to whom this policy applies.

What is required	How this will be done
Step 1 - Initial identification of interests which do or could give rise to a conflict	On appointment to their role or on the commencement of this Policy if later, all individuals will be provided with a copy of this Policy and be required to complete a Declaration of Interest the same or similar to that included in Appendix B. This is in addition to the requirement to register disclosable pecuniary interests and other registerable interests. The information contained in these declarations will be collated into the Pension Fund Register of conflicts of interest in a format the same or similar to that included in Appendix C.
Step 2 - Ongoing notification and management of potential or actual conflicts of interest	At the commencement of any Pension Policy & Investment Committee, Pension Board or other formal meeting where pension fund matters are to be discussed, the Chairman will ask all those present who are covered by this Policy to declare any new potential conflicts. These will be recorded in the Fund's Register of conflicts of interest. In addition, the latest version of the Register will be made available by the Governance Officer to the Chairman of every meeting prior to that meeting. At the start of the Pension Policy & Investment Committee meetings there will also, be an agenda item for Members to declare any interests under the Members' Code in relation to any items on that agenda. Any individual, who considers that they or another individual has a potential or actual conflict of interest, as defined by this Policy, which relates to an item of business at a meeting, must advise the Chairman and the Governance Officer prior to the meeting, where possible, or state this clearly at the meeting at the earliest possible opportunity. The Chairman, in consultation with the Officers, should then decide whether the conflicted or potentially conflicted individual needs to leave the meeting during the discussion on the relevant matter or to withdraw from voting on the matter. If such a conflict is identified outside of a meeting the notification must be made to the Governance Officer and where it relates to the business of any meeting, also to the Chairman of that meeting. The Officers, in consultation with the Chairman where relevant, will consider any necessary action to manage the potential or actual conflict. Where information relating to any potential or actual conflict has been provided, the Pensions & Treasury Manager may seek such professional advice as he or she thinks fit (such as legal advice from the Monitoring Officer) on to how to address any identified conflicts. Any such potential or actual conflicts of interest and the action taken must be recorded on the Fund's Register of conflicts of interest.

What is required	How this will be done
Step 3 - Periodic review of potential and actual conflicts	At least once every 12 months, the Officers will provide to all individuals to whom this Policy applies a copy of the Fund's Register of conflicts of interest. All individuals will complete a new Declaration of Interest (see Appendix B) confirming that their information contained in the Register is correct or highlighting any changes that need to be made to the declaration. Following this exercise, the updated Register will then be circulated by the Officers to all individuals to whom it relates.

4. Operational procedure for advisers

4.1 All of the key advisers are expected to have their own policies on how conflicts of interest will be managed in their relationships with their clients, and these should have been shared with London Borough of Enfield.

4.2 Although this Policy applies to all advisers, the operational procedures outlined in steps 1 and 3 above relating to completing ongoing declarations are not expected to apply to advisers. Instead all advisers must:

- be provided with a copy of this Policy on appointment and whenever it is updated
- adhere to the principles of this Policy
- provide, on request, information to the Pensions & Treasury Manager in relation to how they will manage and monitor actual or potential conflicts of interests relating to the provision of advice or services to London Borough of Enfield
- notify the Pensions & Treasury Manager immediately should a potential or actual conflict of interest arise.

4.3 All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of conflicts of interest.

4.4 London Borough of Enfield will encourage a culture of openness and transparency and will encourage individuals to be vigilant, have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed.

4.5 London Borough of Enfield will evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on pension fund operations and good governance were an actual conflict of interest to materialise.

4.6 Ways in which conflicts of interest may be managed include:

- the individual concerned abstaining from discussion, decision-making or providing advice relating to the relevant issue
- the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a Pension Policy & Investment Committee meeting)
- a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen)

4.7 Provided that the Administering Authority, (having taken any professional advice deemed to be required) is satisfied that the method of management is satisfactory, London Borough of Enfield shall endeavour to avoid the need for an individual to have to resign due to a conflict of interest. However, where the conflict is considered to be so fundamental that it cannot be effectively managed, or where a Pension Board member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from the Committee, Board or appointment.

4.8 *Minor Gifts*
For the purposes of this Policy, gifts such as t-shirts, pens, trade show bags and other promotional items (subject to a notional maximum value of £10 per item and an overall maximum value of £20 from an individual company per event) obtained at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event do not need to be declared. Pension Policy & Investment Committee members should, however, be aware that they may be subject to lower limits and a separate notification procedure in the London Borough of Enfield Members' Code of Conduct.

5. Monitoring and Reporting

5.1 The Fund's Register of conflicts of interest may be viewed by any interested party at any point in time. It will be made available on request by the Governance Officer for the Fund. In addition, it will be published in the annual report and accounts

5.2 In order to identify whether the objectives of this Policy are being met the Administering Authority will:

- Review the Register of conflicts of interest on an annual basis and consider whether there have been any potential or actual conflicts of interest that were not declared at the earliest opportunity
- Provide its findings to the Administering Authority's Independent Adviser and ask him or her to include comment on the management of conflicts of interest in his

or her annual report on the governance of the Fund each year.

6. Key Risks

6.1 The key risks to the delivery of this Policy are outlined below. All of these could result in an actual conflict of interest arising and not being properly managed. The Pension & Treasury Manager will monitor these and other key risks and consider how to respond to them.

- Insufficient training or poor understanding in relation to individuals' roles on pension fund matters
- Insufficient training or failure to communicate the requirements of this Policy
- Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy
- Failure by a chairperson to take appropriate action when a conflict is highlighted at a meeting.

7. Costs

7.1 All costs related to the operation and implementation of this Policy will be met directly by Enfield Pension Fund. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.

8. Approval, Review and Consultation

8.1 This Conflicts of Interest Policy is to be approved using delegated responsibilities on 27 February 2020. It will be formally reviewed and updated at least every three years or sooner if the conflict management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS or other relevant Regulations or Guidance which need to be taken into account.

Further Information

If you require further information about anything in or related to this Conflicts of Interest Policy, please contact:

Bola Tobun,
Pension & Treasury Manager,
London Borough of Enfield
E-mail - Bola.Tobun@enfield.gov.uk
Telephone – 020 8132 1588

Appendix A

Examples of Potential Conflicts of Interest

a) An elected member on the Pension Policy & Investment Committee is asked to provide views on a funding strategy which could result in an increase in the employer contributions required from the employer he or she represents.

b) A member of the Pension Policy & Investment Committee is on the board of a Fund Manager that the Committee is considering appointing.

c) An officer of the Fund or member of the Pension Policy & Investment Committee accepts a dinner invitation from a Fund Manager who has submitted a bid as part of a tender process.

d) An employer representative on the Pension Board is employed by a company to which the administering authority has outsourced its pension administration services and the Local Pension Board is reviewing the standards of service provided by that company.

e) The person appointed to consider internal disputes is asked to review a case relating to a close friend or relative.

f) An officer of the Fund is asked to provide guidance to the Local Pension Board on the background to an item considered at the Pension Policy & Investment Committee. This could be a potential conflict as the officer could consciously or sub-consciously avoid providing full details, resulting in the Board not having full information and not being able to provide a complete view on the appropriateness or otherwise of that Pension Policy & Investment Committee item.

g) The administering authority is considering buying its own payroll system for paying pensioners, rather than using the payroll system used for all employees of the Council. The Executive Director of Finance and Public Protection, who has responsibility for the Council budget, is expected to approve the report to go to the Pension Policy & Investment Committee, which, if agreed, would result in a material reduction in the recharges to the Council from the Fund.

h) Officers of the Fund are asked to provide a report to the Pension Board or Pension Policy & Investment Committee on whether the administration services should be outsourced which, if it were to happen, could result in a change of employer or job insecurity for the officers.

i) An employer representative employed by the administering authority and appointed to the Pension Board to represent employers generally could be conflicted if he or she only acts in the interests of the administering authority, rather than those of all participating employers. Equally, a member representative, who is also a trade union representative, appointed to the pension board to represent the entire scheme membership could be conflicted if he or she only acts in the interests of their union and union membership, rather than all scheme members.

j) A Fund adviser is party to the development of a strategy which could result in additional work for their firm, for example, delegated consulting of fund monies or providing assistance with monitoring the covenant of employers.

k) An employer representative has access to information by virtue of his or her employment, which could influence or inform the considerations or decisions of the Pension Policy & Investment Committee or Local Pension Board. He or she has to consider whether to share this information in light of their duty of confidentiality to their employer. Their knowledge of this information will put them in a position of conflict if it is likely to prejudice their ability to carry out their functions as a member of the Pension Board.

Appendix B

Declaration of Interests relating to the management of Enfield Pension Fund administered by London Borough of Enfield

I, [insert full name] am:

Tick as appropriate

- an officer involved in the management ☐
- Pension Policy & Investment Committee Member ☐
- Pension Board Member ☐

of Enfield Pension Fund and I set out below under the appropriate headings my interests, which I am required to declare under Enfield Pension Fund Conflicts of Interest Policy. I have put "none" where I have no such interests under any heading.

Responsibilities or other interests that could result in a conflict of interest (please list and continue overleaf if necessary):

A) Relating to me

B) Relating to family members or close colleagues

Undertaking:

I declare that I understand my responsibilities under the Enfield Pension Fund Conflicts of Interest Policy. I undertake to notify the Pension & Treasury Manager of any changes in the information set out above.

Signed:

Date:

Name:

(CAPITAL LETTERS)

Appendix C

Enfield Pension Fund - Register of Potential and Actual Conflicts of Interest

All reported conflicts of interest will be recorded in the minutes and a register of conflicts will be maintained and reviewed annually by London Borough of Enfield, the Administering Authority.

Date Identified	Name of Person	Role of Person	Details of conflict	Actual or potential conflict	How notified (1)	Action taken (2)	Follow up required	Date resolved

(1) E.g. verbal declaration at meeting, written conflicts declaration, etc.
(2) E.g. withdrawing from a decision making process, left meeting

Section 4 - Glossary

Actuary	A person who analyses the assets and future liabilities of a pension fund and calculates the level of employers' contributions needed to keep the Fund solvent.
Admitted bodies	These are employers who have been allowed into the Fund at the Council's discretion.
Alternative investments (Other Pooled Funds)	These are less traditional investments where risks can be greater but potential returns higher over the long term, for example investments in private equity partnerships, hedge funds, commodities, foreign currency and futures.
AVCs	Additional voluntary contributions are paid by a contributor who decides to supplement his or her pension by paying extra contributions to the Fund's AVC provider (Prudential).
Bulk transfer	A transfer of a group of members agreed by, and taking place between, two pension schemes.
Commutation	The conversion of an annual pension entitlement into a lump sum on retirement.
Contingent liability	A possible loss, subject to confirmation by an event after the balance sheet date, where the outcome is uncertain.
Custodian	A bank that looks after the Fund's investments, implements investment transactions as instructed by the Fund's managers and provides reporting, performance and administrative services to the Fund.
Cross subsidies	Amounts of money by which organisations subsidise each other.
Discretionary	Allowable but not compulsory under law.
Dividends	Income to the Fund on its holdings of UK and overseas equities.
Emerging markets	The financial markets of developing economies.
Equities	Shares in UK and overseas companies.
FTSE	Financial Times – publishers of the FTSE-100, and other indices.
Gilt-edged securities (or Gilts)	Fixed-interest stocks issued by the UK Government.
Hedge fund	A specialist fund that seeks to generate consistent returns in all market conditions by exploiting opportunities resulting from inefficient markets.
Index	A measure of the value of a stock market based on a representative sample of stocks.

LGPS	The Local Government Pension Scheme is a nationwide scheme for employees working in local government or working for other employers participating in the scheme and for some councillors.
LIBOR	London Inter Bank Offer Rate – the interest rate that banks charge each other in the short-term international money market. It is often used as a benchmark to set other interest rates or to measure returns on investments.
Mandatory	Compulsory by force of law.
Myners	Paul Myners, author of the Myners Report into institutional investment in the UK, published in March 2001.
Private equity	Mainly specialist pooled partnerships that invest in private companies not normally traded on public stock markets – these are often illiquid (ie, not easily turned into cash) and higher-risk investments that should provide high returns over the long term.
Projected unit actuarial method	One of the common methods used by actuaries to calculate a contribution rate to the Scheme, which is usually expressed as a percentage of the members' pensionable pay.
Recovery period	Timescale allowed (up to a maximum of 40 years) over which surpluses or deficiencies to the Fund can be eliminated.
Rolling three-year periods	Successive periods of three years, such as years one to three, followed by years two to four. Performance is often measured over longer periods than a single year to eliminate the short-term effects of volatile changes in stock markets.
Scheduled bodies	These are organisations that have a right to be in the Fund.
Transfer value	A cash sum representing the value of a member's pension rights.
With profits	With-profits funds are investments that give a return in the form of annual bonuses and usually a final or terminal bonus.
Yield	Annual income on an investment divided by its price and expressed as a percentage.

Section 5:

Independent Auditor's Report to the members of London Borough of Enfield Pension Fund

Independent auditor's report to the members of the London Borough of Enfield on the pension fund financial statements

PIRC LAPPA

Local Authority Fund Statistics

2020/21

UNIVERSE OVERVIEW

	1 Year	3 Yrs (% p.a.)	5 Yrs (% p.a.)	10 Yrs (% p.a.)	20 Yrs (% p.a.)	30 Yrs (% p.a.)
Universe average	**22.8**	**7.6**	***9.5***	***6.9***	***6.9***	***8.4***
Range of Results						
Top Quartile	28.1	8.9	10.2	8.7	7.0	8.5
Median	24.5	7.9	9.3	8.2	6.7	8.3
Bottom Quartile	20.6	6.8	8.6	7.8	6.4	8.1
Total Equity	**39.0**	**10.0**	**12.3**	**9.7**	**7.5**	**9.0**
Global	40.5	11.5	13.7	13.0		
UK	30.0	3.9	6.7	6.6	5.6	7.8
Overseas	42.3	11.3	13.8	10.6	8.3	9.3
Emerging	46.7	8.5	12.7			
Total Bonds	**7.3**	**3.9**	**4.9**	**5.7**	**5.8**	**7.3**
UK Govt	-6.4	2.4	3.3			
UK Corp	10.0	5.0	5.5			
UK IL	2.1	2.8	5.6			
Global Bonds	6.8	3.6	4.4	3.8		
Absolute Return Bonds	11.9	3.0	3.8			
Private Debt	1.8					
Multi Asset Credit	20.4	2.7				
Alternatives	**8.0**	**8.1**	**9.2**	**8.3**	**6.2**	
Private Equity	12.3	13.1	13.8	14.4		
Infrastructure	1.1	5.9	8.4			
Hedge Funds	12.8	4.3	4.1	3.8		
Private Debt	1.4					
Diversified Growth	**15.2**	**3.6**	**4.0**			
Property	**0.4**	**2.5**	**4.5**	**6.9**	**6.5**	**7.7**

At the end of March 2021 the Universe was comprised of 64 funds with a combined value of £230 bn.

GMPF Designated Fund is included in the Universe but excluded from the League tables.

Haringey is included for 9 months but didn't have data available in time to be included for the full year.

TOTAL FUND PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**22.8**		**7.6**		**9.5**		**8.3**		**6.9**		**8.4**	
Range of Results												
Top Quartile	28.1		8.9		10.2		8.7		7.0		8.5	
Median	24.5		7.9		9.3		8.2		6.7		8.3	
Bottom Quartile	20.6		6.8		8.6		7.8		6.4		8.1	
Avon Pension Fund	17.2	*89*	4.8	*100*	7.1	*98*	7.0	*93*	6.1	*95*	7.8	*92*
Barking and Dagenham	29.1	*18*	8.8	*26*	9.9	*33*	7.8	*70*	5.9	*96*	8.1	*72*
Barnet Pension Fund	27.6	*28*	7.9	*49*	8.5	*82*	7.0	*97*	6.1	*93*	7.7	*96*
Berkshire Pension Fund	15.1	*97*	6.1	*94*	7.6	*94*	6.7	*98*				
Bexley Pension Fund	17.4	*87*	8.0	*43*	9.5	*44*	8.9	*19*	7.3	*11*	9.0	*6*
Brent Pension Fund	21.8	*72*	7.8	*53*	8.3	*89*	7.4	*85*	5.1	*100*	7.0	*100*
Bromley Pension Fund	34.1	*2*	12.1	*2*	13.8	*1*	11.2	*1*	9.0	*2*	9.5	*2*
Cambridgeshire Pension Fund	25.9	*38*	8.2	*41*	10.2	*23*	8.3	*46*	6.5	*69*	8.1	*80*
Camden Pension Fund	31.0	*8*	8.6	*28*	10.2	*26*	7.8	*70*	6.6	*59*	8.2	*61*
Cardiff & Glamorgan Pension Fund	24.4	*53*	6.6	*84*	8.7	*72*	8.0	*65*	6.6	*65*	8.1	*80*
City of London Corporation Pension Fu	27.7	*26*	9.6	*15*	10.1	*31*	8.4	*44*	6.6	*63*		
Cornwall Pension Fund	15.4	*94*	6.6	*82*	7.6	*95*	6.0	*100*				
Cumbria Pension Fund	17.9	*84*	6.9	*71*	8.7	*71*	8.6	*31*	7.0	*28*	8.4	*33*
Devon Pension Fund	25.6	*43*	6.8	*74*	8.5	*85*	7.1	*90*	6.4	*76*	8.0	*88*
Dyfed Pension Fund	28.4	*21*	8.3	*39*	10.5	*16*	9.1	*10*	7.7	*8*	8.9	*8*
Ealing Pension Fund	22.6	*64*	6.6	*80*	8.8	*69*	8.1	*58*	6.8	*43*	8.5	*23*
East Riding Pension Fund	17.5	*85*	6.1	*94*	8.5	*82*	7.7	*80*	6.7	*52*	8.2	*65*
East Sussex Pension Fund	22.0	*69*	7.8	*56*	9.0	*67*	8.2	*53*	6.9	*37*	8.4	*35*
Enfield Pension Fund	21.0	*74*	8.0	*46*	8.6	*76*	8.0	*63*	6.6	*58*	8.4	*43*
Flintshire (Clywd)	23.2	*61*	7.1	*69*	9.2	*59*	7.4	*85*	6.3	*82*	7.9	*90*

TOTAL FUND PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**22.8**		**7.6**		**9.5**		**8.3**		**6.9**		**8.4**	
Range of Results												
Top Quartile	28.1		8.9		10.2		8.7		7.0		8.5	
Median	24.5		7.9		9.3		8.2		6.7		8.3	
Bottom Quartile	20.6		6.8		8.6		7.8		6.4		8.1	
Gloucestershire Pension Fund	26.6	*36*	7.7	*62*	9.6	*43*	8.5	*34*	6.6	*56*	8.3	*57*
Greater Manchester Pension Fund	22.2	*66*	6.4	*85*	9.2	*59*	8.0	*63*	7.2	*20*	8.9	*12*
Greenwich Pension Fund	24.6	*49*	6.7	*79*	8.1	*90*	7.3	*87*	5.8	*98*		
Gwynedd Pension Fund	29.3	*16*	9.2	*20*	10.4	*21*	8.5	*41*	6.8	*46*	8.3	*53*
Hackney Pension Fund	25.6	*41*	7.9	*49*	9.5	*46*	7.7	*81*	6.5	*74*	8.1	*69*
Hammersmith and Fulham	21.9	*71*	7.7	*59*	8.6	*79*	8.7	*27*	7.0	*26*	8.2	*65*
Harrow Pension Fund	24.9	*48*	6.3	*89*	9.1	*66*	8.2	*54*	6.6	*54*	8.4	*39*
Havering Pension Fund	24.9	*46*	8.3	*36*	9.3	*51*	8.5	*36*	6.2	*85*	8.2	*59*
Hillingdon Pension Fund	17.2	*90*	4.9	*98*	7.1	*100*	7.0	*95*				
Hounslow Pension Fund	23.5	*56*	7.8	*56*	9.2	*54*	7.8	*76*	6.9	*37*	8.5	*31*
Isle of Wight Pension Fund	23.4	*57*	7.8	*57*	8.6	*74*	8.6	*29*	7.2	*13*	8.6	*18*
Islington Pension Fund	22.1	*67*	8.6	*30*	9.3	*53*	8.1	*56*	6.2	*85*	8.1	*69*
Kensington and Chelsea	30.9	*12*	11.9	*5*	12.9	*5*	11.2	*3*	8.2	*4*	9.3	*4*
Kent Pension Fund	31.5	*7*	9.1	*23*	10.5	*18*	9.0	*15*	7.1	*24*	8.4	*45*
Kingston upon Thames	28.7	*20*	9.8	*10*	10.6	*15*	9.1	*14*	7.0	*32*	8.3	*49*
Lambeth Pension Fund	27.0	*35*	9.6	*16*	9.7	*36*						
Lancashire Pension Fund	11.7	*100*	8.3	*38*	9.7	*38*	8.8	*24*	6.9	*37*	8.5	*31*
Lewisham Pension Fund	18.4	*80*	7.7	*61*	9.7	*39*	8.5	*39*	6.2	*87*	8.3	*55*
Lincolnshire Pension Fund	23.3	*59*	7.9	*51*	9.2	*59*	7.8	*73*	6.2	*89*	8.0	*82*
London Pension Fund Authority	16.6	*92*	8.0	*44*	9.3	*51*	7.1	*92*				

TOTAL FUND PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**22.8**		**7.6**		**9.5**		**8.3**		**6.9**		**8.4**	
Range of Results												
Top Quartile	28.1		8.9		10.2		8.7		7.0		8.5	
Median	24.5		7.9		9.3		8.2		6.7		8.3	
Bottom Quartile	20.6		6.8		8.6		7.8		6.4		8.1	
Merseyside Pension Fund	15.3	*95*	6.0	*97*	8.5	*85*	7.8	*75*	6.7	*48*	8.3	*47*
Merton Pension Fund	31.0	*10*	10.4	*7*	11.0	*8*	8.9	*22*	7.2	*22*	8.6	*21*
Newham Pension Fund	13.8	*98*	6.1	*95*	7.8	*92*	8.2	*49*	6.4	*78*	7.6	*98*
Northamptonshire Pension Fund	27.0	*33*	9.1	*21*	10.2	*25*	8.7	*26*	6.7	*52*	8.5	*27*
Orkney Islands Pension Fund	38.3	*1*	12.0	*3*	13.7	*2*	11.2	*2*	9.2	*1*	9.8	*1*
Oxfordshire Pension Fund	23.5	*54*	7.5	*66*	9.6	*41*	8.4	*42*	6.3	*80*	8.0	*86*
Powys Pension Fund	17.9	*82*	7.2	*67*	9.1	*64*	8.5	*37*	6.5	*72*	7.8	*94*
Redbridge Pension Fund	27.1	*31*	8.3	*35*	9.2	*62*	8.1	*59*	6.5	*72*	8.1	*80*
Rhondda Cynon Taf Pension Fund	34.1	*3*	12.4	*1*	12.9	*3*	10.8	*5*	7.9	*6*	8.9	*10*
South Yorkshire Pension Authority	19.5	*77*	6.9	*72*	9.4	*48*	8.6	*32*	7.2	*17*	8.4	*37*
Southwark Pension Fund	24.4	*51*	9.6	*15*	10.4	*20*	9.4	*9*	7.2	*19*	8.7	*16*
Strathclyde Pension Fund	25.1	*44*	8.6	*31*	10.8	*10*	9.1	*12*	7.4	*9*	8.8	*14*
Suffolk Pension Fund	20.5	*76*	6.8	*76*	8.6	*79*	7.9	*66*	6.5	*69*		
Surrey Pension Fund	28.3	*23*	6.4	*87*	8.4	*87*	7.8	*73*	6.6	*63*	8.0	*86*
Sutton Pension Fund	25.8	*39*	8.9	*25*	10.1	*30*						
Swansea Pension Fund	30.6	*13*	9.8	*12*	10.7	*13*	8.3	*48*	6.9	*39*	8.3	*47*
Torfaen (Gwent)Pension Fund	30.5	*15*	8.4	*33*	10.2	*28*	8.2	*51*	6.8	*41*	8.1	*81*
Tower Hamlets Pension Fund	28.2	*25*	10.3	*8*	11.4	*7*	8.9	*20*	6.8	*45*	8.2	*66*
Waltham Forest Pension Fund	18.6	*79*	6.2	*90*	7.1	*98*	7.2	*88*	6.1	*91*	7.8	*91*
West Yorkshire Pension Fund	23.2	*62*	6.8	*77*	9.2	*61*	7.7	*80*	7.0	*32*	8.5	*25*

TOTAL FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	**22.8**		**7.6**		**9.5**		**8.3**		**6.9**		**8.4**	
Range of Results												
Top Quartile	28.1		8.9		10.2		8.7		7.0		8.5	
Median	24.5		7.9		9.3		8.2		6.7		8.3	
Bottom Quartile	20.6		6.8		8.6		7.8		6.4		8.1	
Westminster Pension Fund	32.7	*5*	9.4	*18*	10.7	*12*	9.5	*7*				
Wandsworth & Richmond Fund	27.5	*30*	7.6	*64*	9.8	*35*	8.9	*17*	7.2	*17*	8.8	*15*

EQUITY PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	**39.0**		**10.0**		**12.3**		**9.7**		**7.5**		**9.0**	
Range of Results												
Top Quartile	43.4		12.6		13.7		10.7		7.9		9.3	
Median	38.9		11.1		12.6		9.8		7.5		9.0	
Bottom Quartile	35.7		9.5		11.6		9.2		7.2		8.8	
Avon Pension Fund	37.9	*61*	8.4	*88*	10.2	*95*	8.8	*93*	6.8	*92*	8.4	*92*
Barking and Dagenham	50.0	*7*	13.2	*20*	15.7	*12*	11.4	*15*	7.7	*38*	9.6	*13*
Barnet Pension Fund	48.6	*12*	11.4	*42*	13.0	*35*	10.4	*37*	8.1	*16*	9.3	*24*
Berkshire Pension Fund	29.0	*97*										
Bexley Pension Fund	34.9	*80*	13.3	*19*	12.9	*47*	11.0	*22*	8.5	*8*	10.2	*4*
Brent Pension Fund	38.1	*59*	11.1	*51*	12.6	*54*	9.4	*72*	6.1	*100*	7.8	*100*
Bromley Pension Fund	48.6	*13*	16.9	*3*	18.1	*2*	14.1	*2*	10.4	*2*	10.6	*2*
Cambridgeshire Pension Fund	45.1	*21*	11.3	*48*	13.2	*31*	9.9	*48*	7.2	*74*	8.8	*75*
Camden Pension Fund	43.3	*28*	11.0	*56*	13.3	*29*	9.5	*67*	7.5	*54*	9.2	*36*
Cardiff & Glamorgan Pension Fund	38.3	*56*	7.3	*95*	10.1	*97*	8.8	*89*	7.0	*82*	8.6	*85*
City of London Corporation Pension	38.9	*49*	12.3	*29*	12.9	*45*	10.4	*33*	7.8	*30*		
Cornwall Pension Fund	36.9	*66*	11.9	*32*	13.1	*33*	10.0	*45*				
Cumbria Pension Fund	41.1	*41*	12.2	*31*	12.7	*52*	10.4	*33*	7.9	*24*	9.3	*28*
Devon Pension Fund	37.8	*62*	8.3	*90*	10.6	*88*	8.5	*96*	6.8	*90*	8.5	*87*
Dyfed Pension Fund	36.0	*72*	8.4	*87*	11.9	*69*	9.5	*63*	7.5	*54*	9.1	*41*
Ealing Pension Fund	38.9	*51*	9.5	*75*	11.7	*76*	9.5	*63*	7.5	*48*	9.4	*19*
East Riding Pension Fund	31.1	*95*	7.1	*100*	10.4	*93*	8.9	*85*	7.3	*60*	8.8	*70*
East Sussex Pension Fund	28.4	*98*	7.2	*97*	10.5	*91*	9.1	*82*	7.2	*66*	8.7	*81*
Enfield Pension Fund	41.8	*35*	13.7	*15*	15.0	*14*	11.8	*9*	8.2	*12*	9.8	*6*
Flintshire (Clywd)	42.1	*31*	9.0	*80*	13.6	*28*	9.4	*69*	7.2	*64*	8.5	*89*

EQUITY PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**39.0**		**10.0**		**12.3**		**9.7**		**7.5**		**9.0**	
Range of Results												
Top Quartile	43.4		12.6		13.7		10.7		7.9		9.3	
Median	38.9		11.1		12.6		9.8		7.5		9.0	
Bottom Quartile	35.7		9.5		11.6		9.2		7.2		8.8	
Gloucestershire Pension Fund	40.1	*46*	10.0	*65*	12.3	*60*	9.8	*52*	7.2	*76*	9.0	*55*
Greater Manchester Pension Fund	41.2	*39*	7.2	*98*	11.3	*81*	9.0	*83*	7.4	*58*	9.3	*21*
Greenwich Pension Fund	41.4	*38*	9.7	*73*	11.8	*74*	8.9	*87*	6.5	*96*		
Gwynedd Pension Fund	39.7	*48*	10.7	*59*	12.2	*64*	9.5	*67*	7.2	*72*	8.8	*66*
Hackney Pension Fund	43.5	*25*	11.3	*49*	12.5	*57*	9.3	*74*	7.0	*80*	8.7	*77*
Hammersmith and Fulham	35.1	*79*	11.3	*46*	12.3	*62*	11.4	*17*	8.8	*6*	9.8	*11*
Harrow Pension Fund	34.8	*84*	9.5	*76*	12.4	*59*	9.8	*58*	7.1	*78*	9.0	*49*
Havering Pension Fund	49.3	*8*	14.9	*9*	17.0	*5*	9.9	*50*	7.0	*84*	8.9	*58*
Hillingdon Pension Fund	32.8	*92*	7.4	*93*	8.6	*100*	7.7	*100*				
Hounslow Pension Fund	32.2	*94*	10.0	*66*	11.5	*79*	8.8	*91*	7.5	*54*	9.0	*53*
Isle of Wight Pension Fund	35.4	*77*	10.7	*61*	11.2	*83*	10.4	*35*	8.0	*18*	9.3	*32*
Islington Pension Fund	36.2	*71*	10.5	*63*	11.9	*66*	9.2	*76*	6.4	*98*	8.4	*94*
Kensington and Chelsea	41.8	*33*	14.3	*10*	15.7	*10*	13.9	*4*				
Kent Pension Fund	50.6	*5*	11.6	*39*	12.9	*43*	10.5	*30*	7.6	*40*	8.9	*62*
Kingston upon Thames	38.6	*54*	13.6	*17*	14.9	*16*	11.6	*13*	8.0	*20*	9.3	*34*
Lambeth Pension Fund	53.6	*2*	17.4	*2*	17.2	*4*						
Lancashire Pension Fund	25.8	*100*	12.5	*27*	12.9	*43*	11.1	*19*	7.9	*22*	9.3	*30*
Lewisham Pension Fund	34.5	*85*	11.1	*53*	12.8	*50*	10.1	*41*	6.6	*94*	8.7	*81*
Lincolnshire Pension Fund	38.3	*57*	11.4	*44*	12.5	*55*	9.9	*48*	6.9	*86*	8.7	*83*
London Pension Fund Authority	38.9	*53*										

EQUITY PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**39.0**		**10.0**		**12.3**		**9.7**		**7.5**		**9.0**	
Range of Results												
Top Quartile	43.4		12.6		13.7		10.7		7.9		9.3	
Median	38.9		11.1		12.6		9.8		7.5		9.0	
Bottom Quartile	35.7		9.5		11.6		9.2		7.2		8.8	
Merseyside Pension Fund	34.8	*82*	8.6	*83*	10.9	*85*	8.7	*95*	6.8	*88*	8.3	*96*
Merton Pension Fund	42.9	*30*	14.3	*12*	13.9	*24*	10.1	*39*	7.6	*46*	9.2	*38*
Newham Pension Fund	34.3	*87*	9.8	*68*	11.9	*71*	10.6	*28*	7.8	*28*	9.1	*43*
Northamptonshire Pension Fund	46.2	*16*	14.0	*14*	14.2	*21*	11.1	*20*	7.9	*26*	9.6	*15*
Orkney Islands Pension Fund	54.5	*1*	17.6	*1*	18.9	*1*	14.4	*1*	10.7	*1*	11.1	*1*
Oxfordshire Pension Fund	36.6	*67*	8.8	*81*	11.6	*78*	9.2	*78*				
Powys Pension Fund	49.1	*10*	12.9	*24*	14.6	*17*	11.9	*8*	7.2	*70*	8.3	*98*
Redbridge Pension Fund	44.3	*23*	12.5	*26*	14.4	*19*	10.1	*43*	7.4	*56*	8.8	*75*
Rhondda Cynon Taf Pension Fund	47.9	*15*	15.0	*7*	15.8	*9*	12.7	*6*	8.9	*4*	9.8	*9*
South Yorkshire Pension Authority	35.7	*74*	9.2	*78*	11.8	*73*	9.2	*80*	7.6	*44*	8.8	*64*
Southwark Pension Fund	33.2	*90*	11.6	*41*	13.0	*40*	10.8	*24*	7.7	*36*	9.0	*47*
Strathclyde Pension Fund	45.8	*18*	11.9	*34*	14.2	*23*	10.7	*26*	8.3	*10*	9.6	*17*
Suffolk Pension Fund	33.9	*89*	10.9	*58*	11.9	*67*	9.8	*56*	7.3	*62*		
Surrey Pension Fund	36.9	*64*	8.4	*85*	10.8	*86*	9.4	*70*	7.6	*44*	8.9	*60*
Sutton Pension Fund	40.6	*43*	13.0	*22*	13.9	*26*						
Swansea Pension Fund	40.4	*44*	11.7	*36*	13.0	*38*	9.8	*54*	7.7	*36*	8.9	*58*
Torfaen (Gwent)Pension Fund	41.7	*36*	11.0	*54*	12.8	*48*						
Tower Hamlets Pension Fund	52.0	*3*	15.6	*5*	16.3	*7*	11.6	*11*	8.2	*14*	9.1	*43*
Waltham Forest Pension Fund	43.5	*26*	9.7	*70*	10.1	*98*	9.5	*59*	7.7	*32*	9.2	*37*
West Yorkshire Pension Fund	35.6	*76*	7.9	*92*	10.5	*91*	8.2	*98*	7.2	*70*	8.8	*65*

EQUITY PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**39.0**		**10.0**		**12.3**		**9.7**		**7.5**		**9.0**	
Range of Results												
Top Quartile	43.4		12.6		13.7		10.7		7.9		9.3	
Median	38.9		11.1		12.6		9.8		7.5		9.0	
Bottom Quartile	35.7		9.5		11.6		9.2		7.2		8.8	
Westminster Pension Fund	45.5	*20*	11.7	*37*	13.0	*36*						
Wandsworth & Richmond Fund	36.2	*69*	9.7	*71*								

BOND /CREDIT PERORMANCE

FundName	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**7.3**		**3.9**		**4.9**		**5.7**		**5.8**		**7.3**	
Range of Results												
Top Quartile	12.7		4.4		5.5		6.4		6.1		7.5	
Median	8.0		3.8		4.6		5.8		5.7		7.2	
Bottom Quartile	4.2		3.1		3.7		4.7		5.1		6.8	
Avon Pension Fund	18.8	*4*	4.3	*34*	4.8	*38*	6.9	*15*				
Barking and Dagenham	2.9	*85*	1.3	*94*	2.1	*96*	2.9	*96*	4.2	*98*	6.4	*92*
Barnet Pension Fund	10.2	*36*	3.9	*40*	4.8	*36*	6.3	*30*	6.1	*18*	7.3	*44*
Berkshire Pension Fund	4.5	*71*										
Bexley Pension Fund	6.1	*59*	3.5	*57*	3.6	*76*	4.2	*81*	5.2	*70*	6.9	*69*
Brent Pension Fund	-0.8	*97*	2.7	*79*	3.3	*84*	3.7	*92*	4.4	*95*	6.7	*82*
Bromley Pension Fund	11.0	*33*	2.8	*77*	3.9	*72*	5.8	*49*	5.6	*60*	7.1	*57*
Cambridgeshire Pension Fund	11.2	*31*	2.2	*83*	4.8	*42*	4.7	*75*	5.0	*80*	6.7	*85*
Camden Pension Fund	11.2	*29*	0.5	*96*	2.2	*94*	3.9	*85*	4.8	*88*	6.5	*90*
Cardiff & Glamorgan Pension Fund	6.9	*55*	4.4	*30*	4.2	*62*	5.0	*72*	5.8	*43*	7.4	*39*
City of London Corporation Pension	25.1	*1*										
Cornwall Pension Fund	14.3	*16*	-0.2	*98*	1.2	*100*	0.5	*100*				
Cumbria Pension Fund	0.6	*91*	-0.6	*100*	3.3	*86*	6.2	*36*				
Devon Pension Fund	10.9	*35*	4.6	*17*	4.6	*48*	3.8	*87*	5.1	*75*	6.8	*72*
Dyfed Pension Fund	-0.1	*93*										
Ealing Pension Fund	9.0	*40*	4.8	*10*	5.8	*18*	7.1	*11*	6.1	*23*	7.6	*21*
East Riding Pension Fund	1.6	*90*	5.0	*6*	5.5	*24*	5.3	*68*	5.5	*63*	6.7	*80*
East Sussex Pension Fund	4.8	*69*	3.9	*42*	6.1	*10*	7.7	*4*	6.6	*8*	7.7	*15*
Enfield Pension Fund	8.6	*43*	3.2	*70*	4.4	*60*	5.8	*51*	6.1	*28*	7.5	*33*
Flintshire (Clywd)	14.4	*14*	1.5	*87*	2.9	*92*	5.4	*62*	5.1	*75*	7.2	*46*

BOND /CREDIT PERORMANCE

FundName	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**7.3**		**3.9**		**4.9**		**5.7**		**5.8**		**7.3**	
Range of Results												
Top Quartile	12.7		4.4		5.5		6.4		6.1		7.5	
Median	8.0		3.8		4.6		5.8		5.7		7.2	
Bottom Quartile	4.2		3.1		3.7		4.7		5.1		6.8	
Gloucestershire Pension Fund	11.4	*28*	3.5	*59*	5.2	*32*	6.3	*32*	5.9	*35*	7.5	*36*
Greater Manchester Pension Fund	5.7	*64*	4.5	*27*	4.8	*42*	5.7	*55*	6.0	*33*	7.5	*31*
Greenwich Pension Fund	9.1	*38*	3.8	*43*	4.2	*64*	6.0	*43*	5.9	*40*		
Gwynedd Pension Fund	8.0	*50*	1.4	*93*	1.7	*98*	2.2	*98*	3.9	*100*	5.9	*100*
Hackney Pension Fund	2.9	*83*	4.5	*23*	5.5	*26*	6.7	*19*				
Hammersmith and Fulham	8.3	*45*	3.1	*76*	4.4	*56*	6.6	*21*	5.9	*40*	7.2	*51*
Harrow Pension Fund	16.3	*9*	5.2	*4*	6.5	*6*	7.9	*2*	7.2	*1*	8.2	*3*
Havering Pension Fund	8.9	*41*	5.3	*2*	7.1	*2*	9.2	*1*	7.1	*3*	8.4	*1*
Hillingdon Pension Fund	6.6	*57*	3.4	*60*	5.8	*14*	6.1	*38*				
Hounslow Pension Fund	7.7	*52*	4.4	*32*								
Isle of Wight Pension Fund	4.5	*73*	4.8	*11*	5.2	*30*	6.3	*34*				
Islington Pension Fund	8.1	*47*	4.7	*13*	5.2	*28*	6.3	*28*	5.7	*50*	7.3	*44*
Kent Pension Fund	16.7	*7*	3.3	*64*	4.1	*70*	4.4	*79*	4.9	*83*	7.0	*62*
Kingston upon Thames	13.0	*24*	3.8	*47*	4.4	*56*	5.5	*58*	5.8	*45*	7.2	*49*
Lambeth Pension Fund	23.1	*2*	8.2	*1*	7.2	*1*						
Lancashire Pension Fund	2.6	*86*	3.8	*45*	6.1	*12*	5.7	*53*	5.6	*55*	7.1	*59*
Lewisham Pension Fund	-0.2	*95*	3.7	*51*	5.6	*20*	7.4	*6*	6.9	*5*	8.1	*5*
Lincolnshire Pension Fund	5.8	*60*	3.2	*70*	3.6	*78*	3.7	*89*	4.9	*85*	5.9	*98*
London Pension Fund Authority	5.8	*62*										
Merseyside Pension Fund	-8.7	*100*	4.6	*21*	5.8	*16*	6.9	*13*	6.5	*10*	8.0	*10*

BOND /CREDIT PERORMANCE

FundName	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	**7.3**		**3.9**		**4.9**		**5.7**		**5.8**		**7.3**	
Range of Results												
Top Quartile	12.7		4.4		5.5		6.4		6.1		7.5	
Median	8.0		3.8		4.6		5.8		5.7		7.2	
Bottom Quartile	4.2		3.1		3.7		4.7		5.1		6.8	
Merton Pension Fund	15.6	*12*	4.9	*8*	6.2	*8*	7.2	*9*	6.5	*15*	7.6	*23*
Newham Pension Fund	3.1	*81*	4.4	*28*	3.4	*82*	5.3	*66*	5.6	*60*	6.8	*74*
Northamptonshire Pension Fund	4.0	*78*	3.2	*70*	4.5	*52*	5.4	*64*	5.7	*53*	7.2	*54*
Orkney Islands Pension Fund	-5.2	*98*	1.4	*91*	3.9	*74*	5.2	*70*	5.3	*68*	7.0	*67*
Oxfordshire Pension Fund	4.9	*67*	4.5	*25*	5.1	*34*	6.4	*26*	6.1	*23*	7.6	*21*
Powys Pension Fund	3.2	*79*	2.4	*81*	4.4	*60*	6.0	*45*	6.1	*25*	7.8	*13*
Redbridge Pension Fund	4.3	*74*	3.6	*55*	4.7	*44*	6.7	*19*	6.0	*33*	7.5	*28*
Rhondda Cynon Taf Pension Fund	5.1	*66*	4.7	*15*	4.7	*46*	6.0	*41*	5.7	*50*	7.5	*28*
South Yorkshire Pension Authority	7.6	*54*	4.6	*21*	6.7	*4*	6.5	*24*				
Southwark Pension Fund	12.4	*26*										
Strathclyde Pension Fund	13.3	*21*	3.8	*49*	4.1	*66*	4.5	*77*	5.1	*78*	6.6	*87*
Suffolk Pension Fund	13.3	*19*	3.3	*62*								
Surrey Pension Fund	17.8	*5*	1.8	*85*	3.6	*80*	5.5	*60*	5.5	*65*	7.0	*64*
Sutton Pension Fund	8.0	*48*	4.0	*38*	5.6	*22*						
Swansea Pension Fund	4.1	*76*	3.1	*76*	3.2	*88*	4.0	*83*	4.7	*90*	6.7	*77*
Tower Hamlets Pension Fund	16.0	*10*	1.5	*89*	3.0	*90*	3.1	*94*	4.4	*95*	6.2	*95*
West Yorkshire Pension Fund	2.6	*88*	3.2	*72*	4.6	*50*	5.9	*47*	6.5	*13*	8.0	*8*
Westminster Pension Fund	14.1	*17*	4.0	*36*	4.1	*68*						
Wandsworth & Richmond Fund	13.0	*23*	3.6	*53*								

ALTERNATIVES PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*
Universe Average	**8.0**		**8.1**		**9.2**		**8.3**	
Range of Results								
Top Quartile	11.7		9.9		10.2		9.8	
Median	6.9		7.3		7.8		6.9	
Bottom Quartile	3.5		6.2		6.3		5.6	
Avon Pension Fund	8.0	*45*	8.9	*32*	10.1	*27*	5.3	*82*
Barking and Dagenham	6.8	*52*	5.2	*89*	5.8	*90*	5.6	*76*
Barnet Pension Fund	3.8	*74*	9.9	*25*				
Berkshire Pension Fund	5.6	*59*						
Bexley Pension Fund	10.2	*32*						
Brent Pension Fund	-6.5	*98*	5.3	*86*	5.8	*85*	8.3	*39*
Cambridgeshire Pension Fund	7.3	*46*	9.0	*30*	7.8	*49*	9.9	*24*
Camden Pension Fund	-1.3	*93*	13.2	*11*	10.2	*24*	6.1	*61*
Cardiff & Glamorgan Pension Fund	14.3	*15*	15.2	*7*	15.2	*5*	12.5	*6*
City of London Corporation Pension	12.1	*20*	6.2	*75*	6.9	*61*		
Cornwall Pension Fund	6.1	*56*	3.3	*98*	5.5	*95*	5.6	*70*
Cumbria Pension Fund	5.8	*58*	7.7	*48*	9.1	*37*	9.3	*30*
Devon Pension Fund	3.9	*72*	6.8	*66*	7.2	*56*	6.1	*64*
Dyfed Pension Fund	-0.4	*85*						
Ealing Pension Fund	-0.4	*83*						
East Riding Pension Fund	4.6	*67*	6.6	*73*	8.8	*42*	8.7	*36*
East Sussex Pension Fund	19.4	*9*	8.7	*34*	7.4	*54*	6.6	*58*
Enfield Pension Fund	16.3	*11*	6.7	*71*	5.9	*83*	7.0	*49*
Flintshire (Clywd)	9.4	*33*	5.4	*84*	5.9	*81*	4.9	*91*
Gloucestershire Pension Fund	0.5	*82*	7.3	*50*	6.7	*68*		

ALTERNATIVES PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank
Universe Average	**8.0**		**8.1**		**9.2**		**8.3**	
Range of Results								
Top Quartile	11.7		9.9		10.2		9.8	
Median	6.9		7.3		7.8		6.9	
Bottom Quartile	3.5		6.2		6.3		5.6	
Greater Manchester Pension Fund	8.2	*43*	10.0	*23*	10.8	*22*	10.0	*18*
Greenwich Pension Fund	28.1	*2*	8.1	*46*	5.6	*93*		
Gwynedd Pension Fund	27.7	*4*	24.6	*1*	24.7	*1*	17.2	*1*
Hammersmith and Fulham	7.1	*48*	7.0	*59*	6.7	*66*	4.8	*94*
Harrow Pension Fund	11.6	*26*	8.1	*46*	9.4	*32*	10.3	*15*
Havering Pension Fund	-5.1	*96*	4.7	*96*	-0.2	*100*	2.4	*97*
Hillingdon Pension Fund	8.7	*39*	6.8	*64*	7.9	*46*	7.1	*46*
Hounslow Pension Fund	15.4	*13*	5.1	*91*				
Islington Pension Fund	3.3	*76*	15.2	*5*	12.0	*15*		
Kensington and Chelsea	35.0	*1*	16.4	*2*	12.5	*12*	9.9	*21*
Kent Pension Fund	13.4	*19*	6.8	*68*	6.7	*71*	5.4	*79*
Lambeth Pension Fund	11.4	*30*	10.1	*21*	6.2	*78*		
Lancashire Pension Fund	2.1	*78*	9.4	*27*	11.1	*20*	10.7	*12*
Lewisham Pension Fund	4.1	*70*	8.2	*41*	7.8	*51*	5.2	*85*
Lincolnshire Pension Fund	8.8	*37*	6.2	*77*	6.7	*64*	5.6	*73*
London Pension Fund Authority	4.6	*65*						
Merseyside Pension Fund	8.6	*41*	5.0	*93*	8.1	*44*	7.3	*43*
Merton Pension Fund	11.4	*30*						
Newham Pension Fund	-0.9	*89*	7.1	*52*	5.8	*88*	9.7	*27*
Northamptonshire Pension Fund	6.4	*54*	6.9	*61*	2.0	*98*	-0.2	*100*

ALTERNATIVES PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank
Universe Average	**8.0**		**8.1**		**9.2**		**8.3**	
Range of Results								
Top Quartile	11.7		9.9		10.2		9.8	
Median	6.9		7.3		7.8		6.9	
Bottom Quartile	3.5		6.2		6.3		5.6	
Orkney Islands Pension Fund	1.1	*80*						
Oxfordshire Pension Fund	25.1	*6*	14.0	*9*	15.7	*3*	13.1	*3*
Powys Pension Fund	4.5	*69*	7.0	*55*	6.3	*76*	5.1	*88*
South Yorkshire Pension Authority	11.9	*22*	8.7	*39*	9.3	*34*		
Southwark Pension Fund	4.8	*63*						
Strathclyde Pension Fund	6.9	*50*	11.1	*16*	12.7	*7*	12.0	*9*
Suffolk Pension Fund	11.8	*24*	5.5	*82*	6.9	*59*	6.7	*55*
Surrey Pension Fund	-1.6	*95*	8.7	*36*	11.2	*17*		
Sutton Pension Fund	13.7	*17*	11.3	*14*	12.5	*10*		
Swansea Pension Fund	20.4	*8*	10.5	*18*	9.1	*39*	6.8	*52*
Torfaen (Gwent)Pension Fund	9.2	*35*	2.8	*100*				
Waltham Forest Pension Fund	-0.9	*87*	5.7	*80*	6.4	*73*	5.8	*67*
West Yorkshire Pension Fund	5.0	*61*	7.0	*57*	9.5	*29*	9.1	*33*
Westminster Pension Fund	-8.0	*100*						
Wandsworth & Richmond Fund	-1.3	*91*						

PROPERTY PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**0.4**		**2.5**		**4.5**		**6.9**		**6.5**		**7.7**	
Range of Results												
Top Quartile	3.4		3.3		5.0		7.3		6.8		8.2	
Median	1.9		2.5		4.4		6.5		6.0		7.4	
Bottom Quartile	-1.2		1.8		3.9		5.8		5.1		6.7	
Avon Pension Fund	-4.6	*95*	1.9	*73*	4.6	*42*	6.5	*49*				
Barking and Dagenham	2.8	*39*	1.8	*75*	3.4	*85*	4.2	*98*	4.9	*92*	6.6	*82*
Barnet Pension Fund	3.6	*20*										
Berkshire Pension Fund	6.8	*3*										
Bexley Pension Fund	1.1	*61*	1.8	*76*	4.1	*66*	7.4	*24*				
Bromley Pension Fund	2.6	*42*	1.7	*82*								
Cambridgeshire Pension Fund	4.7	*10*	3.0	*35*	4.2	*59*	5.9	*75*	5.6	*66*		
Camden Pension Fund	-5.3	*98*	1.7	*78*	4.6	*40*	7.3	*28*	6.3	*43*	7.5	*45*
Cardiff & Glamorgan Pension Fund	0.7	*66*	4.7	*6*	5.5	*11*	7.6	*13*				
City of London Corporation Pension	3.5	*24*										
Cornwall Pension Fund	2.8	*37*	3.6	*22*	4.7	*34*	6.3	*55*				
Cumbria Pension Fund	6.3	*5*	2.4	*55*	5.0	*28*	7.7	*11*	7.8	*6*	9.3	*4*
Devon Pension Fund	3.6	*22*	3.8	*16*	5.2	*19*	7.6	*15*	6.4	*40*		
Dyfed Pension Fund	1.7	*51*	2.2	*60*	4.3	*53*	6.6	*45*				
Ealing Pension Fund	0.8	*65*	2.0	*69*	4.0	*72*						
East Riding Pension Fund	8.4	*2*	5.4	*2*	5.3	*15*	6.3	*62*	5.8	*60*	6.9	*63*
East Sussex Pension Fund	2.6	*41*	2.1	*62*	3.9	*76*	7.0	*34*	6.0	*57*	7.3	*56*
Enfield Pension Fund	4.1	*14*	3.1	*33*	4.1	*60*	4.5	*96*	4.4	*94*	6.9	*67*
Flintshire (Clywd)	1.3	*56*	4.6	*7*	5.3	*13*	7.6	*19*	6.7	*32*	7.2	*59*
Gloucestershire Pension Fund	1.1	*59*	3.1	*33*	5.0	*30*	8.0	*6*	7.9	*3*		

PROPERTY PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**0.4**		**2.5**		**4.5**		**6.9**		**6.5**		**7.7**	
Range of Results												
Top Quartile	3.4		3.3		5.0		7.3		6.8		8.2	
Median	1.9		2.5		4.4		6.5		6.0		7.4	
Bottom Quartile	-1.2		1.8		3.9		5.8		5.1		6.7	
Greater Manchester Pension Fund	-1.9	*85*	-0.1	*95*	2.4	*94*	5.4	*83*	6.0	*49*	8.1	*30*
Greenwich Pension Fund	-0.6	*73*	1.1	*87*	3.3	*87*	5.9	*72*	4.4	*97*		
Gwynedd Pension Fund	3.1	*31*	2.6	*47*	4.0	*74*	7.1	*30*	6.5	*34*	8.2	*26*
Hackney Pension Fund	1.4	*54*	2.1	*66*	3.7	*77*	7.0	*36*	7.3	*12*	8.2	*26*
Hammersmith and Fulham	3.8	*17*	5.5	*1*	6.8	*1*						
Harrow Pension Fund	-2.4	*90*	-0.5	*96*	2.1	*98*	5.6	*77*	5.5	*69*	7.8	*37*
Havering Pension Fund	0.2	*70*	3.9	*15*	5.3	*17*	6.0	*70*				
Hillingdon Pension Fund	9.0	*1*	2.2	*56*	4.3	*51*	7.3	*26*				
Hounslow Pension Fund	1.6	*53*	0.4	*93*	2.8	*91*	6.3	*60*	7.4	*9*		
Isle of Wight Pension Fund	5.3	*9*	3.7	*20*	5.8	*6*	8.1	*4*	6.4	*40*	6.0	*96*
Islington Pension Fund	3.2	*27*	4.0	*13*	5.2	*21*	7.1	*32*				
Kensington and Chelsea	-9.2	*100*	-1.0	*100*	2.1	*100*	5.4	*81*				
Kent Pension Fund	3.4	*26*	3.8	*18*	6.5	*2*	9.0	*1*	9.1	*1*	9.7	*1*
Kingston upon Thames	0.4	*68*	1.7	*82*	3.4	*83*	5.6	*79*	4.9	*89*		
Lambeth Pension Fund	-5.1	*97*	0.4	*91*	4.4	*47*						
Lancashire Pension Fund	-0.1	*71*	2.4	*51*	5.8	*10*	6.3	*58*	7.0	*20*	8.3	*19*
Lewisham Pension Fund	2.9	*34*	2.8	*42*	4.3	*55*	6.8	*43*	5.6	*66*	6.6	*78*
Lincolnshire Pension Fund	2.3	*46*	1.9	*73*	3.6	*81*	5.0	*92*	5.0	*86*	6.2	*89*
London Pension Fund Authority	-1.9	*87*										
Merseyside Pension Fund	-2.0	*88*	1.6	*84*	4.1	*70*	6.9	*38*	6.9	*23*	7.8	*33*

PROPERTY PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*	10 Yrs (%p.a.)	*Rank*	20 Yrs (% p.a.)	*Rank*	30 Yrs (% p.a.)	*Rank*
Universe Average	**0.4**		**2.5**		**4.5**		**6.9**		**6.5**		**7.7**	
Range of Results												
Top Quartile	3.4		3.3		5.0		7.3		6.8		8.2	
Median	1.9		2.5		4.4		6.5		6.0		7.4	
Bottom Quartile	-1.2		1.8		3.9		5.8		5.1		6.7	
Merton Pension Fund	3.7	*19*	3.3	*26*	4.4	*47*	5.2	*87*	5.1	*77*	7.4	*48*
Newham Pension Fund	-1.8	*80*	4.3	*9*	4.1	*62*	6.4	*53*	5.0	*86*	5.7	*100*
Northamptonshire Pension Fund	-1.1	*75*	0.9	*89*	3.1	*89*	5.2	*85*	5.3	*72*	8.4	*11*
Oxfordshire Pension Fund	-1.8	*83*	2.0	*67*	4.1	*64*	6.4	*51*	5.0	*80*	6.2	*93*
Powys Pension Fund	3.1	*31*	2.9	*38*	4.7	*38*	5.1	*89*				
Redbridge Pension Fund	1.2	*58*	2.6	*49*	5.0	*25*	7.6	*17*	6.8	*29*		
Rhondda Cynon Taf Pension Fund	-1.6	*78*	2.7	*44*	5.0	*23*	6.1	*66*				
South Yorkshire Pension Authority	5.5	*7*	2.4	*53*	3.7	*79*	7.4	*24*	7.3	*14*	8.3	*15*
Southwark Pension Fund	3.8	*15*	5.2	*4*	5.8	*8*	7.8	*9*	7.1	*17*	8.4	*11*
Strathclyde Pension Fund	-3.4	*93*	2.2	*60*	4.9	*32*	8.2	*2*	6.8	*26*	7.7	*41*
Suffolk Pension Fund	2.2	*48*	2.1	*66*	4.1	*70*	6.8	*43*	6.0	*52*		
Surrey Pension Fund	-1.8	*81*	2.8	*40*	4.2	*57*	6.3	*64*	5.2	*74*	6.7	*74*
Sutton Pension Fund	1.1	*63*	1.4	*86*	2.6	*93*						
Swansea Pension Fund	-2.6	*92*	-0.7	*98*	2.4	*96*	4.9	*94*				
Torfaen (Gwent)Pension Fund	3.0	*32*	3.3	*29*	5.0	*27*						
Tower Hamlets Pension Fund	2.8	*36*	2.9	*36*	4.7	*36*	6.6	*47*	6.0	*54*	7.4	*52*
Waltham Forest Pension Fund	2.5	*44*	3.3	*24*	4.4	*49*	3.3	*100*	3.7	*100*	6.4	*85*
West Yorkshire Pension Fund	-1.5	*76*	2.7	*46*	4.5	*43*	6.1	*68*	6.2	*46*	6.9	*70*
Westminster Pension Fund	2.0	*49*	4.2	*11*	6.0	*4*						
Wandsworth & Richmond Fund	4.3	*12*	3.3	*27*								

DIVERSIFIED GROWTH PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*
Universe Average	**15.2**		**3.6**		**4.0**	
Range of Results						
Top Quartile	19.1		4.9		5.2	
Median	15.2		3.2		4.3	
Bottom Quartile	11.2		2.4		3.3	
Avon Pension Fund	8.5	*83*	2.9	*62*	2.4	*79*
Barking and Dagenham	13.0	*73*	5.0	*19*	3.7	*58*
Barnet Pension Fund	22.6	*7*	8.8	*1*	6.8	*1*
Brent Pension Fund	19.4	*21*	5.4	*15*	4.9	*33*
Camden Pension Fund	21.3	*10*	4.8	*27*	5.0	*29*
Cornwall Pension Fund	25.1	*1*	5.6	*8*	5.8	*13*
Devon Pension Fund	14.4	*55*	0.9	*85*	3.5	*63*
Gloucestershire Pension Fund	4.7	*90*	2.1	*77*	1.6	*96*
Greenwich Pension Fund	-1.2	*97*	-0.5	*100*		
Hackney Pension Fund	10.7	*76*	0.2	*92*	2.1	*88*
Hammersmith and Fulham	20.7	*14*	7.2	*4*	6.6	*4*
Harrow Pension Fund	14.9	*52*	3.3	*46*	3.4	*67*
Havering Pension Fund	19.6	*17*	4.6	*31*	5.2	*21*
Hounslow Pension Fund	15.8	*45*	3.1	*58*	4.5	*46*
Isle of Wight Pension Fund	18.3	*31*	2.7	*69*	4.7	*42*
Islington Pension Fund	24.2	*4*	5.6	*12*	6.5	*8*
Kingston upon Thames	13.7	*66*	4.0	*39*	3.3	*75*
Lewisham Pension Fund	-1.6	*100*	-0.3	*96*		
London Pension Fund Authority	3.6	*93*				
Merton Pension Fund	14.1	*62*				

DIVERSIFIED GROWTH PERFORMANCE

	1 Year	*Rank*	3 Yrs (%p.a.)	*Rank*	5Yrs (%p.a.)	*Rank*
Universe Average	**15.2**		**3.6**		**4.0**	
Range of Results						
Top Quartile	19.1		4.9		5.2	
Median	15.2		3.2		4.3	
Bottom Quartile	11.2		2.4		3.3	
Newham Pension Fund	8.2	*86*	0.4	*89*	2.2	*83*
Northamptonshire Pension Fund	17.8	*38*	2.7	*73*	4.7	*38*
Orkney Islands Pension Fund	18.5	*28*	3.2	*50*	5.2	*25*
Oxfordshire Pension Fund	14.3	*59*	3.3	*46*	4.2	*50*
Redbridge	17.4	*41*	3.2	*54*	2.0	*92*
Southwark Pension Fund	17.9	*35*				
Surrey Pension Fund	15.5	*48*	4.0	*35*	3.3	*71*
Sutton Pension Fund	13.4	*69*	2.9	*65*	3.9	*54*
Torfaen (Gwent)Pension Fund	8.8	*79*	1.9	*81*	1.5	*100*
Tower Hamlets Pension Fund	19.3	*24*	5.0	*23*	5.6	*17*

ASSET ALLOCATION AT END MARCH

	Equity		Bonds		Alternatives		Property		Cash		Diversified Growth		Other*	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Average	**56**	**51**	**17**	**21**	**14**	**13**	**8**	**9**	**2**	**2**	**2**	**3**		
Range														
Top Quartile	64	62	22	25	15	17	9	10	3	2	9	11		
Median	57	54	18	19	8	9	8	9	1	1	0	3		
Bottom Quartile	49	44	12	12	4	4	3	6	0	0	0	0		
Avon Pension Fund	38	44	23	17	13	14	12	10	2	1	9	13	2	1
Barking and Dagenham	57	49	8	10	15	17	5	6	1	0	15	17	0	0
Barnet Pension Fund	46	41	27	34	6	7	4	2	3	0	13	15	0	0
Berkshire Pension Fund	44		15		24		13		4		0		0	
Bexley Pension Fund	40	41	30	21	17	17	12	12	0	0	0	10	0	0
Brent Pension Fund	53	49	12	15	8	10	0	0	5	6	21	19	0	0
Bromley Pension Fund	67	63	29	32	0	0	3	5	0	0	0	0	0	0
Cambridgeshire Pension Fund	60	60	15	10	15	18	10	10	1	0	0	0	0	1
Camden Pension Fund	65	60	9	11	3	3	8	12	2	0	12	14	0	0
Cardiff & Glamorgan Pension Fund	63	57	25	29	4	4	7	8	2	1	0	0	0	0
City of London Corporation Pension	60	61	9	6	23	27	7	6	0	0	0	0	0	0
Cornwall Pension Fund	35	31	21	25	25	25	6	7	1	1	11	11	0	0
Cumbria Pension Fund	39	33	18	30	32	31	9	6	3	0	0	0	0	0
Devon Pension Fund	63	56	13	13	6	7	8	9	1	1	9	13	0	0
Dyfed Pension Fund	84	68	2	16	2	2	11	14	1	0	0	0	0	0
Ealing Pension Fund	56	56	27	28	5	1	9	11	4	4	0	0	0	0
East Riding Pension Fund	53	59	13	12	20	14	12	12	3	3	0	0	0	0
East Sussex Pension Fund	42	38	8	11	41	40	8	10	1	1	0	0	0	0
Enfield Pension Fund	43	37	28	31	16	22	6	7	7	4	0	0	0	0
Flintshire (Clywd)	21	13	36	30	35	40	6	7	2	1	0	9	0	0

ASSET ALLOCATION AT END MARCH

	Equity		Bonds		Alternatives		Property		Cash		Diversified Growth		Other*	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Average	**56**	**51**	**17**	**21**	**14**	**13**	**8**	**9**	**2**	**2**	**2**	**3**		
Range														
Top Quartile	64	62	22	25	15	17	9	10	3	2	9	11		
Median	57	54	18	19	8	9	8	9	1	1	0	3		
Bottom Quartile	49	44	12	12	4	4	3	6	0	0	0	0		
Gloucestershire Pension Fund	60	60	20	23	3	4	7	9	2	1	8	4	0	0
Greater Manchester Pension Fund	52	47	19	22	19	19	7	8	3	4	0	0	0	0
Greenwich Pension Fund	56	50	17	19	9	9	9	12	0	0	8	10	0	0
Gwynedd Pension Fund	65	66	19	15	8	9	8	10	0	0	0	0	0	0
Hackney Pension Fund	58	54	25	25	0	0	8	11	0	0	9	11	0	0
Hammersmith and Fulham	46	43	21	31	5	6	5	6	0	0	23	14	0	0
Harrow Pension Fund	54	51	23	25	2	1	6	8	4	4	10	12	0	0
Havering Pension Fund	42	36	20	20	5	6	8	10	2	4	23	25	0	0
Hillingdon Pension Fund	46	44	27	25	14	18	12	13	1	1	0	0	0	0
Hounslow Pension Fund	64	60	15	16	13	15	4	5	0	0	3	4	0	0
Isle of Wight Pension Fund	57	55	21	21	0	0	5	6	0	0	16	17	0	0
Islington Pension Fund	55	52	15	12	7	7	16	20	0	1	8	8	0	0
Kensington and Chelsea	74	66	0	0	6	15	5	4	15	14	0	0	0	0
Kent Pension Fund	61	58	13	14	10	11	10	13	5	3	0	0	0	0
Kingston upon Thames	66	64	11	13	0	0	7	5	0	0	16	18	0	0
Lambeth Pension Fund	51	42	32	33	7	5	9	9	0	4	0	6	1	2
Lancashire Pension Fund	48	41	17	17	21	24	14	15	1	3	0	0	0	0
Lewisham Pension Fund	53	49	20	19	15	17	8	9	0	0	5	6	0	0
Lincolnshire Pension Fund	64	59	16	12	16	19	1	10	4	1	0	0	0	0
London Pension Fund Authority	49		12		28		9		2		0		0	

ASSET ALLOCATION AT END MARCH

	Equity		Bonds		Alternatives		Property		Cash		Diversified Growth		Other*	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Average	**56**	**51**	**17**	**21**	**14**	**13**	**8**	**9**	**2**	**2**	**2**	**3**		
Range														
Top Quartile	64	62	22	25	15	17	9	10	3	2	9	11		
Median	57	54	18	19	8	9	8	9	1	1	0	3		
Bottom Quartile	49	44	12	12	4	4	3	6	0	0	0	0		
Merseyside Pension Fund	51	45	16	20	24	24	9	10	1	1	0	0	0	0
Merton Pension Fund	62	57	20	22	7	8	3	4	0	1	8	9	0	0
Newham Pension Fund	51	43	24	27	8	8	13	12	1	3	2	6	0	0
Northamptonshire Pension Fund	56	54	20	18	8	6	8	10	1	0	7	11	0	0
Orkney Islands Pension Fund	68	63	8	12	3	0	0	0	0	0	21	25	0	0
Oxfordshire Pension Fund	58	54	20	22	10	9	6	7	1	1	5	6	0	0
Powys Pension Fund	46	39	32	36	13	13	8	10	0	1	0	0	0	2
Redbridge Pension Fund	60	68	15	22	2	0	9	9	1	1	13	0	0	0
Rhondda Cynon Taf Pension Fund	81	64	12	27	0	0	6	9	0	0	0	0	0	0
South Yorkshire Pension Authority	49	49	21	19	19	18	9	10	1	2	0	0	0	2
Southwark Pension Fund	67	63	7	8	2	2	14	17	0	0	10	10	0	0
Strathclyde Pension Fund	54	47	22	29	13	9	10	12	1	2	0	0	0	0
Suffolk Pension Fund	42	43	20	19	29	28	9	10	1	1	0	0	0	0
Surrey Pension Fund	66	62	12	12	7	9	6	8	0	-1	9	11	0	0
Sutton Pension Fund	60	53	18	21	3	4	6	8	0	0	12	13	0	0
Swansea Pension Fund	73	70	10	12	12	10	4	5	2	2	0	0	0	1
Torfaen (Gwent)Pension Fund	75	69	16	19	5	6	2	3	0	1	2	2	0	0
Tower Hamlets Pension Fund	59	58	11	11	0	0	8	10	1	0	20	20	0	0
Waltham Forest Pension Fund	78	77	0	0	9	12	10	10	3	1	0	0	0	0

ASSET ALLOCATION AT END MARCH

	Equity		Bonds		Alternatives		Property		Cash		Diversified Growth		Other*	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Average	**56**	**51**	**17**	**21**	**14**	**13**	**8**	**9**	**2**	**2**	**2**	**3**		
Range														
Top Quartile	64	62	22	25	15	17	9	10	3	2	9	11		
Median	57	54	18	19	8	9	8	9	1	1	0	3		
Bottom Quartile	49	44	12	12	4	4	3	6	0	0	0	0		
West Yorkshire Pension Fund	68	62	13	17	13	14	4	5	3	2	0	0	0	0
Westminster Pension Fund	71	65	19	23	2	2	4	10	3	2	0	0	0	0
Wandsworth & Richmond Fund	64	44	24	24	4	6	4	5	4	1	0	3	0	18

* 'Other' value is removed prior to Universe allocation by asset type being calculated

These tables are intended solely for the use of the participating funds. Whilst individual fund returns and rankings may be used, the tables in their entirety should not be copied or distributed beyond these funds.

MINUTES OF THE MEETING OF THE PENSION POLICY & INVESTMENT COMMITTEE HELD ON WEDNESDAY, 27 JULY 2022

COUNCILLORS

PRESENT Doug Taylor, Tim Leaver (Cabinet Member for Finance and Procurement), Gina Needs (Cabinet Member for Community Safety and Cohesion), Sabri Ozaydin, David Skelton and Edward Smith

OFFICERS: Bola Tobun (Finance Manager (Pensions and Treasury) Clare Cade (Secretary)

Also Attending: Carolan Dobson (Independent Advisor), Daniel Carpenter (Aon), and Joe Peach (Aon), Tapan Datta (Aon)

1
WELCOME AND APOLOGIES

The Chairman welcomed everyone to the meeting.

There were no apologies given.

2
APPOINTMENT OF VICE CHAIR

The Committee appointed Councillor Leaver as the Vice Chair.

3
DECLARATIONS OF INTEREST

Carolan Dobson reminded the Committee of the following interests:

- Independent Non-Executive Director, M and G Securities Ltd
- Independent, Non-Executive Director, Abrdn Fund Managers Ltd.
- Chair,Blackrock Latin America Investment Trust,
- Chair, Bruner Investment and Baillie Gifford UK Growth Trust
- Independent advisor to a number of Local Government Pension Schemes.

4
MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 14 April 2022 were agreed subject to the following amendments:

Item 5

The Committee requested this to be an item at a future meeting so the background of the agreement could be discussed.

Item 8
£850m should be amended to £8,000.

Item 10
Correction to the spelling of Baillie Gifford UK.

Item 12
The draft result will come to the October meeting of the Committee.

5
GOVERNANCE POLICY & COMPLIANCE STATEMENT REVIEW

Bola Tobun (Finance Manager, Pensions & Treasury) introduced the item explaining the Governance Policy & Compliance Statement as considered like a “bible” to members of the Board. The Local Pensions Board scrutinise the work of this Committee. Appendix A of the report sets out where each functions of the Committee and Board are carried out.

It was highlighted that tasks can be delegated to officers but functions of the Committee cannot.

ACTIONS:

1. On page 16 of the document the membership of the Pension’s Board needs updating - **Bola Tobun (Finance Manager, Pensions & Treasury).**
2. The Local Pensions Board Minutes to be included as a standard agenda item for this Committee – **Robyn Mclintock, Governance Officer.**
3. Page 13 refers to the Strategy not the principles - **Bola Tobun (Finance Manager, Pensions & Treasury).**
4. It was agreed this item would be brought back to the October 2022 meeting for discussion - **Bola Tobun (Finance Manager, Pensions & Treasury) and Robyn Mclintock, Governance Officer.**

The Committee noted the report.

6
QUARTERLY INVESTMENT PERFORMANCE MONITORING REPORT MARCH 2022

Bola Tobun (Finance Manager, Pensions & Treasury) stated the report highlights the performance of the Pensions Fund for the Quarter ending March 2022. Paragraph 22 of the report sets out the asset allocations for the funds. The report sets out the managers for each fund. Overall, the value of the fund reduced by £23m in the last quarter.

Concerns were raised over Northern Trust using the reason of not having enough staff to complete the investment transfer.

The Committee discussed the probability of the Government requiring local authorities to pooled funds which would give the Council limited options to respond.

ACTIONS:

1. To formally write to the LCIV on the failings of Northern Trust to comply with their legal obligations to the fund **- Bola Tobun (Finance Manager, Pensions & Treasury)**
2. The LCIV to be invited to the next meeting of the Committee - **Bola Tobun (Finance Manager, Pensions & Treasury) / Robyn McLintock, Governance Officer**

The Committee noted the report.

7
PART 2

The Committee agreed to passing a resolution under Section 100A(4) of the Local Government Act 1972, excluding the press and public from the meeting for any items of business listed on part 2 of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

8
AON - INVESTMENTS & ASSET MANAGERS UPDATE MARCH 2022

Following the Part 2 discussion the report was NOTED.

9
AON MARKET OUTLOOK AND KEY DEVELOPMENTS UPDATE JULY 2022

Following the Part 2 discussion the report was NOTED.

10
ENFIELD PF RESPONSIBLE INVESTMENT POLICY

Due to timings during the meeting this Item was deferred to the next meeting.

11
FOSSIL FUEL EXPOSURE REPORT AS OF 31ST MARCH 2022

Due to timings during the meeting this Item was deferred to the next meeting.

12

DATES OF FUTURE MEETINGS

The dates of future meetings were NOTED as set out below:

- Wednesday 05 October 2022
- Wednesday 23 November 2022
- Wednesday 18 January 2023
- Wednesday 29 March 2023