

<b>INVESTMENT STRATEGY and FUND MANAGER PERFORMANCE (Part I)</b>	<b>ITEM 7</b>
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Committee	Pensions Committee
Officer Reporting	Tunde Adekoya, Finance Pete Carpenter, Finance
Papers with this report	LCIV Executive Summary 30 September 2025 Hymans Interim Valuation Report 30 September 2025 NT performance report on shared drive LCIV Performance reporting on shared drive

## HEADLINES

The Fund officers and LCIV team have worked collaboratively to produce 'easy to digest', dashboard executive summary which draws out highlights of the performance and funding position as well as providing an easy access format for additional investment related information and statistics.

Attached is the report for quarter ending 30 September 2025 for review and comment.

## RECOMMENDATIONS

**It is recommended that Pensions Committee:**

- 1. Note the funding and performance update.**

### Summary of Key Insights to LCIV Executive Report

#### **Funding & Liabilities:**

Funding Level: 146% (up from 136% in Q2).

Assets: £1.54bn (+£100m this quarter).

Liabilities: Reduced by £20m, improving surplus.

Key Assumptions:

Discount Rate: 6.9% p.a.

Pension Increases: 2.1% p.a.

#### **Investment Performance**

Quarterly Return: +5.7%, beating benchmark by 0.3%.

Year-to-Date: +8.4%; 3-Year Annualised: +9.6%.

#### **Top Contributors:**

LGIM Future World Fund (+2.33%)

LGIM World Developed Equity (+2.16%)

Classification: Public

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LCIV Global Alpha Growth Paris Aligned (+0.43%)

Areas of Underperformance: Opportunistic Dislocation and some Private Debt allocations.

### **Asset Allocation vs Strategic Target**

Global Equities: 57% (+6% overweight).

Property: 13% (+6% overweight).

Multi-Asset Credit: 9% (-3% underweight).

Infrastructure: 5% (-3% underweight).

Index-Linked Gilts: 6% (-1% underweight).

Diversified Growth and Cash slightly overweight; Private Equity remains at 0%.

### **Market & Economic Context**

Global:

U.S. Fed cut rates in September; inflation concerns persist.

U.K. inflation remains high; BoE held rates after July cut.

Markets:

Equities strong, led by tech and consumer discretionary sectors.

Credit spreads at tightest levels in a decade; gilt yields rose amid fiscal uncertainty.

### **FINANCIAL IMPLICATIONS**

The financial implications are contained within the body of the report.

The executive summary report is provided by LCIV without charge.

### **LEGAL IMPLICATIONS**

There are no legal implications in the report.