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Pensions Committee

Date: **WEDNESDAY, 29 JANUARY 2020**

Time: **5.00 PM**

Venue: **COMMITTEE ROOM 4 - CIVIC CENTRE, HIGH STREET, UXBRIDGE**

Meeting Details: Members of the Public and Media are welcome to attend.

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To Members of the Committee:

Martin Goddard (Chairman)
Philip Corthorne (Vice-Chairman)
Teji Barnes
Tony Eginton
John Morse

Published: Tuesday, 21 January 2020

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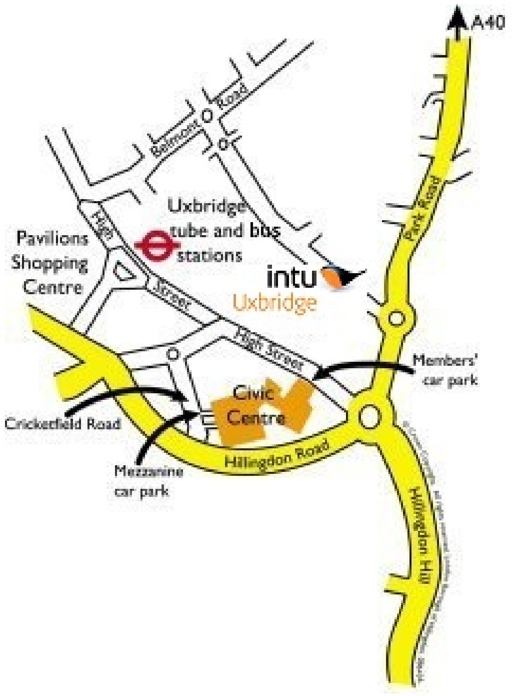

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Agenda

CHAIRMAN'S ANNOUNCEMENTS

PART I - Members, Public and Press

PART II - Members Only

That the reports in Part 2 of this agenda be declared not for publication because they involve the disclosure of information in accordance with Section 100(A) and Part 1 of Schedule 12 (A) to the Local Government Act 1972 (as amended), in that they contain exempt information and that the public interest in withholding the information outweighs the public interest in disclosing it.

Minutes

PENSIONS COMMITTEE

30 October 2019

Meeting held at Committee Room 3 - Civic Centre, High Street, Uxbridge

	Committee Members Present: Councillors Martin Goddard (Chairman) Philip Corthorne (Vice-Chairman) Teji Barnes Tony Eginton John Morse **LBH Officers Present**: Tunde Adekoya, Pension Fund Accountant Sian Kunert, Head of Pensions, Treasury and Statutory Accounts James Lake, Lead Corporate Accountant Hayley Seabrook, HR and Payroll Service Manager Liz Penny, Democratic Services Officer **Also Present**: Mike O'Donnell, Chief Executive, London CIV Kevin Cullen, London CIV Andrew Singh, KPMG Representative Tony Noakes, Pensions Board Member Roger Hackett, Pensions Board Member Zak Muneer, Pensions Board Member Craig Alexander, Hymans Robertson Clare Scott, Investment Advisor
17.	**APOLOGIES FOR ABSENCE** *(Agenda Item 1)* Apologies were received from Paul Whaymand, Corporate Director of Finance.
18.	**DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING** *(Agenda Item 2)* Councillor Philip Corthorne declared a Non-Pecuniary interest in all agenda items because he was a deferred member of the Local Government Pension Scheme. He remained in the room during discussion of the items. Councillor Teji Barnes declared a Non-Pecuniary interest in all agenda items because she was a deferred member of the Local Government Pension Scheme. She remained in the room during discussion of the items. Councillor Tony Eginton declared a Non-Pecuniary interest in all agenda items as he was a retired member of the Local Government Pension Scheme. He remained in the room during discussion of the items.

19.	**MINUTES OF THE MEETING DATED 17 JULY 2019** *(Agenda Item 3)* **RESOLVED That: the minutes of the meeting dated 17 July 2019 be agreed as an accurate record.**
20.	**TO CONFIRM THAT ITEMS MARKED PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE** *(Agenda Item 4)* It was confirmed that the items marked Part I (items 1–11) would be considered in Public and those marked Part II (items 12-13) would be considered in private.
21.	**PRESENTATION FROM LONDON CIV** *(Agenda Item 5)* The Chairman thanked Mike O'Donnell and Kevin Cullen of the London CIV for agreeing to attend the Pensions Committee meeting. Members were shown a presentation by the London CIV (LCIV) which covered a LCIV update, the current and future fund offering, LCIV Governance and the LBH LCIV portfolio. Key points highlighted included: • A LCIV ESG and Strategy Forum and Q3 LLA Investment Forum was recently held which was a useful and well-received event. ESG and climate change were now key LCIV priorities; • LCIV Infrastructure Fund – first close was 31 October with five LLAs committed; • The MHCLG Progress Report Submission indicated an increase of 20% in the pooling level to 68% by 2023 (from 48% as at March 2019); • Two new Client Relations Managers had been appointed – Harry Lamprinopoulos and Silvia Knott-Martin. It was reported that LCIV challenges included: • 2019/20 growth in assets was broadly flat; • Rate of pooling had been declining; • Triennial valuations were impacting the pace of pooling; • LLAs were yet to focus on mandate proposals instead of manager selection; • The LCIV Global Equity Core Fund had been launched but not yet seeded; • LCIV Business Purpose change had yet to be approved; • The search for a new interim CIO and permanent CIO was under way – unfortunately the CIO recruited in September had only remained in post for three weeks. The current and future fund offerings were outlined to Pensions Committee Members. In terms of the London CIV Strategy, there was a need to agree what management should look like to enable the LCIV to approach the market with a firm idea of what was required and to enable them to achieve keen pricing. Members were informed that the first flows of the Infrastructure Funds were lined up to include six boroughs with £399m of investment – this was a positive development. Members requested further clarification regarding the matter of Governance as it was perceived that more could be done in relation to this. It was noted that one London borough had not yet invested anything in the LCIV. It was confirmed that there had been some delay due to the difficulties in recruiting and retaining a CIO. Moreover, the workings of the Shareholder Committee needed to be explored further. New

	Governance arrangements were being considered at present and a review was due to commence very shortly. It was confirmed that all feedback was useful and welcomed. Responses were due by the end of November; subsequently a decision would be taken regarding the next steps – a workshop on Governance was being considered once survey results were received. The Pensions Committee was advised that the new Governance arrangements were widely considered preferable to the Joint Committee Structure but some further tweaking was required. It was recognised that there were issues to be addressed in relation to ESG and fund managers. Some London boroughs had indicated that they preferred an engagement route with direct contact with fund managers. It was hoped that annual meetings between investors and fund managers could be arranged in the future; however, it was acknowledged that this was challenging since there were 32 London boroughs in total with very diverse needs. The Pensions Committee was advised that a single approach to voting across all 32 boroughs was deemed to be preferable as it would have more impact. Such matters would be considered further on completion of the stock take. Members suggested that, given the large number of diverse London boroughs, one option would be for like-minded boroughs to form natural groupings. It was reported that some boroughs appeared reluctant to be involved with the LCIV. Members expressed concern regarding the apparent slow-progress being made; it was acknowledged that progress had been slower than the Government would like and the challenges faced in London were particularly acute. It was recognised that greater collaboration and pooling across London were desirable but progress to date and the slow pace of change were a concern. The Pensions Committee was informed that some benefits had already been delivered by the LCIV and it was anticipated that these would increase in the future. **RESOLVED That: the content of the presentation be noted.**
22.	**2019 ACTUARIAL VALUATION AND FUNDING STRATEGY STATEMENT** *(Agenda Item 6)* Craig Alexander of Hymans Robertson took Members through a presentation regarding the Pension Fund 2019 valuation – whole fund results and funding strategy update. Key points highlighted included: • The Membership and cashflow data had been received on time and were validated as fit for purpose; • Employer level results were to be discussed with officers in November ahead of the employer forum on the 20 November; • The long term investment funding target had remained unchanged; • To assess the Fund, a Valuation ‘health check’ had been performed on a single day –this was just a snapshot in time (on a single set of assumptions); • There had been a slight change in approach to the valuation methodology with some risk-based assessment built in; • The Fund had performed well and there had been some improvement in the Funding level (from 75% in 2016 to 87% in 2019); however, there was no cause for complacency and continued prudence was essential; • Different employers posed different levels of risk – Councils were the least risky as they were funded by the Government; • The Government’s McCloud ruling meant that LGPS benefits were going to cost more in the future – this had been built into Hymans’ calculations for employer contributions but not the funding position in line with MHCLG and SAB instruction and would be monitored going forward;

	• The next valuation would take place in 2022. Following that it was likely that a 4-year cycle would be introduced. Members requested clarification regarding the use of RPI in the presentation. It was confirmed that information from the market was mainly RPI based – this was then adjusted to CPI. Moreover, Members were advised that the impact of McCloud was minimal at whole fund level but could be significant at employer level. **RESOLVED That Pensions Committee:** **1. Agreed the draft Funding Strategy Statement for consultation with scheme employers;** **2. Noted the whole fund triennial valuation results;** **3. Approved the assumptions used in the triennial valuation.**
23.	**PENSION FUND ANNUAL REPORT** *(Agenda Item 7)* The report was welcomed by Members. New Committee Members were commended for their commitment to training. It was noted that thorough training was essential to enable Members to make informed decisions. It was recognised that the training available to Pensions Committee Members at Hillingdon was both practical and helpful and constituted a model of good practice. It was suggested that communication between the Pensions Board and the Pensions Committee could be improved and it would be beneficial for the two committees to work more closely together. Members were informed External Audit has signed off on consistency of the annual report with the audited accounts and an audit opinion had be provided for publication of the report. It was noted that Sian Kunert would be leaving the Council in December to take up a post elsewhere. Gratitude was expressed to Sian for her invaluable advice and support to date. **RESOLVED That Pensions Committee:** **1. Approved the Fund Annual Report for publication.**
24.	**INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE PART I** *(Agenda Item 8)* The item was preceded with a few slides from Clare Scott, Investment Adviser. Clare reported that she had been working with the teams at the London CIV and presented a confidential review of the London CIV's Investment Manager selection and monitoring to date. The Pensions Committee was informed that a new LCIV policy was in development; this would need to be reviewed periodically and kept up-to-date. Additional concerns were raised and recommendations made which would be monitored and discussed further with the London CIV. It was noted that the fund had increased in value and performed above benchmark totalling £1.127m at the end of September 2019. Members discussed the update on the LCIV Infrastructure sub fund and KMPG highlighted areas that had been outstanding in the Fund making a decision which have since been resolved including FCA approval for members to approve commitment to this fund.

	Given the volume of Part II paperwork in the agenda pack, it was agreed that, in future, the voting records of Fund Managers would be made available to Members electronically. **RESOLVED THAT, following consideration of the Part II papers, Pensions Committee:** 1. **Considered and discussed any issues raised;** 2. **Discussed the Fund performance update and agreed any required decisions in respect of mandates or Fund Managers;** 3. **Committed to invest 5% of the portfolio in the London CIV infrastructure sub fund;** 4. **Delegated the implementation of any decisions to the Officer and Advisor – Investment Strategy Group.**
25.	**ADMINISTRATION REPORT** *(Agenda Item 9)* The report provided an update on the administration of the LBH Fund of the LGPS, both in relation to Surrey County Council and internally at Hillingdon. Members were informed that the fund continued to see uptake of members who had registered for the Member Self Service module. Sign up to my-pension-online stood at 17% which was somewhat low. LGPS Annual Benefit Statements had been uploaded to the members portal 'My Pension Online' by 31 August 2019 for active members to view. The Pensions Committee was advised that the delivery of Annual Benefit Statements for active members had seen a success rate of 100%. The deferred numbers were much lower at just under 57%; this was largely because many records had inconclusive confirmation of the members' last known addresses. Moreover, there were issues with regards to the data quality on the other records. Surrey planned to rectify this by doing address tracing work. It was noted that there had been a significant improvement in KPIs and a data improvement plan was in place. It was suggested that internal auditors be invited to carry out an audit at Surrey. This option would be explored further. **RESOLVED That: Pensions Committee noted the report.**
26.	**RISK REGISTER REPORT** *(Agenda Item 10)* The report aimed to identify to the Pensions Committee the main risks to the Pension Fund to enable them to monitor and review going forward. There were no risks rated as Red and no significant changes with the exception of a new risk in relation to the CIV. It was noted that the Risk Register Report came under Part I in the Pensions Committee agenda but within Part II in the Audit Committee agenda. This matter would be explored further. **RESOLVED That Pensions Committee:** 1. **Considered the Risk Register in terms of the approach, the specific risks identified and the measures being taken to mitigate those current risks.**

27.	**DRAFT WORK PROGRAMME** *(Agenda Item 11)* The report was to enable the Pensions Committee to review planned meeting dates and forward plans. It was suggested that a guest speaker be invited to address the Pensions Committee regarding its legal responsibilities. **RESOLVED That Pensions Committee:** **1. Confirmed the dates for Pensions Committee meetings: and** **2. Made suggestions for future agenda items, working practices and / or reviews.**
28.	**2019 ACTUARIAL VALUATION AND FUNDING STRATEGY STATEMENT PART II** *(Agenda Item 12)* *This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).* **RESOLVED: That the information be noted.**
29.	**INVESTMENT STRATEGY AND FUND MANAGER PERFORMANCE PART II** *(Agenda Item 13)* *This item was discussed as a Part II item without the press or public present as the information under discussion contained confidential or exempt information as defined by law in the Local Government (Access to Information) Act 1985. This was because it discussed 'information relating to the financial or business affairs of any particular person (including the authority holding that information)' (paragraph 3 of the schedule to the Act).* The Committee received confidential information on the current market update which covered details on the current market climate and performance of various investment vehicles and updates on Managers' reports **RESOLVED: That the information be noted, together with the performance of Fund Managers.**
	The meeting, which commenced at 5.03 pm, closed at 7.08 pm.

These are the minutes of the above meeting. For more information on any of the resolutions please contact Liz Penny on 01895 250636. Circulation of these minutes is to Councillors, Officers, the Press and Members of the Public.

INVESTMENT STRATEGY and FUND MANAGER PERFORMANCE (Part I)

Committee	Pensions Committee
Officer Reporting	Babatunde Adekoya, Finance Andrew Singh, KPMG
Papers with this report	Northern Trust Performance Report

HEADLINES

Andrew Singh from KPMG will deliver a training session on Pension Fund Governance ahead of the investment strategy and fund performance update.

The total value of the fund was £1,127m at 30 September 2019, an increase of £31m from £1,096m at the end of previous quarter. There was an overall investment return of +3.02% over the quarter, translating into 0.68% ahead of the benchmark.

A detailed analysis of the performance of each investment manager compiled by the independent investment advisor is included in Part II of this report.

Update

The latest fund value as at 31 December 2019 was £1,122m, a decrease of £5m in valuation compared to end of quarter under review.

RECOMMENDATIONS

It is recommended that Pensions Committee:

1. **Consider and discuss any issues raised in the training item**
2. **Note the Fund performance update.**

SUPPORTING INFORMATION

1. Fund Performance

Over the last quarter to 30 September 2019, the Fund returned 3.02%, outperforming the benchmark return of 2.34% by 68 basis points. The Fund value Increased over the quarter by £31m, to £1,127m.

Period of measurement	Fund Return %	Benchmark %	Arithmetic Excess
Quarter	3.02	2.34	+0.68
1 Year	6.21	5.65	+0.56
3 Year	7.12	7.08	+0.04
5 Year	8.19	7.89	+0.30
Since Inception (09/1995)	7.07	6.96	+0.13

During the quarter, distributions received from alternative investments were $2.5m, €414k & £1.7m. After taking advice from the Fund's investment consultants excess cash of £9.0m, which had built up over time, was invested into the existing LGIM portfolio to secure improved returns. This was actioned under section 151 delegated authority.

Investment performance continues to be supressed by the underperformance of UBS UK Equity portfolio that delivered a return of -1.19% relative compared to the benchmark. LGT Capital private equity portfolio, also underperformed by -3.99% relative to benchmark. Adams Street and Macquarie were the biggest contributors to performance in the quarter under review with relative outperformance of 5.04% and 2.75% above their respective benchmarks.

Relative performance over a one-year rolling period was 0.56% above the benchmark with the largest contributors being Adams Street and Macquarie; with returns of 8.62% & 11.71% above benchmarks, whilst UBS equities was the largest detractor from benchmark over the rolling one year period with an underperformance of -6.10% compared to benchmark.

2. Asset Allocation

The current asset allocation, the key strategic tool for the Committee, is in the table below. The assets of the Fund are invested across 11 different Fund Managers in a range of passive and active mandates, including a mix of liquid and illiquid allocations to reflect the Fund's long-term horizon.

The asset allocation is currently being reviewed as required by the LGPS regulations following the initial results of the triennial valuation.

Current Asset Allocation by Asset Class

ASSET CLASS	Market Value As at 30 Sept 2019	Actual Asset Allocation	Benchmark Allocation
	£'000	%	%
UK Equities	126,219	11.20	44.0
Global Equities	389,809	34.59	
UK Index Linked Gilts	152,105	13.50	19.0
Multi Asset Credit	94,460	8.38	
Corporate Bonds (Global)	34,648	3.08	
Property	130,263	11.56	12.0
DGF/Absolute Returns	71,607	6.36	0.0
Private Equity	16,116	1.43	2.0
Infrastructure	28,230	2.51	8.0
Private Credit	72,478	6.43	10.0
Long Lease Property	0	0	5.0
Cash & Cash Equivalents	10,784	0.96	0.0
Totals	**1,126,719**	**100.0**	**100.0**

Current Asset Allocation by Manager

FUND MANAGER	ASSET CLASS	Market Value As at 30 Sept 2019 £'000	Actual Asset Allocation %
ADAMS STREET	Private Equity	11,926	1.06
LGT	Private Equity	4,149	0.37
AEW	Property	60,655	5.38
JP MORGAN	Multi Asset Credit	94,460	8.38
LCIV - EPOCH	Global Equities	160,744	14.27
LCIV - RUFFER	DGF/Absolute Returns	71,607	6.36
M&G	Private Credit	6,986	0.62
MACQUARIE	Infrastructure	28,230	2.51
PERMIRA	Private Credit	65,492	5.81
LGIM	Global Equities	229,065	20.33
	UK Corporate Bonds	34,648	3.08
	UK Index Linked Gilts	152,105	13.50
UBS EQUITIES	UK Equities	126,219	11.20
	Property	22	0
	Private Equity	41	0
	Cash & Cash Equivalents	3,158	0.28
UBS PROPERTY	Property	69,586	6.18
	Cash & Cash Equivalents	360	0.03
Non Custody	Cash & Cash Equivalents	7,266	0.64
		1,126,719	**100**

Note: Asset Market Valuation is at BID price, as per accounting requirements, which differs from the attached Northern Trust Performance report, which is measured at MID price.

The Fund has £4.0m awaiting drawdown on Private Credit, £50m awaiting drawdown for the Long Lease Property, which is expected to be drawn-down by the end of Q3 2020. £55m was recently committed to LCIV Stepstone Infrastructure Fund; these funds are currently held in passive corporate bonds and other overweight positions with LGIM and the LCIV Ruffer Absolute Return Fund.

3. Market and Financial climate overview

UK Equity

UK equities recorded modest gains in what was a mixed quarter for global stocks. Amid concerns about the world economic outlook, many investors favoured assets perceived to have defensive qualities. These included so-called "quality growth" companies which are characterised by their superior and defensible earnings growth. A strong performance from quality growth stocks, and other defensive sectors, helped the UK stock market achieve positive returns over the period. Merger and acquisition activity was also supportive – trade and private equity buyers took advantage of the relative valuation opportunity of UK equities, sterling weakness and readily available cheap debt financing.

In contrast, many economically sensitive areas of the market performed poorly, including the UK's heavyweight financial and commodity sectors. This contributed to a notable underperformance in the FTSE 100, which rose 1.0%, compared to a 3.6% total return from mid-caps (FTSE 250 ex investment companies). Many of these trends reversed towards the end of the period as expectations rose that policymakers might switch from monetary to fiscal measures to stimulate economic activity and inflation.

US

US equities made modest gains in Q3, despite ongoing growth concerns and uncertainty surrounding US-China trade. The growth concerns were most pronounced in August, when the Federal Reserve's (Fed) conservative messaging around its policy response underwhelmed investors. The Fed acted as expected by cutting rates by 25 basis points both in July and in September, but did not commit verbally to a more extended easing cycle. The US yield curve inverted in the month, a phenomenon which often precedes recession.
US economic data was largely stable, albeit it continued to moderate. Unemployment remains at 3.7% and wage growth in August was stronger (month-on-month) than anticipated. However, new non-farm job additions were lower than expected in August, at 130,000 versus predictions of 158,000. Consumer confidence also weakened; the August Conference Board consumer confidence index fell to 125.1 from 134.2 (the index reflects prevailing business conditions and likely developments for the months ahead, detailing consumer attitudes and buying intentions).

Less economically sensitive areas of the market generally performed more strongly. Utilities, real estate and consumer staples were amongst the quarter’s better performers. Energy and materials were weaker areas of the market, given expectations of a more challenging demand environment. Healthcare remains a matter of heated debate in the run-up to the 2020 US presidential election, and the political sensitivity caused the sector to lag the market.

Eurozone

Eurozone shares made gains in the quarter amid ongoing worries over trade wars and global growth, the best-performing sectors included utilities, real estate and consumer staples. Underperformers over the quarter were energy and consumer discretionary. However, the market saw a rotation in September with financials, which had previously been out of favour this year, leading the gains.

Economic data remained lacklustre with confirmation that the eurozone economy expanded just 0.2% in Q2. Annual inflation was 1.0% in August, compared to 2.1% in the same month in 2018. Speculation over the possibility of further stimulus from the central bank dominated the summer. In September, the European Central Bank (ECB) took steps to boost the flagging economy, including restarting quantitative easing and committing to buying assets until its inflation target is reached. Christine Lagarde, head of the International Monetary Fund, was nominated to replace Mario Draghi as president of the ECB when his term ends on 31 October.

Japan

Market weakness in early August was more than reversed in September to produce a total return of 3.4% for the three months. The Japanese currency initially strengthened after the cut in US interest rates, but subsequently weakened to end the quarter little changed. The main domestic political event was the Upper House elections in July, which were won comfortably by Mr Abe‘s Liberal Democratic Party. However, the party fell just short of the two-thirds majority, which would have facilitated Mr Abe’s pursuit of constitutional reform. More importantly for equity investors, the result confirmed continuity of policy for the near future, and effectively removed any uncertainty over the rise in consumption tax in October.

The recent cut in US interest rates again raised expectations for additional easing moves by the Bank of Japan. In the very short term, the counterintuitive weakening of the yen has created some breathing space by easing deflationary pressure. The only real policy development came during September, with a fine-tuning of bond purchases in an attempt to encourage a steeping of the yield curve. The Bank of Japan stepped back from its purchases of exchange-traded funds, after maintaining a very consistent run-rate in the first eight months of the year. Meanwhile, survey data suggests that corporate managements are increasingly viewing their own share prices as attractive, which is one factor behind the near-doubling, year-on-year, in the value of share buybacks announced from April to September. Other interesting developments at the corporate level included several restructurings of long-term strategic shareholdings.

Emerging Markets

Emerging market equities were down as US-China trade tensions escalated and concerns over global growth continued to mount. The MSCI Emerging Markets Index decreased in value and underperformed the MSCI World. Argentina was the weakest index market as surprise primary election results triggered a major sell-off in equities

and the currency. Those markets more sensitive to a stronger US dollar came under pressure, notably South Africa but also Indonesia. Saudi Arabia and Colombia underperformed with crude oil price weakness a headwind.
China underperformed by a more modest margin. The US announced 10% trade tariffs on $300 billion of goods imported from China, some of which took effect in September. Following the announcement, the renminbi weakened beyond the symbolic seven-per-dollar threshold, and in response, the US Treasury labelled the country a currency manipulator. The US also announced plans to increase existing tariffs of $250 billion of Chinese goods from 25% to 30% in October. China responded by announcing tariffs on $75 billion of US goods. By contrast, Turkey registered a robust return, as the central bank cut interest rates by a total of 7.5% over the quarter, more than expected. Taiwan also outperformed, driven by strong performance from technology stocks.

Global Bonds

Government bond yields declined markedly over the quarter due to risk aversion in August when US-China trade tensions escalated. The US announced a marked increase in tariffs and China retaliated with its own measures including allowing a devaluation of the renminbi. September saw the ECB announce a much anticipated new round of stimulus measures which helped sentiment. The Fed cut rates again, but disappointed markets by downplaying the prospect of further easing.
The US 10-year Treasury yield was over 30 basis points (bps) lower, finishing the quarter at 1.67%. The 10-year yield reached below 1.5% in late August, and briefly dipped lower than the two-year yield, a yield curve inversion indicating significant economic pessimism among bond investors. In Europe, the 10-year Bund yield fell 24bps to finish even deeper in negative territory at -0.57%. The Italian 10-year yield saw a substantial move, falling 126bps to 0.82% due to anticipation, and ultimately announcement of new stimulus measures and a calmer political backdrop. The UK saw further escalation in Brexit uncertainty. The 10-year UK yield fell 34bps over the quarter, with most of this occurring in July.
Corporate bonds outperformed government bonds. They benefited from the decline in global yields and more recently an improvement in risk sentiment. Investment grade corporate bonds outperformed the riskier high yield part of the market. The telecoms and utility sectors performed well. Across emerging market bonds, corporate debt and local currency government debt made positive returns, while emerging market currencies broadly weakened against the US dollar.

4. Strategy Update

At the Pensions Committee in January 2019 it was agreed that the strategic asset allocation of 10% managed by Ruffer via the London CIV should be replaced with a 5% allocation to Infrastructure and 5% to bonds. At the meeting on 22 March the allocation to bonds was agreed to be moved to index linked gilts through the LGIM passive fund. The infrastructure element was deferred at the January and March meeting whilst the London CIV infrastructure offering was still to be finalised and accessible for investment, at which time outstanding items such as fees and FCA approval would be agreed to make a more informed decision to invest in the pool offering. A third of the Ruffer allocation (£34m) was invested with All Stock Index-Linked Gilts with LGIM in June to bring the fund to its full allocation of IL gilts.

5. LCIV update

Currently open on the London CIV are
1 UK Equity sub fund
5 Global Equity sub funds
1 Emerging Market Equity sub fund
4 Diversified Growth / Absolute Return funds
1 Multi Asset Credit fund
1 Global Bond Fund
1 Infrastructure Fund

The LCIV launched their Infrastructure fund on 31 October 2019 and Hillingdon Pension Fund committed a total of £55m to this offering. LCIV have received FCA approval for the launch of their new Global Equity Core fund.

The next phase will look at launching Inflation plus, which the LCIV hope to submit the required papers to the FCA for approval in February 2020.

Following the resignation of their newly appointed Chief Investment Officer, Mark Thompson, in September 2019, Kevin Corrigan has been appointed as interim CIO, pending the completion of the search for a permanent appointment.

Hillingdon Fund Investment with the London CIV

The Hillingdon Pension Fund currently invests in Ruffer and Epoch on the LCIV platform and LGIM, which sits alongside the LCIV Platform accessing the economies of scale created via the LCIV. The Fund has total LCIV holdings of £648m at 30 September 2019, accounting for almost 58% of total assets of the Pension Fund. With a reallocation of £55m recently approved by Committee for investment into the LCIV Stepstone infrastructure fund.

Voting and Engagement

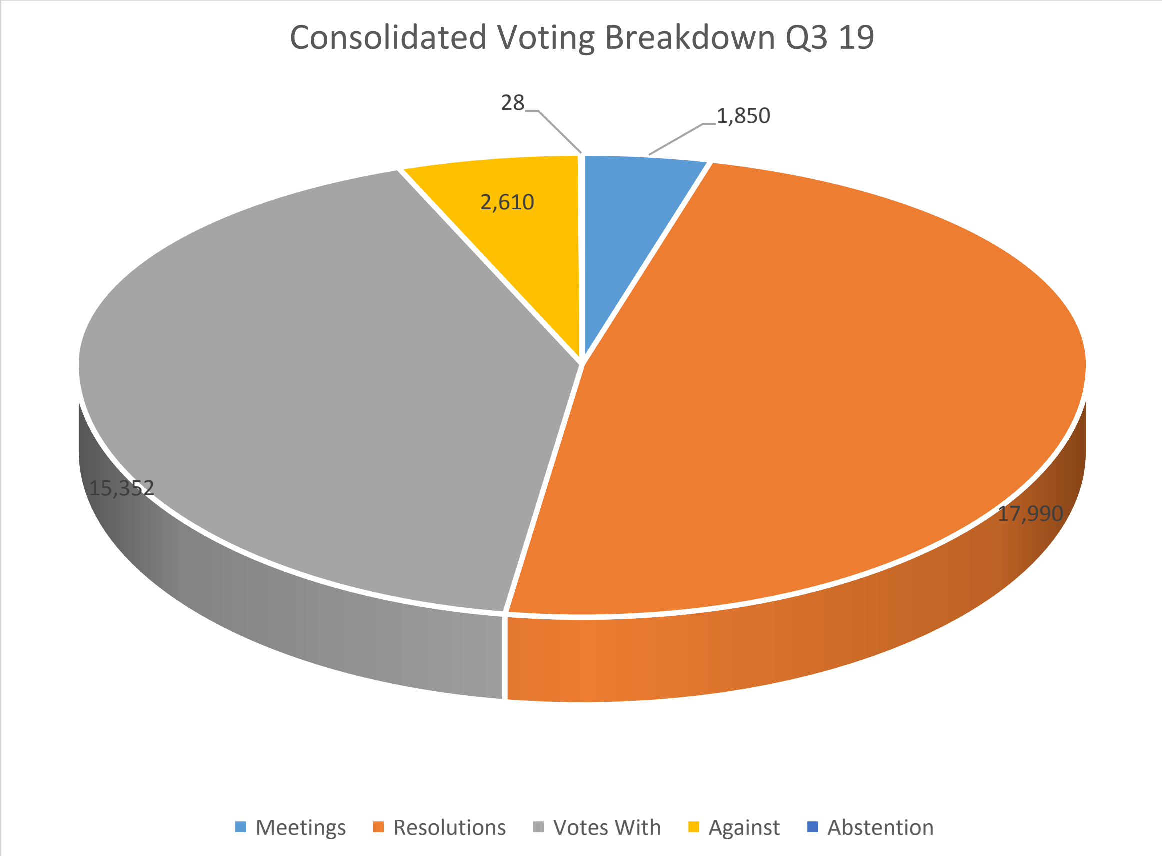
Fund managers carry out proxy voting on the Pension Fund's behalf. Below are a breakdown of voting statistics by UBS Asset Management, LGIM and London CIV (Ruffer and Epoch).

Fund Managers Voting Breakdown Q3, 2019						
UBS		**Meetings**	**Resolutions**	**Votes With**	**Against**	**Abstention**
	Sep-19	1,253	11,857	10,104	1,748	5
		1,253	**11,857**	**10,104**	**1,748**	**5**
	%			**85.22**	**14.74**	**0.04**
LCIV		**Meetings**	**Resolutions**	**Votes With**	**Against**	**Abstention**
	Sep-19					
LCIV - Ruffer		7	102	83	18	1
LCIV - Epoch		5	51	51	0	0
		12	**153**	**134**	**18**	**1**
	%			**87.58**	**11.76**	**0.65**
LGIM		**Meetings**	**Resolutions**	**Votes With**	**Against**	**Abstention**
	Sep-19	585	5,980	5,114	844	22
		585	**5,980**	**5,114**	**844**	**22**
	%			**85.52**	**14.11**	**0.37**

The UBS figures relate to their equity fund and not specific shares held by the Hillingdon fund where we are ex tobacco.

The volume of meetings attended and resolutions voted on by all the fund managers shown above encapsulate their commitment to ESG issues and a demonstration of the alignment of their stewardship activities with their own investment beliefs, policies and guidelines. Through this approach, they seek to be active owners on behalf of their clients, by encouraging good governance and a high standard of corporate practices.

The voting breakdown above indicates both UBS and LGIM have voted against proposed management resolutions on 14% of voting opportunities and supported resolutions on about 86% of occasions. Both LCIV portfolios combined backed various management resolutions on 88% of voting opportunities and about 12% against the resolutions proposed by company managements.



The chart above provides a consolidated overview of voting pattern by all fund managers shown in the table above.

FINANCIAL IMPLICATIONS

The financial implications are contained within the body of the report

LEGAL IMPLICATIONS

There are no legal implications in the report.

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NORTHERN TRUST

London Borough of Hillingdon

Investment Risk & Analytical Services

September 30, 2019

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Client Commentary

Total Scheme Commentary

Equity markets were positive over Q3 although apprehension looms due to the continuing trinity of threats to global growth; trade uncertainty, recession in Europe and Brexit. Investment growth is not supporting any meaningful rise in incomes and the Doves are winning battles over interest rate setting. China's property bubble could be added to the list of risk, potentially leading to the end of the commoditybubble and should the renminbi fall again, the other emerging economies would be at risk of contagion. The emerging markets continue to underperform developed counterparts as they have for the last year.

A number of bond markets hit new yield lows over quarter three - 30-year US Treasury yields fell more than 30bps, falling through 2% for the first time, similar declines in long-end bund and gilt yields were also observed. The 10-year rate fell below the 2-year rate in the US – the first time this has happened in 12 years and an event that has been a reliable indicator of recession many times in the past. US 10 year yields observed were +1.66% for Q3 and had been steadily falling over the 12 month period.

In the UK, Q3 2019 saw Sterling strengthen against the Euro but fall further against the US Dollar and Japanese Yen. In July, Boris Johnson succeeded Theresa May to become the UK's new Prime Minister, beating Jeremy Hunt in the Conservative party leadership race by a convincing margin. His immediate focus will be on delivering Brexit in time for the 31st October deadline. In its September meeting, the Bank of England Monetary Policy Committee voted unanimously to maintain the bank rate at 0.75%. The Committee said in the event of a no-deal Brexit it would have to balance upward pressure on inflation from a likely fall in sterling. In the event of a smooth Brexit and some recovery in global growth, gradual and limited interest rate increases may be needed. The UK Manufacturing PMI increased to 48.3 in September, beating the market expectation of 47 but still below the neutral score of 50 for the fifth month in succession. There were lower inflows of new work domestically and from overseas as output continued to contract. The consumer price index including owner occupiers' housing costs rose by 0.4% in August 2019 but the annual rate fell to 1.7% from 2.1% in July marking the lowest rate since December 2016. Falling transport costs and clothing and footwear prices were the main downward contributors. Consumer confidence gained 2 points in September and now lies at -12, above the market expectation of -14.

Within this environment the London Borough of Hillingdon returned +3.02% which was ahead of the Total Plan benchmark of +2.34%. In monetary terms this is a gain in assets of £33 million and the value of the combined scheme now stands at £1,127 million as at 30th September 2019.

The Scheme's one year return of +6.21% is 0.52% ahead of the benchmark of +5.65% following 2 consecutive quarters of outperformance. While over the longer periods, with ten positive quarters over the last 3 years, the Scheme has narrowly outperformed, producing a return of 7.12% over three year versus 7.08%. Then the scheme continues to outperform over the 5 year period where we observe figures of 8.19% per annum (vs the benchmark 7.89%). Then since inception in September 1995, the Fund remains ahead of target by 10 basis points with an annualised return of 7.07% against a target of 6.96%

Manager Commentary

AEW UK

The AEW UK Property Fund posted a total return of 0.72%, beating the IPD UK PPFI AI Balanced Funds Index for the third time since September 2018. Rolling one year returns now sees gains, with the mandate returning 6.31% versus 2.22% for the IPD Index Theycontinue to be ahead over the three year period returning 10.37% against the benchmark of 6.74%. This translates as 3.40% relative outperformance. With positive absolute returns in all but one period and only four quarters in the red on a relative basis, growth ahead of benchmark is seen over three years. Since the funds inception date of July 2014, the fund return is 10.60%, leading to an outperformance of over 2% when compared to the IPD figure of 8.25%.

JP Morgan

In the latest quarter JP Morgan posted an increase in assets of +1.30% leading to an outperformance of +0.34% when compared to the 0.95% target for the 3 Month LIBOR + 3% p.a. Then with positive results in three of the last four quarters, the one year return of +6.27% is in modest territory although is ahead of the 4.03% target by over 2%. Then over three years they post returns behind the benchmark with figures of 3.61% vs 3.73%. Since the mandate funded their return of 3.96% is just ahead of the target return of 3.70% on an annualised basis.

Legal & General 1

There was a reorganisation of assets in both Legal & General 1 and 2 portfolios towards the end of 2018. Equity assets were moved to the No 1account and fixed income to the No2 account. Over the last three months the Legal & General No. 1 mandate post a return of +2.19% in line with the custom fixed weight blended benchmark. In the period since inception in October 2016, they return 7.22%, which is just below the benchmark return of 7.31%.

Legal & General 2

The No 2 Legal & General mandate returned +7.63% against +7.543% for the third quarter against the custom fixed weight blended benchmark consisting of FTSE Index Linked 15+ years, FTSE Index Linked and iBoxx UK Non-Gilts. In the period since inception, they return 8.49% against 8.92% for the benchmark.

Client Commentary (cntd)

Manager Commentary

London CIV Ruffer

The absolute return strategies employed by London CIV Ruffer translated into a 272 basis point outperformance of the 3-mth Sterling LIBOR target. The investment is above the benchmark over the one year time period. Outperformance remains in the longer periods. This is seen in a three year return of 1.62% versus 0.73%, then similarly for the five years with figures of 4.24% against 0.72%, culminating in since inception (May 2010) figures of 5.02% versus 0.84% per annum, which translates as a relative return of over 4%. This manager shows one of the largest outperformance of all the schemes managers over the since inception period.

M&G Investments

M&G posted a small gain in Q3 by producing a return of 0.09% against the 3 Month LIBOR +4% p.a. target of 1.19%, demonstrating an underperformance of 1.09%. This is a turnaround from the outperformance seen in quarter two, the full year return is now ahead of the benchmark by 3.86%, coming from figures of 9.08% against 5.03%. Over the three and five year the account registers figures of 10.13% vs 4.73% and 8.66% vs 4.72% respectively; since inception (May 2010) return falls slightly to 7.27% pa whilst the benchmark is 4.72% pa. Although the since inception Internal Rate of Return moves further ahead of target with a figure of 8.39% opposed to the comparator of 4.60%.

Macquarie

Over the last three months, Macquarie produced a growth of 3.70%, against the 0.95% for the 3 Month LIBOR +3% p.a. this translates as an outperformance of 2.72%. With twelve consecutive quarters of positive absolute returns and eleven positive relative returns, outperformance is seen in all longer periods. Over the rolling year a double digit growth of 15.74% beats the target of 4.03% by 11.26%, similarly the three year result of 13.90% versus 3.73% exhibits positive relative return at 9.80%. The annualised return over 5 years rises to 17.21%, and remains ahead of the 3.72% seen for the benchmark; then since inception (September 2010) the 6.76% is ahead of the target of 3.72%. Although the since inception Internal Rate of Return for this portfolio jumps to 12.63%, which is ahead of the benchmark figure of 3.69%.

UBS

During Q3 the UBS UK Equity investments returned +0.08%, behind the +1.27% for the FTSE All Share. Looking into the attribution analysis this underperformance was largely due to sector positioning and selection effects. The most significant being the negative returns in Basic Materials (-39bps) and weak performance in Utilities (-36bps), while the largest positive impact comes from Industrials (+59 bps). The manager remains behind over the one year, stemming from figures of -3.42% vs +2.68% which translates as a relative return of -5.94%. This is largely attributable to selection effects, the biggest impacts come from both Consumer Services (-136bps) and Utilities (-140 bps). The longer time periods show a positive picture, with three and five years ahead of the index, culminating in a since inception (January 1989) return of 9.71% versus 8.60% on an annualised basis.

ManagerCommentary

Premira Credit

The Premira Credit Fund saw a growth of 1.95% over the third quarter of 2019, this was just ahead of the 3 Month LIBOR +4% p.a. target of 1.19%. The fund has outperformed in three of last four quarter's and are still ahead of target, leading to an outperformance of 1.16%, created from figures of 6.25% against 5.03%. Then since the start of December 2014 when the fund incepted, the fund posts a return of 8.31% against the benchmark of 4.69%, leading to a relative position of 3.45%.

UBS Property

In contrast from the previous period, the latest quarter for the UBS Property posted an outperformance of +0.07%, generated from a return of 0.47% against the IPD UK PPFI All Balanced Funds index of 0.40%. Over the one year the manager is behind the index, with a full year return of +1.57% vs +2.22%. The previous good run of results particularly during 2015 leads to high absolute returns staying ahead of the IPD target over the five year periods with a return of 8.00% against 7.53%. Then since inception, in March 2006, the fund return falls to 3.94% per annum which is line with the benchmark.

Private Equity

The private equity assets saw a 9.21% rise in value for Adam Street. LGT also saw a small increase of 0.19%. Over the longer periods, the outlook over which private equity investments should be measured, returns remain positive. LGT maintain a run of over 3 years of growth with figures of 11.17%, 16.14% and 18.73% for the one, three and five year periods respectively, while Adam Street posted 20.65%, 15.27% and 16.97% over the same periods. Adam St are behind the proxy benchmark of MSCI AC World +4% p.a. over the three and five year period (which shows double digit gains of16.28% and 17.37%). LGT are ahead over the five year outperforming by 116bps. Then since their respective inceptions in January 2005 and May 2004, Adam Street drops to 8.03% pa, while LGT sees a more modest dip to 11.52%.

Epoch

Over the third quarter the investment in Epoch's income equity fund generated a return of +5.10%. Since inception (November 2017) the fund has observed a modest rise in value +6.90% compared to the MSCI World figure of +8.82%, this leads to a relative return of -1.76%.

Investment Hierarchy

Account/Group -% Rate of Return	Ending Market Value GBP	Ending Weight	Three Months Port	Three Months Index	Three Months Relative Excess	Year to Date Port	Year to Date Index	Year to Date Relative Excess	One Year Port	One Year Index	One Year Relative Excess
London Borough of Hillingdon	**1,126,719,372**	**100.00**	**3.02**	**2.34**	**0.66**	**11.82**	**11.22**	**0.53**	**6.21**	**5.65**	**0.52**
Total Plan Benchmark											
AEW UK	**60,655,110**	**5.38**	**0.72**	**0.40**	**0.31**	**3.80**	**1.31**	**2.47**	**6.31**	**2.22**	**4.00**
LBH22 AEW Benchmark											
JP Morgan	**94,459,711**	**8.38**	**1.30**	**0.95**	**0.34**	**8.83**	**3.01**	**5.65**	**6.27**	**4.03**	**2.16**
LBH15 JPM LIBOR +3%pa											
Legal & General 1	**229,064,942**	**20.33**	**2.19**	**2.19**	**-0.01**	**18.17**	**18.18**	**-0.01**	**7.78**	**7.87**	**-0.08**
LBH26 L&G Benchmark											
Legal & General 2	**186,752,978**	**16.57**	**7.63**	**7.54**	**0.08**	**16.46**	**16.42**	**0.03**	**14.53**	**15.46**	**-0.80**
LBH27 L&G Benchmark											
M&G Investments	**6,986,510**	**0.62**	**0.09**	**1.19**	**-1.09**	**10.40**	**3.76**	**6.41**	**9.08**	**5.03**	**3.86**
LBH10 3 Month LIBOR +4%pa											
Macquarie	**28,323,809**	**2.51**	**3.70**	**0.95**	**2.72**	**11.76**	**3.01**	**8.50**	**15.74**	**4.03**	**11.26**
LBH14 Macquarie LIBOR +3%pa											
Premira Credit	**65,492,026**	**5.81**	**1.95**	**1.19**	**0.75**	**5.30**	**3.76**	**1.49**	**6.25**	**5.03**	**1.16**
LBH24 Premira LIBOR +4%pa											
UBS	**129,440,735**	**11.49**	**0.08**	**1.27**	**-1.18**	**9.80**	**14.41**	**-4.03**	**-3.42**	**2.68**	**-5.94**
LBH04 UBS Benchmark											
UBS Property	**69,946,488**	**6.21**	**0.47**	**0.40**	**0.07**	**0.99**	**1.31**	**-0.31**	**1.57**	**2.22**	**-0.63**
LBH06 UBS Property Benchmark											
Adam Street	**11,926,622**	**1.06**	**9.21**	**4.17**	**4.84**	**12.49**	**23.61**	**-8.99**	**20.65**	**12.03**	**7.69**
Adam Street PE Bmark											
LGT	**4,149,598**	**0.37**	**0.19**	**4.17**	**-3.83**	**7.24**	**23.61**	**-13.24**	**11.17**	**12.03**	**-0.77**
LGT PE Bmark											
Epoch Investment P Income	**160,744,238**	**14.27**	**5.10**	**3.83**	**1.22**	**18.00**	**21.55**	**-2.91**	**11.38**	**7.76**	**3.37**
LBH11001 MSCI World ND											
London CIV Ruffer	**71,611,567**	**6.36**	**2.94**	**0.22**	**2.72**	**7.87**	**0.77**	**7.05**	**2.00**	**1.03**	**0.96**
LBH11003 Ruffer BM Libor											

Category: **Total Fund Gross of Fees**

Investment Hierarchy(2)

Account/Group -% Rate of Return	Ending Market Value GBP	Ending Weight	Three Years Port	Three Years Index	Three Years Relative Excess	Five Years Port	Five Years Index	Five Years Relative Excess	Inception to Date Port	Inception to Date Index	Inception to Date Relative Excess	Inception Date
London Borough of Hillingdon	**1,126,719,372**	**100.00**	**7.12**	**7.08**	**0.04**	**8.19**	**7.89**	**0.28**	**7.07**	**6.96**	**0.10**	**30/09/1995**
Total Plan Benchmark												
AEW UK	**60,655,110**	**5.38**	**10.37**	**6.74**	**3.40**	**10.24**	**7.83**	**2.24**	**10.60**	**8.25**	**2.18**	**30/06/2014**
LBH22 AEW Benchmark												
JP Morgan	**94,459,711**	**8.38**	**3.61**	**3.73**	**-0.12**	**4.00**	**3.72**	**0.26**	**3.96**	**3.70**	**0.25**	**08/11/2011**
LBH15 JPM LIBOR +3%pa												
Legal & General 1	**229,064,942**	**20.33**	-	-	-	-	-	-	**7.22**	**7.31**	**-0.08**	**31/10/2016**
LBH26 L&G Benchmark												
Legal & General 2	**186,752,978**	**16.57**	-	-	-	-	-	-	**8.49**	**8.92**	**-0.39**	**22/02/2017**
LBH27 L&G Benchmark												
M&G Investments	**6,986,510**	**0.62**	**10.13**	**4.73**	**5.15**	**8.66**	**4.72**	**3.76**	**7.27**	**4.72**	**2.43**	**31/05/2010**
LBH10 3 Month LIBOR +4%pa												
Macquarie	**28,323,809**	**2.51**	**13.90**	**3.73**	**9.80**	**17.21**	**3.72**	**13.01**	**6.76**	**3.72**	**2.93**	**30/09/2010**
LBH14 Macquarie LIBOR +3%pa												
Premira Credit	**65,492,026**	**5.81**	**7.35**	**4.73**	**2.50**	-	-	-	**8.31**	**4.69**	**3.45**	**30/11/2014**
LBH24 Premira LIBOR +4%pa												
UBS	**129,440,735**	**11.49**	**7.35**	**6.76**	**0.55**	**7.07**	**6.79**	**0.26**	**9.71**	**8.60**	**1.02**	**31/12/1988**
LBH04 UBS Benchmark												
UBS Property	**69,946,488**	**6.21**	**5.95**	**6.74**	**-0.74**	**8.00**	**7.53**	**0.44**	**3.94**	**3.93**	**0.01**	**31/03/2006**
LBH06 UBS Property Benchmark												
Adam Street	**11,926,622**	**1.06**	**15.27**	**16.28**	**-0.87**	**16.97**	**17.37**	**-0.34**	**8.03**	-	-	**31/01/2005**
Adam Street PE Bmark												
LGT	**4,149,598**	**0.37**	**16.14**	**16.28**	**-0.12**	**18.73**	**17.37**	**1.16**	**11.52**	-	-	**31/05/2004**
LGT PE Bmark												
Epoch Investment P Income	**160,744,238**	**14.27**	-	-	-	-	-	-	**6.90**	**8.82**	**-1.76**	**08/11/2017**
LBH11001 MSCI World ND												
London CIV Ruffer	**71,611,567**	**6.36**	**1.62**	**0.73**	**0.89**	**4.24**	**0.72**	**3.49**	**5.02**	**0.84**	**4.14**	**28/05/2010**
LBH11003 Ruffer BM Libor												

Market Value Summary - Three Months

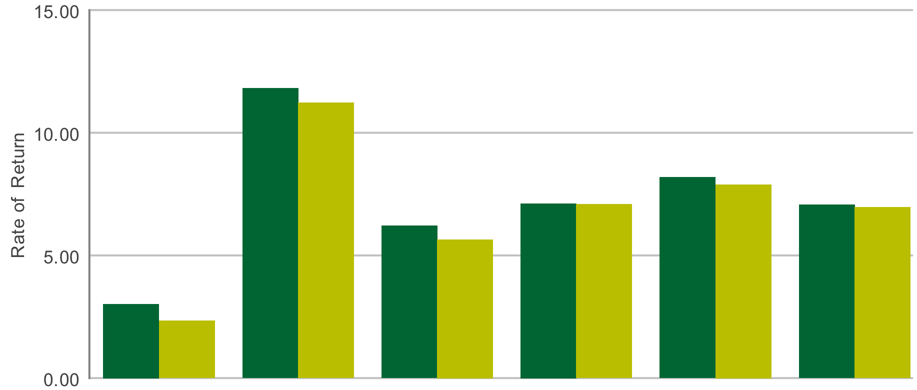
Account/Group	30/06/2019 Market Value	30/06/2019 Weight	Net Contribution*	Income	Fees	Appreciation	30/09/2019 Market Value	30/09/2019 Weight	Change in Weight
London Borough of Hillingdon	**1,095,695**	**100.00**	**-2,022**	**6,095**	**15**	**26,951**	**1,126,719**	**100.00**	**0.00**
AEW UK	60,224	5.50	0	0	0	431	60,655	5.38	-0.11
JP Morgan	93,248	8.51	0	0	0	1,211	94,460	8.38	-0.13
Legal & General 1	224,178	20.46	-13	0	13	4,900	229,065	20.33	-0.13
Legal & General 2	165,055	15.06	8,995	3	3	12,700	186,753	16.57	1.51
M&G Investments	7,995	0.73	-1,016	0	0	7	6,987	0.62	-0.11
Macquarie	28,134	2.57	-834	38	0	986	28,324	2.51	-0.05
Premira Credit	65,180	5.95	-953	720	0	544	65,492	5.81	-0.14
UBS	130,670	11.93	-1,320	2,122	0	-2,031	129,441	11.49	-0.44
UBS Property	70,243	6.41	-623	758	0	-431	69,946	6.21	-0.20
Adam Street	11,906	1.09	-1,062	0	0	1,083	11,927	1.06	-0.03
LGT	4,519	0.41	-380	-0	0	11	4,150	0.37	-0.04
Cash & Other Assets	11,837	1.08	-4,816	31	0	114	7,165	0.64	-0.44
Epoch Investment P Income	152,941	13.96	0	1,980	0	5,823	160,744	14.27	0.31
London CIV Ruffer	69,565	6.35	0	444	0	1,603	71,612	6.36	0.01
Cash & Other Assets	0	0.00	0	0	0	0	0	0.00	0.00

Min -0.44 1.51 Max

Market Values are represented in thousands.
**Net Contributions include Cash Contributions/Distributions, Security Deliveries/Receipts, Fees/Fee Rebates, Inter Account transfers for Consolidations & Benefits Payments.*
Copied History or Backloaded Data may not display the correct Contributions/Withdrawals creating misrepresentation.

Executive Summary

LONDON BOROUGH OF HILLINGDON TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	3.02	11.82	6.21	7.12	8.19	7.07
Index	2.34	11.22	5.65	7.08	7.89	6.96

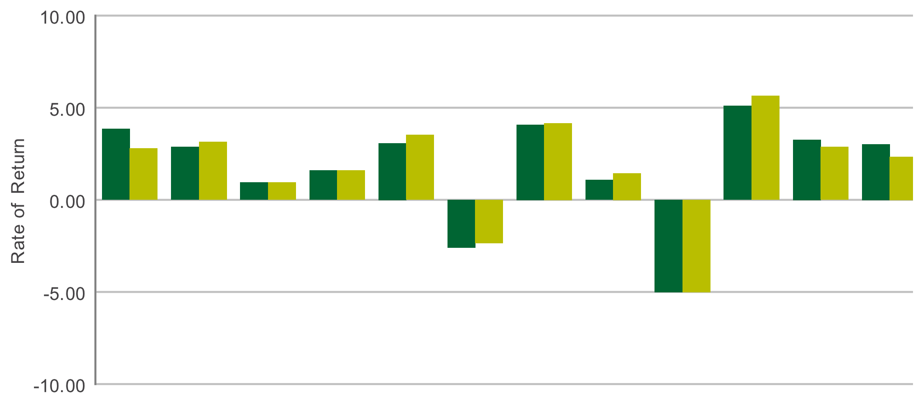
Index: Total Plan Benchmark

RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	6.21	7.12	8.19
Index Return	5.65	7.08	7.89
Relative Excess Return	0.52	0.04	0.28
Standard Deviation	5.57	4.70	5.01
Index Standard Deviation	5.83	4.65	4.86
Tracking Error	0.90	1.03	1.12
Information Ratio	0.62	0.04	0.27
Sharpe Ratio	0.93	1.36	1.49
Index Sharpe Ratio	0.79	1.37	1.48
Sortino Ratio	1.46	2.58	2.81
Treynor Ratio	5.48	6.48	7.44
Jensen's Alpha	0.77	0.12	0.25
Relative Volatility (Beta)	0.95	0.99	1.01
R Squared	0.98	0.95	0.95

Index: Total Plan Benchmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

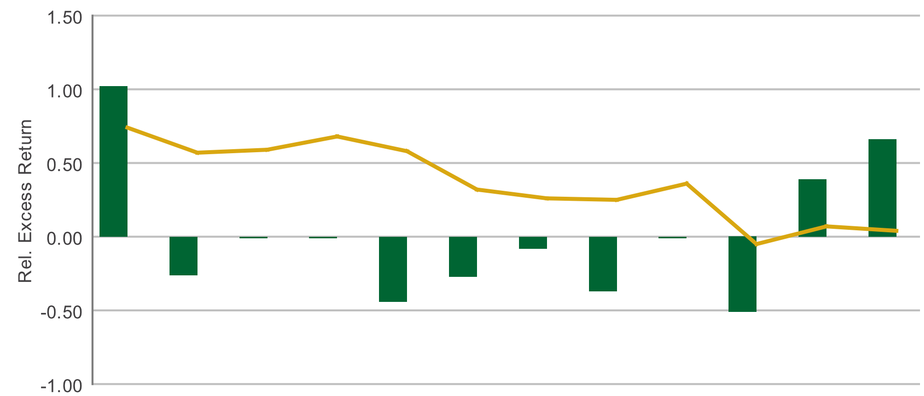
LONDON BOROUGH OF HILLINGDON ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	3.85	2.88	0.94	1.59	3.08	-2.60	4.08	1.08	-5.02	5.10	3.27	3.02
Index	2.79	3.14	0.95	1.60	3.53	-2.34	4.16	1.45	-5.01	5.64	2.87	2.34

Index: Total Plan Benchmark

LONDON BOROUGH OF HILLINGDON ROLLING QUARTERS TOTAL FUND GROSS OF FEES

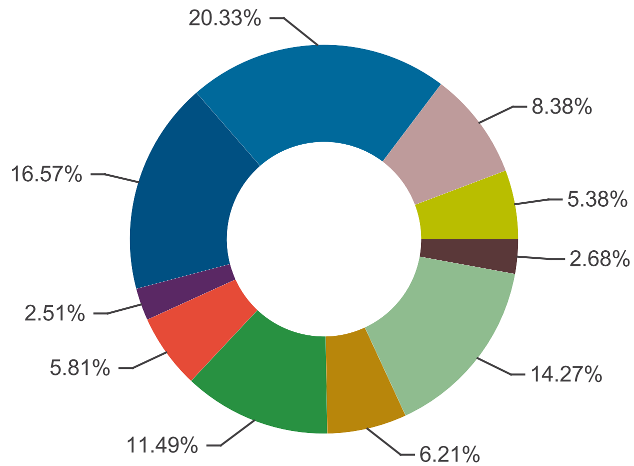


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	1.02	-0.26	-0.01	-0.01	-0.44	-0.27	-0.08	-0.37	-0.01	-0.51	0.39	0.66
3Y R.Excess	0.74	0.57	0.59	0.68	0.58	0.32	0.26	0.25	0.36	-0.05	0.07	0.04

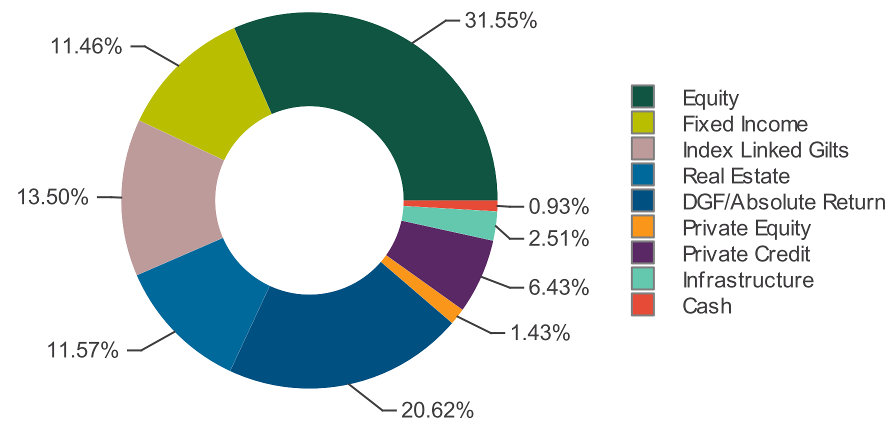
Index: Total Plan Benchmark

Asset Allocation by Manager

MANAGER WEIGHTS



LONDON BOROUGH OF HILLINGDON ASSET CLASS WEIGHTS



*Manager weights less than 2% have been grouped together.

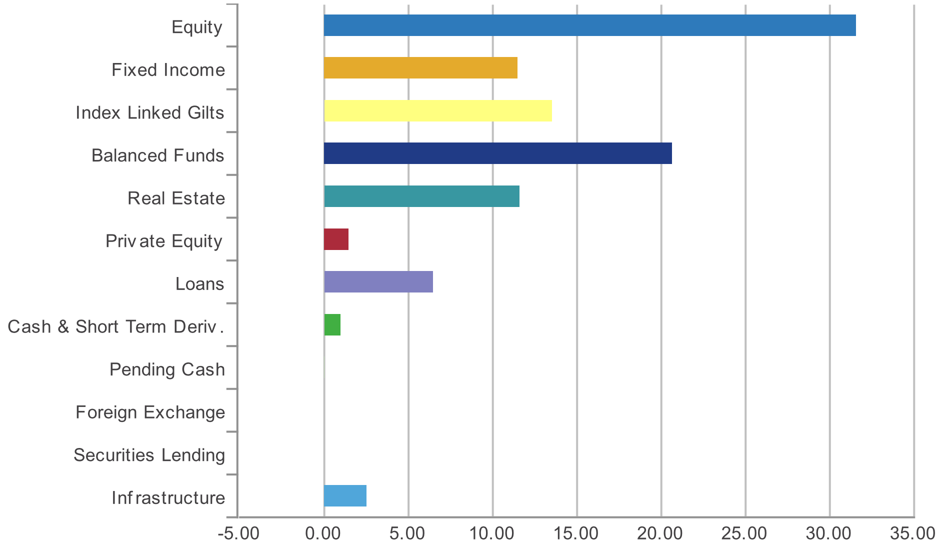
	Ending Market Value GOF GBP	Ending Weight	Equity	Fixed Income	Index Linked Gilts	Real Estate	DGF/ Absolute Return	Private Equity	Private Credit	Infrastructure	Cash
London Borough of Hillingdon	**1,126,719**	**100.00**	**355,509**	**129,107**	**152,105**	**130,309**	**232,351**	**16,117**	**72,478**	**28,230**	**10,512**
			31.55	**11.46**	**13.50**	**11.57**	**20.62**	**1.43**	**6.43**	**2.51**	**0.93**
AEW UK	60,655	5.38				60,655					
						5.38					
JP Morgan	94,460	8.38		94,460							
				8.38							
Legal & General 1	229,065	20.33	229,065								
			20.33								
Legal & General 2	186,753	16.57		34,647	152,105						0
				3.08	13.50						0.00
M&G Investments	6,987	0.62							6,986		0
									0.62		0.00
Macquarie	28,324	2.51								28,230	94
										2.51	0.01
Newton											

	Ending Market Value GOF GBP	Ending Weight	Equity	Fixed Income	Index Linked Gilts	Real Estate	DGF/ Absolute Return	Private Equity	Private Credit	Infrastructure	Cash
Premira Credit	65,492	5.81							65,492		0
									5.81		0.00
UBS	129,441	11.49	126,439					41			2,961
			11.22					0.00			0.26
UBS Property	69,946	6.21				69,654					292
						6.18					0.03
Adam Street	11,927	1.06						11,927			
								1.06			
LGT	4,150	0.37	1					4,149			
			0.00					0.37			
Cash & Other Assets	7,165	0.64									7,165
											0.64
Transition											
Cash & Other Assets	0	0.00									0
											0.00
Epoch Investment P Income	160,744	14.27					160,744				
							14.27				

**Market Values are represented in thousands.*
**Underlying assets of the fund have been included in the market value and allocation.*

Asset Class Performance

ASSET CLASS ENDING WEIGHTS



MARKET VALUE SUMMARY OVER TIME

	3 Mos	1 Yr	YTD
Beginning Market Value	1,095,695	1,064,786	1,011,198
Net Contribution	-2,022	-4,368	-3,847
Income	6,095	23,518	17,204
Fees	15	61	40
Appreciation	26,951	42,783	102,164
Ending Market Value	1,126,719	1,126,719	1,126,719

**Market Values are in 000s.*

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Asset Class	End MV	End Wt	3 Mos	YTD	1 Yr	3 Yrs	5 Yrs	ITD
Equity	**355,509,356**	**31.55**	**1.42**	**15.08**	**0.82**	**7.24**	**7.86**	
Common Stock	355,509,356	31.55	1.42	15.08	0.82	7.24	7.86	
Fixed Income	**129,107,200**	**11.46**	**1.93**	**9.15**	**7.40**	**3.52**	**5.41**	
Marketable Bonds	34,647,489	3.08	3.69	10.02	10.35	3.51	5.80	
Other Fixed Income	94,459,711	8.38	1.30	8.83	6.28	3.62	3.97	
Index Linked Gilts	**152,105,489**	**13.50**	**8.63**	**18.52**	**20.67**	**5.55**	**10.89**	
Balanced Funds	**232,350,783**	**20.62**	**4.43**	**14.24**	**7.91**	**3.76**		
Real Estate	**130,309,290**	**11.57**	**0.58**	**2.37**	**3.76**	**7.87**	**8.70**	**8.36**
Private Equity	**16,116,673**	**1.43**	**6.72**	**11.15**	**18.00**	**15.86**	**17.71**	
Loans	**72,478,300**	**6.43**	**1.76**	**5.64**	**6.30**	**9.20**	**8.21**	
Cash & Short Term Deriv.	**10,621,259**	**0.94**	**0.93**	**1.55**	**2.15**	**1.54**	**3.12**	
Pending Cash	**-108,999**	**-0.01**	-	-	-	-	-	-
Foreign Exchange	**0**	**0.00**	-	-	-	-	-	-
Securities Lending	**0**	**0.00**	-	-	-	-	-	-
Infrastructure	**28,230,020**	**2.51**	**3.72**	**11.81**	**15.79**	**14.19**	**17.32**	
Total Fund Gross of Fees	**1,126,719,372**	**100.00**	**3.02**	**11.82**	**6.21**	**7.12**	**8.19**	**7.07**
Total Plan Benchmark			2.34	11.22	5.65	7.08	7.89	6.96
Excess Return			*0.66*	*0.53*	*0.52*	*0.04*	*0.28*	*0.10*

Excess is calculated using relative methodology

Regional Performance

Category - Base Rates of Return	Ending Market value GBP - GOF	Ending Weight	Three Months			Year to Date			One Year		
			Portfolio	Index	Relative Excess	Portfolio	Index	Relative Excess	Portfolio	Index	Relative Excess
London Borough of Hillingdon	**1,126,719,372**	**100.00**	**3.02**	**2.34**	**0.66**	**11.82**	**11.22**	**0.53**	**6.21**	**5.65**	**0.52**
Equity	**355,509,356**	**31.55**	**1.42**	**2.51**	**-1.06**	**15.08**	**17.78**	**-2.29**	**0.82**	**5.54**	**-4.48**
United Kingdom	**126,438,525**	**11.22**	**0.12**	**1.27**	**-1.13**	**10.03**	**14.41**	**-3.83**	**-3.47**	**2.68**	**-5.99**
Overseas Equities	**229,070,832**	**20.33**	**2.19**	**-**	**-**	**18.17**	**-**	**-**	**3.91**	**-**	**-**
Europe ex UK	5,890	0.00	-	-	-	-	-	-	-	-	-
Asia Pacific inc Japan	-		-	-	-	-	-	-	-	-	-
Emerging Markets	33,338,399	2.96	-0.65	-0.51	-0.14	11.19	11.43	-0.21	6.86	7.12	-0.24
L&G GPCT World Dev Eq Idx GBP Hdg	97,004,381	8.61	1.46	1.46	-0.00	17.37	17.30	0.06	-	-	-
World Developed Equity Index	98,722,162	8.76	3.92	3.92	-0.00	21.55	21.54	0.01	-	-	-
Fixed Income	**129,107,200**	**11.46**	**1.93**	**0.95**	**0.97**	**9.15**	**3.01**	**5.96**	**7.40**	**4.03**	**3.23**
UK Corporate Bonds	34,647,489	3.08	3.69	3.68	0.01	10.02	10.02	-0.00	10.35	10.17	0.16
Global Corporate Bonds	94,459,711	8.38	1.30	0.95	0.34	8.83	3.01	5.65	6.28	4.03	2.16
Index Linked Gilts	**152,105,489**	**13.50**	**8.63**	**8.90**	**-0.25**	**18.52**	**18.66**	**-0.12**	**20.67**	**20.80**	**-0.11**
Real Estates	**130,309,290**	**11.57**	**0.58**	**0.40**	**0.18**	**2.37**	**1.31**	**1.05**	**3.76**	**2.22**	**1.51**
Balanced funds	**232,350,783**	**20.62**	**4.43**	**2.32**	**2.06**	**14.24**	**12.43**	**1.61**	**7.91**	**5.27**	**2.51**
Epoch Investment	160,744,238	14.27	5.10	3.83	1.22	18.00	21.55	-2.91	11.38	7.76	3.37
DGF/Absolute Return	71,606,545	6.36	2.94	0.22	2.72	7.88	0.77	7.05	2.00	1.03	0.96
Private Equity	**16,116,673**	**1.43**	**6.72**	**4.17**	**2.44**	**11.15**	**23.61**	**-10.08**	**18.00**	**12.03**	**5.32**
Private Credit	**72,478,300**	**6.43**	**1.76**	**1.19**	**0.56**	**5.64**	**3.76**	**1.82**	**6.30**	**5.03**	**1.21**
Infrastructure	**28,230,020**	**2.51**	**3.72**	**0.95**	**2.75**	**11.81**	**3.01**	**8.54**	**15.79**	**4.03**	**11.30**
Cash & Synthetic Cash	**10,512,261**	**0.93**	**0.93**	**0.14**	**0.78**	**1.38**	**0.43**	**0.94**	**1.99**	**0.58**	**1.40**
Foreign Exchange	**0**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Regional Performance(2)

	Three Years			Five Years			Inception to Date		
Category - Base Rates of Return	Portfolio	Index	Relative Excess	Portfolio	Index	Relative Excess	Portfolio	Index	Relative Excess
London Borough of Hillingdon	**7.12**	**7.08**	**0.04**	**8.19**	**7.89**	**0.28**	**7.07**	**6.96**	**0.10**
Equity	**7.24**	**9.75**	**-2.29**	**7.86**	**10.20**	**-2.12**	**-**	**-**	**-**
United Kingdom	**6.46**	**6.76**	**-0.28**	**6.79**	**6.79**	**-0.00**	**7.03**	**7.18**	**-0.14**
Overseas Equities	**7.95**	**-**	**-**	**8.73**	**-**	**-**	**6.59**	**-**	**-**
Europe ex UK	-	-	-	-	-	-	-	-	-
Asia Pacific inc Japan	-	-	-	-	-	-	-	-	-
Emerging Markets	7.02	8.38	-1.26	7.80	8.72	-0.84	-	-	-
L&G GPCT World Dev Eq Idx GBP Hdg	-	-	-	-	-	-	-	-	-
World Developed Equity Index	-	-	-	-	-	-	-	-	-
Fixed Income	**3.52**	**3.48**	**0.04**	**5.41**	**4.01**	**1.35**	**-**	**-**	**-**
UK Corporate Bonds	3.54	3.29	0.25	5.77	5.60	0.16	-	-	-
Global Corporate Bonds	3.62	3.73	-0.11	3.97	3.72	0.23	-	-	-
Index Linked Gilts	**5.55**	**5.68**	**-0.12**	**10.89**	**10.11**	**0.71**	**-**	**-**	**-**
Real Estates	**7.87**	**6.74**	**1.06**	**8.70**	**7.53**	**1.09**	**8.36**	**7.74**	**0.58**
Balanced funds	**3.76**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Epoch Investment	-	-	-	-	-	-	-	-	-
DGF/Absolute Return	1.64	0.73	0.90	-	0.72	-	-	-	-
Private Equity	**15.86**	**16.28**	**-0.36**	**17.71**	**17.37**	**0.29**	**-**	**-**	**-**
Private Credit	**9.20**	**4.73**	**4.26**	**8.21**	**4.72**	**3.33**	**-**	**-**	**-**
Infrastructure	**14.19**	**3.73**	**10.08**	**17.32**	**3.72**	**13.12**	**-**	**-**	**-**
Cash & Synthetic Cash	**0.50**	**0.36**	**0.14**	**2.26**	**0.35**	**1.90**	**-**	**-**	**-**
Foreign Exchange	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Overall Fund BenchMark		
Index	**Manager**	**%**
FTSE All Share	UBS	
	LGIM	12.04
FTSE World Developed Equity Index Currency Hedged	LGIM	8.17
FTSE World Developed Equity Index unHedged	LGIM	8.03
FTSE Emerging Markets	LGIM	2.96
IPD UK PPFI All Balanced Funds Index	UBS Property	
	AEW	13.39
3 Month Libor +3%	JP Morgan	
	Macquarie	10.53
MSCI World ND	Epoch/LCIV	13.47
3 Month Libor	Ruffer/LCIV	9.85
3 Month Libor +4%	M&G	
	Permira	6.96
Markit iBoxx £ Non – Gilt	LGIM 2	3.11
FTSE A Govt Index – Linked (All Stocks)	LGIM 2	3.99
FTSE A Govt Index – Linked (Over 15 Year	LGIM 2	4.88
	Non Custody CashCash	0.81
MSCI All Countries World Index	Private Equity	1.79
		100.00

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Portfolio Benchmarks

AEW UK
100.00 IPD UK PPFI All Balanced Funds Index

JP Morgan
7.55 3 Month LIBOR +3%pa

Legal & General (LBH26)
6.00 FT Japan
10.35 FT North America
4.22 FTSE Developed Asia Pacific ex Japan
10.41 FTSE Developed Europe ex UK
38.58 FTSE All Share
7.22 FTSE Index Linked Gilts
13.58 FTSE Index Linked Gilts15+ Years
3.07 FTSE Emerging Markets
6.57 iBoxx Sterling Non-Gilts

Legal & General (LBH27)
23.47 FTSE Index Linked Gilts All Stocks
18.56 FTSE Index Linked Gilts15+ Years
19.46 FTSE Emerging Markets
18.30 iBoxx Sterling Non-Gilts
20.21 FTSE Developed GBP Hedged

London CIV Ruffer
100.00 3 Month LIBOR

Epoch Ruffer
100.00 MSCI World Index (Net)

M&G Investments
100.00 3 Month LIBOR +4%pa

Macquarie
100.00 3 Month LIBOR +3%pa

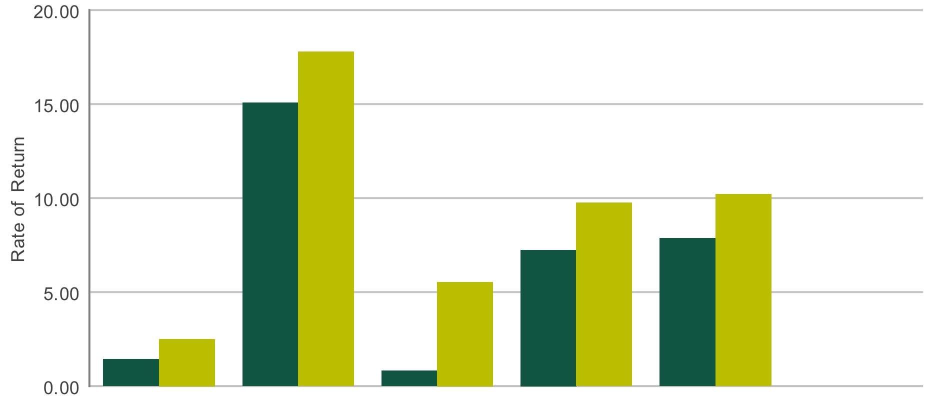
Premira Credit
100.00 3 Month LIBOR +4%pa

UBS
100.00 FTSE All Share

UBS Property
100.00 IPD UK PPFI All Balanced Funds Index

Historical Performance

EQUITY



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	1.42	15.08	0.82	7.24	7.86	-
Index	2.51	17.78	5.54	9.75	10.20	-

Index: Total Equity Benchmark

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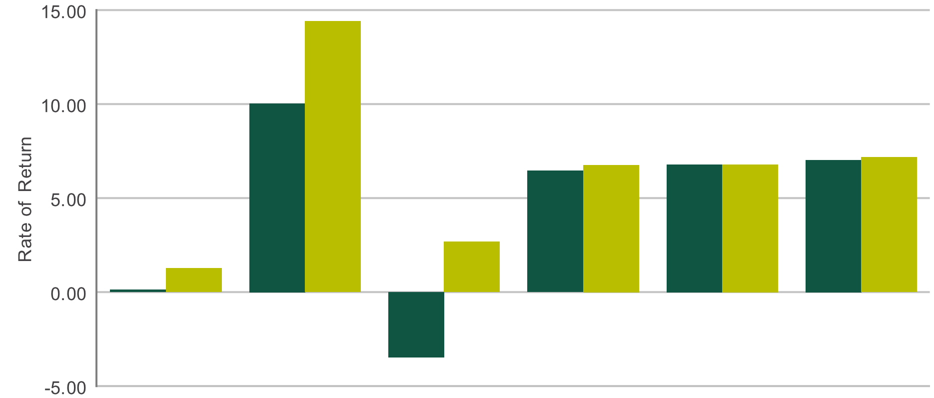
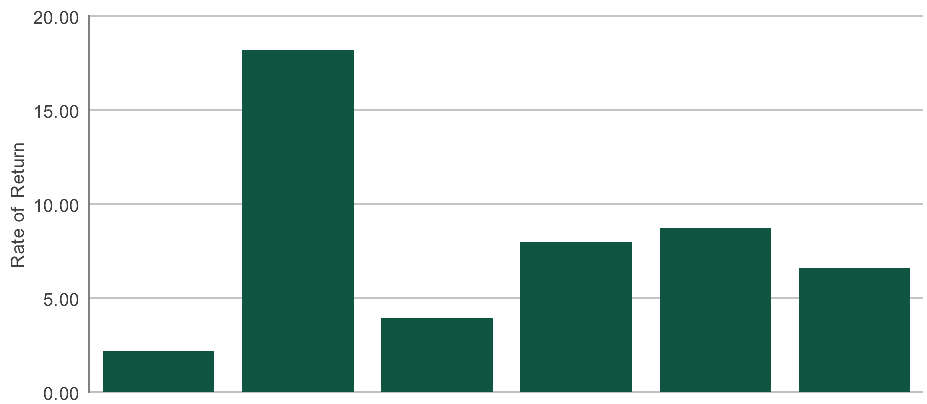
UNITED KINGDOM



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	0.12	10.03	-3.47	6.46	6.79	7.03
Index	1.27	14.41	2.68	6.76	6.79	7.18

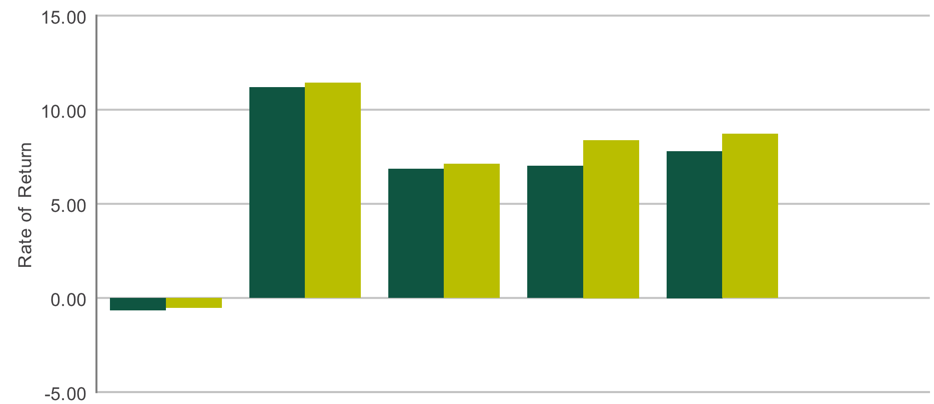
Index: FTSE All Share UK Equity

OVERSEAS EQUITIES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	2.19	18.17	3.91	7.95	8.73	6.59

EMERGING MARKETS

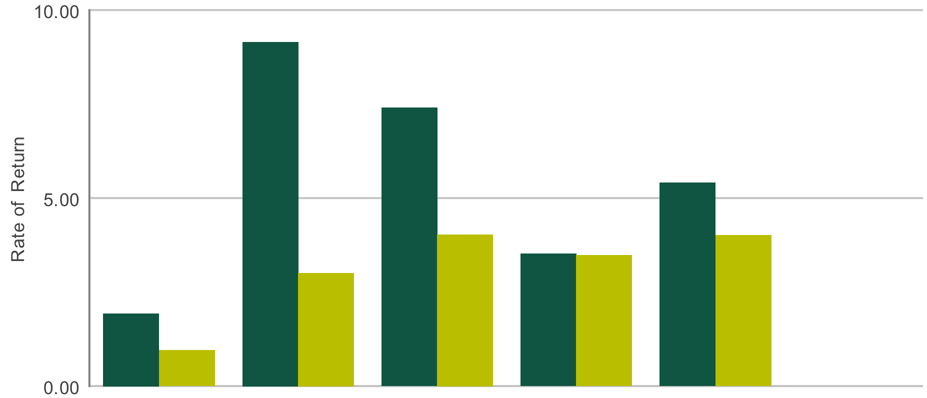


	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	-0.65	11.19	6.86	7.02	7.80	-
Index	-0.51	11.43	7.12	8.38	8.72	-

Index: LBH Emerging Markets

Historical Performance

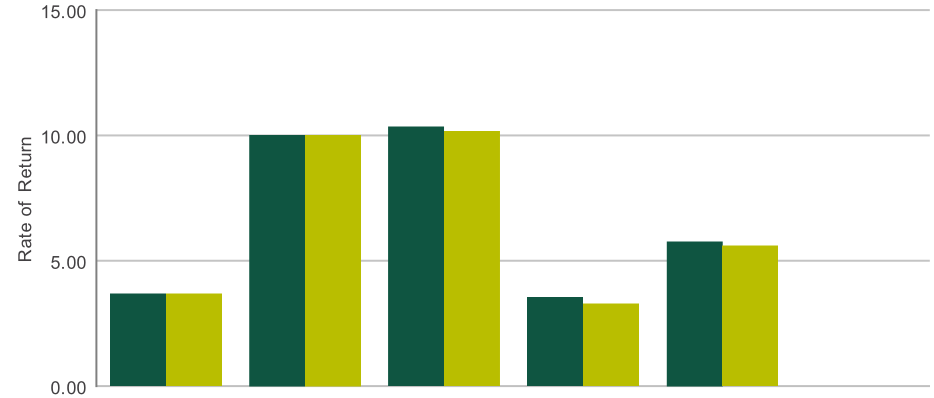
FIXED INCOME



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	1.93	9.15	7.40	3.52	5.41	-
Index	0.95	3.01	4.03	3.48	4.01	-

Index: LBH Fixed Income Benchmark

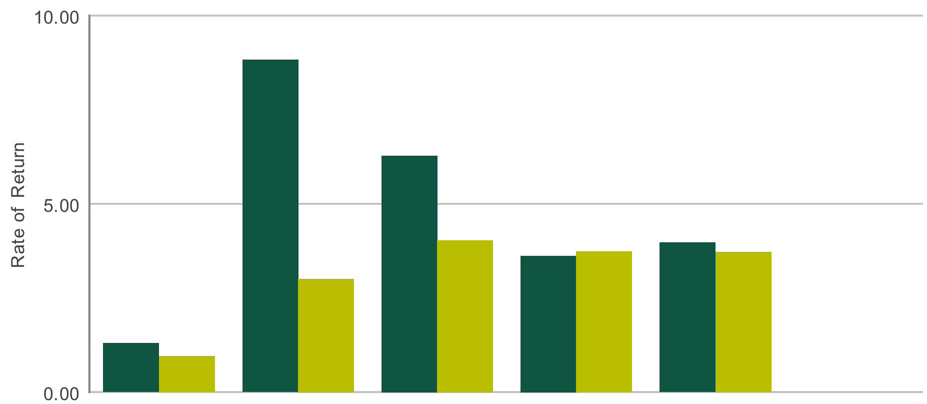
UK CORPORATE BONDS



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	3.69	10.02	10.35	3.54	5.77	-
Index	3.68	10.02	10.17	3.29	5.60	-

Index: LBH Non-Gilts Benchmark

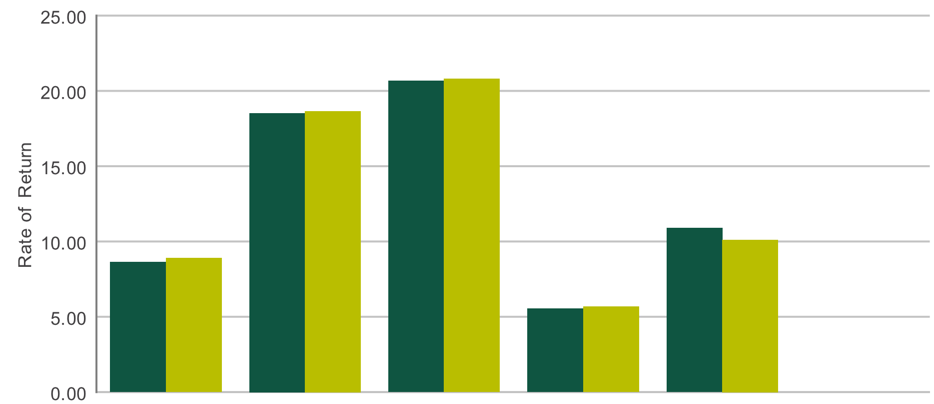
GLOBAL CORPORATE BONDS



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	1.30	8.83	6.28	3.62	3.97	-
Index	0.95	3.01	4.03	3.73	3.72	-

Index: LIBOR GBP 3 Month +3% pa

INDEX LINKED GILTS

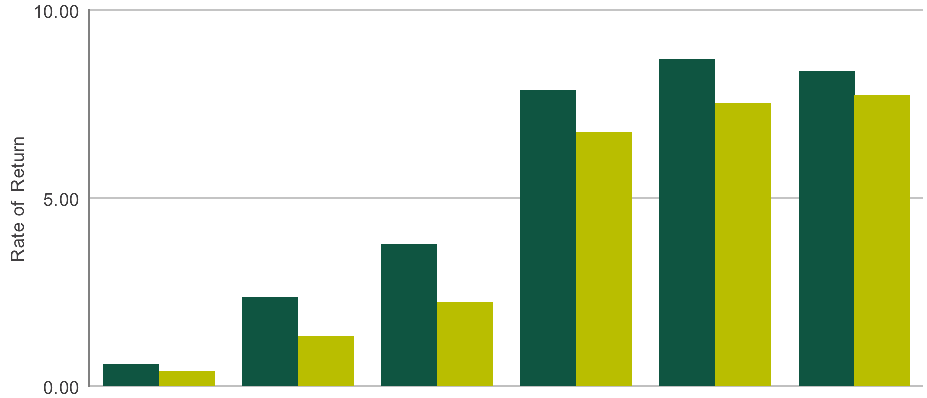


	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	8.63	18.52	20.67	5.55	10.89	-
Index	8.90	18.66	20.80	5.68	10.11	-

Index: LBH Index Linked Benchmark

Historical Performance

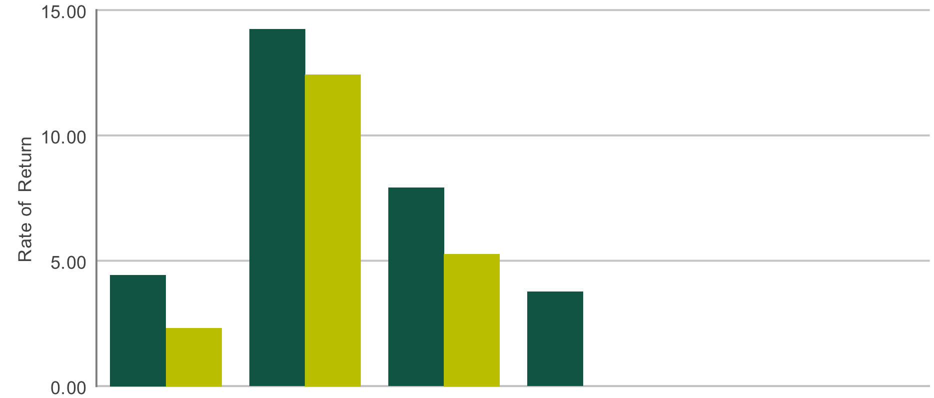
REAL ESTATES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	0.58	2.37	3.76	7.87	8.70	8.36
Index	0.40	1.31	2.22	6.74	7.53	7.74

Index: IPD UK PPFI All Bal Funds Index

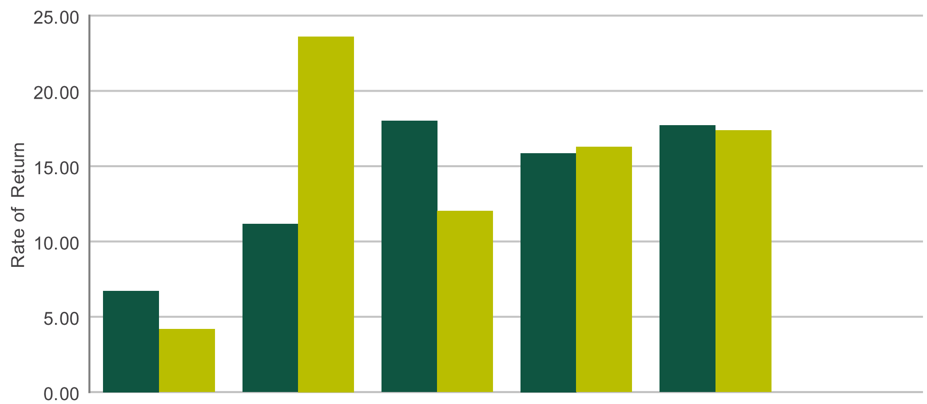
BALANCED FUNDS



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	4.43	14.24	7.91	3.76	-	-
Index	2.32	12.43	5.27	-	-	-

Index: Balanced Fund Benchmark

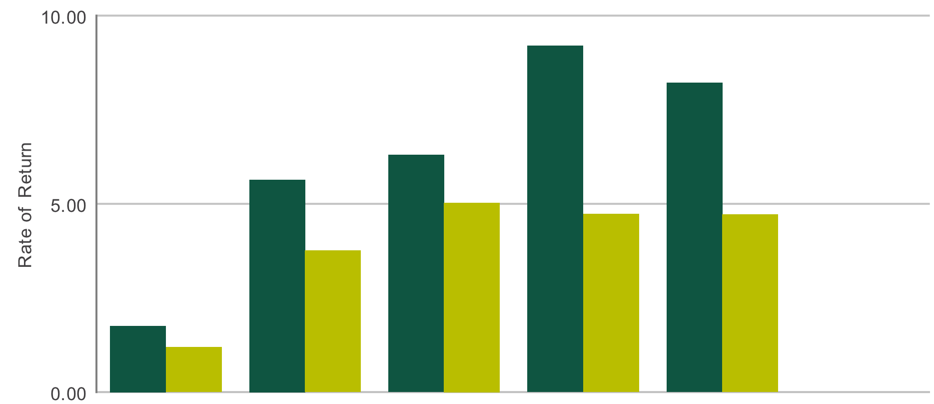
PRIVATE EQUITY



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	6.72	11.15	18.00	15.86	17.71	-
Index	4.17	23.61	12.03	16.28	17.37	-

Index: MSCI ACWI +4% pa

PRIVATE CREDIT

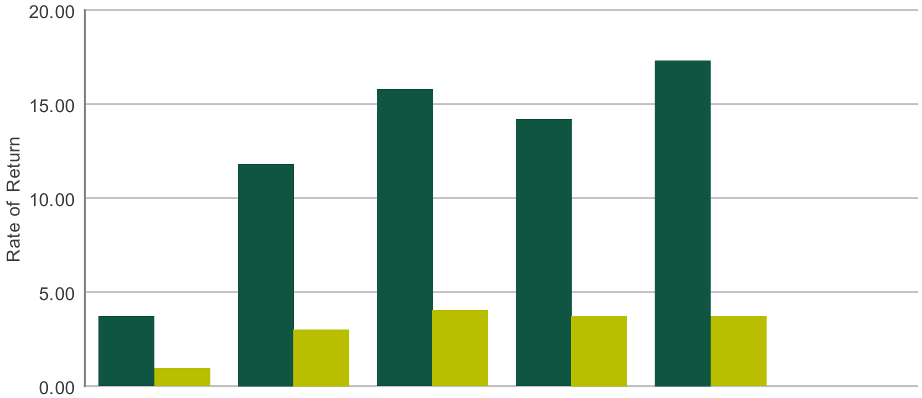


	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	1.76	5.64	6.30	9.20	8.21	-
Index	1.19	3.76	5.03	4.73	4.72	-

Index: LIBOR GBP 3 Month +4% pa

Historical Performance

INFRASTRUCTURE



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Category	3.72	11.81	15.79	14.19	17.32	-
Index	0.95	3.01	4.03	3.73	3.72	-

Index: LIBOR GBP 3 Month +3% pa

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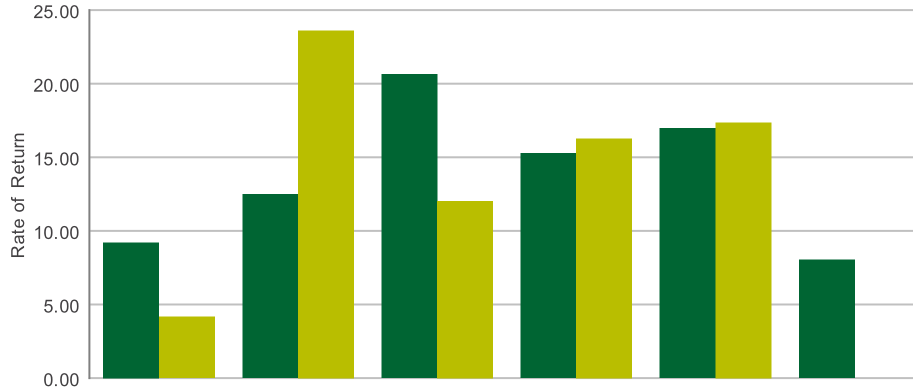
Executive Summary

ADAM STREET TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	9.21	12.49	20.65	15.27	16.97	8.03
Index	4.17	23.61	12.03	16.28	17.37	-

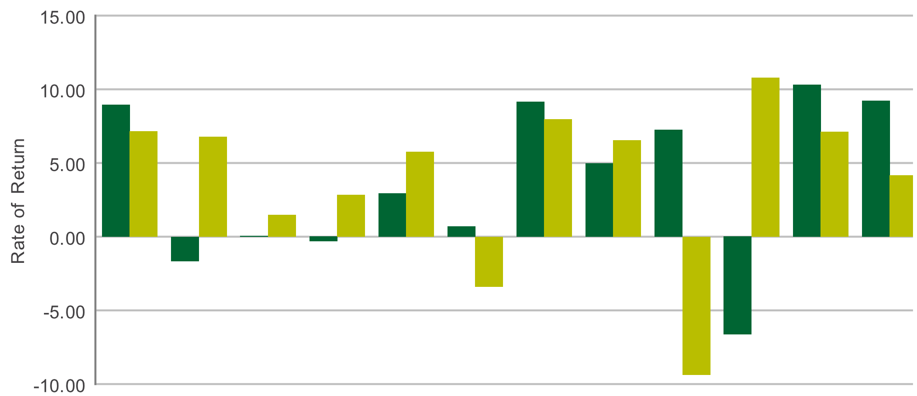
Index: Adam Street PE Bmark

RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	20.65	15.27	16.97
Index Return	12.03	16.28	17.37
Relative Excess Return	7.69	-0.87	-0.34
Standard Deviation	10.28	9.80	9.89
Index Standard Deviation	13.16	9.70	10.07
Tracking Error	18.78	13.54	13.55
Information Ratio	0.46	-0.07	-0.03
Sharpe Ratio	1.91	1.48	1.64
Index Sharpe Ratio	0.84	1.60	1.65
Sortino Ratio	4.52	3.01	3.71
Treynor Ratio	-92.83	428.35	214.09
Jensen's Alpha	22.90	14.41	15.32
Relative Volatility (Beta)	-0.21	0.03	0.08
R Squared	0.07	0.00	0.01

Index: Adam Street PE Bmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

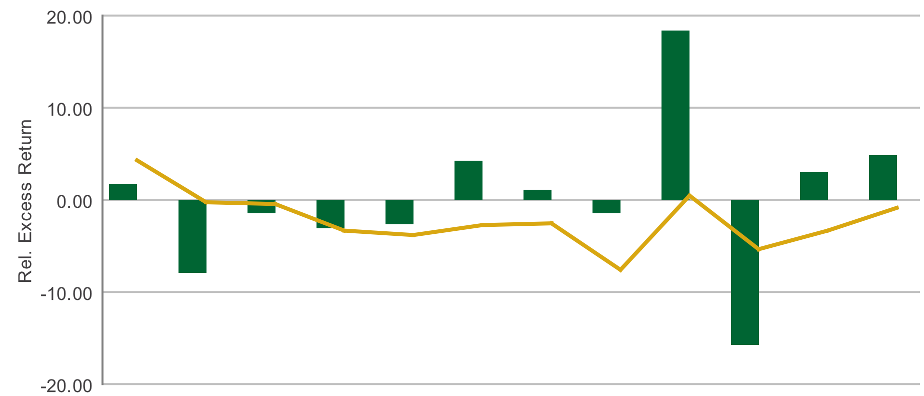
ADAM STREET ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	8.96	-1.66	0.04	-0.31	2.94	0.70	9.15	4.99	7.25	-6.63	10.32	9.21
Index	7.16	6.77	1.48	2.85	5.75	-3.39	7.97	6.55	-9.37	10.77	7.12	4.17

Index: Adam Street PE Bmark

ADAM STREET ROLLING QUARTERS TOTAL FUND GROSS OF FEES

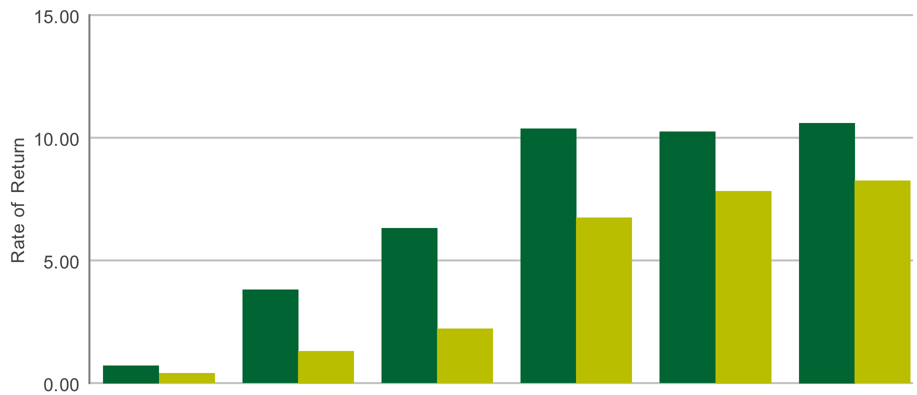


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	1.69	-7.89	-1.42	-3.07	-2.65	4.23	1.09	-1.46	18.34	-15.71	2.99	4.84
3Y R.Excess	4.29	-0.26	-0.45	-3.34	-3.82	-2.74	-2.55	-7.60	0.46	-5.36	-3.34	-0.87

Index: Adam Street PE Bmark

Executive Summary

AEW UK TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	0.72	3.80	6.31	10.37	10.24	10.60
Index	0.40	1.31	2.22	6.74	7.83	8.25

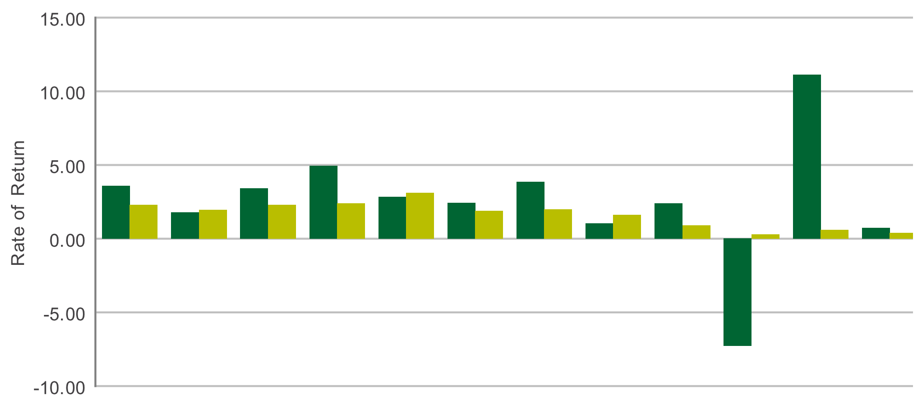
Index: LBH22 AEW Benchmark

RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	6.31	10.37	10.24
Index Return	2.22	6.74	7.83
Relative Excess Return	4.00	3.40	2.24
Standard Deviation	12.81	7.91	11.60
Index Standard Deviation	0.50	1.04	2.35
Tracking Error	12.72	7.79	10.19
Information Ratio	0.32	0.47	0.24
Sharpe Ratio	0.41	1.22	0.82
Index Sharpe Ratio	2.40	5.77	3.02
Sortino Ratio	0.68	2.12	1.25
Treynor Ratio	1.10	7.54	2.95
Jensen's Alpha	0.28	2.06	-11.74
Relative Volatility (Beta)	4.81	1.28	3.23
R Squared	0.03	0.03	0.44

Index: LBH22 AEW Benchmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

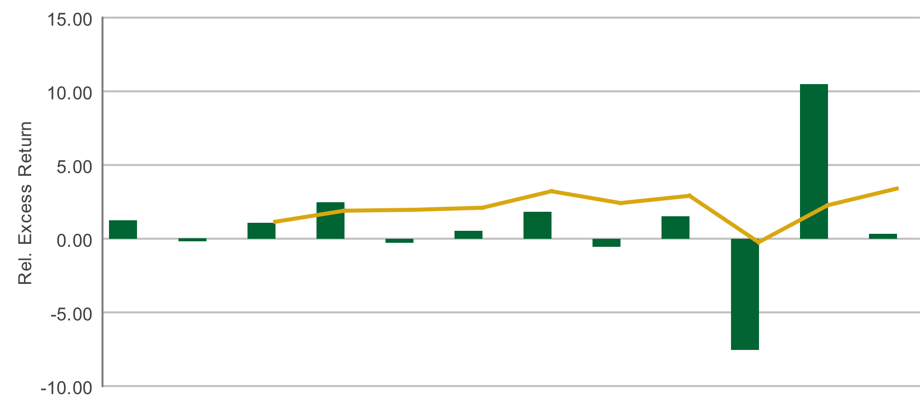
AEW UK ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	3.58	1.79	3.41	4.94	2.82	2.43	3.87	1.05	2.41	-7.27	11.14	0.72
Index	2.30	1.97	2.30	2.40	3.10	1.90	2.00	1.60	0.90	0.30	0.60	0.40

Index: LBH22 AEW Benchmark

AEW UK ROLLING QUARTERS TOTAL FUND GROSS OF FEES

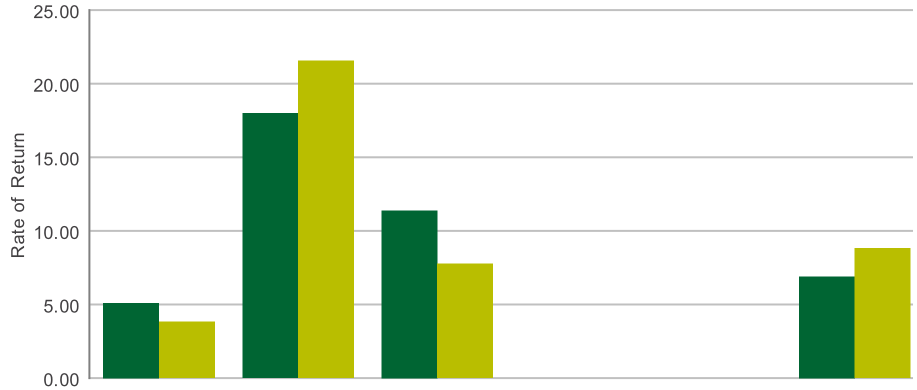


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	1.25	-0.18	1.08	2.48	-0.27	0.52	1.83	-0.54	1.50	-7.54	10.48	0.31
3Y R.Excess	-	-	1.15	1.90	1.96	2.10	3.22	2.42	2.91	-0.24	2.27	3.40

Index: LBH22 AEW Benchmark

Executive Summary

EPOCH INVESTMENT P INCOME TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	5.10	18.00	11.38	-	-	6.90
Index	3.83	21.55	7.76	-	-	8.82

Index: LBH11001 MSCI World ND

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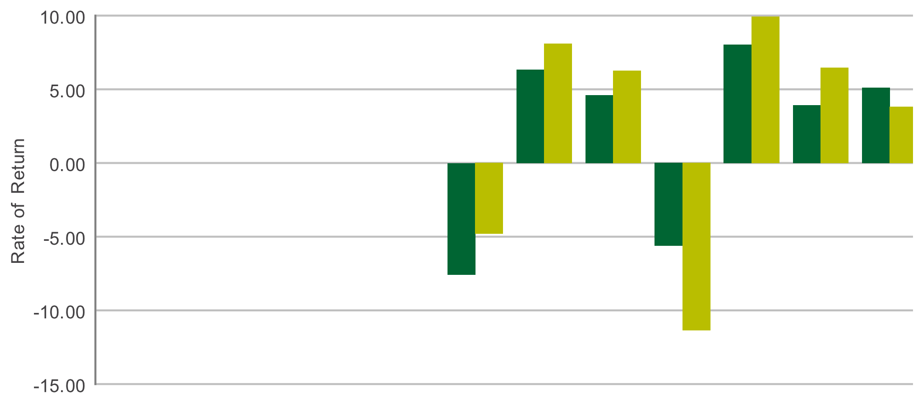
RISK STATISTICS

RISK STATISTICS	3 Mos	1 Yr	3 Yrs	5 Yrs
Return	5.10	11.38	-	-
Index Return	3.83	7.76	-	-
Excess Return	1.27	3.63	-	-
Standard Deviation	-	10.43	-	-
Index Standard Deviation	-	13.68	-	-
Tracking Error	-	7.11	-	-
Information Ratio	-	0.51	-	-
Sharpe Ratio	-	0.99	-	-
Index Sharpe Ratio	-	0.49	-	-
Jensen's Alpha	-	5.62	-	-
Relative Volatility (Beta)	-	0.66	-	-
R Squared	-	0.74	-	-
Beginning MV (in 000s)	152,941	144,315	-	-
Net Contributions (in 000s)	0	0	-	-
Income (in 000s)	1,980	5,309	9,155	9,155
Appreciation (in 000s)	5,823	11,120	9,931	9,931
Ending MV (in 000s)	160,744	160,744	160,744	160,744

Index: LBH11001 MSCI World ND. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

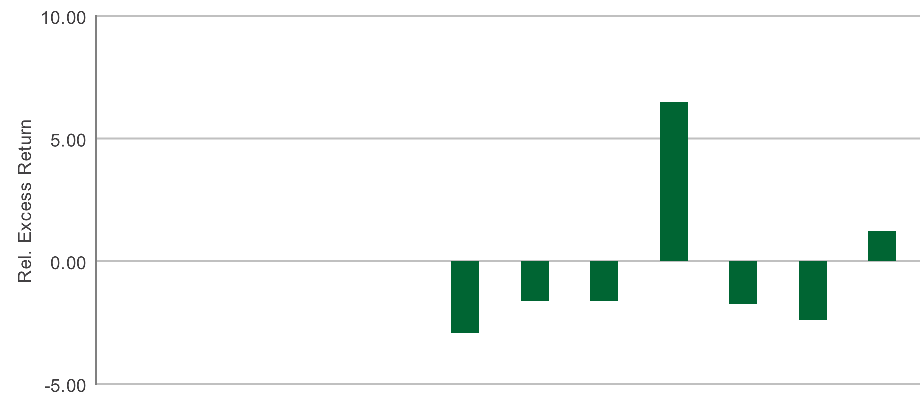
EPOCH INVESTMENT P INCOME ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	-	-	-	-	-	-7.57	6.34	4.59	-5.61	8.03	3.93	5.10
Index	-	-	-	-	-	-4.80	8.10	6.28	-11.35	9.94	6.48	3.83

Index: LBH11001 MSCI World ND

EPOCH INVESTMENT P INCOME ROLLING QUARTERS TOTAL FUND GROSS OF FEES

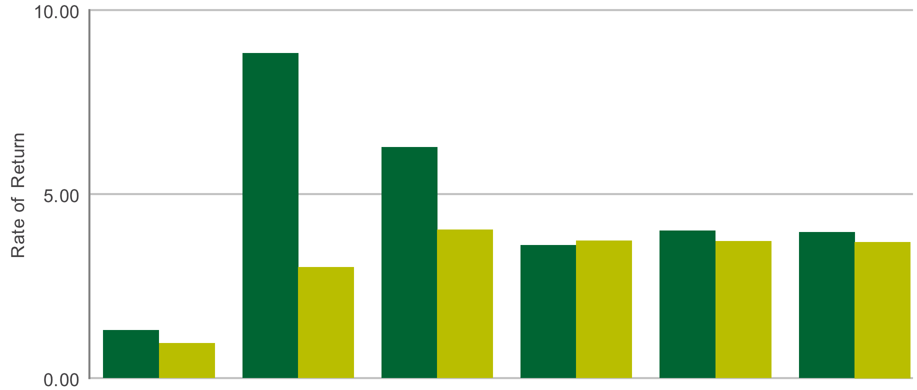


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	-	-	-	-	-	-2.91	-1.62	-1.60	6.47	-1.74	-2.39	1.22
3Y R.Excess	-	-	-	-	-	-	-	-	-	-	-	-

Index: LBH11001 MSCI World ND

Executive Summary

JP MORGAN TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	1.30	8.83	6.27	3.61	4.00	3.96
Index	0.95	3.01	4.03	3.73	3.72	3.70

Index: LBH15 JPM LIBOR +3%pa

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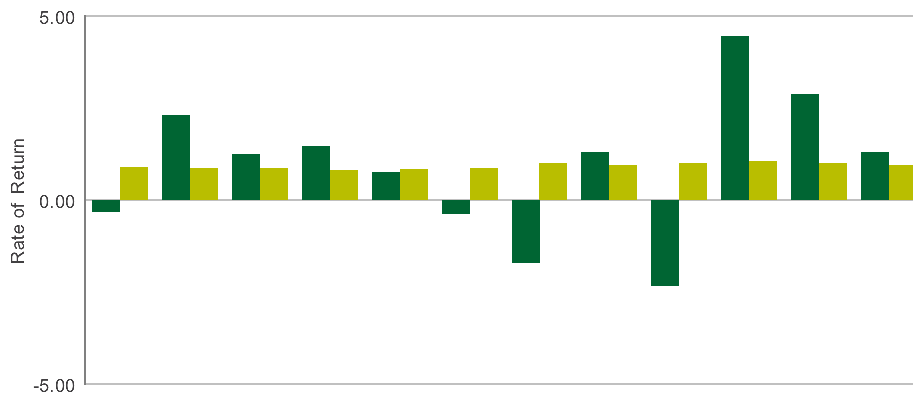
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	6.27	3.61	4.00
Index Return	4.03	3.73	3.72
Relative Excess Return	2.16	-0.12	0.26
Standard Deviation	3.46	2.74	2.95
Index Standard Deviation	0.05	0.09	0.07
Tracking Error	3.44	2.74	2.94
Information Ratio	0.65	-0.05	0.09
Sharpe Ratio	1.52	1.05	1.11
Index Sharpe Ratio	61.23	32.99	41.65
Sortino Ratio	3.27	1.94	2.36
Treynor Ratio	0.04	0.05	0.06
Jensen's Alpha	-98.72	-81.62	-81.89
Relative Volatility (Beta)	126.21	54.57	55.08
R Squared	0.45	0.07	0.07

Index: LBH15 JPM LIBOR +3%pa. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

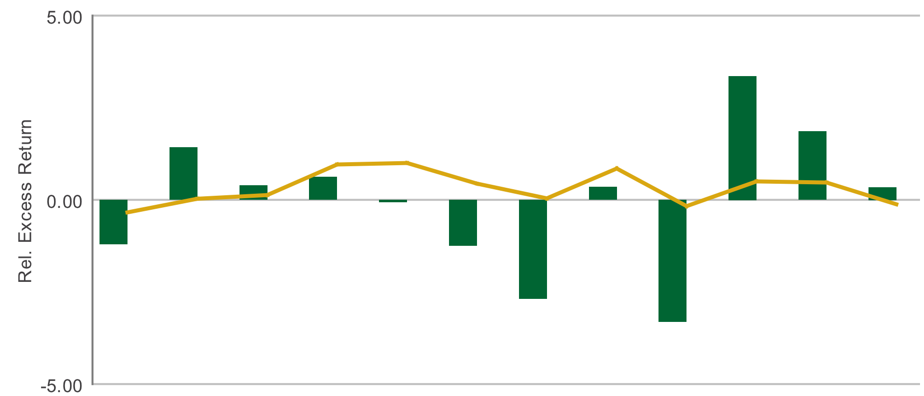
JP MORGAN ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	-0.33	2.30	1.24	1.45	0.76	-0.38	-1.72	1.30	-2.35	4.44	2.87	1.30
Index	0.89	0.87	0.85	0.82	0.83	0.87	1.00	0.95	0.99	1.04	0.99	0.95

Index: LBH15 JPM LIBOR +3%pa

JP MORGAN ROLLING QUARTERS TOTAL FUND GROSS OF FEES

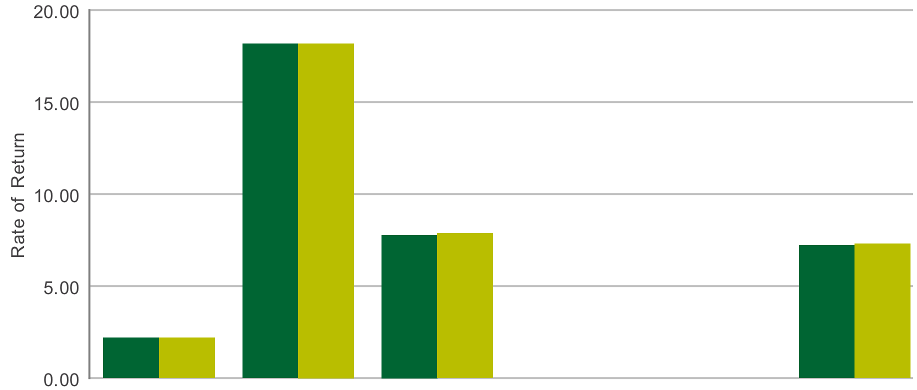


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	-1.20	1.42	0.39	0.62	-0.06	-1.24	-2.69	0.35	-3.31	3.36	1.86	0.34
3Y R.Excess	-0.34	0.03	0.13	0.96	1.00	0.44	0.04	0.85	-0.17	0.50	0.47	-0.12

Index: LBH15 JPM LIBOR +3%pa

Executive Summary

LEGAL & GENERAL 1 TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	2.19	18.17	7.78	-	-	7.22
Index	2.19	18.18	7.87	-	-	7.31

Index: LBH26 L&G Benchmark

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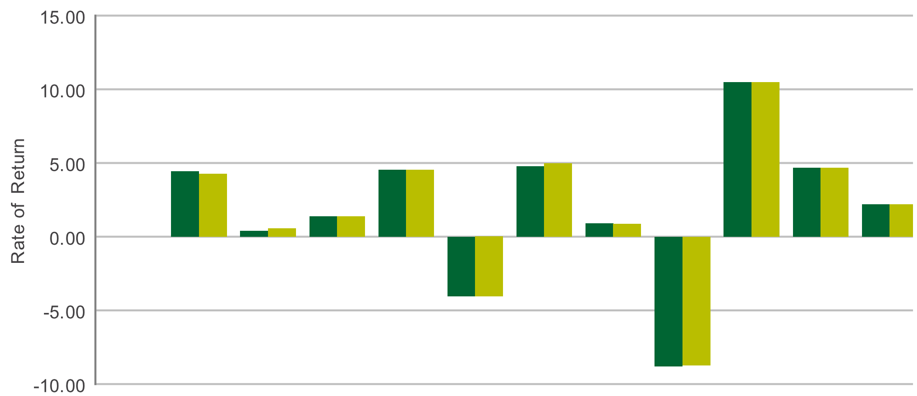
RISK STATISTICS

RISK STATISTICS	3 Mos	1 Yr	3 Yrs	5 Yrs
Return	2.19	7.78	-	-
Index Return	2.19	7.87	-	-
Excess Return	-0.01	-0.09	-	-
Standard Deviation	-	11.89	-	-
Index Standard Deviation	-	11.88	-	-
Tracking Error	-	0.14	-	-
Information Ratio	-	-0.61	-	-
Sharpe Ratio	-	0.57	-	-
Index Sharpe Ratio	-	0.58	-	-
Jensen's Alpha	-	-0.09	-	-
Relative Volatility (Beta)	-	1.00	-	-
R Squared	-	1.00	-	-
Beginning MV (in 000s)	224,178	242,384	-	-
Net Contributions (in 000s)	-13	-28,543	-	-
Income (in 000s)	0	0	0	0
Appreciation (in 000s)	4,900	15,223	44,406	44,406
Ending MV (in 000s)	229,065	229,065	229,065	229,065

Index: LBH26 L&G Benchmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

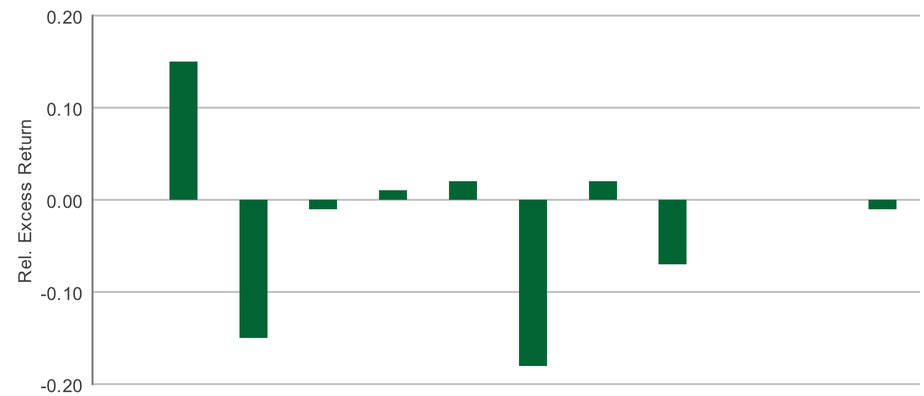
LEGAL & GENERAL 1 ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	-	4.42	0.40	1.37	4.55	-4.03	4.78	0.89	-8.79	10.48	4.67	2.19
Index	-	4.27	0.55	1.38	4.53	-4.05	4.97	0.88	-8.73	10.48	4.67	2.19

Index: LBH26 L&G Benchmark

LEGAL & GENERAL 1 ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	-	0.15	-0.15	-0.01	0.01	0.02	-0.18	0.02	-0.07	-0.00	-0.00	-0.01
3Y R.Excess	-	-	-	-	-	-	-	-	-	-	-	-

Index: LBH26 L&G Benchmark

Regional Performance

Category	Ending Market value GBP - GOF	Ending Weight	Base Rates of Return: Three Months	Year to Date	One Year	Three Years	Five Years	Inception to Date
Legal & General Inves Manageme	**229,064,942**	**100.00**	**2.19**	**18.17**	**7.78**	**-**	**-**	**7.22**
LBH26 L&G Benchmark			*2.19*	*18.18*	*7.87*	-	-	*7.31*
Excess Return			*-0.01*	*-0.01*	*-0.09*	-	-	*-0.09*
Total Fund - Foreign Exchange	**229,064,942**	**100.00**	**2.19**	**18.17**	**7.78**	**-**	**-**	**7.22**
LBH26 L&G Benchmark			*2.19*	*18.18*	*7.87*	-	-	*7.31*
Excess Return			*-0.01*	*-0.01*	*-0.09*	-	-	*-0.09*
Equity	**229,064,942**	**100.00**	**2.19**	**18.17**	**6.85**	**-**	**-**	**8.92**
Emerging Markets	33,338,399	14.55	-0.65	11.19	6.86	-	-	5.55
FTSE Emerging			*-0.51*	*11.43*	*7.12*	-	-	*5.85*
Excess Return			*-0.14*	*-0.24*	*-0.26*	-	-	*-0.30*
L&G GPCT World Dev Eq Idx GBP Hdg	97,004,381	42.35	1.46	17.37	-	-	-	-
FTSE Developed Hdg GBP			*1.46*	*17.30*	*1.62*	-	-	-
Excess Return			*-0.00*	*0.07*	-	-	-	-
World Developed Equity Index	98,722,162	43.10	3.92	21.55	-	-	-	-
FTSE Developed			*3.92*	*21.54*	*7.91*	-	-	*11.39*
Excess Return			*-0.01*	*0.01*	-	-	-	-

• Excess is calculated using arithmetic methodology

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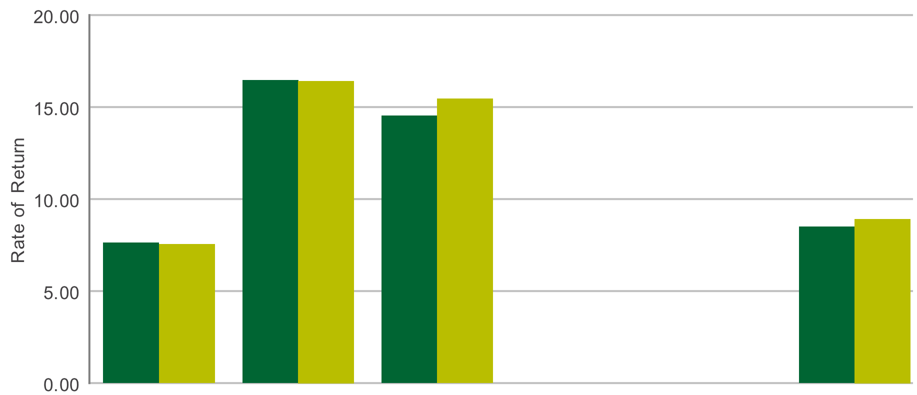
Executive Summary

LEGAL & GENERAL 2 TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	7.63	16.46	14.53	-	-	8.49
Index	7.54	16.42	15.46	-	-	8.92

Index: LBH27 L&G Benchmark

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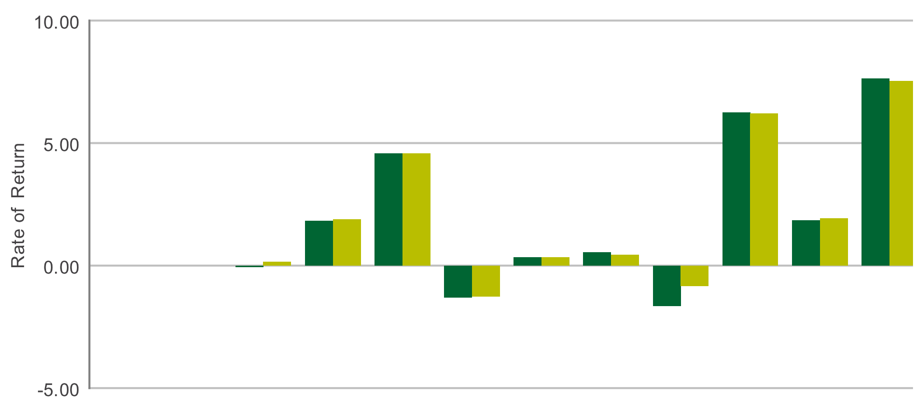
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	14.53	-	-
Index Return	15.46	-	-
Relative Excess Return	-0.80	-	-
Standard Deviation	8.49	-	-
Index Standard Deviation	8.19	-	-
Tracking Error	0.72	-	-
Information Ratio	-1.29	-	-
Sharpe Ratio	1.59	-	-
Index Sharpe Ratio	1.76	-	-
Sortino Ratio	4.96	-	-
Treynor Ratio	13.07	-	-
Jensen's Alpha	-1.24	-	-
Relative Volatility (Beta)	1.03	-	-
R Squared	0.99	-	-

Index: LBH27 L&G Benchmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

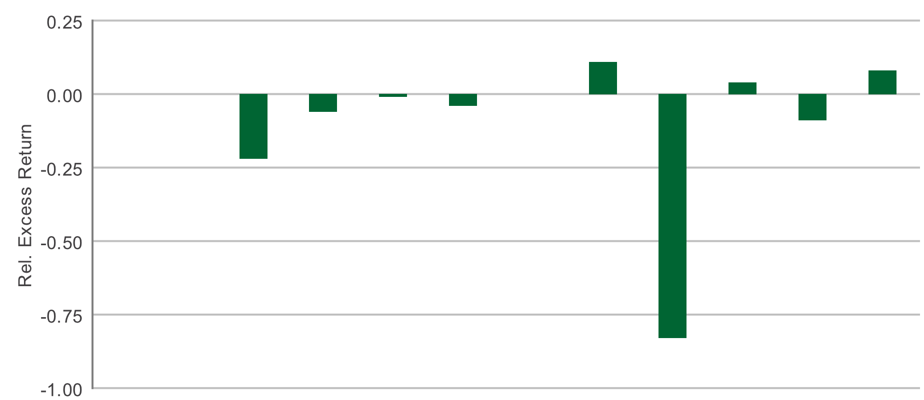
LEGAL & GENERAL 2 ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	-	-	-0.06	1.83	4.57	-1.29	0.33	0.54	-1.65	6.25	1.84	7.63
Index	-	-	0.16	1.88	4.58	-1.25	0.33	0.43	-0.83	6.21	1.93	7.54

Index: LBH27 L&G Benchmark

LEGAL & GENERAL 2 ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	-	-	-0.22	-0.06	-0.01	-0.04	-0.00	0.11	-0.83	0.04	-0.09	0.08
3Y R.Excess	-	-	-	-	-	-	-	-	-	-	-	-

Index: LBH27 L&G Benchmark

Regional Performance

			Base Rates of Return					
Category	Ending Market value GBP - GOF	Ending Weight	Three Months	Year to Date	One Year	Three Years	Five Years	Inception to Date
Legal & General INV Mgmt	**186,752,978**	**100.00**	**7.63**	**16.46**	**14.53**	**-**	**-**	**8.49**
LBH27 L&G Benchmark			*7.54*	*16.42*	*15.46*	-	-	*8.92*
Excess Return			*0.09*	*0.03*	*-0.93*	-	-	*-0.43*
Total Fund - Foreign Exchange	**186,752,978**	**100.00**	**7.63**	**16.46**	**14.53**	**-**	**-**	**8.49**
Fixed Income	**34,647,489**	**18.55**	**3.69**	**10.02**	**10.36**	**-**	**-**	**4.76**
CCAJ INVT Grade CP Bnd	34,647,489	18.55	3.69	10.02	10.36	-	-	5.55
Markit iBoxx £ Non - Gilt			*3.68*	*10.02*	*10.17*	-	-	*4.77*
Excess Return			*0.01*	*-0.00*	*0.18*	-	-	*0.79*
Index Linked Gilts	**152,105,489**	**81.45**	**8.63**	**18.52**	**20.83**	**-**	**-**	**8.45**
LBH27 Index Linked			*8.90*	*18.66*	*20.98*	-	-	*8.51*
Excess Return			*-0.28*	*-0.15*	*-0.15*	-	-	*-0.06*
Cash & Short Term Deriv.	**0**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**

• *Excess is calculated using arithmetic methodology*

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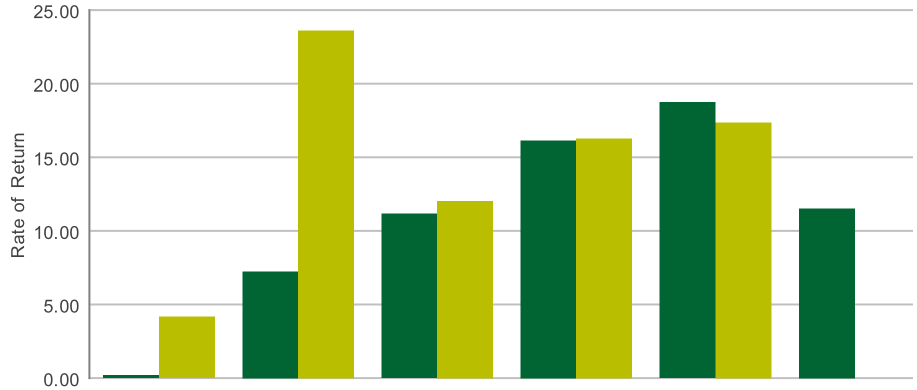
Executive Summary

LGT TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	0.19	7.24	11.17	16.14	18.73	11.52
Index	4.17	23.61	12.03	16.28	17.37	-

Index: LGT PE Bmark

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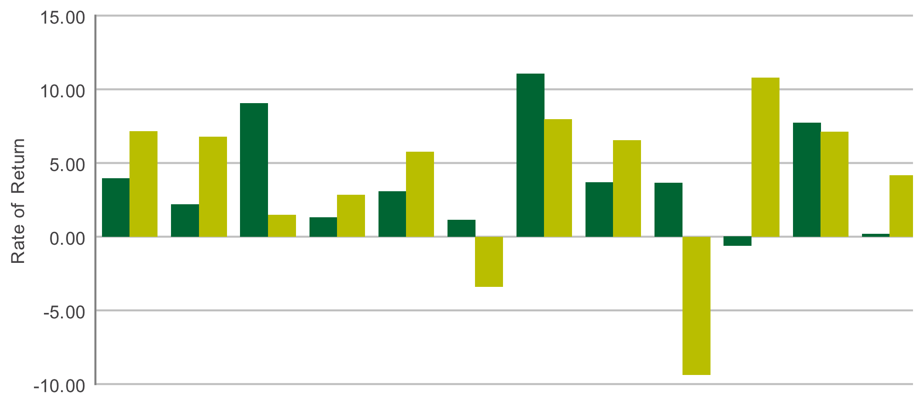
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	11.17	16.14	18.73
Index Return	12.03	16.28	17.37
Relative Excess Return	-0.77	-0.12	1.16
Standard Deviation	7.30	8.42	8.73
Index Standard Deviation	13.16	9.70	10.07
Tracking Error	16.75	12.06	12.71
Information Ratio	-0.05	-0.01	0.11
Sharpe Ratio	1.39	1.83	2.06
Index Sharpe Ratio	0.84	1.60	1.65
Sortino Ratio	2.24	3.35	4.75
Treynor Ratio	-65.43	148.41	226.40
Jensen's Alpha	12.26	13.96	16.86
Relative Volatility (Beta)	-0.15	0.10	0.08
R Squared	0.08	0.01	0.01

Index: LGT PE Bmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

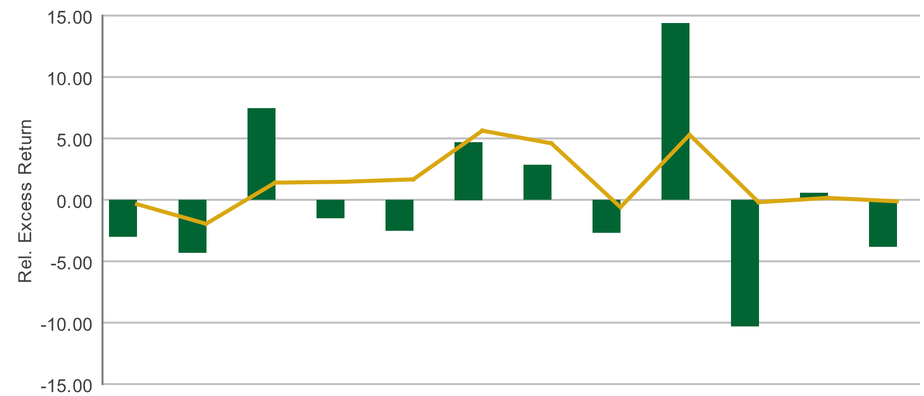
LGT ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	3.97	2.18	9.05	1.32	3.09	1.14	11.05	3.69	3.66	-0.62	7.71	0.19
Index	7.16	6.77	1.48	2.85	5.75	-3.39	7.97	6.55	-9.37	10.77	7.12	4.17

Index: LGT PE Bmark

LGT ROLLING QUARTERS TOTAL FUND GROSS OF FEES

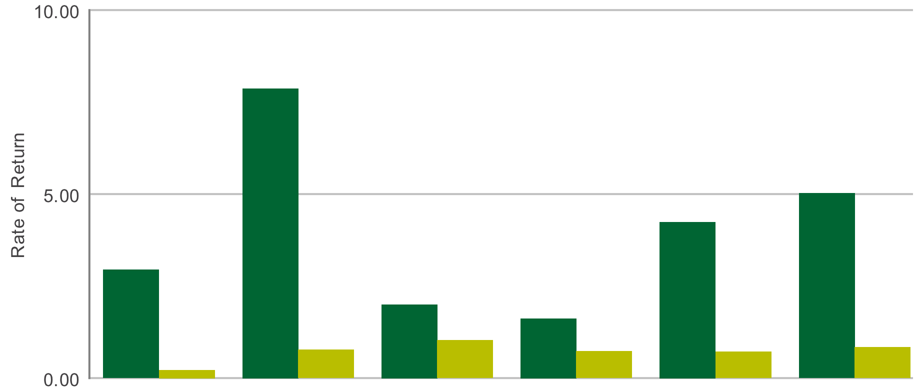


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	-2.98	-4.30	7.46	-1.49	-2.51	4.69	2.85	-2.68	14.37	-10.28	0.55	-3.83
3Y R.Excess	-0.35	-1.95	1.40	1.47	1.67	5.63	4.60	-0.60	5.30	-0.19	0.16	-0.12

Index: LGT PE Bmark

Executive Summary

LONDON CIV RUFFER TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	2.94	7.87	2.00	1.62	4.24	5.02
Index	0.22	0.77	1.03	0.73	0.72	0.84

Index: LBH11003 Ruffer BM Libor

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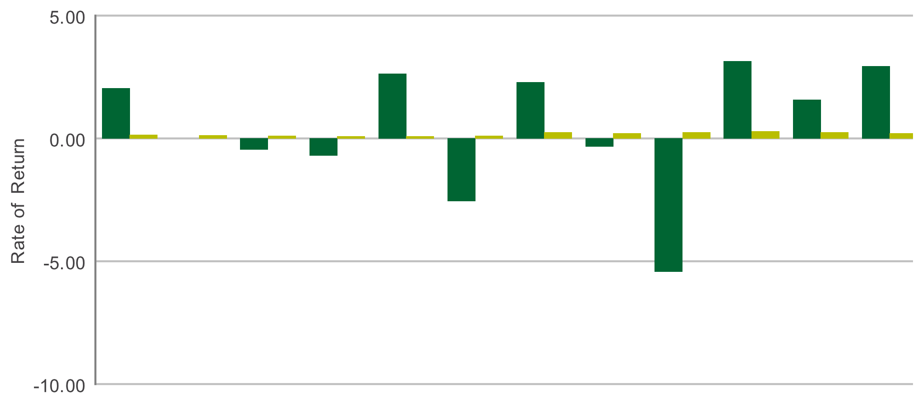
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	2.00	1.62	4.24
Index Return	1.03	0.73	0.72
Excess Return	0.97	0.89	3.52
Standard Deviation	6.05	4.27	4.96
Index Standard Deviation	0.05	0.09	0.07
Tracking Error	6.06	4.27	4.96
Information Ratio	0.16	0.21	0.71
Sharpe Ratio	0.16	0.21	0.71
Index Sharpe Ratio	0.10	0.06	0.09
Jensen's Alpha	0.61	0.63	3.04
Relative Volatility (Beta)	121.26	64.83	83.72
R Squared	0.10	0.03	0.04
Beginning MV (in 000s)	105,308	102,339	87,065
Net Contributions (in 000s)	-34,105	-34,105	-34,105
Income (in 000s)	1,284	2,499	2,499
Appreciation (in 000s)	-875	-1,437	-1,437
Ending MV (in 000s)	71,612	71,612	71,612

Index: LBH11003 Ruffer BM Libor. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

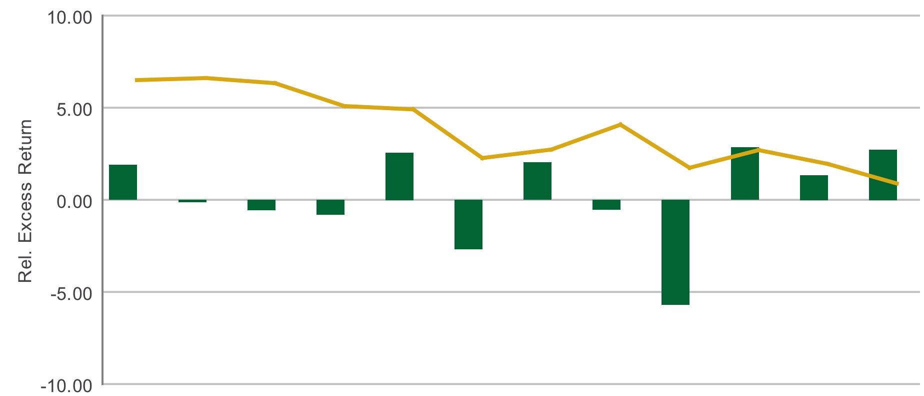
LONDON CIV RUFFER ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	2.05	0.00	-0.45	-0.71	2.65	-2.55	2.30	-0.33	-5.44	3.15	1.59	2.94
Index	0.15	0.13	0.11	0.09	0.09	0.12	0.26	0.22	0.26	0.30	0.25	0.22

Index: LBH11003 Ruffer BM Libor

LONDON CIV RUFFER ROLLING QUARTERS TOTAL FUND GROSS OF FEES

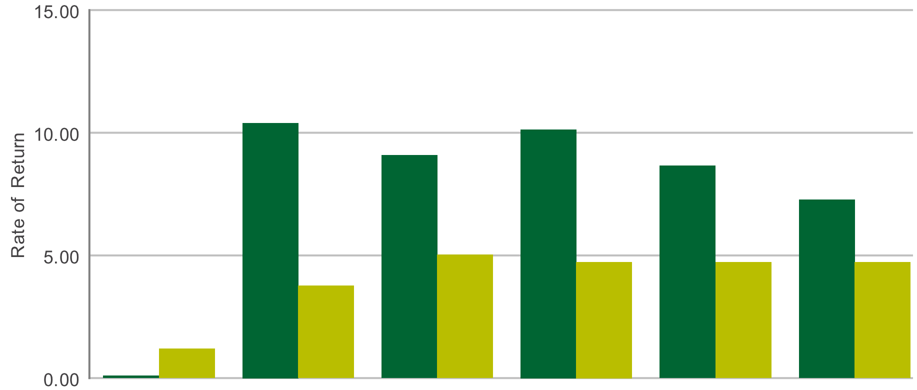


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	1.90	-0.12	-0.56	-0.80	2.56	-2.67	2.03	-0.54	-5.69	2.84	1.34	2.72
3Y R.Excess	6.50	6.61	6.33	5.09	4.91	2.27	2.73	4.08	1.74	2.70	1.95	0.89

Index: LBH11003 Ruffer BM Libor

Executive Summary

M&G INVESTMENTS TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	0.09	10.40	9.08	10.13	8.66	7.27
Index	1.19	3.76	5.03	4.73	4.72	4.72

Index: LBH10 3 Month LIBOR +4%pa

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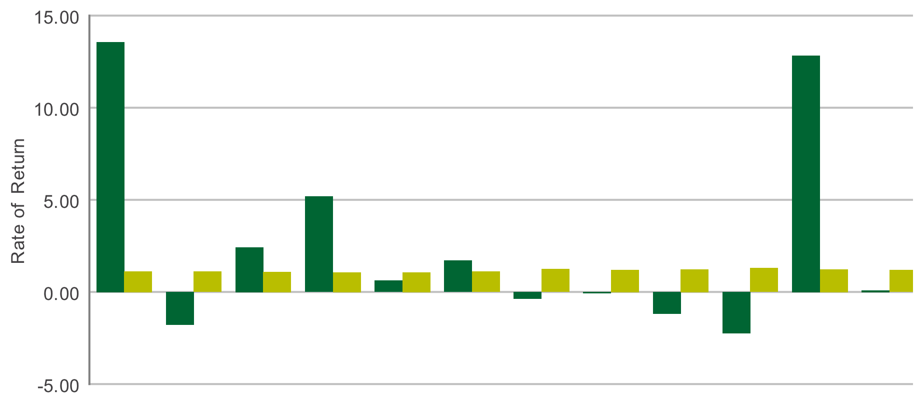
RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	9.08	10.13	8.66
Index Return	5.03	4.73	4.72
Relative Excess Return	3.86	5.15	3.76
Standard Deviation	16.41	11.72	9.50
Index Standard Deviation	0.05	0.09	0.07
Tracking Error	16.43	11.73	9.51
Information Ratio	0.25	0.46	0.41
Sharpe Ratio	0.49	0.80	0.84
Index Sharpe Ratio	80.30	44.01	55.60
Sortino Ratio	2.01	2.54	2.72
Treynor Ratio	1.85	-0.86	0.53
Jensen's Alpha	-7.71	67.16	-40.01
Relative Volatility (Beta)	4.34	-10.97	14.86
R Squared	0.00	0.00	0.00

Index: LBH10 3 Month LIBOR +4%pa. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

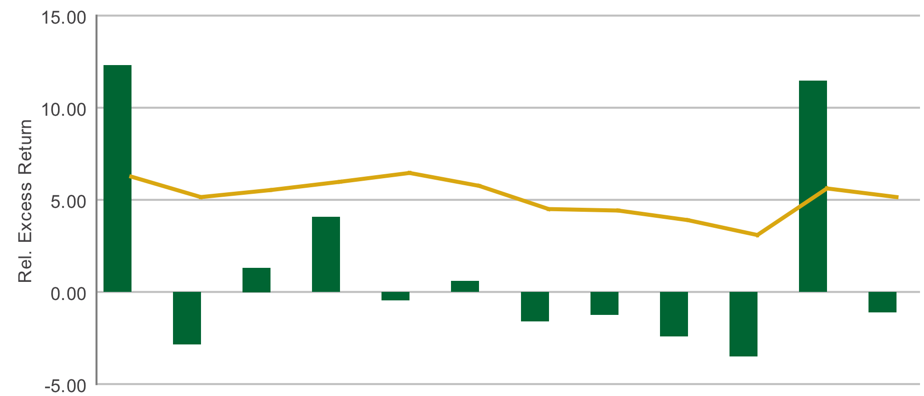
M&G INVESTMENTS ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	13.57	-1.77	2.42	5.18	0.61	1.71	-0.38	-0.07	-1.19	-2.24	12.83	0.09
Index	1.12	1.11	1.09	1.07	1.07	1.11	1.25	1.20	1.23	1.29	1.23	1.19

Index: LBH10 3 Month LIBOR +4%pa

M&G INVESTMENTS ROLLING QUARTERS TOTAL FUND GROSS OF FEES

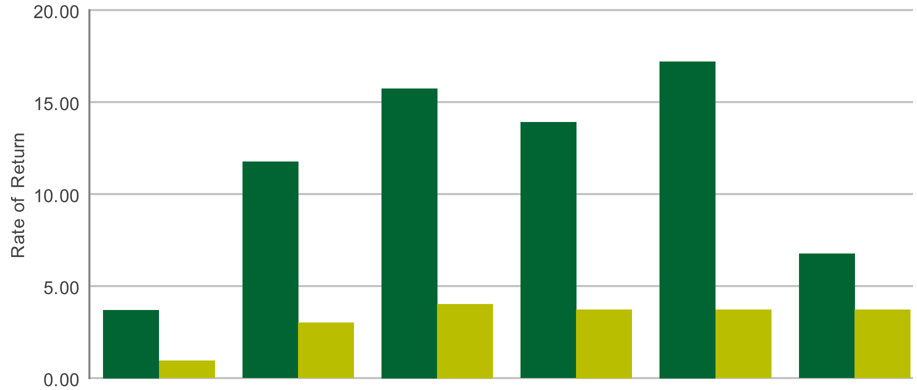


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	12.31	-2.85	1.31	4.07	-0.45	0.59	-1.60	-1.25	-2.40	-3.48	11.46	-1.09
3Y R.Excess	6.26	5.15	5.53	5.98	6.46	5.76	4.50	4.42	3.90	3.09	5.62	5.15

Index: LBH10 3 Month LIBOR +4%pa

Executive Summary

MACQUARIE TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	3.70	11.76	15.74	13.90	17.21	6.76
Index	0.95	3.01	4.03	3.73	3.72	3.72

Index: LBH14 Macquarie LIBOR +3%pa

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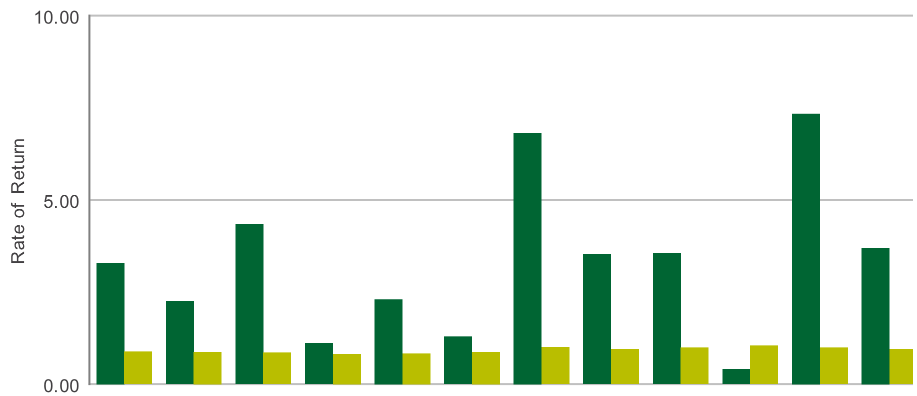
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	15.74	13.90	17.21
Index Return	4.03	3.73	3.72
Relative Excess Return	11.26	9.80	13.01
Standard Deviation	7.33	9.04	9.03
Index Standard Deviation	0.05	0.09	0.07
Tracking Error	7.35	9.04	9.02
Information Ratio	1.59	1.12	1.49
Sharpe Ratio	2.01	1.46	1.83
Index Sharpe Ratio	61.23	32.90	41.52
Sortino Ratio	4.60	2.94	4.15
Treynor Ratio	1.02	0.22	1.33
Jensen's Alpha	-25.00	-83.51	-18.96
Relative Volatility (Beta)	14.42	61.14	12.40
R Squared	0.00	0.01	0.00

Index: LBH14 Macquarie LIBOR +3%pa. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

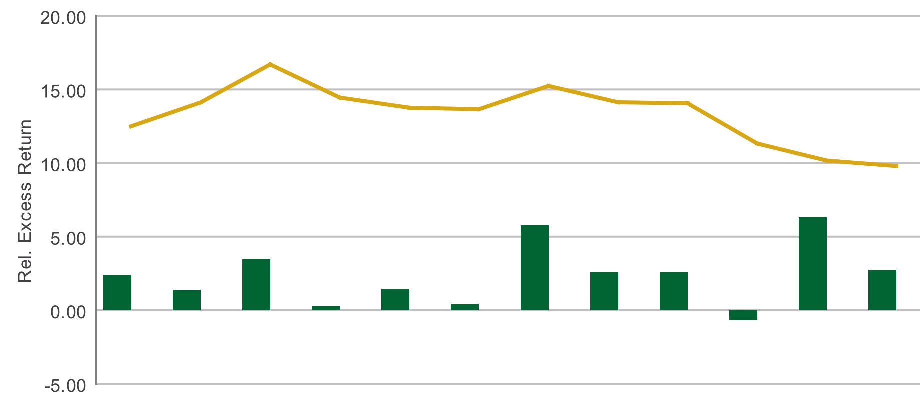
MACQUARIE ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	3.29	2.25	4.34	1.11	2.30	1.29	6.81	3.53	3.56	0.40	7.34	3.70
Index	0.88	0.87	0.85	0.82	0.83	0.87	1.00	0.95	0.99	1.04	0.99	0.95

Index: LBH14 Macquarie LIBOR +3%pa

MACQUARIE ROLLING QUARTERS TOTAL FUND GROSS OF FEES

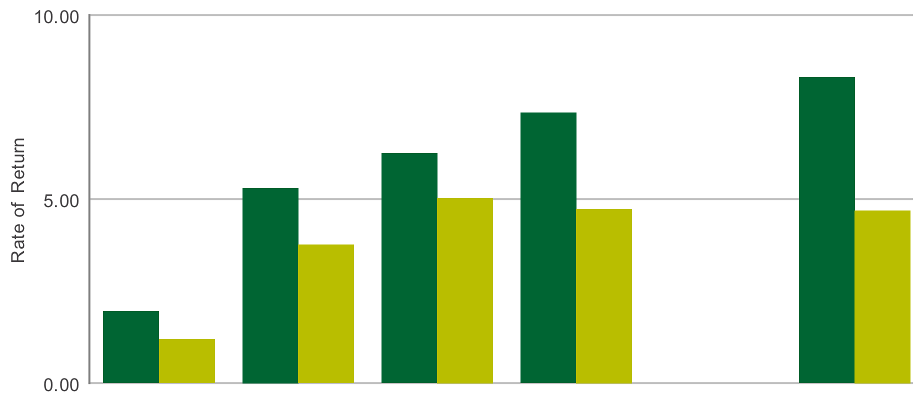


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	2.39	1.37	3.46	0.29	1.46	0.42	5.75	2.55	2.55	-0.63	6.29	2.72
3Y R.Excess	12.50	14.12	16.70	14.45	13.76	13.66	15.24	14.13	14.06	11.33	10.17	9.80

Index: LBH14 Macquarie LIBOR +3%pa

Executive Summary

PREMIRA CREDIT TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	1.95	5.30	6.25	7.35	-	8.31
Index	1.19	3.76	5.03	4.73	-	4.69

Index: LBH24 Premira LIBOR +4%pa

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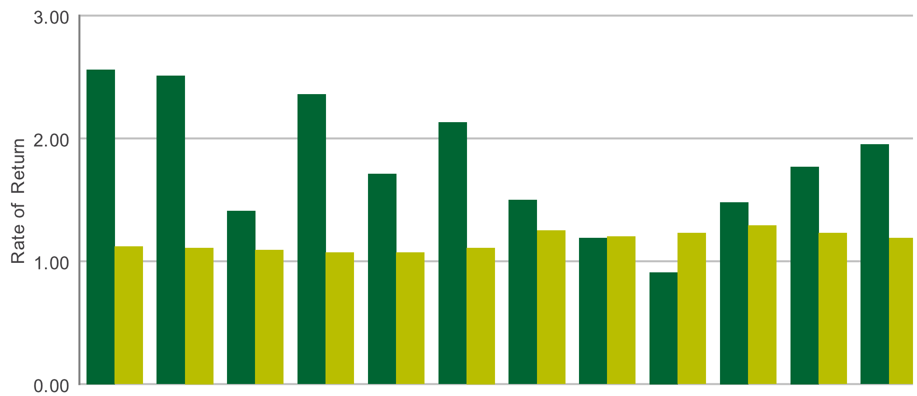
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	6.25	7.35	-
Index Return	5.03	4.73	-
Relative Excess Return	1.16	2.50	-
Standard Deviation	2.62	2.89	-
Index Standard Deviation	0.05	0.09	-
Tracking Error	2.63	2.90	-
Information Ratio	0.46	0.90	-
Sharpe Ratio	2.00	2.29	-
Index Sharpe Ratio	80.30	44.01	-
Sortino Ratio	20.63	35.40	-
Treynor Ratio	0.09	0.09	-
Jensen's Alpha	-91.64	-95.73	-
Relative Volatility (Beta)	58.81	72.61	-
R Squared	0.18	0.11	-

Index: LBH24 Premira LIBOR +4%pa. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

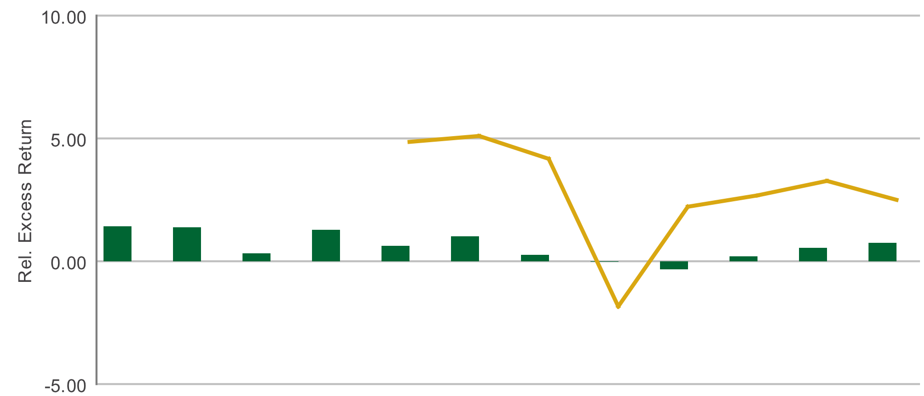
PREMIRA CREDIT ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	2.56	2.51	1.41	2.36	1.71	2.13	1.50	1.19	0.91	1.48	1.77	1.95
Index	1.12	1.11	1.09	1.07	1.07	1.11	1.25	1.20	1.23	1.29	1.23	1.19

Index: LBH24 Premira LIBOR +4%pa

PREMIRA CREDIT ROLLING QUARTERS TOTAL FUND GROSS OF FEES

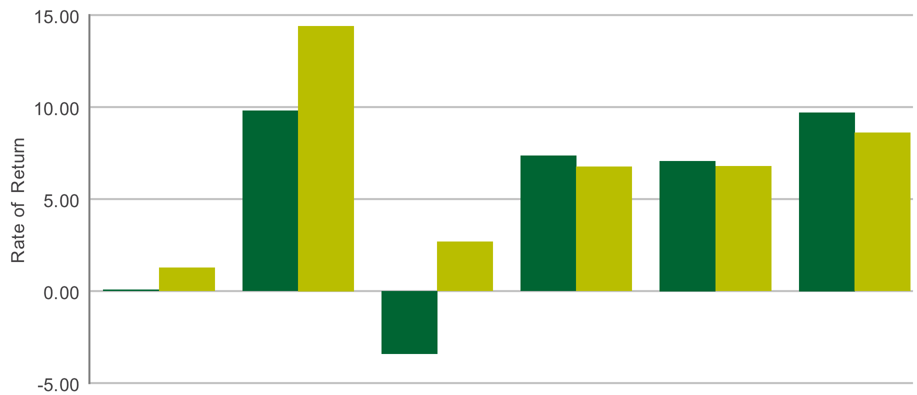


	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	1.42	1.38	0.31	1.28	0.63	1.01	0.25	-0.01	-0.32	0.19	0.54	0.75
3Y R.Excess	-	-	-	-	4.86	5.10	4.17	-1.84	2.22	2.68	3.27	2.50

Index: LBH24 Premira LIBOR +4%pa

Executive Summary

UBS TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	0.08	9.80	-3.42	7.35	7.07	9.71
Index	1.27	14.41	2.68	6.76	6.79	8.60

Index: LBH04 UBS Benchmark

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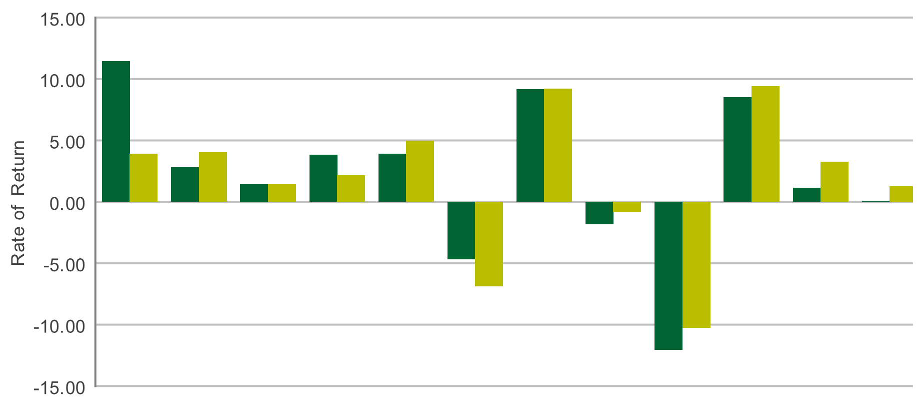
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	-3.42	7.35	7.07
Index Return	2.68	6.76	6.79
Relative Excess Return	-5.94	0.55	0.26
Standard Deviation	13.22	11.04	10.94
Index Standard Deviation	11.30	9.83	9.72
Tracking Error	4.49	4.64	4.27
Information Ratio	-1.36	0.13	0.07
Sharpe Ratio	-0.34	0.60	0.58
Index Sharpe Ratio	0.15	0.61	0.63
Sortino Ratio	-0.44	0.98	0.90
Treynor Ratio	-4.02	6.49	6.13
Jensen's Alpha	-5.96	0.55	0.15
Relative Volatility (Beta)	1.10	1.02	1.04
R Squared	0.89	0.82	0.85

Index: LBH04 UBS Benchmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

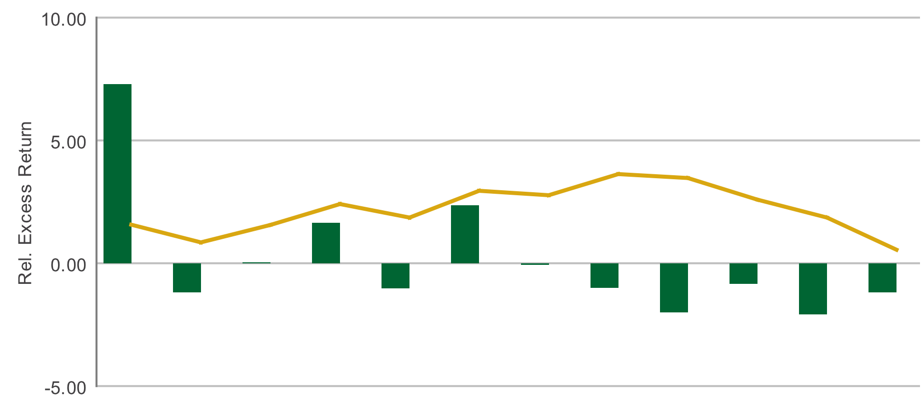
UBS ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	11.45	2.80	1.44	3.82	3.90	-4.68	9.15	-1.80	-12.03	8.50	1.12	0.08
Index	3.89	4.02	1.42	2.14	4.96	-6.87	9.20	-0.82	-10.25	9.41	3.26	1.27

Index: LBH04 UBS Benchmark

UBS ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	7.28	-1.18	0.03	1.65	-1.01	2.36	-0.05	-0.99	-1.99	-0.83	-2.07	-1.18
3Y R.Excess	1.57	0.85	1.56	2.41	1.86	2.95	2.77	3.63	3.47	2.59	1.86	0.55

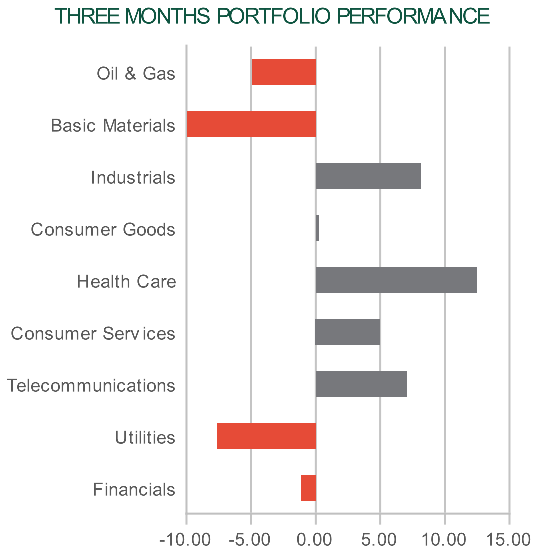
Index: LBH04 UBS Benchmark

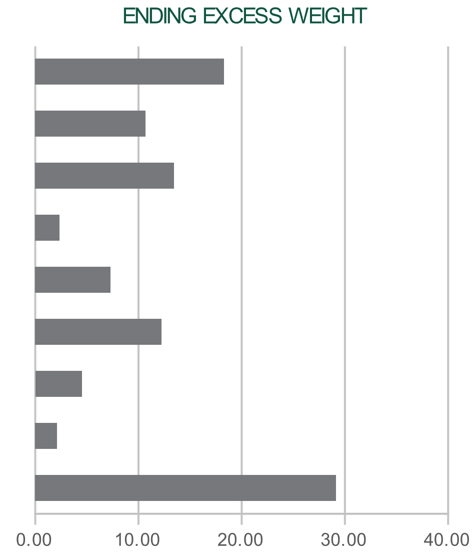
Sector Performance

Account/Group	Ending Market value GBP - GOF	Port Weight	Target Weight	Three Months	Year to Date	One Year	Three Years	Five Years	Inception to Date
Total Fund	**129,440,735**	**100.00**	**100.00**	**0.08**	**9.80**	**-3.42**	**7.35**	**7.07**	**9.71**
LBH04 UBS Benchmark				*1.27*	*14.41*	*2.68*	*6.76*	*6.79*	*8.60*
Relative Excess Return				*-1.18*	*-4.03*	*-5.94*	*0.55*	*0.26*	*1.02*
Equity	**126,438,525**	**97.68**	**0.00**	**0.12**	**10.03**	**-3.38**	**7.70**	**7.36**	**-**
Oil & Gas	**23,105,145**	**17.85**	**0.00**	**-4.91**	**8.32**	**-6.41**	**11.99**	**7.78**	**-**
Basic Materials	**13,483,530**	**10.42**	**0.00**	**-9.98**	**7.52**	**0.36**	**20.60**	**14.17**	**-**
Industrials	**17,002,206**	**13.14**	**0.00**	**8.12**	**19.27**	**-5.75**	**4.92**	**7.50**	**-**
Consumer Goods	**2,980,813**	**2.30**	**0.00**	**0.22**	**22.04**	**22.83**	**19.59**	**18.86**	**-**
Health Care	**9,235,242**	**7.13**	**0.00**	**12.50**	**23.43**	**20.28**	**10.72**	**12.11**	**-**
Consumer Services	**15,468,577**	**11.95**	**0.00**	**5.00**	**11.81**	**-7.36**	**0.18**	**3.86**	**-**
Telecommunications	**5,695,054**	**4.40**	**0.00**	**7.02**	**-9.55**	**-7.46**	**-8.40**	**-1.56**	**-**
Utilities	**2,636,387**	**2.04**	**0.00**	**-7.65**	**-28.08**	**-35.06**	**-19.60**	**-14.00**	**-**
Financials	**36,831,570**	**28.45**	**0.00**	**-1.15**	**10.37**	**-3.42**	**6.42**	**4.03**	**-**
Cash	**2,960,890**	**2.29**	**0.00**	**0.15**	**0.46**	**0.68**	**0.38**	**0.44**	**-**

• *Excess is calculated using relative methodology*

Sector Detail





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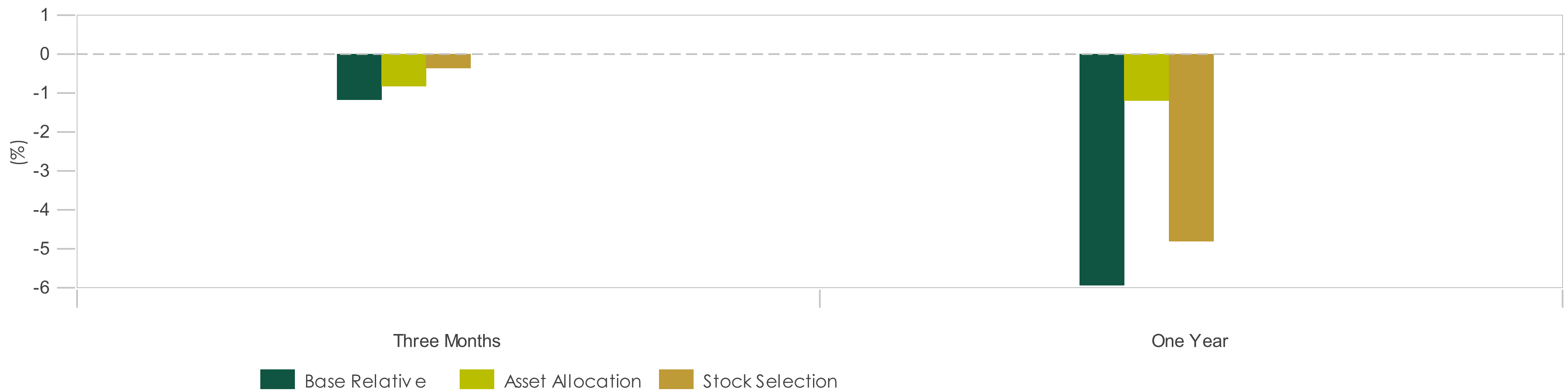
Sectors	Ending Market Value	Portfolio Ending Weight	Portfolio Three Months	Portfolio Year to Date	Portfolio One Year
Oil & Gas	23,105,145	18.27	-4.91	8.32	-6.41
Basic Materials	13,483,530	10.66	-9.98	7.52	0.36
Industrials	17,002,206	13.45	8.12	19.27	-5.75
Consumer Goods	2,980,813	2.36	0.22	22.04	22.83
Health Care	9,235,242	7.30	12.50	23.43	20.28
Consumer Services	15,468,577	12.23	5.00	11.81	-7.36
Telecommunications	5,695,054	4.50	7.02	-9.55	-7.46
Utilities	2,636,387	2.09	-7.65	-28.08	-35.06
Financials	36,831,570	29.13	-1.15	10.37	-3.42
Equity	**126,438,525**	**100.00**	**0.12**	**10.03**	**-3.38**

**Excess is calculated using Relative methodology.*

Sector Attribution Overview ex Currency Effect



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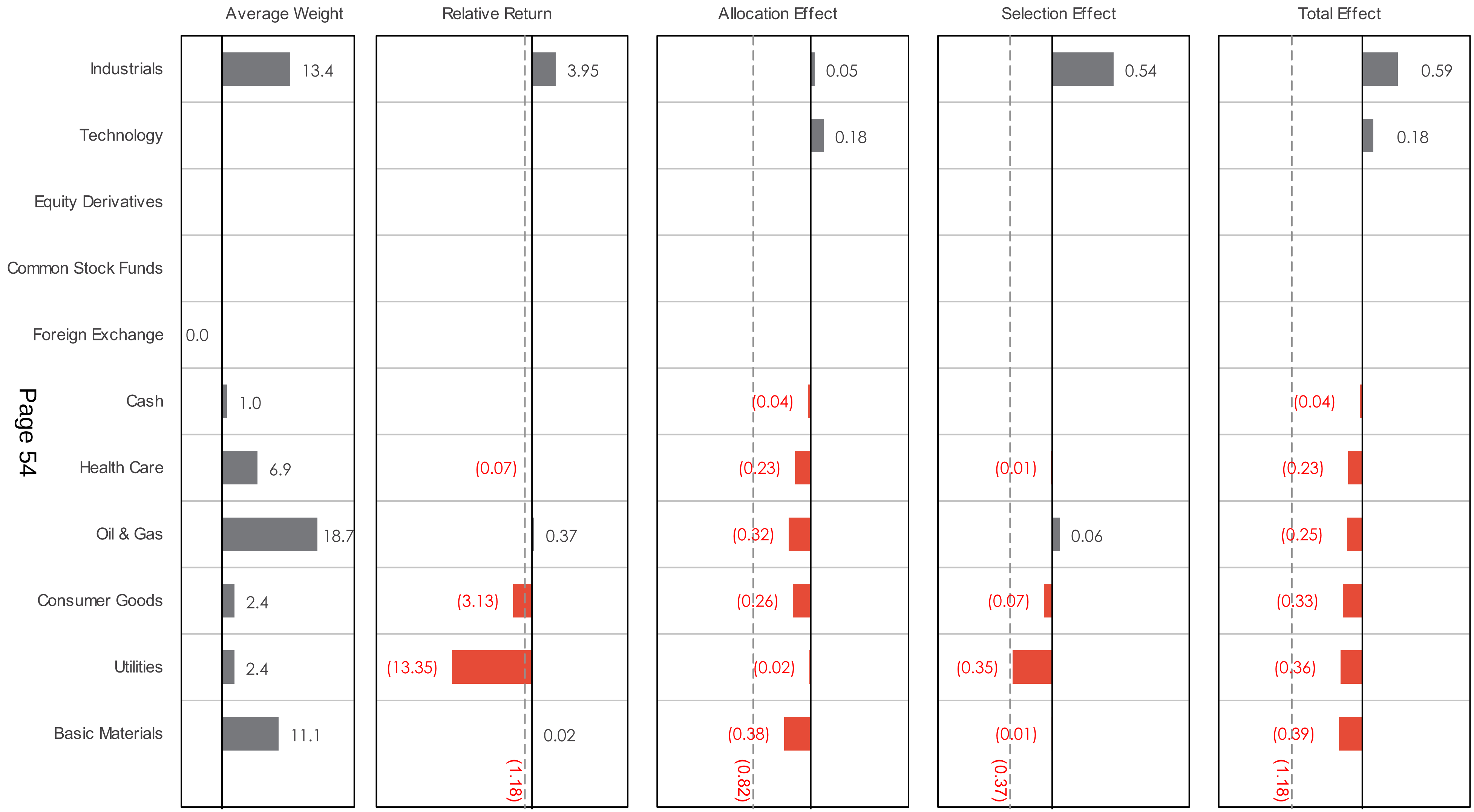
Time Period	Base Returns Account	Index	Relative	Relative Asset Allocation	Relative Stock Selection	Residual
Three Months	0.08	1.27	-1.18	-0.82	-0.37	0.01
One Year	-3.42	2.68	-5.94	-1.20	-4.81	0.01

The above Attribution Model is based on the Geometric methodology.

Category: Total Fund Gross of Fees• Index : LBH04 UBS Benchmark • Currency : GBP

Sector Attribution Detail ex Currency Effect - Three Months



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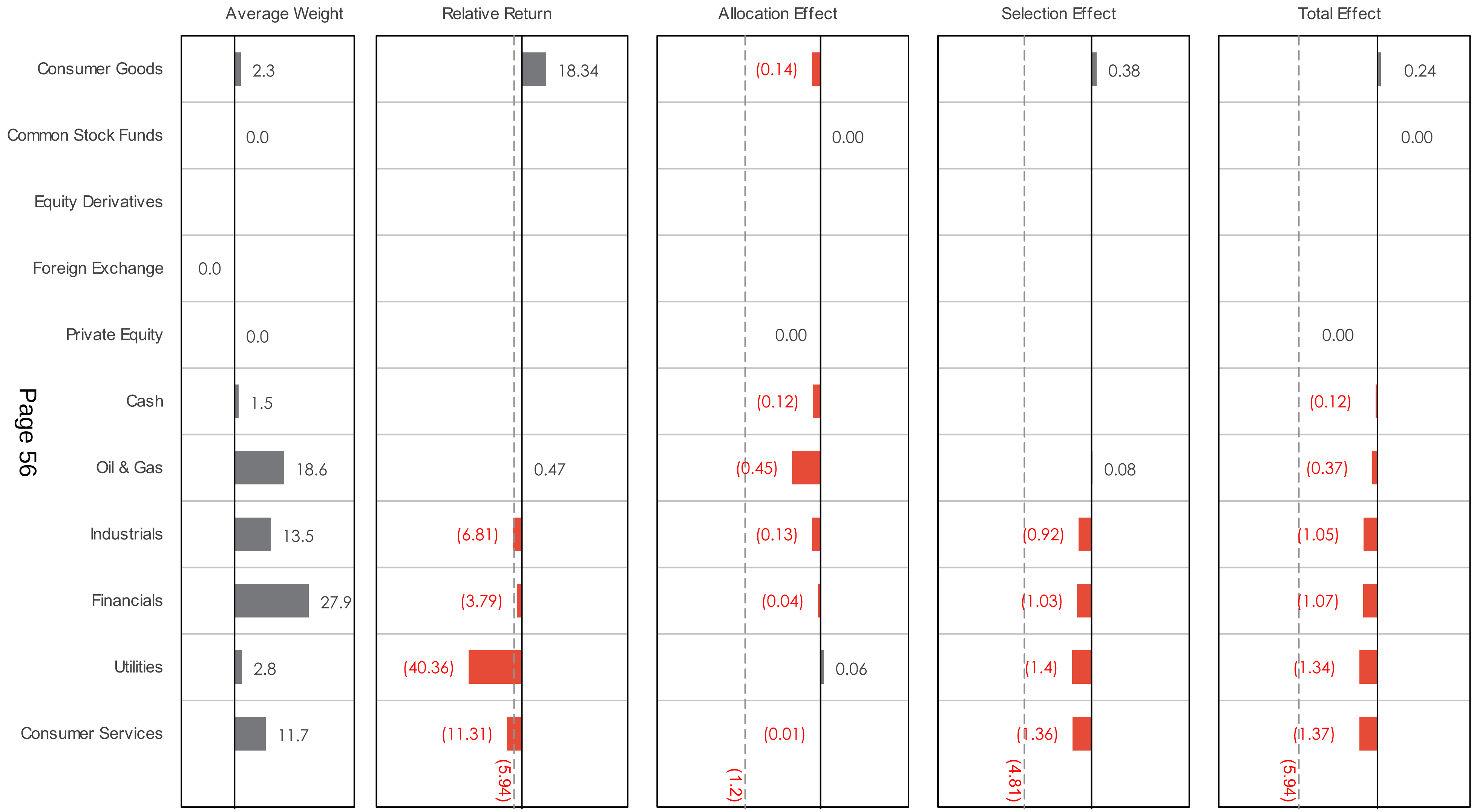
Above Attrbution model is based on Geometric methodology. The charts depict the Top & Bottom 5 regions or sectors based on Total Management Effect. The vertical dotted line in each chart represents the portfolio level attribution effect.

Sector Attribution Detail ex Currency Effect - Three Months

Sector	Average Weights	Index Average Weights	Average Excess Weight	Base Returns: Account	Base Returns: Index	Base Returns: Relative Excess Return	Relative Asset Allocation	Relative Stock Selection	Residual	Total Effect
UBS	100.00	100.00	0.00	0.08	1.27	-1.18	-0.82	-0.37	0.01	-1.18
LBH04 UBS Benchmark										
Equity	99.01	100.00	-0.99	0.12	1.27	-1.13	-0.79	-0.37		-1.15
FTSE All Share										
Basic Materials	11.08	7.79	3.29	-9.98	-10.00	0.02	-0.38	-0.01		-0.39
FT AS: Basic Materials										
Consumer Goods	2.40	14.32	-11.92	0.22	3.46	-3.13	-0.26	-0.07		-0.33
FT AS: Consumer Goods										
Consumer Services	11.54	11.69	-0.15	4.99	5.56	-0.53	-0.00	-0.06		-0.06
FT AS: Consumer Services										
Financials	28.27	25.56	2.71	-1.15	-0.57	-0.59	-0.04	-0.15		-0.19
FT AS: Financials										
Health Care	6.95	9.05	-2.10	12.50	12.57	-0.07	-0.23	-0.01		-0.23
FT AS: Health Care										
Industrials	13.38	11.56	1.82	8.12	4.02	3.95	0.05	0.54		0.59
FT AS: Industrials										
Oil & Gas	18.75	13.80	4.94	-4.91	-5.26	0.37	-0.32	0.06		-0.25
FT AS: Oil & Gas										
Technology	0.00	1.08	-1.08	-	-14.75	-	0.18	0.00		0.18
FT AS: Technology										
Telecommunications	4.27	2.55	1.72	7.02	14.90	-6.86	0.22	-0.31		-0.09
FT AS: Telecommunications										
Utilities	2.38	2.60	-0.23	-7.65	6.57	-13.35	-0.02	-0.35		-0.36
FT AS: Utilities										
Common Stock Funds	0.00	0.00	0.00	-	-	-	0.00	0.00		0.00
Equity Derivatives	0.00	0.00	0.00	-	-	-	0.00	0.00		0.00
Private Equity	0.03	0.00	0.03	0.00	-	-	-0.00	0.00		-0.00
Cash	0.96	0.00	0.96	0.15	-	-	-0.04	0.00		-0.04
Foreign Exchange	-0.00	0.00	-0.00	-	-	-	-	-		-

The above Attribution Model is based on the Geometric methodology.

Sector Attribution Detail ex Currency Effect - One Year



Above Attrbution model is based on Geometric methodology. The charts depict the Top & Bottom 5 regions or sectors based on Total Management Effect. The vertical dotted line in each chart represents the portfolio level attribution effect.

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Sector Attribution Detail ex Currency Effect - One Year

Sector	Average Weights	Index Average Weights	Average Excess Weight	Base Returns: Account	Base Returns: Index	Base Returns: Relative Excess Return	Relative Asset Allocation	Relative Stock Selection	Residual	Total Effect
UBS	**100.00**	**100.00**	**0.00**	**-3.42**	**2.68**	**-5.94**	**-1.20**	**-4.81**	**0.01**	**-5.94**
LBH04 UBS Benchmark										
Equity	**98.51**	**100.00**	**-1.49**	**-3.38**	**2.68**	**-5.91**	**-1.08**	**-4.81**		**-5.84**
FTSE All Share										
Basic Materials	**10.83**	**7.76**	**3.07**	**0.36**	**3.28**	**-2.83**	**-0.01**	**-0.29**		**-0.31**
FT AS: Basic Materials										
Consumer Goods	**2.29**	**14.15**	**-11.86**	**22.83**	**3.80**	**18.34**	**-0.14**	**0.38**		**0.24**
FT AS: Consumer Goods										
Consumer Services	**11.70**	**11.61**	**0.09**	**-7.36**	**4.46**	**-11.31**	**-0.01**	**-1.36**		**-1.37**
FT AS: Consumer Services										
Financials	**27.87**	**25.88**	**1.99**	**-3.42**	**0.39**	**-3.79**	**-0.04**	**-1.03**		**-1.07**
FT AS: Financials										
Health Care	**6.72**	**8.80**	**-2.07**	**20.28**	**21.05**	**-0.64**	**-0.31**	**-0.02**		**-0.33**
FT AS: Health Care										
Industrials	**13.52**	**11.21**	**2.31**	**-5.75**	**1.13**	**-6.81**	**-0.13**	**-0.92**		**-1.05**
FT AS: Industrials										
Oil & Gas	**18.61**	**14.14**	**4.47**	**-6.41**	**-6.85**	**0.47**	**-0.45**	**0.08**		**-0.37**
FT AS: Oil & Gas										
Technology	**0.00**	**1.03**	**-1.03**	**-**	**9.12**	**-**	**-0.06**	**0.00**		**-0.06**
FT AS: Technology										
Telecommunications	**4.19**	**2.72**	**1.47**	**-7.46**	**-0.57**	**-6.93**	**0.01**	**-0.30**		**-0.28**
FT AS: Telecommunications										
Utilities	**2.77**	**2.70**	**0.06**	**-35.06**	**8.89**	**-40.36**	**0.06**	**-1.40**		**-1.34**
FT AS: Utilities										
Common Stock Funds	**0.00**	**0.00**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**		**0.00**
Equity Derivatives	**0.00**	**0.00**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**		**0.00**
Private Equity	**0.03**	**0.00**	**0.03**	**0.00**	**-**	**-**	**-0.00**	**0.00**		**-0.00**
Cash	**1.46**	**0.00**	**1.46**	**0.68**	**-**	**-**	**-0.12**	**0.00**		**-0.12**
Foreign Exchange	**-0.00**	**0.00**	**-0.00**	**-**	**-**	**-**	**-**	**-**		**-**

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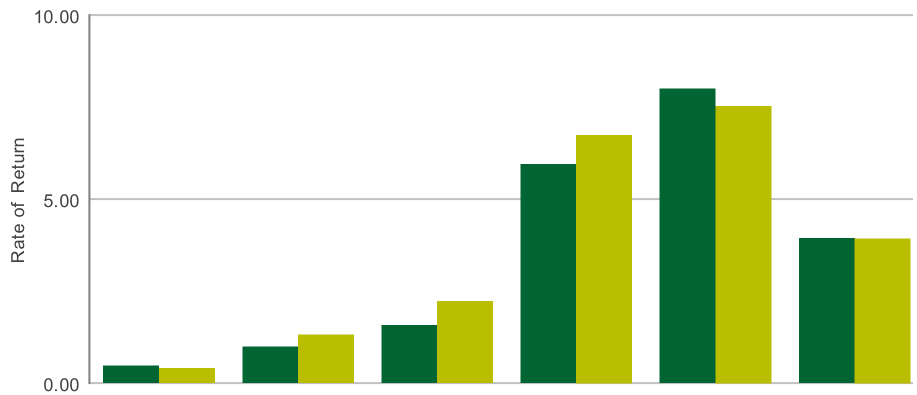
The above Attribution Model is based on the Geometric methodology.

Executive Summary

UBS PROPERTY TOTAL FUND GROSS OF FEES



	Three Months	Year to Date	One Year	Three Years	Five Years	ITD
Fund	0.47	0.99	1.57	5.95	8.00	3.94
Index	0.40	1.31	2.22	6.74	7.53	3.93

Index: LBH06 UBS Property Benchmark

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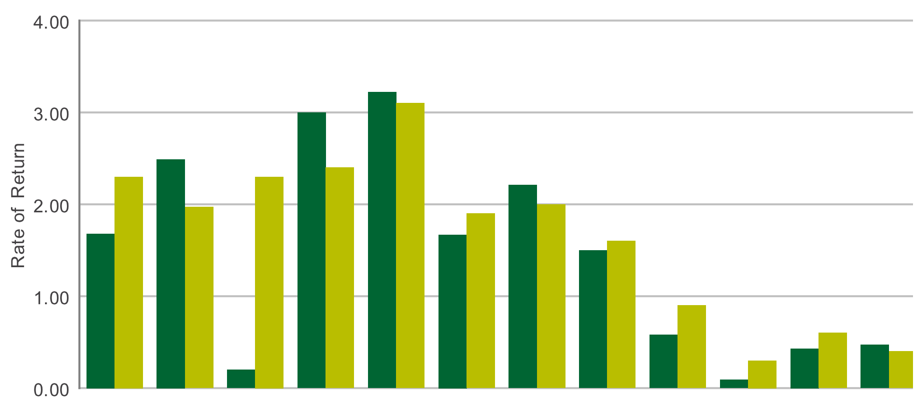
RISK STATISTICS

RISK STATISTICS	1 Yr	3 Yrs	5 Yrs
Return	1.57	5.95	8.00
Index Return	2.22	6.74	7.53
Relative Excess Return	-0.63	-0.74	0.44
Standard Deviation	1.27	1.62	2.95
Index Standard Deviation	0.50	1.04	2.10
Tracking Error	0.95	1.20	2.60
Information Ratio	-0.68	-0.66	0.18
Sharpe Ratio	0.43	3.23	2.47
Index Sharpe Ratio	2.40	5.77	3.25
Sortino Ratio	0.58	7.80	9.97
Treynor Ratio	0.29	5.10	10.06
Jensen's Alpha	-1.65	-0.88	2.30
Relative Volatility (Beta)	1.88	1.02	0.72
R Squared	0.55	0.47	0.27

Index: LBH06 UBS Property Benchmark. Risk Free Index: JP Morgan 3 month Cash (GBP)
Category: Total Fund Gross of Fees. Calculation Frequency: Monthly

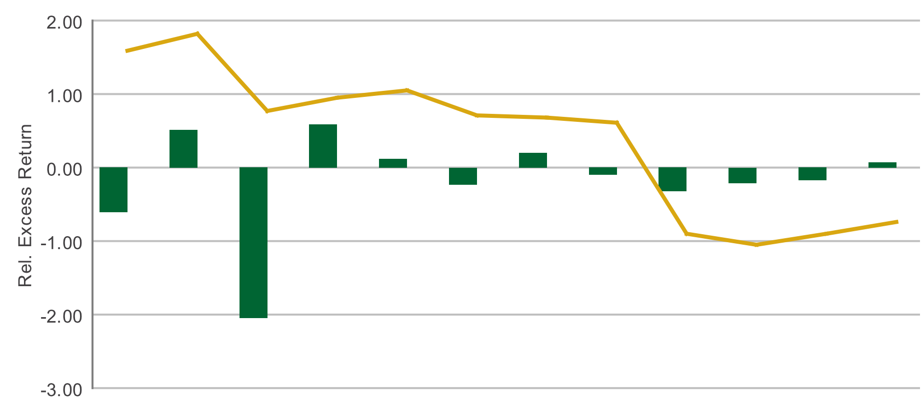
UBS PROPERTY ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
Fund	1.68	2.49	0.20	3.00	3.22	1.67	2.21	1.50	0.58	0.09	0.43	0.47
Index	2.30	1.97	2.30	2.40	3.10	1.90	2.00	1.60	0.90	0.30	0.60	0.40

Index: LBH06 UBS Property Benchmark

UBS PROPERTY ROLLING QUARTERS TOTAL FUND GROSS OF FEES



	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Q1 '19	Q2 '19	Q3 '19
3M R.Excess	-0.61	0.51	-2.05	0.59	0.12	-0.23	0.20	-0.10	-0.32	-0.21	-0.17	0.07
3Y R.Excess	1.59	1.82	0.77	0.95	1.05	0.71	0.68	0.61	-0.90	-1.05	-0.90	-0.74

Index: LBH06 UBS Property Benchmark

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Agenda Item 6

ADMINISTRATION REPORT

Committee	Pensions Committee
Officer Reporting	Yvonne Thompson-Hoyte, Finance Seby Carvalho, Finance
Papers with this report	KPI Report

HEADLINES

This report is for information and provides an update on the administration of the London Borough of Hillingdon Fund of the LGPS, both in relation to Surrey County Council (SCC) and internally at Hillingdon.

Attached to the report is the latest KPI Report from SCC.

RECOMMENDATIONS

1. **It is recommended that Pensions Committee note this report.**
2. **To agree the proposed changes to the Internal Disputes Resolution Policy and Death Grant signatories.**

SUPPORTING INFORMATION

Surrey Administration Update

Member Self Service Registration

There are currently 4,793 members signed up to the Membership Self Service (MSS) portal. This is an increase of 777 spread across all membership categories on the last quarter (4016 at the end of September) The total registered represents 18% of the total membership. The fund will continue to promote the advantages of registering for MSS.

Membership Category	Total membership numbers	Registered for online self service
Active	8,322	2,939
Deferred	11,758	1,280
Pensioners	6,809	574
Total	**26,889**	**4,793**

All figures as at 7 January 2020

Key Performance Indicators for the quarter ending September 2019

The table below provides a Summary of the cases that were received during the quarter to September 2019. During the quarter 2273 cases were completed of which 748 were within the KPI monitoring. There were 1788 cases outstanding at the end of the period. Three complaints were received during this period.

Further details about the nature of the complaints are contained in the additional information report attached.

Summary of Cases	Monthly KPI's			Quarterly KPI
	Jul-20	Aug-20	Sep-20	Quarter to September 2019
Total Cases completed	1177	621	475	2273
KPI Cases	227	268	253	748
Non KPI	950	353	222	1525
	1177	621	475	2273
Cases completed outside of KPI Timescale	3	2	3	8
Completed by Surrey CC	422	451	439	1312
Completed JLT	755	170	36	961
Total	1177	621	475	2273

The analysis above excludes 2122 legacy cases inherited from the previous administration arrangements. These cases have been assigned to JLT as a special project to resolve and clear the backlog. Of the 2122 cases, 1329 have been checked and completed whilst 793 remain outstanding. A full analysis to the remaining cases is attached at appendix 6c

Resources

It has been notified the Council that the Head of Pensions Administration at Surrey CC has resigned with effect from January 10 2020. This post was key in the overseeing of the service improvement programme. The Business Operation Director at Surrey CC has indicated that the priority is to fill the vacancy quickly to maintain momentum.

Internal Disputes Resolution Policy (IDRP) Stage 1 named post and Death Grant Signatory

At the July 2019 Committee it was agreed that the named post for the appointed person at the stage 1 IDRP process should be the Head of Pensions, Treasury and Statutory Accounts. Sian Kunert who occupied the post left the Council in December 2019. The Chief Accountant is currently overseeing the area supported by the Interim Pension Fund Manager while the service area is being reviewed.

This report is requesting that the Pensions Committee agree that the designation of the Chief Accountant be named as the nominated officer in all Stage 1 appeals.

The Corporate Director of Finance or Head of HR remain the appointed Officer for stage 2 appeals. In any case where the nominated officer has either been involved with the case or is the object of the complaint, then the complaint will continue to be heard by a Senior Officer who has had no previous involvement with the case.

If an appellant is not satisfied with a decision made at Stage 2, they can progress their dispute to the Pensions Ombudsman. The Pension Fund publishes its IDRP process on the website and it is sent to anyone who advises the fund of a complaint.

This report is further requesting that the Chief Accountant be the named signatory for signing off Death Grants. Both these functions were carried out by the former Head of Pensions, Treasury and Statutory Accounts.

FINANCIAL IMPLICATIONS

There are no financial implications in the report

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

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Hillingdon Pensions Administation - Key Performance

Activity	Measure	Impact	Target	Apr-19		May-19		Jun-19		Jul-19		Aug-19		Sep-19		Commentary
Scheme members	Pensioners, Active & Deferred			**22,953**		**23,194**		**23,169**		**23,118**		**23,034**		**23,272**		
New starters set up/welcome letters				33		33		176		50		27		116		
ABS sent - Councillors	Statutory deadline		**Due by 31 Aug**	*Achieved*		*Achieved*		*Achieved*		*Achieved*		*Achieved*		*Achieved*		
ABS sent - Active	Statutory deadline			*Achieved*		*Achieved*		*Achieved*		*Achieved*		*Achieved*		*Achieved*		
ABS sent - Deferred	Statutory deadline			*Achieved*		*Achieved*		*Achieved*		*Achieved*		*Achieved*		*Achieved*		
				Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	Volume	Score	
Death notification acknowledged, recorded and documentation sent	5 working days	M	**100%**	16	**75%**	18	**83%**	14	**93%**	20	**95%**	25	**96%**	26	**96%**	**1 case late. Started 27/08/2019, completed 18/09/2019**
Payment of death grant made	10 working days	H	**100%**	5	**80%**	10	**100%**	5	**80%**	3	**100%**	10	**100%**	6	**100%**	
Retirement notification acknowledged, recorded and documentation sent	10 working days	M	**100%**	44	**95%**	35	**97%**	40	**100%**	61	**97%**	49	**98%**	40	**98%**	**1 case late. Started 16/08/2019, completed 05/09/2019**
Payment of lump sum made	10 working days	H	**100%**	47	**96%**	30	**87%**	18	**100%**	28	**100%**	42	**100%**	51	**98%**	**1 case late. Started 06/08/2019, completed 03/09/2019**
Calculation of spouses benefits	10 working days	M	**100%**	1	**100%**	14	**86%**	11	**91%**	4	**100%**	7	**100%**	5	**100%**	
Transfers In - Quotes	20 working days	L	**100%**	3	**100%**	10	**100%**	9	**100%**	12	**100%**	21	**100%**	23	**100%**	
Transfers In - Payments	20 working days	L	**100%**	0	**N/A**	10	**100%**	4	**100%**	1	**100%**	7	**100%**	9	**100%**	
Transfers Out - Quote	20 working days	L	**100%**	11	**100%**	15	**73%**	7	**71%**	18	**100%**	17	**100%**	15	**100%**	
Transfers Out - Payments	20 working days	L	**100%**	3	**100%**	12	**100%**	10	**80%**	26	**100%**	15	**100%**	4	**100%**	
Employer estimates provided	10 working days	M	**100%**	7	**100%**	3	**100%**	22	**100%**	11	**100%**	0	**N/A**	4	**100%**	
Employee projections provided	10 working days	L	**100%**	5	**80%**	8	**88%**	2	**100%**	2	**100%**	5	**100%**	1	**100%**	
Refunds	20 working days	L	**100%**	13	**100%**	13	**100%**	8	**100%**	9	**100%**	34	**100%**	31	**100%**	
Deferred benefit notifications	20 working days	L	**100%**	26	**88%**	38	**95%**	47	**72%**	32	**100%**	36	**100%**	38	**100%**	
Complaints received- Admin				0		0		1		3		1		1		
Complaints received- Regulatory				0		0		0		0		0		0		
Compliments received				0		0		0		0		0		0		
Queries Handled by Helpdesk				511		503		458		556 (FPF = 93%)		662 (FPF = 89%)		618 (FPF = 86%)		

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Case Type	Cases Outstanding (WiP) July 2019	Cases Outstanding (WiP) August 2019	Cases Outstanding (WiP) September 2019
Death notification acknowledged, recorded and documentation sent	26	24	20
Payment of death grant made	16	15	9
Retirement notification acknowledged, recorded and documentation sent	45	68	77
Payment of lump sum made	35	30	20
Calculation of spouses benefits	17	8	8
Transfers In - Quotes	416	416	428
Transfers In - Payments	23	21	26
Transfers Out - Quote	92	97	92
Transfers Out - Payments	14	13	14
Employer estimates provided	3	3	4
Employee projections provided	7	7	10
Refunds	797	797	804
Deferred benefit notifications	1,758	1,747	1,759

Complaint Information
Lack of Communication

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Until 20/09/2019										
Fund Name	Fund Code	Cases Received	Cases yet to Processed	Case sent for internal query	Case queried passed to client	Cases Processed (Waiting to be checked)	Cases checked & Completed	Cases Completed by Orbis	Orbis cases to Review and process	Query with UK
London borough of Hillingdon	N01	2122	4	94	543	7	1329	78	47	20

Overall Completed Break-up		
Fund Name	Transaction	Cases Completed
London borough of Hillingdon	Deferred	1234
	Refund	95

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Fund Name	Fund Code	Cases Received	Case sent for internal query	Query with UK	Case queried passed to client	Cases checked & Completed	Cases Completed by Orbis	Orbis cases to Review and process
London borough of Hillingdon	N01	0	16	0	0	7	0	0

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Cases Received	Cases checked & Completed	Cases remaining
2122	1329	793
2122	1329	793

Case sent for internal query	Case queried passed to client	Cases Processed (Waiting to be checked)	Cases Completed by Orbis	Orbis cases to Review and process	Query with UK	Cases yet to Processed
94	543	7	78	47	20	4
94	543	7	78	47	20	4

Pension Fund Risk Register

Committee	Pension Committee
Officer Reporting	James Lake, Yvonne Thompson-Hoyte Finance
Papers with this report	Pension Fund Risk Register

HEADLINES

The purpose of this report is to identify to the Pension Committee the main risk's to the Pension Fund and to enable them to monitor and review going forward (see Appendix). There are no risks rated as Red.

RECOMMENDATIONS

It is recommended that Pensions Committee:

1. **Consider the Risk Register in terms of the approach, the specific risks identified and the measures being taken to mitigate those current risks.**

SUPPORTING INFORMATION

The specific risk matrix for the Pension Fund allows better classification of the risks than would be possible through the Council's standard risk matrix. The significance of risks is measured by interaction of the likelihood of occurrence (likelihood) and by the potential damage that might be caused by an occurrence (impact). The risks are also RAG rated to identify level.

There are currently 13 risks being reported upon. Whilst there are many more risks which could be identified for the Fund, those identified are the most significant and those which are actively managed.

Each risk has been explained, along with details of the actions in place to mitigate that risk. The progress comment column provides the latest update in respect of the impact of those mitigating actions. The Direction of Travel (DOT) has also been included.

The 'Likelihood' element of Risk Pen 07, performance of outsourced administrator has been upgraded from low to medium. This is due to the recent and sudden resignation of the Interim Head of Pensions Administration. This position was the main driver behind the data improvement and service improvement projects. Furthermore the Account Manager has also resigned which may impact the current service level.

One new risk has been added to the register in the quarter relating to the pension fund investment advisor – KPMG. The risk is around an imminent change in the ownership and business model of the pensions advisory arm of KPMG and the impact this could have on service to the pension fund.

FINANCIAL IMPLICATIONS

The financial implications are contained within the body of the report

LEGAL IMPLICATIONS

The legal implications are mentioned within the report.

Pension Fund Risk Register 2019/20

Description	Actions in Place	Progress Comment	Risk Category / Rating / DOT	Lead Officer / Cabinet Member
PEN 01 - Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term	1. Anticipate long-term return on a relatively prudent basis to reduce risk of failing to meet return expectations. Funding Strategy outlines key assumptions that must be achieved in agreeing rates with employers for a signifncant chance of successfully meeting the funding target. 2. Analyse progress at three yearly valuations for all employers. 3. Undertake Inter-valuation monitoring.	With the assistance of Hymans Quarterly funding report the position is kept under regular review and Pension Committee is informed of the impact of prevailing market conditions on the funding level	Strategic risk Likelihood = Medium Impact = Large **Rating = D2** **(Static)**	James Lake / Cllr M Goddard
PEN 02 - Inappropriate long-term investment strategy	1. Set Pension Fund specific strategic asset allocation benchmark after taking advice from investment advisers, balancing risk and reward, based on historical data. 2. Keep risk and expected reward from strategic asset allocation under review. 3. Review asset allocation formally on an annual basis. 4. Asset allocation reported quarterly to committee 5. Officer and Advisers actively monitors this risk.	A separate Officer and Advisor working group regularly monitors the investment strategy and develops proposals for change / adjustment for Pension Committee consideration. The impact of each decision is carefully tracked against the risk budget for the Fund to ensure that long-term returns are being achieved and are kept in line with liabilities.	Strategic risk Likelihood = Low Impact = Large **Rating = E2** **(Static)**	James Lake / Cllr M Goddard
PEN 03 - Active investment manager under-performance relative to benchmark	1. The structure includes active and passive mandates and several managers are employed to diversify the risk of underperformance by any single manager. 2. Short term investment monitoring provides alerts on significant changes to key personnel or changes of process at the manager. 3. Regular monitoring measures performance in absolute terms and relative to the manager's index benchmark, supplemented with an analysis of absolute returns against those underpinning the valuation. 4. Investment managers would be changed following persistent or severe under-performance.	The Fund is widely diversified, limiting the impact of any single manager on the Fund. Active monitoring of each manager is undertaken with Advisors and Officers meeting managers on a quarterly basis and communicating regularly. The LCIV as pool is increasingly managing more assets on the funds behalf as per regulation, however transaparency and reporting is less controled by the fund. Improvements in communciation from the pool have been requested over performance transparency of the managers to inform swift action. Comments on whether mandates should be maintained or reviewed are included quarterly and where needed specific performance issues will be discussed and reviewed.	Strategic risk Likelihood = Low Impact = Small **Rating = E4** **(Static)**	James Lake / Cllr M Goddard

Description	Actions in Place	Progress Comment	Risk Category / Rating / DOT	Lead Officer / Cabinet Member
PEN 04 - Pay and price inflation significantly more than anticipated impacting the ability for employers to afford contributions	1. The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases. The actuarial basis examines disparity between the inflation linking which applies to benefits of Deferred and Pensioner members as well as the escalation of pensionable payroll costs which only applies to active members, and on which employer and employee contributions are based. 2. Inter-valuation monitoring gives early warning and investment in index-linked bonds also helps to mitigate this risk. 3. 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. 4. Covenant's are in place with security of a guarantee or bond for admission agreements.	The impact of pay and price inflation is monitored as part of the Council's MTFF processes and any potential impact on pension fund contributions is kept under review and factored into the Council's overall position. The impact of pay inflation is diminishing since the introduction of the CARE benefits in 2014 as there is less linkage to final salary in future liabilities.	Strategic risk Likelihood = Low Impact = Medium **Rating = E3** **(Static)**	James Lake / Cllr M Goddard
PEN 05 - Inflation significantly more than anticipated	1. Inter-valuation monitoring gives early warning. 2. Investment in index-linked bonds helps to mitigate this risk. 3. The fund has increased its inflation linkage by allocating 5% to Inflation linked long lease property in 2018. 4. Contribution rate setting as part of the triennial valuation process considers 5000 senarios in achieving a fully funded position	The impact of inflation is reviewed through all strategic investment decision making.	Strategic risk Likelihood = Medium Impact = Large **Rating = D2** **(Static)**	James Lake / Cllr M Goddard
PEN 06 - Pensioners living longer.	1. Mortality assumptions are set with some allowance for future increases in life expectancy. Sensitivity analysis in triennial valuation helps employers understand the impact of changes in life expectancy. 2. Club Vita monitoring provides fund specific data for the valuation, enabling better forecasting.	The Fund is part of Club Vita, a subsidiary of the Fund Actuary, which monitors mortality data and feeds directly into the valuation.	Strategic risk Likelihood = Low Impact = Small **Rating = E4** **(Static)**	James Lake / Cllr M Goddard
PEN 07 - Poor Performance of Outsourced Administrator leading to poor quality information supplied to both members and the Fund Actuary	1. Quarterly review meetings held 2. Weekly update calls with officers 3. Quarterly KPI reports are provided to track and monitor performance 4. Critical errors cleared prior to transfer of valutaion data to actuary 5. Data Improvement plan in place to impreove the quality of mmber data	New cases are being dealt with and improvements in processes within the contract. There are signs of improvement in the quality of data inherited by SCC from Capita. The resignation of the Account Manager and sudden resignation of the Head of Administration, who was also the key person driving the improvement plan, is of concern. This adds some degree of uncertainty as to whether service levels will be maintained and momentum for improvement will continue.	Strategic risk Likelihood = Medium Impact = Large **Rating = D2** **(upgraded)**	James Lake / Cllr M Goddard

Description	Actions in Place	Progress Comment	Risk Category / Rating / DOT	Lead Officer / Cabinet Member
PEN 08 - Failure to invest in appropriate investment vehicles as a result of MiFID II regulations in place from 3 January 2018	1. Applications have been made to sustain “Professional Status” of the pension fund to enable continuation of the existing investment strategy. 2. All current application's have successfully been resolved confirming professional status	This is a risk identified as a result of regulatory changes and is continually assessed. The fund is required to show an appropriate level of knowledge and skills for investment decision markers. Changes in circumstances including committee membership or change in officers must be reported and could effect the ongoing investment relationship.	Strategic risk Likelihood =Very Low Impact = Large **Rating = F2** **(Static)**	James Lake / Cllr M Goddard
PEN 09 - Cyber Security - Pension schemes hold large amounts of personal data and assets which can make them a target for fraudsters and criminals	1. Council wide policies and processes in place around: acceptable use of devices, email and internet use of passwords and other authentication home and mobile working data access, protection (including encryption), use and transmission of data 2. Risk is on the Corporate risk register with risk mitigation in place. 3.All member and transactional data flowing from SCC and Hillingdon is sent via encryption software 4.Data between the fund, SCC and Hymans is distributed via upload to an encrypted portal 5. Systems at Hillingdon and SCC are protected against viruses and other system threats 6. SCC are accredited to ISO27001:2013 and Cyber Essentials Plus accreditation. SCC are also PSN compliant.	This risk has been recognised in response to recommendations by the Pensions Regulator and work carried out by Pensions Board Certificates on SCC accreditation received SCC have an incident response plan which is required to develop mitigation of this risk. A copy will be sent to the fund. Data Mapping has been carrie dout to understand the data transfers and risks in this area including potential for treat through other employers. As a result of work with the Pensions Board in gaining assurance in this area the fund will create a policy to ensure a sufficient action plan in place in teh case of a breach within the fund.	Strategic risk Likelihood = Medium Impact = Large **Rating = D2** **(Static)**	James Lake / Cllr M Goddard
PEN 10 - Climate Change - Risk of financial lose through Climate change impacts	1. The fund have an ESG policy in place as part of the ISS. 2. Active equities within fossil fuel sector have been assessed in relation to the Transition pathway analysis tool to identify those companies transitioning to a lower carbon world. 3. Manger selections take into account ESG policy 4. Mangers are expected to be signed up to the stewardship Code 5. Managers are expected to have signed up to the UN Principles for Responsible Investment (UK PRI) 6. ESG Issues are discussed with managers at review meetings	The investment strategy will be updated with a statement on climate change risk on next revision. The fund biggest risk exposure to poorly managed companies in respect of carbon emissions will be through the passive allocation. Tilts on this allocation will be reviewed and considered to reduce this risk. Pensions Committee are currently in the process of creating a stand alone RI policy which will support principles and implimentation.	Strategic risk Likelihood = Low Impact = Large **Rating = E2** **(Static)**	James Lake / Cllr M Goddard

Description	Actions in Place	Progress Comment	Risk Category / Rating / DOT	Lead Officer / Cabinet Member
PEN 11 - Portfolio liquidity - risk of failure to liquidate assets or meet drawdown calls	1. The fund has an active daily cash management process in place to ensure there is sufficient cash available to meet all beneficiary payments. 2. Cash management includes investing large amounts of surplus cash to balance the investment portfolio or hold in liquid asset classes in anticipation of cash calls 3. Officers liaise with managers where commitments have been made to keep track of predicted drawdown timescales 4. The fund is significantly diversified in different asset classes and asset managers to ensure if there is a stop on any one holding then the portfolio will continue to operate as normal.	There is a detailed cash management process in place and have been developed over the past 2 years. This is signed off daily to ensure liquidity. The fund continues to invest in illiquid asset classes to benefit from illiquidity premium, however this is a relatively small portion of the portfolio and there are other liquid asset classes easily accessible. All trade times are listed in the cash management policy. The fund is still boarderline cashflow positive / breakeven on member dealings and should remain so in 2019/20 with increased contribution rate for the majoriity of employers in year and increased active members from autoenrolment in year.		James Lake / Cllr M Goddard
PEN 12 - Failure of the pool in mangement of funds / access to funds	1. Quarterly review meetings held with the pool 2.Regular reporting out of the pool informing the fund of manager performance 3. Swift communications received from the pool with staff turnover and concerns the fund may need to be aware. 4. Independent adviser carried out a review of governance for manager selction and manager monitoring to add assurance and discussion points with the pool 5. Active Shareholder representation at General meeting and AGM. 6. Pool to attend Committee meetings where required, to provide assurance over progress and activity.	Concerns over staff turnover in senior posts and withdrawal of an iminent fund have raised the level of this risk to enter the register. Work will need to be carried out with the pool to address governace concerns arrising from Independent Adviser review. Keen interest in recuitment to vacant positions and support given to those staff still in post while recuitment takes place to ensure retention.	Strategic risk Likelihood = Low Impact = Medium **Rating = D2** **(Static)**	James Lake / Cllr M Goddard
PEN 13 - Change in ownership/business model of KPMG - Investment Advisors to the Fund.	1. Conversations are ongoing with the LGPS Framework and KPMG regarding the progress and status 2.Advice to be sought from in-house procurement and legal as necessary to determine the status of the existing contract after the change 3.Monitoring of the developements will be ongoing	The current investment advisors to the fund have signed a conditional management buy out of the pensions advisory arm of the business. This directly affects the area of the business that provides investment advice services to the pension fund There will be a transition period where the existing staff and equipment will remain in there present location at the parent company while the set up and relevant regulatory authorisations are put in place. This will be a new company funded by a private equity fund. This transition/change gives rise to some degree of uncertaintly regarding the impact on the existing contract and the continuity of the services provided in the event that transitions arrangement do not go to plan or regulatory authorisations are not granted	Strategic risk Likelihood = Low Impact = Medium **Rating = C3** **(New)**	James Lake / Cllr M Goddard

Attributes:

			Risk rating	Score	Risk rating	Score	Risk rating	Score	Risk rating	Score
Greater than 90%	This week	**Very High (A)**	**A4**	6	**A3**	12	**A2**	18	**A1**	24
70% to 90%	Next week / this month	**High (B)**	**B4**	5	**B3**	10	**B2**	15	**B1**	20
50% to 70%	This year	**Significant (C)**	**C4**	2	**C3**	4	**C2**	6	**C1**	8
30% to 50%	Next year	**Medium (D)**	**D4**	1	**D3**	2	**D2**	3	**D1**	4
10% to 30%	Next year to five years	**Low (E)**	**E4**	0	**E3**	0	**E2**	0	**E1**	0
Less than 10%	Next ten years	**Very Low (F)**	**F4**	0	**F3**	0	**F2**	0	**F1**	0
			Small (4)		**Medium (3)**		**Large (2)**		**Very Large (1)**	

IMPACT

Attributes:

THREATS:

	Small (4)	Medium (3)	Large (2)	Very Large (1)
Financial	up to £500k	Between £500k and £10m	Between £10m and £50m	Over £50m
Reputation	Minor complaint, no media interest	One off local media interest	Adverse national media interest or sustained local interest	Ministerial intervention, public inquiry, remembered for years

PENSION FUND ADMININSTRATION STRATEGY

Committee	Pensions Committee
Officer Reporting	Yvonne Thompson-Hoyte, Finance
Papers with report	Draft Revised Administration Strategy

HEADLINES

The Pension Fund Administration Strategy (PAS) was designed in June 2016 with the aid of AON Hewitt, the Fund's Governance advisors and implemented in November 2016. The PAS sets out the roles and responsibilities of each stakeholder involved in the Fund and the legal basis of those responsibilities. It also provides a basis for setting and measuring key performance indicators and measuring compliance against relevant legislation.

It is good practice to review and amend the PAS at a minimum of every three years. The PAS has been reviewed an annotated by officers. It was also presented to the Pension Board in in September 2019 to obtain additional comments.

The purpose of this report is to present the amended PAS to the Pensions Committee for approval

RECOMMENDATIONS

It is recommended that the Pensions Committee:

1. **Review and approve the revised Pension Fund Administration Strategy**
2. **Delegate authority to officers to implement any minor alterations following Committee review.**

SUPPORTING INFORMATION

Minor changes have been made throughout the PAS for clarity/emphasis purposes and the two items listed below have been added to the section 'Annual returns, Valuation and Annual Benefits Statement on page 20 as part of the Administering Authorities Responsibility

Provide Pension Saving Statement to members who have exceeded their annual allowance (Legislative)	By 6 October each year
To provide P60 statements to pensioners (HMRC requirement)	By 31 May each year

FINANCIAL IMPLICATIONS

Financial implications are included in the body of the report

LEGAL AND REGULATORY IMPLICATIONS

The Legal and Regulatory implications are included in the body of the report

London Borough of Hillingdon Pension Fund

Administration Strategy

1 November 2016 – revision date 28.08.19

Administration Strategy

Introduction and Background

This is the statement outlining the Pension Administration Strategy for the London Borough of Hillingdon Pension Fund ("the Fund") and has been developed following consultation with the Fund's administrators, employers in the Fund, Local Pension Board members and other interested stakeholders.

The aims of the Pension Administration Strategy are to:

- ensure that the parties to which it relates are fully aware of their responsibilities under the Scheme, and
- outline the quality and performance standards expected of the Fund and its scheme employers to ensure the delivery of a high-quality, timely and professional administration service. These performance standards are explained further in the employer service level agreement.

London Borough of Hillingdon (the "Administering Authority") is responsible for the local administration of the Fund, which is part of the Local Government Pension Scheme ("the LGPS"). Operationally, the administration of the Fund is undertaken through a formal delegation agreement by the Pensions Administration team at Surrey County Council - Orbis. Orbis and the Officers in Hillingdon work together to provide a seamless service to scheme employers and members.

This Pension Administration Strategy does not supersede any formal agreements between the Administering Authority and the administrators or between the Administering Authority and the employers. However, is it intended to complement such arrangements and provide greater clarity in relation to each party's role and responsibilities.

This Strategy applies to all existing employers in the Fund, and all new employers joining the Fund after the effective date of TBC. The Statement sets out the expected levels of administration performance of both the Administering Authority and the employers within the Fund, as well as details on how performance levels will be monitored and the action that might be taken where persistent failure occurs.

Implementation

This Strategy outlines the level of service the Administering Authority aims to provide to scheme members and employers, as well as the role employers will need to play in providing that quality of service. It is recognised that the aims and objectives in this Strategy are ambitious in some cases and meeting these is dependent on the implementation of some changes in the existing ways of working. This Strategy is being implemented during a period which continues to present a number of challenges, not least:

- the need to carry out a major scheme reconciliation exercise as a result of the introduction of the new State Pension – GMP reconciliation project
- Unknown changes to the scheme structure as a result of the legal ruling in the landmark McCloud judgment, which found the 2015 pension reforms effecting

firefighters and judges to be discriminatory based on age. On 15 July, the Chief Secretary to the Treasury announced that that remedies relating to the McCloud judgement will be made in relation to all public service pension schemes.

- The unknown impact and implementation of the Local Government Pension Scheme Advisory Board (SAB) cost cap management process
- continuing pressure on resources and budgets for employers and the Administering Authority.Allowing scheme members access their own record online and scheme employers to run calculations within online portal.
- Implementation of pensions Dashboard

This Strategy will be effective from TBC and the performance indicators mentioned herein will demonstrate ongoing progress towards the Strategy's aims and objectives.

Regulatory Basis

The LGPS is a statutory scheme, established by an Act of Parliament. The Local Government Pension Scheme Regulations 2013 provide the conditions and regulatory guidance surrounding the production and implementation of Administration Strategies.

In carrying out their roles and responsibilities in relation to the administration of the Local Government Pension Scheme the Administering Authority and employers will, as a minimum, comply with overriding legislation, including:

- Local Government Pension Scheme Regulations
- Pensions Acts 2004 and 2011 and associated disclosure legislation
- Public Service Pensions Act 2013 and associated record keeping legislation
- Freedom of Information Act 2000
- Equality Act 2010
- Data Protection Act 2003
- Finance Act 2013 and
- Relevant Health and Safety legislation.

As a result of the Public Service Pensions Act 2013, the Pensions Regulator now has responsibility for oversight of a number of elements of the governance and administration of Public Service pension schemes including the LGPS. The Regulator has the power to issue sanctions and fines in respect of failings of the Administering Authority, and also where employers in the Fund fail to provide correct or timely information to the Administering Authority. Should this happen, the Administering Authority would recharge any costs back to employers as set out later in this strategy.

More information relating to the requirements of the Local Government Pension Scheme Regulations is included in Appendix A. This statement has been developed with those provisions in mind, and describes the Administering Authority's approach to meeting these requirements in the delivery of administration.

Aims and Objectives

The primary objectives of the London Borough of Hillingdon Pension Fund are:

- to be known as forward thinking, responsive, proactive and professional; providing excellent customer focused, reputable and credible service to all customers.
- to have instilled a corporate culture of risk awareness, financial governance, and to provide the highest quality, distinctive services within the resource budget.
- to work effectively with partners, being solution focused with a 'can do' approach.

In addition, there are specific aims and objectives in relation to administration responsibilities as set out below.

Administration Aims and Objectives
The purpose of this strategy statement is to set out the quality and performance standards expected of London Borough of Hillingdon in its role as Administering Authority and employer, as well as all other employers within the Fund.

The Administration Strategy has a number of specific objectives, as follows;

- Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders
- Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money
- Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund
- Ensure the correct benefits are paid to, and the correct income collected from, the correct people at the correct time
- Maintain accurate records and ensure data is protected and has authorised use only.

Delivery of Administration

London Borough of Hillingdon has delegated responsibility for the management of the Pension Fund to the London Borough of Hillingdon Pensions Committee, taking into consideration advice from the Pensions Board. The Committee will monitor the implementation of this Strategy on a regular basis as outlined later in this statement.

Operationally, the administration of the Fund is undertaken by Orbis with a delegation agreement in place with Surrey County Council, supported by a small 'in-house' capacity within London Borough of Hillingdon.

The London Borough of Hillingdon will look for opportunities to work collaboratively with other Administering Authorities to reduce development costs and enhance the quality of information. This might include:

- working with other administering authorities through the Pensions Officer Group networks to produce communications, which can then be customised further where necessary to the needs of the London Borough of Hillingdon Pension Fund
- Utilising economies of scale though procurement of services with other Orbis managed funds
- participating in joint training sessions with other administering authorities.

Performance Standards – Quality

Local Standards
In addition to the legislative and regulatory standards, the Administering Authority and employers ensure that all administration functions and tasks are carried out to agreed local quality standards. In this respect the standards to be met are:

- compliance with all requirements set out in the employer service level agreement and this Administration Strategy Statement
- information to be provided in the required format and/or on the appropriate forms.
- information to be legible and accurate
- communications to be in a plain language style
- information provided or actions carried out to be checked for accuracy by an appropriately trained member of staff
- information provided or actions carried out to be authorised by an agreed signatory, and
- actions carried out, or information provided, within the timescales set out in this strategy statement.

Secure Data Transfer
The Administering Authority and employers follow London Borough of Hillingdon's data security guidelines when sending any personal data. The pension administration function uses a secure email system to send data when required to prevent any sensitive information from being accidentally sent to unauthorised recipients.

One of the key methods of data transfer relating to the Fund's administration is the receipt of information from employers in relation to scheme members. In order to meet the requirements set out in this document in a secure and efficient way (for both employers and the Administering Authority), employers will use a secure data transfer system, introduced during 2016/17. Any employers not submitting data using this data system, once it is made available to them, may risk compromising data security.

Oversight of Compliance and Quality
Ensuring compliance is the responsibility of the Administering Authority and the employers in the Fund. The Administering Authority has a range of internal controls in place to assist with ensuring compliance and which are articulated in the Fund's risk register and risk management policy. However, there are ways in which the Administering Authority is subject to elements of scrutiny or oversight:

Audit
The Fund is subject to a regular annual audit which includes elements of processes and internal controls. The Administering Authority and the employers are expected to fully comply with any reasonable requests for information from both internal and approved external auditors. Any subsequent recommendations made will be considered by London Borough of Hillingdon, in its role as Administering Authority, and where appropriate duly implemented (following discussions with employers where necessary).

Local Pension Board, the national Scheme Advisory Board and the Pensions Regulator
The Public Service Pensions Act 2013 introduced greater oversight of LGPS Funds. As a result the Local Pension Board of the London Borough of Hillingdon Pension Fund was established from 1 April 2015. In addition, the Pensions Regulator's remit was extended to include the public sector, and a national Scheme Advisory Board was created. The Administering Authority and the employers are expected to fully comply with any guidance produced by the Scheme Advisory Board and the Pensions Regulator. Any recommendations made from any of these entities will be considered by London Borough of Hillingdon, in its role as Administering Authority, and where appropriate duly implemented (following discussions with employers where necessary).

Performance Standards – Timeliness and Accuracy

Overriding legislation, including The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (as amended), dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the scheme. Further, the LGPS itself sets out a number of requirements for the Administering Authority or employers to provide information to each other, to scheme members and to prospective scheme members, dependants, other pension arrangements or other regulatory bodies. In addition to the legal requirements, local performance standards have been agreed which cover all aspects of the administration of the London Borough of Hillingdon Pension Fund. In many cases these go beyond the overriding legislative requirements.

The locally agreed performance standards for the Fund are set out in Appendix B. These standards are not an exhaustive list of the Administering Authority's and employers' responsibilities. Employers' responsibilities are provided in more detail in the employers' service level agreement.

Although all the locally agreed performance standards will be monitored on an ongoing basis by the administrating authority, the key standards which will be publicly reported on are extracted and shown in the table below. These elements are measured against:

1. Any legal timescale that should be met ("legal requirement")
2. The overall locally agreed target time ("fund target")

3. The locally agreed target time for the Administering Authority or administrator to complete that task ("LBHPF element target").

Generally the LBHPF element target will be a sub-section of the overall process, and hence will have a shorter target timescale than that being measured by the legal and fund targets. This is because the legal and fund targets will generally include periods of time when the Administering Authority is waiting for information to be provided by an employer or scheme member. The LBHPF element target then measures the period of time it takes the administrators to carry out their element of work once that information has been received.

For the avoidance of doubt "accuracy" in this Strategy is defined as when the administrators have received information, for example from an employer, with;

- no gaps in the required areas ***and***
- with no information which is either contradictory or which needs to be queried.

Process maps to explain the flow of information from Schools to the Administrator are in the final stages of development and will be included as Appendix C shortly.

Key Performance Indicators

Process	Legal Requirement	LBHPF Administration element target
To send a Notification of Joining the LGPS to a scheme member	2 months from date of joining, or within 1 month of receiving jobholder information where the individual is being automatically enrolled / re-enrolled[1]	Within 20 working days of receipt of all relevant information
To inform members who leave the scheme of their deferred benefit entitlement	As soon as practicable and no more than 2 months from date of initial notification (from employer or from scheme member) [2]	Within 20 working days of receipt of all relevant information
Obtain transfer details for transfer in, and calculate and provide quotation to member	2 months from the date of request [1]	Within 20 working days of receipt of all relevant information
Provide details of transfer value for transfer out, on request	3 months from date of request (CETV estimate) [3] or within a reasonable period (cash transfer sum) [4]	Within 20 working days of receipt of all relevant information
Notification of amount of retirement benefits and payment of tax free cash sum	1 month from date of retirement if on or after Normal Pension Age [1] 2 months from date of retirement if before Normal Pension Age [1]	Within 15 working days of receipt of all relevant information
Providing quotations on request for retirements	As soon as is practicable, but no more than 2 months from date of request unless there has already been a request in the last 12 months [1]	Individual request within 10 working days of receipt of all relevant information
Calculate and notify dependant(s) of amount of death benefits	As soon as possible but in any event no more than 2 months from date of becoming aware of death, or from date of request [1]	Within 10 working days of receipt of all relevant information

1 - The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, as amended

2 - The Occupational Pension Schemes (Preservation of Benefit) Regulations 1991

3 – Occupational Pension Schemes (Transfer Value) Regulations 1996

4 – Pension Schemes Act 1993

Improving Employer Performance (where necessary)

This Strategy is focussed on good partnership working between the Administering Authority and the Fund's employers. However, it is recognised there may be circumstances where employers are unable to meet the required standards. The Pension Fund Accountant will seek, at the earliest opportunity, to work closely with employers in identifying any areas of poor performance or misunderstanding, provide opportunities for necessary training and development and put in place appropriate processes to improve the level of service delivery in the future.

It is expected that it will be extremely rare for there to be ongoing problems but, where persistent and ongoing failure occurs and no improvement is demonstrated by an employer, and/or unwillingness is shown by the employer to resolve the identified issue, the steps the Administering Authority will take in dealing with the situation in the first instance are set out below:

- The Pension Fund Accountant will issue a formal written notice to the person nominated by the employer as their key point of contact, setting out the area(s) of poor performance
- The Pension Fund Accountant will meet with the employer to discuss the area(s) of poor performance, how they can be addressed, the timescales in which they will be addressed and how this improvement plan will be monitored.
- The Pension Fund Accountant will issue a formal written notice to the person nominated by the employer, setting out what was agreed at that meeting in relation to how the area(s) of poor performance will be addressed the timescales in which they will be addressed
- A copy of this communication will be sent to the Corporate Director of Finance or other senior officer at that employer.
- The Pension Fund Accountant will monitor whether the improvement plan is being adhered to and provide written updates at agreed periods to the person nominated by the employer, with copies being provided to the Director of Finance (or alternative senior officer) at that employer.
- Where the improvement plan is not being delivered to the standards and/or timescales agreed, the Pension Fund Accountant will escalate the matter to the Chief Accountant who will determine the next steps that should be taken. This may include (but is not limited to):
    - Meetings with more senior officers at the employer
    - Escalating to the London Borough of Hillingdon Pensions Committee and/or Pension Board
    - Reporting to the Pensions Regulator or Scheme Advisory Board.

Circumstances where the Administering Authority may levy costs associated with the Employers' poor performance

The Administering Authority will work closely with all employers to assist them in understanding all statutory requirements, whether they are specifically referenced in the LGPS Regulations, in overriding legislation, or in this Administration Strategy. The Administering Authority will also work with them to ensure that overall quality and timeliness is continually improved.

The Regulations provide that an Administering Authority may recover from an employer any additional costs associated with the administration of the scheme incurred as a result of the unsatisfactory level of performance of that employer. Where an Administering Authority wishes to recover any such additional costs they must give written notice stating:-

- The reasons in their opinion that the employer's level of performance contributed to the additional cost
- The amount the Administering Authority has determined the employer should pay
- The basis on which this amount was calculated, and
- The provisions of the pension administration strategy relevant to the decision to give notice.

London Borough of Hillingdon, as the Administering Authority, will generally not recharge to an employer any additional costs incurred by the Fund in the administration of the LGPS as a direct result of such unsatisfactory performance. However:

- in instances where the performance of the employer results in fines being levied against the Administering Authority by the Pensions Regulator, Pensions Ombudsman or other regulatory body, an amount no greater that the amount of that fine will be recharged to that employer.
- whether or not interest will be charged on late contributions will be stated within the Administering Authority's separate policy on discretionary provisions.
- in exceptional circumstances, particularly where the improvement plan as outlined in the last section of this statement is not being adhered to, the Pensions Committee may determine that any other additional costs will be recharged. In these circumstances the Pensions Committee will determine the amount to be recharged and how this is to be calculated. The employer in question will be provided with a copy of that report and will be entitled to attend the Pensions Committee when this matter is being considered.

Measuring whether the Administration Objectives are met

The Administering Authority will monitor performance in carrying out its responsibilities in relation to the scheme, and will regularly monitor performance by benchmarking against other administering authorities, using benchmarking clubs and other comparators available. How well the Fund performs will be reported in the Fund's Annual Report based on the statistics available at that time.

In addition, the Administering Authority will monitor success against its administration objectives in the following ways:

Objectives	Measurement
Provide a high quality, professional, proactive, timely and customer focussed administration service to the Fund's stakeholders.	Key target service standards (highlighted in table above) achieved in 95% of cases*.
Administer the Fund in a cost effective and efficient manner utilising technology appropriately to obtain value for money.	Cost per member is not in upper quartile when benchmarked against all LGPS Funds using national data (either SF3 or SAB)
Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Fund.	Annual data checks (including ongoing reconciliations) resulting in few issues that are resolved within 2 months. Key target service standards (highlighted in table above) achieved in 95% of cases*. Issues included in formal improvement notices issued to employers resolved in accordance with plan. .
Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount.	Mainly positive results in audit and other means of oversight/scrutiny. Key target service standards (highlighted in table above) achieved in 95% of cases*.
Maintain accurate records and ensure data is protected and has authorised use only.	Annual data checks (including ongoing reconciliations) resulting in few issues that are all resolved within 2 months No breaches of data security protocols Mainly positive results in audit and other means of oversight/scrutiny

*Employers are expected to meet their targets in 95% of cases.

An overview of performance against these objectives and in particular against target standards for turnaround times will be reported within the Fund's annual report and accounts and also reported on regularly to the Pensions Committee and Pension Board.

Where performance is substantially below standard (whether by a large margin for a short period of time or a small margin for a longer period of time) the Administering Authority will formulate an improvement plan. This will be reported to the Fund's

Pensions Committee and Pension Board together with an ongoing update on achievement against the improvement plan.

Key Risks

The key risks to the delivery of this Strategy are outlined below. The London Borough of Hillingdon Chief Accountant and other officers will work with the Pensions Committee and the Pension Board in monitoring these and other key risks and considering how to respond to them.

- Lack or reduction of skilled resources due to difficulty retaining and recruiting staff members and also staff absence due to sickness
- Significant increase in the number of employing bodies causes strain on day to day delivery
- Significant external factors, such as national change, impacting on workload
- Incorrect calculation of members' benefits resulting in inaccurate costs (to employer), through for example, inadequate testing of systems
- Failure of employers to provide accurate and timely information resulting in incomplete and inaccurate records, which could lead to incorrect valuation results and incorrect benefits, which in turn could lead to complaints
- Failure to administer scheme in line with regulations and policies, including due to delays in enhancement to software or regulation guidance (e.g. transfers).
- Failure to maintain proper records leading to inadequate data, which could lead to increased complaints and errors
- Issues in production of annual benefits statements, e.g. wrong address and printing errors due to external supplier
- Unable to deliver a service to pension members due to system unavailability or failure
- Failure to maintain employer database leading to information not being sent to correct person

Key Risk areas will be discussed as part of the quarterly performance monitoring meetings with the SCC Orbis team.

Approval and Review

This Strategy Statement was approved for consultation with stakeholders on 15 June 2016 by the London Borough of Hillingdon Pensions Committee. It will be reviewed following consultation with a view to the final strategy being agreed by Pension Committee on 21 September, to become effective from 1 November 2016.

It will be formally reviewed and updated at least every three years or sooner if the administration management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS Regulations or other relevant Regulations or Scheme Guidance which need to be taken into account.

In preparing this Strategy the Administering Authority has consulted with the relevant employers, the scheme member and employer representatives on the London Borough of Hillingdon Pension Board and other persons considered appropriate.

This Strategy Statement will be included within the Fund's Annual Report and Accounts and available on the Administering Authority's website at: http://www.hillingdon.gov.uk/pensions.

Further Information

Any enquiries in relation to the day to day administration of the Fund or the principles or content of this Strategy should be sent to:

James Lake, Chief Accountant
London Borough of Hillingdon
Civic Centre
High Street
Uxbridge
UB8 1UW

e-mail - jlake@hillingdon.gov.uk
Telephone - 01895 277562

Appendix A

Administration Legal Requirements within the LGPS

Regulations 72, 74 and 80 of Local Government Pension Scheme Regulations 2013 require the following:

Employer Responsibilities:

- To decide any rights or liabilities of any person under the LGPS (for example, what rate of contributions a person pays and whether or not a person is **entitled** to any benefit under the scheme) as soon as is reasonably practicable*
- To formally notify that person of the decision in relation to their rights or liabilities in writing as soon as is reasonably practicable (including a decision where a person is not entitled to a benefit and why not), including information about their internal dispute resolution procedure
- To inform the Administering Authority of all such decisions made
- To provide the Administering Authority with such information it requires so it can carry out its functions including, within three months of the end of each Scheme year**, the following information in relation to any person who has been an active member of the scheme in the previous year:
    - name and gender
    - date of birth and national insurance number
    - a unique reference number relating to each employment in which the employee has been an active member
    - in respect of each individual employment during that year:
        - the dates during which they were a member of the scheme
        - the normal pensionable pay received and employee contributions paid
        - the pensionable pay received and employee contributions paid whilst there was any temporary reduction in contributions
        - the normal employer contributions paid
        - any additional employee or employer contributions paid
        - any Additional Voluntary Contributions paid by the employee or employer
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to employer decisions (or a lack of a decision)***

**And at the latest within 1 month of the need for a decision*
***Note that, in practice, the Administering Authority will require this information by a specific date as outlined in the Service Level Agreement in order to meet statutory deadlines on benefit statements*
****Note that, in practice, employers in the London Borough of Hillingdon Pension Fund may use the same person to consider stage 1 IDRP complaints as used by the Administering Authority*

Administering Authority Responsibilities:

- To decide the **amount** of benefits that should be paid, including whether the person is entitled to have any previous service counting towards this for LGPS purposes, as soon as is reasonably practicable
- To formally notify that person of the decision in relation to the amount of their benefits in writing as soon as is reasonably practicable, including a statement showing how they are calculated and information about their internal dispute resolution procedure
- To appoint a person to consider complaints under stage 1 of the internal dispute resolution procedure relating to Administering Authority decisions (or a lack of a decision)
- To appoint a person to consider complaints under stage 2 of the internal dispute resolution procedure (which covers both employer and Administering Authority decisions or lack of decisions)
- To provide on request any information to an employer about a complaint under the internal dispute resolution procedure that may be required by an employer

Regulation 59(1) enables an LGPS Administering Authority to prepare a written statement ("the pension administration strategy") to assist in delivering a high-quality administration service to its scheme members and other interested parties, by setting out local standards which often go beyond the minimum requirements set out in overriding legislation as outlined above, and which the Administering Authority and employers should comply with. The statement can contain such of the matters mentioned below as they consider appropriate:-

- Procedures for liaison and communication with the relevant employers in their Fund.
- The establishment of levels of performance which the Administering Authority and the employers are expected to achieve in carrying out their functions under the LGPS by-
    i. the setting of performance targets;
    ii. the making of agreements about levels of performance and associated matters; or
    iii. such other means as the Administering Authority consider appropriate;
- Procedures which aim to secure that the Administering Authority and the employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance.
- Procedures for improving the communication by the Administering Authority and the employers to each other of information relating to those functions.
- The circumstances in which the Administering Authority may consider giving written notice to an employer on account of that employer's unsatisfactory performance in carrying out its functions under the LGPS Regulations when measured against the desired levels of performance.
- The publication by the Administering Authority of annual reports dealing with—
    i. the extent to which the Administering Authority and the employers have achieved the desired levels of performance, and

    ii. such other matters arising from its pension administration strategy as it considers appropriate

- Such other matters as appear to the Administering Authority to be suitable for inclusion in that strategy.

Regulation 59(2)e allows an Administering Authority to recover additional costs from an employer where they are directly related to the poor performance of that employer. Where this situation arises the Administering Authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

In addition, regulation 59(6) also requires that, where a pension administration strategy is produced, a copy is issued to each of their relevant employers as well as to the Secretary of State. It is a requirement that, in preparing or revising any pension administration strategy, that the Administering Authority must consult its relevant employers and such other persons as it considers appropriate.

Both the Administering Authority and employers must have regard to the current version of the pension administration strategy when carrying out their functions under the LGPS Regulations.

Appendix B

Detailed Performance Standards

New Appointments	
Employer's responsibility	**Target Service Standard**
To ensure that pensions information is included as part of the appointment process of new staff	
To provide each new employee with basic scheme information	Within one month of joining

New Scheme Members	
Employer's responsibility	**Target Service Standard**
Provide new members with starter forms and scheme guides, where not delegated to the Administering Authority	10 working days
Decide and ensure the correct employee contribution rate is applied	Immediately on joining in line with employer's policy, and each April thereafter (as a minimum)
Provide new starter information to the Administering Authority for each new employee joining the LGPS	10 working days
Forward completed starter forms completed by scheme members to the Administering Authority	3 working days from date of first deduction of contributions
Administering Authority's Responsibility	
To accurately record and update member records on the pension administration system	Within 20 working days from receipt of all relevant information
To apply for any transfer value details from a previous fund or scheme	Within 10 working days from receiving all information
To send a Notification of Joining the LGPS to a scheme member	Within 20 working days from receiving all information

Changes in circumstances	
Employer's responsibility	**Target Service Standard**
Arrange for reassessment of employee contribution rate in line with employer's policy	If applicable, as per employer's policy
Notify the Administering Authority of any eligible employees who opt out of the scheme within three months of appointment.	10 working days from date of receiving opt out
Notify the Administering Authority of all other relevant changes in the circumstances of employees	15 working days from date of change
Refund any employee contributions deducted in error, or where the member opts out in writing within 3 months with no previous LGPS membership.	Month following the month of election
Administering Authority's Responsibility	

To accurately record and update member records on the pension administration system	Within 10 working days from receiving all information
To send a Notification of Change (or equivalent) if legally required	Within 20 working days from receiving all information

Retirement Estimates (including ill-health)	
Employer's responsibility	**Target Service Standard**
Provide pay (and other membership) details when a member requests an early retirement estimate	Within 8 working days
Administering Authority's Responsibility	
Providing quotations on request for retirements	Within 10 working days from receipt of all relevant information

Actual Retirements (including ill-health)	
Employer's responsibility	**Target Service Standard**
Notify the Fund when members are due to retire and reason for retirement (and authorisation where appropriate)	As early as possible and no later than 15 working days before date of retirement
Notify the Fund when a member leaves employment, including an accurate assessment of final pay	Within 8 working days from members final pay date
Send a Notification of Entitlement to Benefit if legally required to a scheme member (including determining tier of ill-health retirement if applicable)	No later than 5 working days before date of retirement
Administering Authority's Responsibility	
To accurately record and update member records on the pension administration system	Within 10 working days from receipt of all relevant information
Notification of amount of retirement benefits and payment of tax free cash sum	Within 15 working days from receipt of all relevant information
Notification of amount of recalculated retirement benefits and payment of any balance tax free cash sum following updated information	Within 10 working days from receipt of all relevant information

Ill-Health Retirements (additional responsibilities)	
Employer's responsibility	**Target Service Standard**
Appoint a qualified independent medical practitioner (from the approved list provided by the Administering Authority) in order to consider all ill health retirement applications, and agree this appointment with the Fund.	Within one month of becoming an employer within the Fund
To keep a record of all Tier 3 ill-health cases and to review these cases after 18 months	
Notify the Fund of the results of any review of Tier 3 ill-health cases with appropriate	5 working days of results of review

information to allow the Fund to recalculate benefits if necessary	
Send a Notification of Entitlement to Benefit (or change in benefit) to a scheme member following the review of his/her Tier 3 ill-health benefits	Within 5 working days of results of review

Members leaving before retirement	
Employer’s responsibility	**Target Service Standard**
Notify the Fund of the member’s date of (and reason for) cessation of membership, and all other relevant information.	Within 8 working days from member's most recent pay date
Administering Authority's Responsibility	
To accurately record and update member records on the pension administration system	Within 10 working days from receipt of all relevant information
To inform members who leave the scheme of their deferred benefit entitlement	Within 20 working days from receipt of all relevant information
Provide a refund of contributions where requested	Within 20 working days from receipt of all relevant information
Provide a statement of current value of deferred benefits on request	Within 20 working days from receipt of all relevant information

Death Benefits	
Employer’s responsibility	**Target Service Standard**
Notify the Fund of the death of a member and provide details of next of kin where available	3 working days of being notified
Administering Authority's Responsibility	
Write to next of kin or other contact requesting information following the death of a scheme member	Within 5 working days from notification
Calculate and notify dependant(s) of amount of death benefits	Within 10 working days from receipt of all relevant information
Decide who should be recipient(s) of death grant and pay death benefits appropriately as directed	Within 10 working days from receipt of all relevant information

Transfers	
Administering Authority's Responsibility	
Obtain transfer details for transfer in, and calculate and provide quotation to member	Within 20 working days from receipt of all relevant information
Request transfer value upon acceptance of transfer in	Within 10 working days
Notify scheme member of benefits purchased by transfer in on receipt of payment	Within 20 working days from receipt of all relevant information
Provide details of transfer value for transfer out, on request	Within 20 working days from receipt of all relevant information
Provide payment of transfer value to appropriate recipient.	Within 10 working days

Additional Benefits (APCs and AVCs)	
Employer's responsibility	**Target Service Standard**
Commence, cease or amend (as appropriate) deduction of APCs and AVCs	In month following election
Administering Authority's Responsibility	
To provide information on APCs / AVCs on request to members and employers.	Within 10 working days from request

Various Financial Obligations	
Employer's responsibility	**Target Service Standard**
Pay the Fund all employee contributions deducted from payroll and all employer contributions.	Immediately when deducted from pay but at the latest by the 19th day of the following month.
Pay all rechargeable items to the Fund, including additional fund payments in relation to early payment of benefits.	20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
Pay all additional costs to the Fund associated with the unsatisfactory performance of the employer	20 working days from receiving invoice (within standard invoicing terms of 28 calendar days)
Administering Authority's Responsibility	
To allocate the received contributions to each employer's cost centre	Prior to closing month end
Issue invoice in relation to additional fund payments in relation to early payment of benefits	Within 10 working days of employer costs being confirmed
Inform the employers of any new contribution banding	At least 1 month prior to the new contribution bands being introduced
Notify calculation and new value of pension following annual pensions increase	No longer than 2 working days before payment of revised pension

Annual Returns, Valuation and Annual Benefit Statements	
Employer's responsibility	**Target Service Standard**
Provide the Fund with year-end information to 31 March each year, and any other information that may be required for the production of Annual Benefit Statements.	By 30 April annually
Administering Authority's Responsibility	
Process employer year end contribution returns	By 31 July each year
Produce annual benefit statements for all active and deferred members.	In line with LGPS regulation timescales
Provide Pension Saving Statement to members who have exceeded their annual allowance(Legislative)	By 6 October each year
To provide P60 statements to pensioners	By 31 May each year

(HMRC requirement)	
Provide information to the Actuary (or GAD as appropriate) for both the triennial valuation and for accounting purposes.	As agreed between the Fund and the Actuary
Provide an electronic copy of the valuation report and associated certificate to each employer, and to answer any questions arising.	Within 10 working days from publication of report

General	
Employer's responsibility	**Target Service Standard**
Confirm a nominated representative to receive information from the Fund, and to take responsibility for disseminating it within the organisation.	By effective date of admission or within 5 working days of previous representative leaving
Formulate and publish policies regarding all discretions that the employer may exercise, and provide a copy to the Fund.	Within 2 months of joining and also provided to Administering Authority every 3 years or whenever amended
Respond to enquiries from the Fund.	10 working days
Notify the Fund if the employer intends to outsource services that will involve TUPE transfers of staff, and work with the Fund to ensure an admission agreement is put in place and complied with or a bulk transfer arranged.	Initial notification immediately upon becoming aware of potential outsourcing, and at least 3 months prior to the start of the contract
Distribute any information provided by the Fund to members / potential members	5 working days
Put in place a Stage 1 Internal Dispute Resolution Procedure	Within 1 month of joining and before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Administering Authority's Responsibility	
Arrange for the setting up of an admission agreement where required	As soon as possible following receipt of information and prior to the start of any contract
Publish (on-line) and keep up to date the Short Scheme Guide and Employers' Procedural Guide.	Updates made as soon as possible from notification of any legislation changes but preferably before effective date
Publish and keep up to date all forms that members, prospective members and employers are required to complete.	Updates made as soon as possible from notification of any legislation changes but preferably before effective date
Publish the Fund's annual report and accounts and any report from the auditor	In line with CIPFA Guidance

Provision of other responses to general enquiries from scheme members and employers	Within 10 working days to provide initial response
Put in place a Stage 1 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)
Put in place a Stage 2 Internal Dispute Resolution Procedure	Before the effective date of any change to the existing procedure (e.g. an appointed person leaving)

Pension Payments	
Administering Authority's Responsibility	**Target Service Standard**
Issue pension payments to designated bank accounts	To arrive on due date
Issue payslips to home addresses for those pensions where net pay has changed by £10 or more	Posted so as to arrive on the due date
Investigate returned payments and action appropriately	Within 10 working days from receipt of return
Respond to pensioner queries in writing	Within 10 working days from receipt of query
Implement a change to pension in payment	By next payroll period where change occurs more than 5 days prior to the payment date

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RESPONSIBLE INVESTMENT POLICY

Committee	Pensions Committee
Officer Reporting	James Lake, Finance Yvonne Thompson-Hoyte, Finance
Papers with report	Draft Responsible Investment Policy

HEADLINES

The purpose of this report is to introduce the draft London Borough of Hillingdon Pension Fund Responsible Investment Policy (RI).

Arising out of a responsible investment report that was presented at the Pensions Committee of 17 July 2019, it was noted that the LB Hillingdon Pension Fund did not have a responsible investment policy. The Committee agreed to discuss responsible investment in a workshop setting, out of which a sub-group was commissioned to draft a responsible investment policy.

The draft policy was reviewed by the Corporate Director of Finance and the Pensions Committee and Board via email circulation in December 2019.

An additional paragraph has been added to the ‘Responsibilities and Governance’ section of the policy to include the role of the Local Pension Board. The new section of the policy is highlighted in yellow.

RECOMMENDATIONS

It is recommended that the Pensions Committee:

1. **Approve the Responsible Investment Policy included at Appendix 1**

SUPPORTING INFORMATION

The Responsible Investment Policy (RI) outlines how the LB Hillingdon Pension Fund (the Fund) will incorporate Environmental Social and Governance (ESG) considerations into investment decision making.

The Responsible Investment Policy complements and expands on the ESG paragraph included in the Investment Strategy Statement to comply with the LGPS (management and investment of funds) Regulations 2016 regulation 7(1)(e) (the Regulations)

The Regulations require that the authority’s investment strategy must include among other things a policy on how social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.

This policy provides a framework to monitor compliance of the fund with ESG matters.

FINANCIAL IMPLICATIONS

Financial implications are included in the body of the report

LEGAL IMPLICATIONS

There are no legal implications in the report

London Borough of Hillingdon Responsible Investment Policy 2019

HILLINGDON
LONDON

INTRODUCTION

The London Borough of Hillingdon Pension Fund (the Fund) is committed to being a long-term steward of the assets in which it invests to protect and enhance the value of the Fund over the long term.

The Fund's primary investment objective is to ensure that over the long term the Fund will have sufficient assets to meet all pension liabilities as they fall due. In order to meet this overriding objective the Fund will act in the best financial interests of its members. Instead of solely pursuing the highest possible investment return, it will take into account all financial risks within its investment strategy.

The Fund believes that Environmental, Social and corporate Governance (ESG) considerations should be integrated into all investment decision making as it helps reduce risk and improve performance to the pension fund and aligns with the fiduciary responsibility of the Fund.

The Fund's secondary investment objective is to ensure as far as possible that levels of employer contributions will be stabilised and maintained at reasonable levels and not impacted as a consequence of poor investment performance.

Development of policy

This Responsible Investment (RI) policy has been developed through a working group consisting of three members of the Pensions Committee with support from officers who met a number of times to outline and develop the policy. Training on Responsible Investment and ESG has been provided for all Pensions Committee and Pension Board members.

The Fund has considered guidance and information from the Ministry of Housing, Communities and Local Government (MHCLG), the Local Government Association (LGA), Scheme Advisory Board (SAB), Pensions and Lifetime Savings Association (PLSA) and the Law Commission in establishing this policy.

The draft policy was reviewed by Pensions Board on {insert date}. Approval for the policy was received by Pensions Committee on {insert date}.

Compatibility with other policies

This Responsible Investment policy is aligned with the Fund's Investment Strategy Statement where a brief overview on ESG and voting is included. In addition the policy is aligned with the Fund's Funding Strategy Statement with consistency of objectives and return expectations to support the funding level.

The Fund fully supports the principles of the Stewardship Code and is a level 2 signatory to the Code, which aligns with the principles in this policy.

A copy of the Fund's compliance with the Stewardship Code and copies of the Fund policies can be found on the website:
https://archive.hillingdon.gov.uk/article/6492/Pension-fund

Policy Scope
This policy is applicable to all investment activities of the Hillingdon Pension Fund.

Risks
There are a number of risks associated with this RI policy, including implementation of this strategy by external fund managers on segregated mandates, integration of the policy into pooled funds where other investors may have conflicting policies and integration with RI policies of Pooled assets through the London Collective Investment Vehicle (LCIV). The Fund is reliant on third parties to comply with its policies and for the LCIV to provide sub funds consistent with this policy. Risks will be mitigated through monitoring of managers and the LCIV and reporting of ESG activity.

Compliance
Compliance of the Fund's activity to this policy will be reported annually in the Pension Fund Annual report.

Responsibilities and Governance
The London Borough of Hillingdon Pensions Committee has a fiduciary responsibility for the determination and oversight of investment policies and the conduct of those policies. The Committee works closely with officers, external advisers and the Pensions Board in meeting its obligations in this respect.

The Committee meets quarterly and regularly reviews asset allocations and investment policies with officers and external advisers. Periodically, investment goals and strategy are considered and revised as appropriate.

The Local Pensions Board has an oversight role to assist the administering authority in securing compliance with regulations and policies that apply to the Fund. The Pensions Board meets quarterly to review the Pensions Committee reports that will include reports relating to compliance with this Responsible Investment Policy.

Officers and external advisers maintain a rolling programme of review and due diligence on all appointed fund managers and report the results of their work to the Committee.

In considering the performance of investments and possible changes/improvements which could be made, the Committee always takes account of initial and recurring fund costs and fees. ESG considerations and financial risk are taken into account in all investment decisions.

The Fund pursues a policy of transparency and accountability to its stakeholders for the effective management of the Fund and its investment portfolio.

DEFINITIONS

Responsible Investment (RI)
The term Responsible Investment means the integration of Environmental, Social and corporate Governance (ESG) considerations into investment management

processes and ownership practices in the belief that these factors can have an impact on financial performance.

Environmental
Environmental considerations could include among other factors, energy usage, waste disposal, raw materials sourcing, carbon emissions, water usage and recycling processes.

Social
Social considerations could include among other factors, diversity, treatment of minorities, opportunities for women, employee rights, charitable activities, community work, use of agency workers and social infrastructure.

Governance
Governance considerations could include among other factors, composition of boards, external trustees, available share classes, interaction with shareholders, remuneration and voters' rights.

INVESTMENT OBJECTIVES

Investment Objectives

The Fund's primary objective is to ensure that, over the long term, the Fund will have sufficient assets to meet all pension liabilities as they fall due. To achieve this, the Fund will look to maximise the return on its investments while managing risk within acceptable levels.

Investment risks should be considered in the context of reasonable expectations of investment reward. Every effort must be made to ensure that risk and reward are considered jointly and risks are sufficiently rewarded.

The Fund will ensure adequate liquidity is available within the portfolio in order to meet its obligations as and when they fall due.

The Fund will ensure as far as possible that levels of employer contributions will be stabilised and maintained at reasonable levels and not impacted as a consequence of poor investment performance.

Investments will contribute as part of the Funding Strategy for the Fund to be fully funded over the long term.

The Fund will take proper advice in all investment decisions.

ESG factors

The Fund believes in a policy of long-term investment in order to achieve sustainable returns from well governed and sustainable assets. Investment in companies that are managed better and that work within strong Environmental, Social and Governance aware frameworks and can provide investors with a risk-aware, long term sustainable returns.

The Fund believes that the companies that manage assets on behalf of the pension fund should be signatories to the stewardship code and Principles for Responsible Investment (PRI). Existing managers outside of these frameworks should have a valid reason not to sign up and the Fund will encourage it's existing managers to do so. New investment will not be made into managers who are not signatories to the stewardship code and PRI.

The Fund favours a policy of engagement with companies as opposed to widespread policies of exclusion of companies from specific sectors. However, divestment is a tool available to the Fund and its investment managers to divest from companies for any reason including ESG reasons.

The Fund will not pursue policies that are contrary to UK foreign policy or UK defence policy.

The Fund believes that Climate Change is a financial risk to the Pension Fund and manages this risk through the Fund's Risk Register. Climate risk is evident in all sectors and should be considered in all investments.

The Fund expects investment managers to consider the usage of resources of companies and the implications of targets for reduced carbon emissions to support the achievement of the Paris agreement principles.

The Fund believes ESG risks should be approached holistically rather than on specific issues as factors are continually evolving, this enables the Fund to be reactive to the underlying company ESG issues and work with companies to make improvements.

The Fund believes sustainable investments can be achieved with robust and effective dialogue and engagement with fund managers and corporate management teams.
Sustainable investment policies should provide:

- Maintainable, competitive and risk adjusted returns
- Avoidance of harm and mitigation of ESG risks
- Demonstrable benefits to all stakeholders

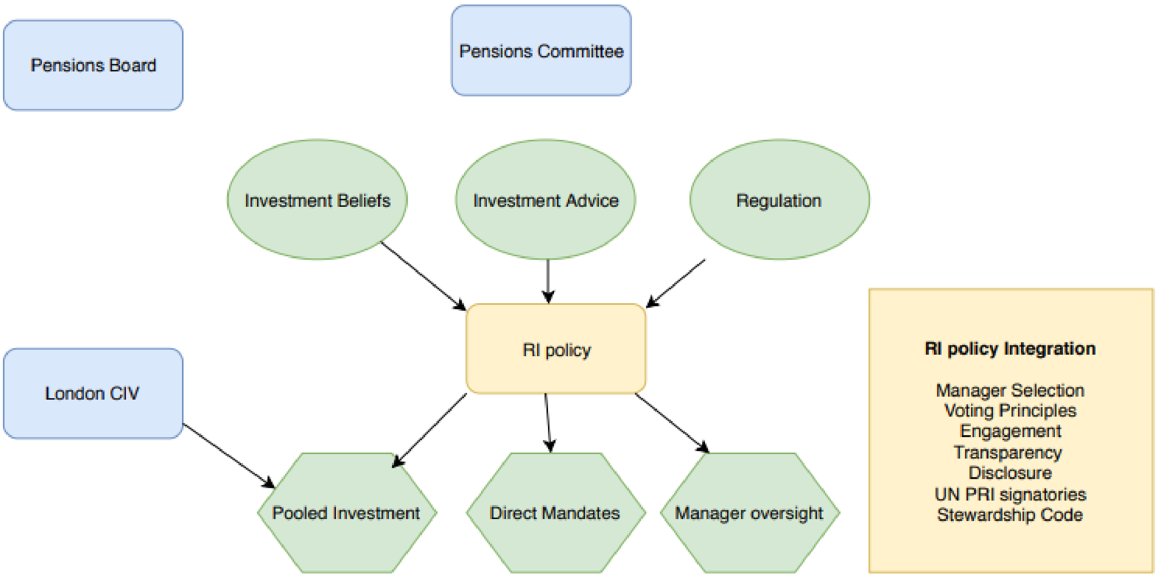
Effective ESG integration combined with proactive engagement should maximise the adoption of these policies and structures within our portfolio to ensure companies in which the Fund ultimately invests have robust board structures, remuneration and sustainability policies, risk management and debtholder rights.

The Fund will consider the fullest range possible of asset classes when determining its asset allocation. No asset classes are excluded.

RESPONSIBLE INVESTMENT FRAMEWORK

This RI framework provides the investment beliefs and objectives as the starting point to deliver RI and stewardship for the Fund. Compliance to the Stewardship Code is reported as a separate document on the website.

In making investment decisions, the Fund seeks and receives proper advice from specialist investment advisers. The Fund requires its external investment managers, including the London CIV 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, but not limited to, corporate governance, social and environmental factors.



The Fund regularly appraises the ESG credentials and performance of LCIV and fund managers in order to ensure that its ESG principles are properly reflected within the investment portfolio.

The Fund expects its Fund managers to integrate material ESG factors within its investment analysis and decision making.

RESPONSIBLE INVESTMENT IMPLIMENTATION

Pension Committee and Pension Board members have received and will continue to receive training and education in ESG matters including climate, governance and other risks. Training will be recorded in a training log and reviewed under regular training needs analysis assessments.

Key ESG issues will be considered and included on the Fund risk register, where material.

ESG will be considered in all investment decisions, whether investing through direct segregated mandates or into pooled funds

Delegation of day-to-day ESG integration of investments to asset managers who are expected to have closer knowledge of companies under investment and board activity.

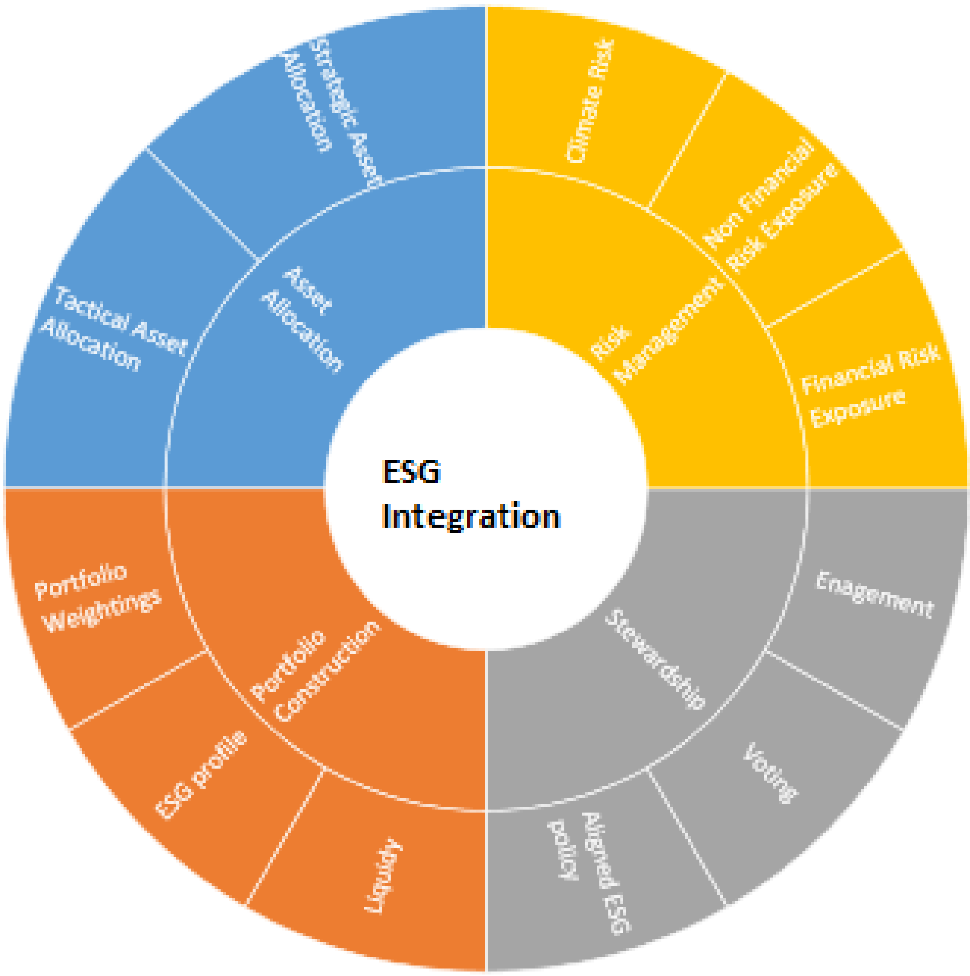
The Fund will seek to understand each manager's approach to voting and engagement

The Fund will ensure manager ESG integration policies are in line with fund expectations and beliefs and managers will report ESG factor management to the Fund regularly.

The Fund will challenge and require assurance on decisions and investments made by managers where fund stakeholders may have ESG concerns, to fully understand risk profile of investment.

The Fund will only invest in companies who are signatories to the stewardship code and the PRI. Existing managers outside of these frameworks should have a valid reason not to sign up – no further investment will be made in these funds.

The Fund RI policy and the Funds compliance with the Stewardship code will be updated and reviewed annually.



Pooling

The Fund is committed to complying with the regulatory obligation to achieve a position whereby at least 95% of its investment assets are pooled. The Fund has committed to pool its assets through the LCIV.

The Fund will continue to monitor the arrangements put in place by the pool in ensuring thorough due diligence has been carried out by the LCIV including manager RI and ESG policies in manager selection.

The Fund will ensure there is a value for money case and pooled funds meet the investment strategy risk and reward objectives.

The Fund will consider making further allocations of investments within the LCIV pool as and when realisations of the existing portfolio occur either by virtue of investment decisions made or by the maturity or return of existing investments.

The Fund is maintaining a regular dialogue with senior management of LCIV in order to ensure that its Investment beliefs and policies are taken into account and as much as possible accommodated by LCIV and its fund managers.

Investment into pooled funds does not remove or reduce the fiduciary responsibilities of the Fund and the Committee and officers will engage closely with LCIV and will seek its full co-operation in order to properly acquit these responsibilities including implementation of ESG policies and stewardship of assets.

ENAGEMENT AND ACTIVE OWNERSHIP

The Fund through its participation in the LCIV 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 invests.

The Fund’s investments through the LCIV are covered by the voting policy advising managers to vote in accordance with voting alerts issued by the Local Authority Pension Fund Forum (LAPFF) as far as practically possible. The London CIV will hold managers to account where they have not voted in accordance with these directions.

The Fund’s approach to engagement recognises the importance of working in partnership to magnify the voice and maximise the influence of investors as owners. The Fund expects its investment managers to work collaboratively with others if this will lead to greater influence and deliver improved outcomes for shareholders more broadly. The Fund appreciates that to gain the attention of companies in addressing governance concerns; it needs to join with other investors sharing similar concerns.

To ensure effective and consistent use of the voting rights, investment managers are tasked with exercising the voting rights accruing to the Fund. If important issues impacting local residents do emanate from actions of invested companies, the Pensions Committee will contact investment managers in charge of assets of such a company to make their opinion known and ask for such to be presented at meetings with the company or reflected in their voting pattern.

Investment Consultant Service Objectives

Committee	Pension Committee
Officer Reporting	James Lake & Tunde Adekoya
Papers with this report	Investment Consultancy Service Objectives

HEADLINES

In order to be compliant with new regulations that came into force in December 2019, the Fund must set strategic objectives for its appointed investment consultant; currently KPMG.

The purpose of this report is to present the agreed objectives to the Pensions Committee along with the metrics for monitoring their effectiveness in meeting these objectives.

RECOMMENDATIONS

It is recommended that Pensions Committee:

1. **Note the objectives set for the Investment Consultancy Services provider along with the indicators set out for performance measurement in the appendix.**

SUPPORTING INFORMATION

This paper is produced in response to the Competitions and Markets Authority (CMA) investment consultancy and Fiduciary Management Market Investigation Order 2019. The order sets out requirements for appointment of fiduciary managers and Pensions Committees in Local Government Pension Schemes to set objectives for their investment consultants.

This Order was effective from 10 December 2019 and applies to new and existing contracts for investment consultancy services.

Setting objectives for investment consultants is an important part of an effective governance system. Putting objectives in place will ensure the Fund is better placed to assess the quality of the service it receives, deliver better outcomes for members, and achieve better value for money. This process will also enable the Fund to identify and manage areas of poor performance and determine and agree corrective action.

The objectives were approved by the Corporate Director of Finance and agreed by KPMG in accordance with the 10 December 2019 implementation date.

Fund's Objectives
The CMA stipulated such objectives should be closely linked to the Pension Fund's strategic goals and reviewed at least every three years and/or after a significant change to the investment strategy or objectives.
The Fund has two main policy papers clearly stating its objectives. These are the Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS). The FSS provides a strategic overview of the Fund's long-term aims in relation to commitments to its members. Whilst the ISS is the vehicle for actualising these aims. The Fund's primary investment objective is to ensure that over the long term the Fund will have sufficient assets to meet all pension liabilities as they fall due. In order to meet this overriding objective, the ISS looks to maximise returns from investment while managing risk within acceptable levels. In addition, the fund will

- Ensure appropriate liquidity
- Contribute towards 100% funding level
- Stabilise employer contribution rates as far as possible

Assessment Methodology
This assessment covers a period up to 3 years. It combines a mixture of qualitative and quantitative measures split into four main categories, namely
- Value Added
- Proactivity
- Service Levels/ Relationship
- Compliance

Scores for each item are awarded based perceived effectiveness of investment consultant's performance as shown by Fund performance against set targets.
Objectives are scored on a ranking of:

Red – Concern	Yellow – Satisfactory
Green – Good	Blue - Excellent

Consultants will be assessed against the objectives annually.

FINANCIAL IMPLICATIONS

The financial implications are contained within the body of the report

LEGAL IMPLICATIONS

The Legal implictions are contained within the body of the report

LONDON BOROUGH OF HILLINGDON PENSION FUND INVESTMENT CONSULTANT OBJECTIVES	Measure	Score
1. Demonstration of Value added		
Helped the fund set a strategy based on the Fund goals/objectives.	Is there an effective long term plan in place? Have KMPG shown understanding of the Fund objectives? Direction of travel clear for the fund with sufficient input into the Investment strategy statement KMPG have reflected the triennial valuation assumptions on risk and reward within strategic asset allocation (SAA) and strategy decisions	
Portfolio has resulted in positive performance versus strategic objective of gilts plus 4% over the long term	Return achieved vs target Manager outperformance of benchmark Volatility of funding level Sustainability of contributions	
Implemented changes to the strategy show a track record of adding value	Changes lead to reduced risk /reduced volatility /higher returns /achievement of income target As compared to no change	
Total Fund Fees within an acceptable range, in line with government expectations of reducing fees across the LGPS	KMPG shown awareness of transition costs Awareness of decisions of change in asset classes on total fees for the Fund	
2. Proactivity		
Portfolio structure is suitable to meet the investment objectives and market conditions, with relevant strategic asset allocation ideas proactively identified	Was date of proposal opportune Implementation approach is aligned with fund delegations and processes Associated costs included in proposal Governance issues included in proposal Portfolio balancing and SAA target ranges are suitable in the economic climate	
To provide Pensions Committee training as required, to satisfy training needs and to enable effective decision making on new opportunities.	Clear and relevant training KPMG shown an understanding of members Link to portfolio and strategic direction or gap in knowledge of decision makers to support proposals	

	Engaged members through training sessions and positive feedback	
3. Service Levels/Relationship		
KPMG have met all key service deadlines	Timely responses to queries raised Reports issued 10 days before committee or meeting dates Training items circulated in advance of meetings Ad hoc project work completed within agreed timeframes	
Good quality reporting, where communication is clear and understandable	Positive feedback from stakeholders KMPG involved in challenge or debate on issues raised as committee meetings and able to comfortably answer members questions Decisions proposed are implemented or referred for further clarity	
Strong positive working relationship	Positive feedback from stakeholders Ability to work collaboratively with officers and other specialist advisers Ability to work effectively to an agreed goals in line with the fund delegations Proactive approach to the Fund’s work plan and cyclical requirements	
Fees are in line with tender submission and billed promptly. Fees agreed in advance for specific projects.	Fees as per signed contract Fees for project works as per agreed authorised project scope Ad hoc queries allocated to account retainer and applied in line with monthly billing cycle.	
Team involved with Hillingdon work is of the highest standard as reflective of the tender	Agreement with officers in advance of any changes of investment consultant personnel reporting at Committee or at other engagements	
Provision of advice and assistance to officers and Committee members in a timely manner with effective communication	Calls, conference calls, on site meetings and responses from emails dealt with timely and on request KMPG team available to provide urgent ad hoc advice Communications clear and understood by officers and Committee members	

4. **Compliance**		
Compliance requirements met	Statutory deadlines achieved Proper advice provided on all investment decision making to Pensions Committee All advice and work fully documented to enable clear decision making.	

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ANNUAL REPORT TO PENSIONS COMMITTEE

Committee	Pension Committee
Reporting Officer	James Lake, Yvonne Thompson-Hoyte Finance
Papers with report	None

REASON FOR ITEM

The report is compiled to provide feedback to Pensions Committee on the work undertaken by the Local Pension Board since the last report presented to Pensions Committee in January 2019 and to meet the legislative requirement for producing an annual report.

INFORMATION

The Public Service Pensions Act 2013 introduced the requirement to have a Local Pensions Board to assist in the good governance of the scheme.

The purpose of the Board is to assist the Administering Authority in its role as a Scheme Manager of the Scheme. Such assistance is to:

- Secure compliance with the regulations and 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
- To ensure the effective and efficient administration of the Scheme.

London Borough of Hillingdon Council ratified the establishment of the Board on 6th November 2014 to commence with effect from 1st April 2015. Council at its meeting 02 November 2017 agreed to change the structure of the Board and its membership to improve the overall effectiveness of the Board. The Board meets four times a year and consists of two Employer representatives, and two scheme member representatives.

Membership and Attendance at Meetings

The membership of the local Pension Board is:

Employer Representatives:
Hayley Seabrook (Hillingdon Council)
Zak Muneer (LHC)

Scheme Member Representatives:

Roger Hackett
Tony Noakes

Attendance at meetings has been high, with all members in attendance for all meetings.

Record of Attendance

Name	**Feb-19**	**Apr-19**	**Sep-19**	**Nov-19**
Zak Muneer	Y	Y	Y	Y
Hayley Seabrook	Y	Y	Y	Y
Roger Hackett	Y	Y	Y	Y
Tony Noakes	Y	Y	Y	Y

AON Hewitt is appointed as Governance advisers to support the development and work of the local Pension Board and attend meetings as necessary.

Training

Relevant external training opportunities are made available to Board Members and have been well supported, in particular with regular attendance at quarterly local board specific training sessions held by CIPFA. Pension Board members also utilise internal training opportunities by attending Pension Committee where a training item starts each meeting as well as during the Pensions Board meetings.

Using CIPFA's Training Needs analysis, specific training needs have been identified, and will continue to be identified, and are built into future training.

Training Courses attended in 2019

	Hayley Seabrook	Zak Muneer	Roger Hackett	Tony Noakes
Roles, Responsibilities & Regulation	Y	Y	Y	
Cyber Security	Y	Y	Y	Y
CIPFA LGPS Local Pension Board Members' Spring Seminar	Y	Y	Y	Y
Inflation and UK I/L Bonds Vs US TIPS	Y			
Reporting Beaches	Y	Y	Y	Y
Triennial valuation		Y	Y	Y

ESG Training		Y		Y
Discretions	Y	Y	Y	Y
Hymans An objective view on Pooling			Y	
CIPFA LGPS Local Pension Board Members' Autumn Seminar	Y		Y	Y

Work of the Local Pension Board

Meetings are held shortly after each Pensions Committee. Each meeting undertakes a review of the most recent Pensions Committee reports and decisions, raising any issues for clarification with officers. To date there have been no issues referred back to Pensions Committee. All Committee papers are shared with Board Members who are encouraged to attend Committee meetings to fully understand the reports.

In addition to reviewing the governance of Pensions Committee papers and effective decision making the board have a work programme focusing on more administrative issues and governance of the fund with a number of papers presented and discussed at each meeting.

Terms of Reference for the Board:

I. The Pensions Board will be chaired by a member chosen by the group
II. The frequency of the Pensions Board will be determined by the Board.
III. Reports to the Board will either reflect decisions taken by Pensions Committee or be reports for noting already seen by Pensions Committee.
IV. The role of the Board will be to assist London Borough of Hillingdon Administering Authority as Scheme Manager: to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;
V. To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and in such other matters as the LGPS regulations may specify.
VI. To secure the effective and efficient governance and administration of the LGPS for the London Borough of Hillingdon Pension Fund.
VII. To provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest. (NB: Being a member of the LGPS is not seen as a conflict of interest.)

Key Projects

The key work of the Pension Board in the past year have related to understanding changes in regulation, reviewing performance of the administration of the fund and to improve Fund governance and in ensuring compliance with the Pension Regulator's code of practice by carrying out a refresh to monitor improvements. Pension Board have undertaken some significant pieces over the past year including:

- Lead on the development of a Data Improvement Plan
- Cyber security assurance, controls and response
- Reviewed a number of Policy documents to ensure refreshed and up to date
- Carried out an ongoing rolling refresh against Pension regulator's compliance checklist and agreement of actions for improvement; and
- Monitoring the performance of the Pensions Administration by Surrey County Council.

Summary of work in the year

February

- Cyber Security – Training and Discussion
- Administration update – Data improvement, Auto enrolment, Communications
- tPR Checklist review & focus on A – Reporting and B – Knowledge and Understanding
- Governance within Pooling – Structure and regulation of the London CIV
- Statutory reporting requirements and communications – Statutory Communications, Other communications and methods of communicating
- Review of Pension Committee Reports

April

- Reporting Breaches of Law – Training and Discussion
- Administration update – Resourcing, Data Cleansing, Valuation, report of a breach to the regulator
- Specifics of the LGPS – 85 year rule and 50/50 scheme
- Training Policy revision and Training Needs analysis with training plan
- Risk Management Policy revision
- tPR Checklist review & focus on C – Conflicts of Interest and D – Publishing Information
- Review of Pension Committee Reports

September

- Discretionary Powers - Training and Discussion
- Administration update - Annual Benefit Statements, Annual allowance, Auto enrolment opt outs, returns to tPR and other government bodies, Good governance in the LGPS
- Data Improvement Plan
- Reporting Breaches Policy Review
- Breaches Log
- Administration Strategy Policy Review
- tPR Checklist review & focus on E – managing risk and internal control and H – Providing information to members and others
- Update on Cyber Security controls and data mapping
- Review of Pension Committee Reports

November

- Taxation in Pensions and Myners principles – Training
- Draft annual report from Board to Pensions Committee
- tPR Checklist review & focus I - Internal Dispute Resolution, J – Reporting Breaches of the Law and K – Scheme Advisory Board
- Presentation on Cyber Security Controls and response plan on the Hillingdon network
- Administration update on communications, resourcing
- Data improvement plan revision
- Breaches
- Review of Pension Committee Reports

In understanding governance of the Fund the Pension Board have challenged officers in specific areas of administration and governance arrangements including:

- Whether the fund has sufficient resources available,
- Implementation and publicity of self service module for pensioners, actives and deferred members
- Data quality and improvement
- Cash flow
- Annual allowance and Lifetime allowance
- GDPR
- Cyber Security
- ABS production
- Member training
- Review of Pension Committee papers and decision making process

Future Work Plan

The Pensions Board have a future work plan to ensure areas are regularly monitored such as updating policy document and continually considering the management of the amination contract and data quality. In addition the Board have a programme of training to continually increase knowledge and skills and is designed to focus on weaker areas as identified in the training needs analysis updates.

Over the coming year the Board plan to carry out the following work

- Carry out a full independent TPR Code of Practice (CoP) 14 compliance review
- Review the Funding Strategy Statement prior to publication and full sign off by Pensions Committee
- Finalise the amendments to the Administration Strategy prior to publication and full sign off by Pensions Committee
- Communication Policy Review prior to publication and full sign off by Pensions Committee
- Training Update
- Continue to assess the governance over decision making of the Pensions Committee

- Continue to challenge the Data Quality and ensure data is continually improving with a robust Data Improvement Plan in place
- Review the Breaches Log for the fund and consider where areas of weakness may be in the administration of the fund

Training topics in the programme for Boards development

- Accounts and Audit Regulations (relating to internal controls and proper accounting practice)
- Role played by third party assurance providers
- Public sector procurement, specifically procurement within the LGPS
- Pension Fund Governance including SAB

WORK PROGRAMME 2019/2020

Committee	Pensions Committee
Officer Reporting	Yvonne Thompson-Hoyte, Finance
Papers with report	None

HEADLINES

This report is to enable the Pension Committee to review planned meeting dates and forward plans.

RECOMMENDATIONS

That the Committee:

1. **Notes the dates for Pensions Committee meetings; and**
2. **Makes suggestions for future agenda items, working practices and / or reviews.**

SUPPORTING INFORMATION

Meeting Date	Item
29 January 2020	• Training - Pension Fund Governance including SAB • Investment update and manager review • Investment Strategy Statement update • Administration Report • Annual report from Pensions Board to Pensions Committee • Revised Administration Strategy • Risk Register • Responsible Investment Policy
25 March 2020	• Training - Public sector procurement, specifically procurement within the LGPS • Investment Strategy Statement update • Valuation report and results and Final Funding Strategy Statement • Administration Report • Stewardship Report • Risk Register

	• Appointment of Actuarial Services Contract • Voluntary Scheme Pays Policy
28 July 2020	• Training TBC • Audit of Accounts and Annual Report • Investment update and manager review • Administration Report • Communication Policy Revised • Risk Register
28 October 2020	• Training TBC • Pension Fund Annual Report 2019/20 • Investment update and manager review • Administration Report • Risk Register • ESG and Voting Engagement

FINANCIAL IMPLICATIONS

There are no financial implications in the report

LEGAL IMPLICATIONS

There are no legal implications in the report

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