Open Agenda

Southwark Council

Pensions Advisory Panel

Tuesday 3 June 2025
10.00 am
Room 225, 160 Tooley Street

Membership

Councillor Rachel Bentley
Councillor Stephanie Cryan (Chair)
Councillor Emily Hickson

Staff Representatives
Roger Stocker
Julie Timbrell
Derrick Bennett

Officers
Clive Palfreyman
Caroline Watson
Barry Berkengoff

Advisors
David Cullinan
Colin Cartwright

INFORMATION FOR MEMBERS

Contact
Andrew Weir on 020 7525 7222 or email: andrew.weir@southwark.gov.uk

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Members of the committee are summoned to attend this meeting
Althea Loderick
Chief Executive
Date: 23 May 2025

Pensions Advisory Panel

Tuesday 3 June 2025
10.00 am
Meeting Room 225 - 160 Tooley Street, London SE1 2QH

Order of Business

ANY OTHER OPEN BUSINESS AS NOTIFIED AT THE START OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT

PART B - CLOSED BUSINESS

EXCLUSION OF PRESS AND PUBLIC

The following motion should be moved, seconded and approved if the sub-committee wishes to exclude the press and public to deal with reports revealing exempt information:

"That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure rules of the Constitution."

14. CLOSED MINUTES 19 MARCH 2025

To agree as a correct record, the closed minutes of the meeting held on 19 March 2025.

15. LGPS POOLING - VERBAL UPDATE CLOSED

16. QUARTERLY INVESTMENT UPDATE - AON CLOSED REPORT

Date: 23 May 2025

Agenda Item 5

Southwark Council

Pensions Advisory Panel

MINUTES of the OPEN section of the Pensions Advisory Panel held on 19 March 2025 at 1.30pm in Meeting Room G02C - 160 Tooley Street, London SE1 2QH

PRESENT:

Councillor Stephanie Cryan (Chair)
Councillor Rachel Bentley
Councillor Emily Hickson
Clive Palfreyman
Caroline Watson
Barry Berkengoff
Tracey Milner
Spandan Shah
Julie Timbrell
Roger Stocker
Mike Ellsmore
David Cullinan
Colin Cartwright

1. APOLOGIES

Apologies were received from Derrick Bennett.

2. CONFIRMATION OF VOTING MEMBERS

Councillor Stephanie Cryan, Councillor Rachel Bentley, Councillor Emily Hickson, Caroline Watson and Barry Berkengoff were confirmed as voting members.

3. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were none.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. MINUTES

RESOLVED:

That the open minutes of the meeting held on 9 December 2024 be agreed as a correct record, and signed by the Chair.

6. MATTERS ARISING

There were none.

7. LOCAL GOVERNMENT PENSION SCHEME POOLING – VERBAL UPDATE

Tracey Milner, Interim Pension Investments Manager gave a brief verbal update to the panel.

There was a brief discussion.

RESOLVED:

That the verbal update be noted.

8. UPDATE ON THE LOCAL PENSION BOARD

Mike Ellsmore then updated the Panel on the last meeting of the LPB. He highlighted that there was a failure by some employers to pay their contributions to the fund.

The Panel raised some questions, and discussed the issue of the employers who were not paying their contributions to the fund, including the way that these breaches could be addressed.

RESOLVED:

That the update from the Local Pension Board (LPB) meeting of 22 January 2025 be noted.

9. PENSIONS SERVICES - ADMINISTRATION AND OPERATIONAL UPDATE

Barry Berkengoff, Head of Pension Operations, presented the report.

Some questions were raised about the report and these were discussed, as well as a brief discussion on formal complaints and the opportunity to bring schools in

house in the future.
RESOLVED:

That the update on the pensions administration and operational function be noted.

10. ASSET ALLOCATION AND NET ZERO STRATEGY UPDATE - 31 DECEMBER 2024

Tracey Milner, Interim Pensions Investment Manager, introduced the report.

There were questions on the report and a discussion regarding the content of the report.

RESOLVED:

That the Fund's asset allocation at 31 December 2024, overall performance and other matters considered by the officers and advisers of the Fund during the quarter to the end of December and post quarter end be noted.

11. ADVISORS' UPDATES - QUARTER TO DECEMBER 2024

David Cullinan presented his report and updated the Panel.

Colin Cartwright from AON presented his report and updated the Panel.

There were questions and a discussion on the reports.

RESOLVED:

That the quarterly investment updates be noted.

12. COMPLIANCE WITH THE GENERAL CODE & ACTION PLAN FOLLOWING BARNETT WADDINGHAM REVIEW

Caroline Watson, the Chief Investment Officer, introduced the report.

There were questions on the report and a discussion.

Caroline Watson advised that there would be a future update on this item when there was progress to report.

RESOLVED:

1. That the findings from Barnett Waddingham's review of the Fund's readiness in complying with the requirements of the revised General Code of Practice

('the Code') be noted.
2. That the action plan, which includes specific actions and steps to be taken by the Fund to address areas of gaps/improvements identified as part of the review, be noted.

13. CARBON FOOTPRINT UPDATE – 31 DECEMBER 2024

Spandan Shah, Interim ESG Manager, Finance and Governance, presented the report.

Spandan advised that compared to the previous quarter (30 Sept 2024), the Weighted Carbon Intensity ('WCI') had decreased by 9%. Since September 2017, the Fund had reduced its WCI by 84%.

There were questions on the report and a brief discussion.

RESOLVED:

That the Fund's updated carbon footprint as at 31 December 2024 be noted.

14. UPDATE ON ENGAGEMENT AND VOTING ACTIVITY – 31 DEC 2024

Spandan Shah, Interim ESG Manager, Finance and Governance, presented the report.

There were questions on the report and a short discussion.

RESOLVED:

That the Fund's engagement and voting activity for the quarter ended 31 December 2024 for the underlying investments of the Fund be noted.

15. PENSION FUND STATEMENT OF ACCOUNTS 2023-24

Caroline Watson, the Chief Investment Officer, introduced the report.

There were no questions on the report.

RESOLVED:

1. That the pension fund statement of accounts, set out as Appendix 1, be noted.

2. That the ISA 260 report as issued by KPMG, set out as Appendix 2, be noted.

EXCLUSION OF THE PRESS AND PUBLIC

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution.

The following is a summary of the decisions taken in the closed part of the meeting.

16. CLOSED MINUTES

The voting members of the Panel considered the closed information relating to this item.

17. LOCAL GOVERNMENT PENSION SCHEME POOLING – VERBAL UPDATE

The voting members of the Panel considered the closed information relating to this item.

18. QUARTERLY INVESTMENT UPDATE – AON CLOSED REPORT

The voting members of the Panel considered the closed information relating to this item.

19. QUARTERLY ACTUARIAL FUNDING UPDATE – DECEMBER 2024

The voting members of the Panel considered the closed information relating to this item.

The meeting ended at 3.16pm

CHAIR:

DATED:

Agenda Item 8

Meeting Name:	Pensions Advisory Panel
Date:	3 June 2025
Report title:	Asset Allocation and Net Zero Strategy Update – 31 March 2025
Ward(s) or groups affected:	Not applicable
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Pensions Investment Manager

RECOMMENDATIONS

1. The Pensions Advisory Panel is asked to note the Fund's asset allocation at 31 March 2025, overall performance and other matters considered by the officers and advisers of the Fund during the quarter to the end of March and post quarter end.

Background

2. Decision making for the Southwark Pension Fund is a bipartite mutual responsibility between the Strategic Director of Resources (S151 officer) and the Pensions Advisory Panel (PAP). London Borough of Southwark, as administering authority for the Southwark Pension Fund, has delegated responsibility for the management and decision making for the Fund to the S151 officer. All Fund investment decision making, ongoing investment monitoring and risk management by the S151 officer must be made with regard to advice received from PAP.

3. Additional oversight of the decision-making process is provided via the Local Pension Board.

Pension Fund Investments – March Quarter 2025

Position Statement at 31 March 2025

4. The market value of the Fund decreased during the quarter from £2,329.1m to £2,269.8m, a decrease of £59.4m (-2.5%). In contrast, in the previous quarter the market value of the Fund increased by £57.2m.

   The value of the major asset classes at 31 March compared to 31 December is as follows:

	31 December		31 March	
	£m	%	£m	%
Low carbon passive equities	846.363	36.3	794.403	35.0
Active Emerging Market equities	94.621	4.1	91.992	4.1
Active global equities	319.792	13.7	236.976	10.4
Total Global Equities	1,260.777	54.1	1,123.371	49.5
Total Multi-Asset Credit	215.856	9.3	219.441	9.7
Total Index Linked Gilts	164.010	7.1	230.093	10.1
Total Property	365.811	15.7	367.204	16.4
Total ESG Priority	298.640	12.8	297.894	13.1
Total Cash & Cash Equivalents	24.037	1.0	27.616	1.2
Total Fund	**2,329.132**	**100.0**	**2,269.773**	**100.0**

5. The following table shows the breakdown of the market valuation as at 31 March 2025 by asset class/manager and compares the totals with the target asset allocation, which was agreed by PAP in December 2022:

	Manager(s)	TOTAL FUND £m	Actual %	Target %	(Under) Overweight
Low carbon passive equity	Blackrock LGIM	401.092 393.311	17.7 17.3	17.5 17.5	+0.2 -0.2
Active Emerging Market equity	Comgest	91.993	4.1	5.0	-0.9
Active global equity	Newton	236.976	10.4	10.0	+0.4
Total Global Equity		**1,123.372**	**49.5**	**50.0**	**-0.5**
Multi-Asset Credit	Robeco LCIV-CQS	110.711 108.730	4.9 4.8	5.0 5.0	-0.1 -0.2
Index Linked Gilts	Blackrock LGIM	107.403 122.690	4.7 5.4	5.0 5.0	-0.3 0.4
Total Property	See table (Para 10)	**371.357**	**16.4**	**20.0**	**-3.6**
Total ESG Priority	See table (Para 14)	**297.894**	**13.1**	**10.0**	**+3.1**
Cash & Cash Equivalents	LGIM Northern Trust Blackrock Newton Nuveen	5.021 2.196 7.441 9.260 3.699	0.2 0.1 0.3 0.4 0.2	0.0 0.0 0.0 0.0 0.0	+0.2 +0.1 +0.3 +0.4 +0.2
TOTAL Fund		**2,269.773**	**100.0**	**100.0**	**0.0**
31 December 2024		2,329.132			
30 September 2024		2,271.930			
30 June 2024		2,257.809			
31 March 2024		2,238.942			
31 December 2023		2,165.880			

6. The Fund's Strategic Asset Allocation (SAA) has tolerance, within specific ranges, for deviation from the target allocation for each manager/asset class. All allocations are within the maximum permitted by the SAA. In January, officers addressed the long-standing overweight to global equity and underweight to I-L Gilts (paragraph 8). The key overweight position is now in the ESG priority funds (+3.1%). In contrast, the key underweight is in Property (-3.6% excluding cash held by Nuveen).

7. The majority of the other (minor) changes in over and underweight positions are linked to the rebalancing mentioned above and market movements, where there was an equity market correction during the quarter. The decrease in the underweight to property (from -4.3% to -3.6%) is also due to an increase in the valuation of the direct property holdings.

Fund Manager Activity – public market assets

8. During the December quarter, Newton was advised that, due to the ongoing overweight to their target asset allocation and the favourable conditions for reducing the underweight to Index-Linked Gilts, rebalancing would take place in January 2025. Officers subsequently notified Newton that £70m of funds should be made available at custody on the 15th of January. This was initially invested in a Money Market Fund overnight before funding the purchase of units in the LGIM index-linked gilts fund on the 16th of January.

9. During the quarter, officers were notified by Nuveen that a property transaction would be taking place on the 11th of April – to fund this, a redemption of £11m was submitted for the LGIM global equity fund, trade date 8th April. The property transaction was subsequently halted (Para 12). Hence the £11m plus £25k interest was returned to the Pension Fund bank account by Nuveen on the 16th of April. The cash will be used either to fund private market drawdowns or to rebalance other asset classes when the April month-end asset allocation is confirmed. At the time of writing, the cash is earning interest of 4.44%.

Fund Manager Activity – property

10. The table below breaks down the property holdings showing the valuation of the direct and indirect fund holdings as at 31 March 2025.

Manager	Description	Market Value £m	Actual %	Target %
Nuveen	Direct property UK Retail Warehouse Fund	248.300 1.639	11.0 0.1	14.0
Invesco	UK Residential Fund	46.227	2.1	1.5
M&G	UK Residential Property Fund	43.521	1.9	1.5
Darwin	Leisure Development Fund	18.750	0.8	1.5
Frogmore	Frogmore Real Estate Fund III	3.252	0.1	0.75
Brockton	Brockton Capital Fund III	9.667	0.4	0.75
Total Property		**371.357**	**16.4**	**20.0**
Last quarter		**365.811**	**15.7**	**20.0**

11. The table shows that there is a significant underweight in the core property mandate run by Nuveen (-2.9%, excluding cash), although this has reduced from -4.3% since the end of December. However, it should be noted that Nuveen have permission to draw down cash, which is held within the Pension Fund's cash balances, as and when appropriate investment opportunities arise.

12. During the quarter, officers were notified by Nuveen that a property transaction would be taking place on the 11th of April (Para 9). Late in the process Nuveen raised concerns about tenant covenant strength and requested a reduction in pricing to reflect these concerns and the associated added risk. The vendor responded by increasing the price and the transaction was halted by Nuveen with funds returned to the Pension Fund bank account.

13. Officers met with Nuveen on the 14th May and as part of a general update on the Fund (Para 27), were advised that the vendor had multiple failed transactions at the same time as the LBSPF transaction.

Fund Manager Activity – ESG Priority allocations (ex-property)

14. The below table breaks down the ESG priority holdings (excluding property) showing the valuation of underlying funds as at 31 March 2025 against the original commitments:

Manager	Fund	Commitment	Market Value £m	Last Quarter £m
Glennmont	Glennmont Clean Energy Fund III	€35m	32.044	30.792
Glennmont	Glennmont Clean Energy Fund IV	€50m	15.594	15.186
Temporis[1]	Operational Renewable Energy Renewable Energy Impact Strategy	£33.3m £30.6m £31.0m	55.462 25.852 25.792	55.462 25.852 25.792
Blackrock	Global Renewable Power Infrastructure	$40m	25.958	27.122
Darwin[1]	Bereavement Services Fund	£20m	22.328	22.328
Blackstone	Strategic Capital Holdings II	$110m	56.502	58.441
BTG Pactual	Core US Timberland	$40m	38.362	37.665
TOTAL			**297.894**	**298.640**

[1] Temporis and Darwin updated quarterly valuations were not available when JPMorgan closed the quarterly accounts, hence no change in the valuations showing above. The Darwin fund was valued by the manager at £22.324m at 31 March. Valuations from Temporis at 31 March were not available at the time of writing, however the December valuations were received post 31 March and were showing a total Temporis market value of £101.507m (£107.106m above), the difference being attributable in part to net distributions received.

15. The following table shows the private market cash transactions (excluding property) for the March quarter:

	Drawdowns	**Distributions**
Blackrock GRP		£0.2m
Blackstone	0.5m	£0.4m
Temporis Operational Renewable Energy		£0.5m
Temporis Renewable Energy		£0.3m
Total impact on LBSPF cash balances	**-£0.5m**	**+£1.4m**
Last Q total	-£7.7m	+£2.7m

16. While distributions exceeded drawdowns for the quarter, there was a £2m LGIM liquidity fund redemption which was used to top up liquid cash balances and to ensure compliance with the Fund's cash management policy.

UK Holdings

17. Under new annual reporting guidelines, LGPS funds are now expected to declare what proportion of their total portfolio is allocated to UK assets. This is in line with both the government's aim to increase pension fund investment in the UK. To increase transparency on a Business as Usual (BAU) basis, the following table identifies the estimated value of the Fund's UK based assets as at quarter end (31 March 2025):

Type	**Manager**	**% of manager portfolio**	**£m**	**% of LBS Fund**
UK listed equity	Blackrock LGIM Newton	2.9 3.6 11.9	11.7 14.2 28.2	0.5 0.6 1.2
Index-Linked Gilts	Blackrock} LGIM}	100.0	230.1	10.1
Multi-Asset Credit	Robeco LCIV-CQS	7.9 17.9	8.7 19.4	0.4 0.9
UK Residential Housing	Invesco} M&G}	100.0	90.0	4.0
Direct Property	Nuveen	100.0	249.9	11.0
Opportunistic Property	Brockton} Frogmore}	100.0	12.9	0.6
Leisure Development	Darwin	100.0	18.8	0.8
Bereavement Services	Darwin	100.0	22.3	1.0
Renewable Infrastructure	Temporis Blackrock	100.0 6.0	107.1 1.6	4.7 0.1
Private Equity	Blackstone	5.0	2.8	0.1
TOTAL			**817.6**	**36.0**
Last Quarter			754.6	32.4

*if a manager is not shown in the table, it is because there is zero exposure to UK.

18. In some instances, estimates have been made based on reporting or advice received from the relevant fund managers. Many of the above mandates or funds have a global reach and reporting may be denominated in currency other than GBP and on a lagged basis.

19. The increase in the allocation to UK compared to the last quarter is predominantly due to the reduction in Newton's global equity holdings and the increase in LGIM's index-linked gilts holdings (which are 100% UK).

Investment Performance Results for the Period

20. The following table shows the total fund returns for the quarter and for longer-term assessment periods:

	Quarter to 31 March	Year to 31 March	3 Years to 31 March p.a.	Inception to 31 March p.a.
Fund[1]	-2.4	1.6	2.6	8.2
Benchmark[1]	-1.6	5.1	5.8	7.5
Relative	-0.8	-3.4	-3.2	0.7

[1] The fund return and benchmark figures are subject to change given outstanding queries with JP Morgan (custodian)

21. The Fund made a return of -2.4% in the quarter, behind the benchmark return of -1.6%. The total fund return for the year to the end of March 2025 was 1.6%, which was below the benchmark return of 5.1%. Over 3 years, the Fund returned 2.6% p.a. compared to a benchmark return of 5.8% p.a., a difference of -3.2% p.a. An annualised return of 8.2% since inception means that the Fund has exceeded, by some margin, the 2022 actuarial valuation's assumed investment returns of 4.05% p.a.

22. Further information on the performance of underlying managers will be provided in the adviser update (Item 11).

Operational issues

23. During the quarter officers participated in a significant amount of transitional activity following the award of a new custody contract to Northern Trust, who replaced JP Morgan from 1st April 2025.

Manager meetings

24. During the quarter officers attended various regular updates with London CIV. There were no notable matters arising.

25. During April officers met with Sian Kunert, the new LCIV relationship manager for LBSPF. The focus of the meeting was to ensure that Sian had full visibility on the fund's underlying investments and was a first step in building a transition plan for the transfer of the fund's non-pooled investments to London CIV. At the time of writing, the formal outcome of the "Fit for the Future" LGPS consultation has not been published although was announced that LCIV is one of the LGPS pools that has had its business plan approved by government. It has not yet been confirmed if the 31 March 2026 deadline for the pooling of assets will be

formalised. However, it is assumed that this deadline is unlikely to be extended hence officers will continue to work with LCIV on a transition plan.

26. In May officers, including the Strategic Director of Resources, met with Dean Bowden, the LCIV CEO. The purpose of the meeting was for Dean to give an update on the likely outcome of the consultation and an update on developments at LCIV. These meetings are expected to take place at least every six months.

27. Officers also met with Newton (global equity) and Nuveen (direct property) post quarter end. PAP will be advised of any notable matters arising at this meeting.

Further Areas of Progress

28. The PAP will be updated on progress on LGPS pooling at future meetings.

Community, Equalities (including socio-economic) and Health Impacts

Community Impact Statement

29. No immediate implications arising

Equalities (including socio-economic) Impact Statement

30. No immediate implications arising

Health Impact Statement

31. No immediate implications arising

Climate Change Implications

32. No immediate implications arising

Resource Implications

33. No immediate implications arising

Legal Implications

34. No immediate implications arising

Financial Implications

35. No immediate implications arising

Consultation

36. No immediate implications arising

APPENDICES

No.	Title

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director of Resources	
Report Author	Tracey Milner, Pensions Investments Manager, Treasury and Pensions	
Version	Final	
Dated	19 May 2025	
Key Decision?	N/A	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	**Comments Sought**	Comments Included
Director of Law and Democracy	N/A	N/A
Strategic Director of Resources	N/A	N/A
List other officers here		
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team		21 May 2025

Agenda Item 9

Meeting Name:	Pensions Advisory Panel
Date:	3 June 2025
Report title:	Advisers' Updates - Quarter to March 2025
Ward(s) or groups affected:	Not applicable
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Chief Investment Officer

RECOMMENDATIONS

1. The pensions advisory panel is asked to:

   - Note David Cullinan's investment report attached as Appendix 1.
   - Note Aon's quarterly investment dashboard attached as Appendix 2.

Community, Equalities (including socio-economic) and Health Impacts

Community Impact Statement

2. No immediate implications arising

Equalities (including socio-economic) Impact Statement

3. No immediate implications arising

Health Impact Statement

4. No immediate implications arising

Climate Change Implications

5. No immediate implications arising

Resource Implications

6. No immediate implications arising

Legal Implications

7. No immediate implications arising

Financial Implications

8. No immediate implications arising

Consultation

9. No immediate implications arising

APPENDICES

Name	Title
Appendix 1	Independent adviser's report – quarter to March 2025
Appendix 2	Aon's quarterly investment dashboard – quarter to March 2025

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director of Resources	
Report Author	Caroline Watson, Chief Investment Officer	
Version	Final	
Dated	15 May 2025	
Key Decision?	N/A	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	**Comments Sought**	**Comments Included**
Assistant chief executive, governance and assurance	N/A	N/A
Strategic Director of Resources	N/A	N/A
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team		21 May 2025

LONDON BOROUGH OF SOUTHWARK - Quarterly Report March 2025

Executive Summary

- Optimism heading into the new calendar year faded as erratic US trade policies lowered growth expectations and heightened inflation concerns. Global equities retreated and bonds made modest gains. Property performance continued to improve
- The Fund returned -2.4% over the period, lagging its benchmark by 0.8%
- The Fund returned a very modest 1.6% over the full year and remained some way behind the benchmark
- Whilst the three year number was subdued both in absolute and relative terms, long-term returns for the Fund remained solid, ahead of both elevated inflation and actuarial assumption, but behind benchmark
- The near-term market outlook remains very uncertain. Rate cuts should be supportive of global growth, and many believe the direction of travel on inflation is positive. Trade wars are never good news however and there are still significant geopolitical headwinds, so we should expect volatility to persist

Market Review: Q1 2025

The first quarter of 2025 was characterised by significant volatility and uncertainty, largely influenced by events in the United States. The quarter began with optimism, but this quickly faded as the US imposed various tariffs on imports from Mexico, Canada, and China. These actions led to lowered growth expectations and renewed inflation fears. Additionally, shifts in US foreign policy failed to resolve conflicts in Ukraine and Gaza, further impacting market sentiment.

Global equities in aggregate fell over the quarter by around 4% but performances diverged widely.

The US market returned its worst quarterly performance in three years. Emerging competition from the Chinese in the crucial AI sector and concerns over historically high valuations hit technology stocks whilst consumer discretionary stocks were hit by potential fall-out from tariffs. More defensive sectors (e.g. Energy and Healthcare) provided some offset.

In the UK, the FTSE All-Share was a positive performer, benefiting from a shift in flows out of the US and solid corporate earnings. Larger companies in the financials, energy, and healthcare sectors led the way. Sentiment towards small and mid-sized companies however remained fragile due to ongoing economic concerns whilst the “spring statement's” spending cuts and the narrow avoidance of a technical recession at the end of 2024 weighed.

Eurozone shares saw strong gains, driven by optimism following the German elections and the new administration's pro-growth agenda. Financials, industrials, and energy sectors were top performers. However, concerns over US tariffs on imports, especially in the automotive sector, capped gains towards the end of the quarter.

The Japanese equity market declined, with technology and exporter sectors being the most affected due to concerns over US tariff policies.

The lesser Asian and emerging markets gave up modest ground in Sterling terms.

Bond markets were moderately positive overall but also experienced geographical diversity. In the US, yields fell amidst worries around growth while in the UK, Japan and Europe yields picked up. Over the quarter, government bonds and credit offered broadly similar returns.

Property saw a continuation of the modest recovery evidenced over the last couple of quarters with capital gains in most sectors except offices and alternatives

LGPS Funds

The average LGPS fund is expected to have returned a negative 1% over the quarter.

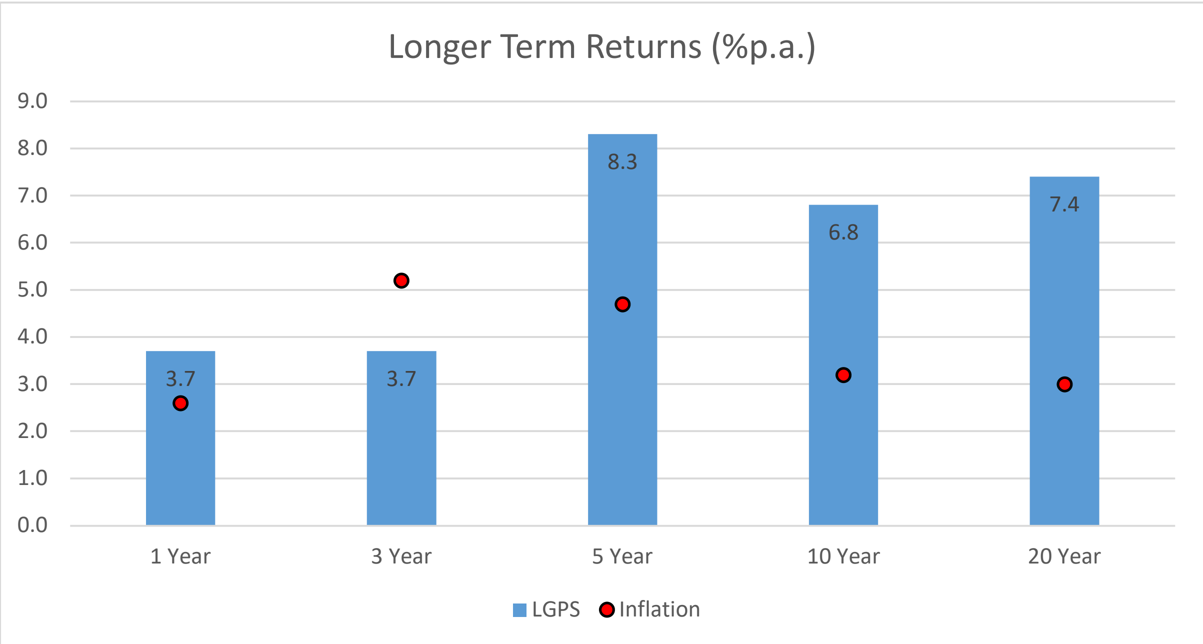
Longer-Term

With a strong March 2024 quarter dropping out of the measurement period, the fiscal year result was down from last quarter at just under 4%.

The important three-year result was a very similar 4%p.a. Over this period, strong equity performance was offset by negative results from many bond and property investments and the overall failed to match inflation.

Over the last ten years the average fund delivered a return in the region of 7%p.a.

Over all longer-term periods, funds which have had a relatively high equity commitment are likely to have outperformed their peers despite facing sharper volatility. Over these periods, funds have delivered a significant real return.



Total Fund

The Fund returned a disappointing -2.4% over the final quarter. Compared to a benchmark return of -1.6%, this represents a relative underperformance of 0.8%.

Performance from the Fund's managers was mixed, as is normally the case, and the analysis below shows the make-up of the returns, both absolute and graphically in relative terms:

LATEST QUARTER

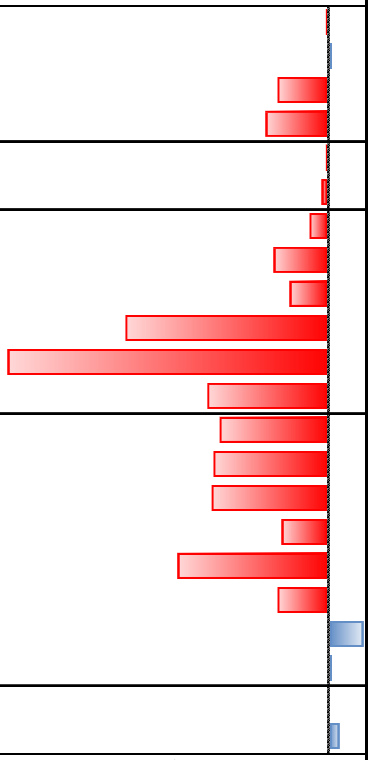
	Manager	Returns		
		Fund	Benchmark	Relative
Global Equity	BLK	-6.5	-6.0	
	LGIM	-5.4	-5.4	
	Newton	-4.7	-3.3	
	Comgest	-2.9	-0.1	
MAC	Robeco	2.1	1.7	
	LCIV	1.2	2.2	
Property	Nuveen	2.4	1.7	
	Invesco	0.3	1.9	
	M&G	-0.8	1.9	
	Darwin Leisure	0.0	1.5	
	Frogmore	87.6	3.9	
	Brockton	1.2	3.6	
ESG Priority	Glenmont	3.6	2.4	
	Temporis	0.8	2.4	
	Temporis (New)	1.3	1.7	
	Temporis (Impact)	0.0	2.4	
	BLK	-3.7	2.4	
	Darwin Bereavement	0.0	1.5	
	Blackstone	-3.3	2.9	
	BTG	1.9	1.5	
Index-Linked	BLK	-2.0	-2.0	
	LGIM	-0.6	-2.0	
Cash	LGIM/BLK/NT/Mgr Frictional	1.1	1.1	0.0
Total Fund		**-2.4**	**-1.6**	**-0.8**

The latest quarter's performance was not dissimilar to that seen over the last few quarters with active equities and the majority of property and ESG priority portfolios disappointing.

It is worth looking at this over the full fiscal year.

YEAR

	Manager	Returns		
		Fund	Benchmark	Relative
Global Equity	BLK	4.4	4.6	
	LGIM	5.4	5.0	
	Newton	0.4	8.2	
	Comgest	-3.8	5.8	
MAC	Robeco	4.6	4.9	
	LCIV	8.7	9.6	
Property	Nuveen	4.1	7.0	
	Invesco	-0.4	8.0	
	M&G	2.1	8.0	
	Darwin Leisure	-25.2	6.0	
	Frogmore	-37.8	16.5	
	Brockton	-5.2	15.0	
ESG Priority	Glenmont	-7.3	10.0	
	Temporis	-8.2	10.0	
	Temporis (New)	-11.1	7.0	
	Temporis (Impact)	2.7	10.0	
	BLK	-14.0	10.0	
	Darwin Bereavement	-1.6	6.0	
	Blackstone	17.9	12.0	
	BTG	6.4	6.0	
Index-Linked	BLK	-10.4	-10.4	
	LGIM	-9.2	-10.4	
Cash	LGIM/BLK/NT/Mgr Frictional	5.3	4.9	0.4
Total Fund		**1.6**	**5.1**	**-3.3**



Over this longer period, the Fund returned a modest 1.6% undershooting the benchmark by over 3%. In terms of performance attribution, the pattern is very similar to the quarter. One might argue that the targets for the property and ESG portfolios have been quite 'punchy' over this challenging year and that the key disappointment has been the performance of our active equity managers.

These tables don't however consider the size and by implication, influence, of individual portfolios on the bottom line.

The tables below, covering the latest quarter and full year, group the portfolios into our preferred asset classifications and this time, the size of the positions is accounted for:

LATEST QUARTER

	Fund Weight	BM Weight	Fund Return	BM Return	Relative Return	Asset Allocation Policy	Investment Selection
Global Equity	54.4	50.0	-5.4	-4.7	-0.8	-0.3	-0.4
MAC	9.3	10.0	1.7	2.0	-0.3		
Property	15.8	20.0	2.0	1.9	0.1		
ESG Priority	12.8	10.0	0.1	2.2	-2.1		-0.3
Index-Linked	7.0	10.0	-1.5	-2.0	0.5	0.1	
Cash	0.7	0.0	1.1				
	100.0	**100.0**	**-2.4**	**-1.6**	**-0.8**	**-0.2**	**-0.7**

(For illustrative purposes, overweights are shaded blue as are manager outperformances).

Over the quarter, the Fund underperformed by 0.8%.

The aggregate over/underweights with respect to the target benchmark ("asset allocation policy" in the table) had a marginally negative impact over the period due primarily to the overweight equity position. As we have come to expect selection within asset class determined the outcome. In weighted terms, the performance of our active equity and ESG Priority managers had the biggest negative influence.

Over the full fiscal year, the Fund returned 1.6% and underperformed the benchmark by a sizeable 3.3%. Carrying an underweighting to poorly performing index-linked added some value, but this had only a very modest offset to the pronounced underperformance within equities, property and ESG Priority.

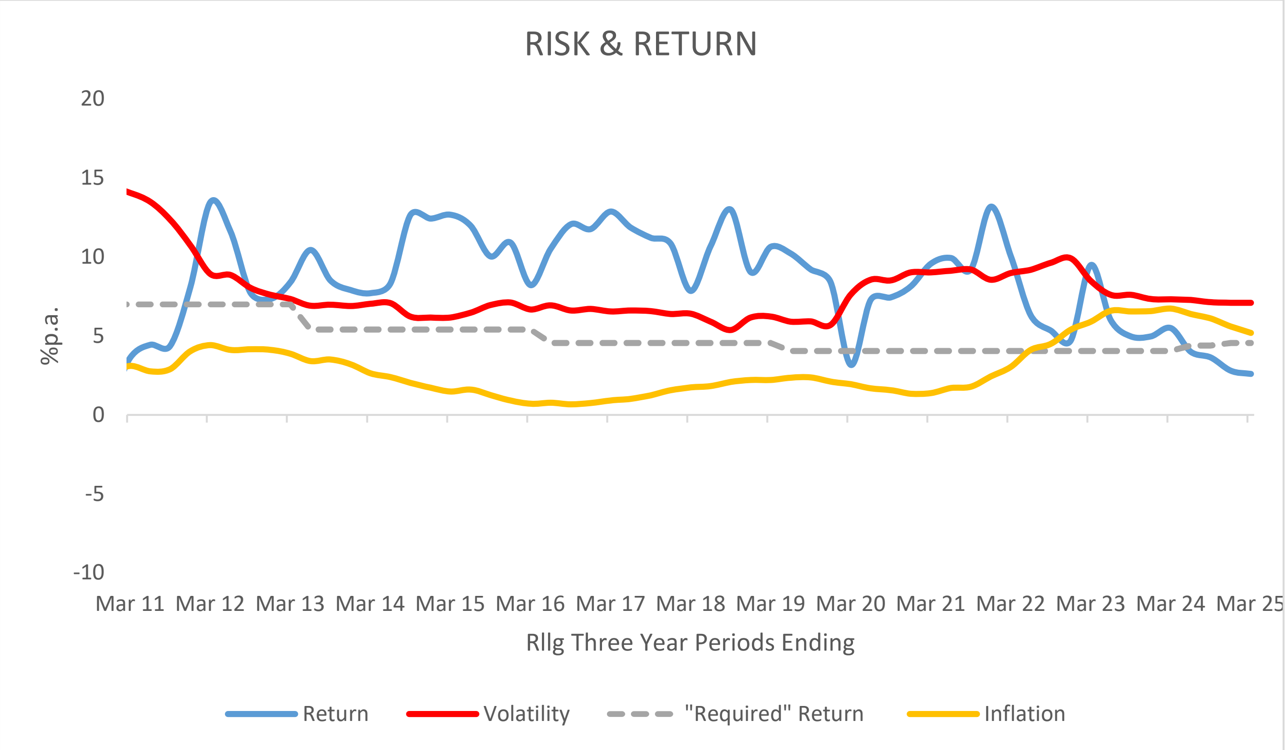
YEAR TO DATE

	Fund Weight	BM Weight	Fund Return	BM Return	Relative Return	Asset Allocation Policy	Investment Selection
Global Equity	54.4	50.0	3.0	5.7	-2.5	-0.1	-1.4
MAC	9.3	10.0	6.6	7.3	-0.6		-0.1
Property	15.8	20.0	0.4	7.9	-6.9		-1.1
ESG Priority	12.9	10.0	-0.9	9.2	-9.2		-1.2
Index-Linked	7.0	10.0	-10.0	-10.4	0.5	0.5	
Cash	0.6	0.0	5.1	5.1	0.0		
	100.0	**100.0**	**1.6**	**5.1**	**-3.3**	**0.5**	**-3.7**

Medium-term, the Fund has returned roughly 3%p.a. over the three-years and a much better 8%p.a. over the five-year period. Both periods' returns have been behind benchmark, the latter by a smaller margin.

Longer-term, over the last ten-years, the Fund has delivered a very valuable 7%p.a. return but close to 1%p.a. off the target benchmark.

Repeating the analysis I've been showing for the last few quarters charting the progress of the Fund's return in the context of inflation and the return assumed by the actuary:



In summary,

- The blue line tracks the Fund's performance over rolling three-year periods. It shows a concerning downward trend which, in the latest period, is now below that of the return assumption used in the Actuary's modelling and inflation
- The red line shows the volatility of the returns being delivered (sometimes, and arguably unhelpfully, termed "risk"). This has remained heightened post pandemic but appears to have stabilised
- On a positive note, the chart shows that inflation (the yellow line) has begun to fall but remains above long-run norms. In the latest period, it was still above both the Fund return and the 'base' return set by the actuary. This and the direction of travel near and medium terms will have a significant bearing on the upcoming valuation

Newton – Active Global Equity

When we last met in mid-March, markets were wobbling, and we posited that this could well be a period suited to Newton's historical resilience in navigating such conditions. As it turned out, this was not to be the case, and Newton undershot the target benchmark again in the March quarter. Underperformance arose from their sector positioning, notably underweighting basic materials, energy, real estate and telecommunications. Stock selection was positive for them, however.

In their report they now show a comparison of the portfolio relative to a notional benchmark adjusted for the adjusted 'opportunity set' arising from the net-zero transition. Over the quarter, the adjusted benchmark was very much in line with the headline index and so the overall impact on the bottom line was minimal.

Underperforming in three quarters, the portfolio's annual return was a very disappointing 0.4%, some 5% adrift of the index benchmark. As I have reported previously, whilst of little comfort, this is a pattern likely experienced by many LGPS funds this year.

Longer-term numbers have been disappointing in benchmark relative terms, but the delivered returns have been extremely positive.

Newton's outlook speaks of uncertainty in equity markets in the near-term and it's difficult to counter this. It is in such markets that the efficacy of active equity management should be evidenced but this has not been our experience in the recent past. The manager believes that selecting companies poised to benefit from themes addressing the global climate crisis—while demonstrating financial resilience and high-quality fundamentals—will yield the best outcomes. We certainly hope this approach delivers better results on-going.

Comgest – Active Emerging Market Equity

Comgest delivered a return of -3% over the quarter and was once again, significantly adrift of the benchmark which returned -0.1%. This was a troubling eighth consecutive quarter of underperformance. Given that emerging markets have gyrated from positive to negative and from cyclical to defensive while countries' fortunes have diverged widely, a manager should not consistently underperform if it has any house conviction. This is a major concern and one which doesn't figure anywhere in their report.

As I've reported previously, it is difficult from Comgest's reports to accurately isolate the attributes making up the relative performance, but China made up the bulk of the shortfall both due to poor stock selection and being underweight.

Over the full year, the portfolio returned -3.8%, trailing the index by a very uncomfortable 9+% margin.

Since inception returns have been disappointing, with the portfolio outperforming the index in only three of the fourteen quarters measured. In return terms, the portfolio has achieved a return of almost 5%p.a. behind the index. ***In impact terms, this equates to a 0.2-0.3%p.a. reduction in the Fund's bottom line.***

Nuveen Real Estate – Core Property

The portfolio return was 2.4% over the quarter. This represented both capital appreciation (1.3%) and income (1.1%). As with last quarter, all the portfolio's investments increased in value with the exception of the offices. The return was ahead of the benchmark however which returned a provisional 1.9%.

The full year return reported by Nuveen was 7.9%, which was ahead of the 6.7% posted by the MSCI Quarterly index.

The three-year return reported by Nuveen was a -1.7%p.a. reflecting the weakness in the sector over this period. This was around 0.5%p.a. ahead of the property based benchmark over the same period which returned -2.8%p.a.

There is less optimism in the manager's report this time out! Nuveen report that the U.K. commercial real estate market has remained stable despite market uncertainty, though some sellers have pulled back until conditions improve. They remain confident however that the current strategy and assets will exceed the performance objective over the longer-term. The portfolio has a very clear strategy which includes a focus on the long-term and improving each of the portfolio's holdings sustainability credentials.

Residential/Opportunistic Real Estate

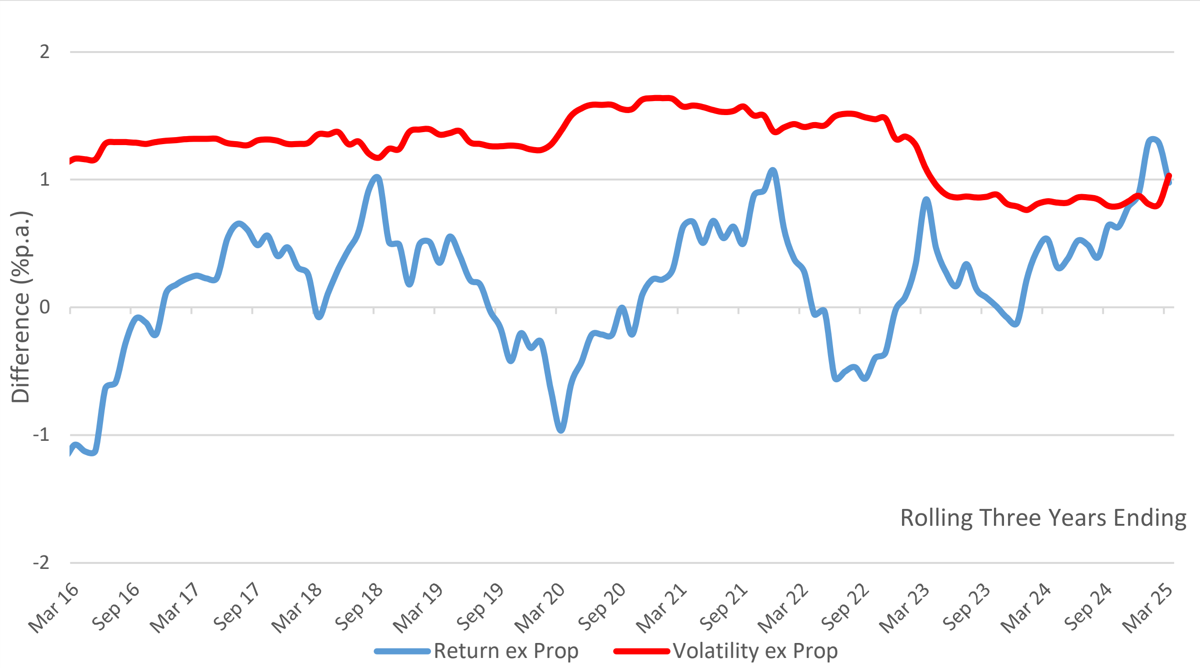
As can be seen from the graphics on pages 3 and 4 above, the managers of the non-core property assets struggled over the latest quarter and indeed over the full year, with all of the managers failing to hit benchmark by varying margins over the longer measure. In the round, the aggregate returned almost -3% over the year.

Southwark's Property Allocation

The core and aggregate added value/opportunistic assets performed broadly in line over the quarter but quite differently over the year as can be seen in the table below. In aggregate, the entire real estate portfolio performance was in low single figures, but positive, over both the quarter and year.

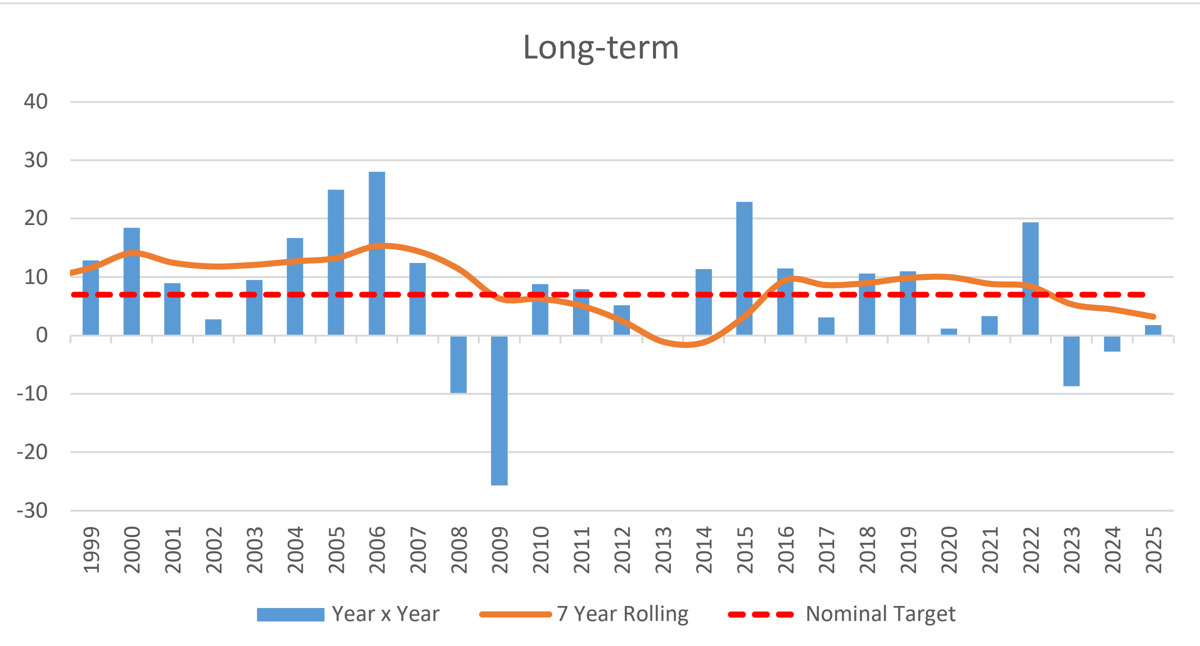
	Quarter			Year		
	Fund	Benchmark	Relative	Fund	Benchmark	Relative
All Property	2.4	1.8	0.5	1.8	7.5	-5.3
Core	2.4	1.7	0.7	4.1	7.0	-2.7
Ex Core	2.2	2.0	0.2	-2.8	8.4	-10.3

Targeted at 20%, the Fund has a significant allocation to real estate which has, and will have, a significant bearing on the performance (and volatility) of the Fund. The now familiar chart below shows the impact on risk and return over consecutive rolling three-year periods.



In the latest three-year period, the asset class has underperformed other investment types and so the Fund return was negatively impacted by our real estate holdings (by close to 1%p.a.). Volatility however has been reduced by the same margin. There has therefore been a very small benefit in terms of risk/return trade-off.

I include again a chart showing the very long-term performance of our property investments. The benchmark for the core portfolio has changed this year, but the nominal 7%p.a. is a not an unreasonable aspiration for the asset class.



As a reminder, this shows that, notwithstanding the global financial crisis period, property had been a steady generator of positive and relatively stable returns over time. It shows clearly the cyclical nature of the returns generated and so I will continue to track this.

Robeco – Global Credit

The portfolio delivered a 2.1% return over the period, bettering the benchmark by 0.4%. Outperformance was largely driven by an overweight to Euro denominated issues and corresponding underweight to USD credit.

Over the full year, the portfolio returned 4.6%. This was marginally behind the index which returned 4.9%.

Returns since inception remained ahead of the index benchmark.

CQS – Global Credit

The portfolio returned 1.2% over the quarter but lagged the benchmark by a fairly large 1%.

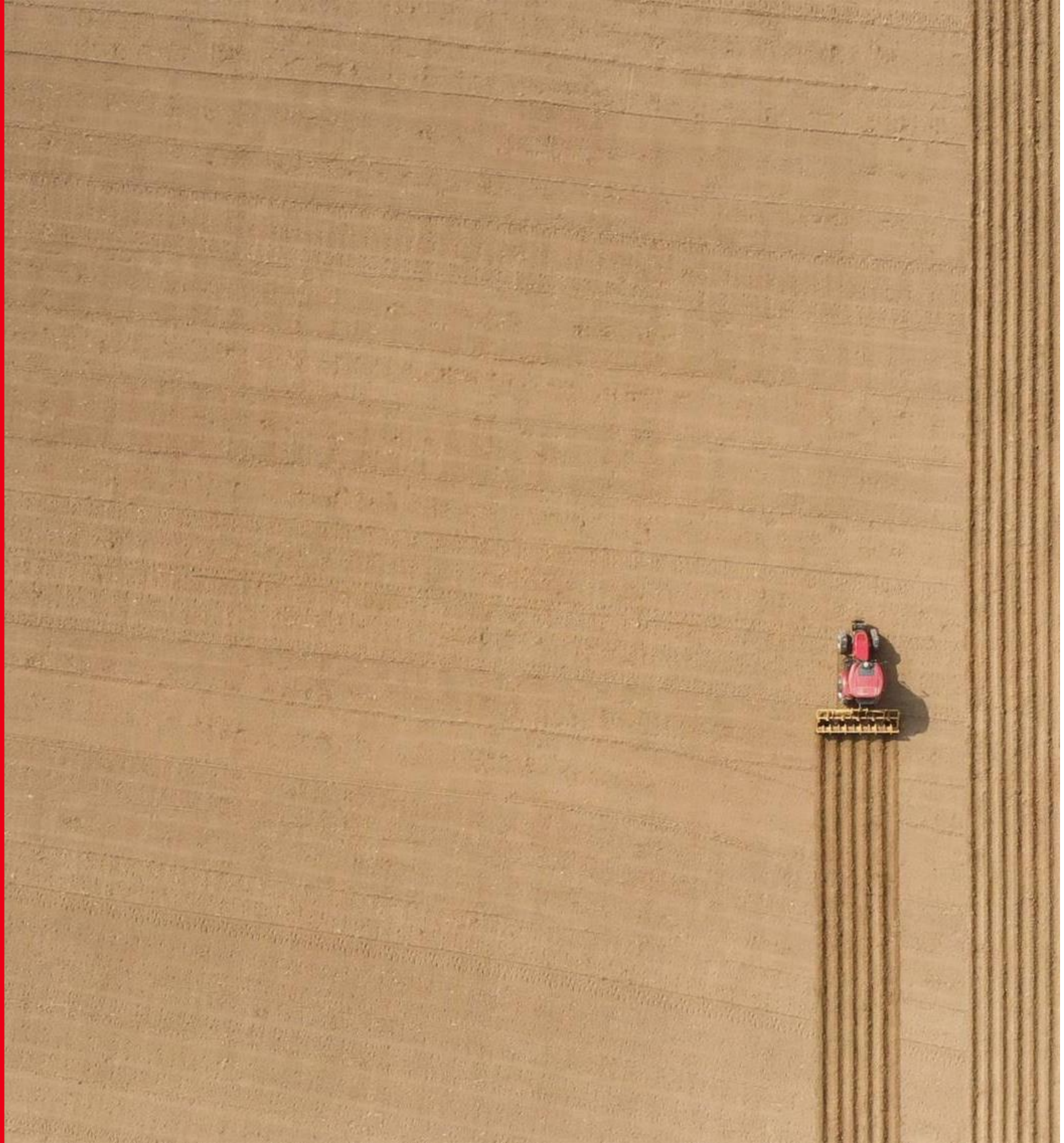
The Fund has now been invested for a full year and over this period, has trailed the benchmark by a similar margin.

"ESG Priority" Allocation

The performance of the Fund's infrastructure and other diversified alternative investments was very mixed over the quarter and year, but negative in aggregate (pages 4 and 5 above). As I've likely mentioned previously, Illiquid investments can often underperform in their early investment phase as they require time for asset appreciation, to benefit from operational improvements, or for market demand to materialise. The efficacy of these strategies should best be gauged over longer time-horizons than one quarter or year.

Passive Portfolios

The portfolios tracked within tolerance over the quarter.



Strategic Investment Dashboard Q1 2025

London Borough of Southwark Pension Fund

Prepared for: The Pension Advisory Panel

Prepared by: Aon

16 May 2025

1

Executive Summary

Long-term strategy

Funding level

	31 Dec 2024
Funding Level	120%
Surplus	£385M

Since the last actuarial valuation, the surplus and funding level have increased (see more detail on slide 16). This is due to a reduction in liabilities given the net discount rate has increased, whilst the Fund's assets have experienced modest growth over the same period.

The PAP may wish to consider the Fund's surplus position as it approaches the 2025 valuation.

We will not be providing any funding level updates (post 31 December 2024) until the 31 March 2025 actuarial valuation has been completed as any funding update will be based on the 2022 liability information and could be inaccurate.

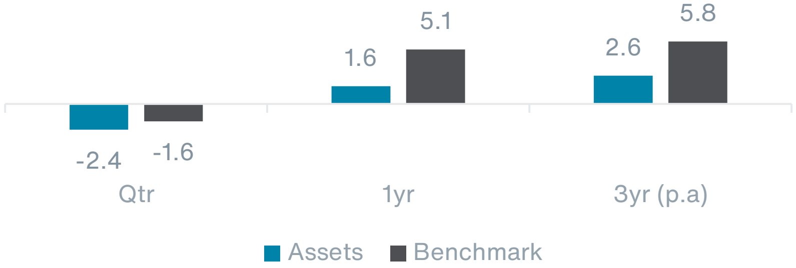
Investment Performance

Expected Return

7.5% ▲

The 31 March 2025 expected return for the portfolio is 7.5% compared to the strategic asset allocation expected return of 7.2%.

Performance



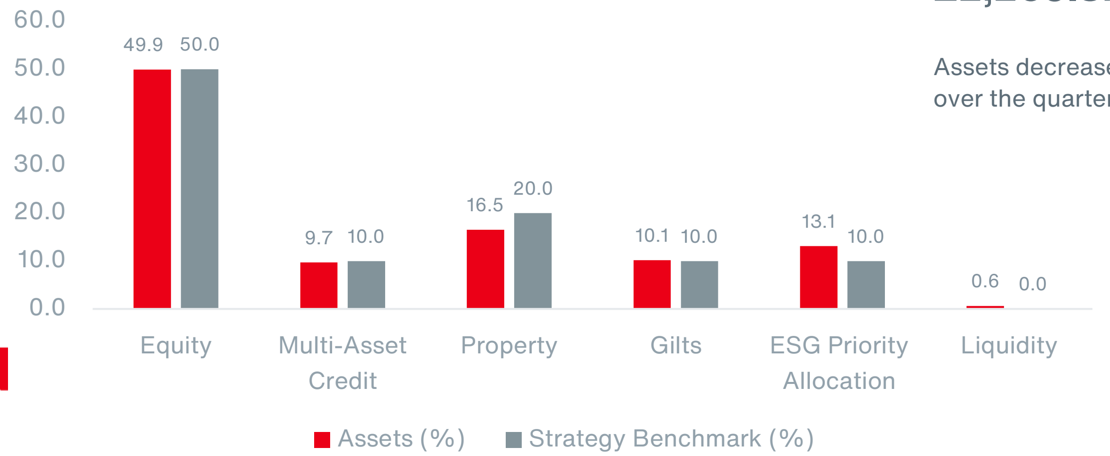
Over the quarter, underperformance was primary driven by volatility present in equity markets due to uncertainty on the impact of tariffs.

Over the year to 31 March 2025, underperformance has been driven primarily by the property holdings and some of the alternative assets (renewable infrastructure investments) which are benchmarked against an absolute return of 8-10% p.a. (except for Nuveen). These assets have struggled to deliver returns in excess of cash as high interest rates have stifled property valuations and have resulted in higher borrowing costs for renewable energy projects.

The emerging market equity exposure has also contributed to underperformance over the longer term.

Strategic Positioning

Asset Allocation



£2,269.8m ▼

Assets decreased by £59.3m over the quarter

As at quarter end, the Fund is underweight to Property and overweight to the ESG Priority Allocation relative to the target allocations.

Update: Over the quarter, the Officers carried out rebalancing to bring the equity mandate back towards its target weight by redeeming £70m from Newton and investing the proceeds in Index-Linked Gilts (LGIM).

Following the Triennial Actuarial Valuation, we will work with the Officers to optimise the Fund's asset allocation to meet target return and design long term journey plan.

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2

Asset Allocation

Asset Allocation – Asset Class

	31 December 2024		31 March 2025			
	Valuation (£m)	Weight (%)	Valuation (£m)	Weight (%)	Strategic	Relative
Growth	**£2,149.1**	**92.3%**	**£2,025.0**	**89.2%**	**90.0%**	**-0.8%**
Equity	£1,267.0	54.4%	£1,132.6	49.9%	50.0%	-0.1%
Multi-Asset Credit	£215.9	9.3%	£219.4	9.7%	10.0%	-0.3%
Property	£367.6	15.8%	£375.1	16.5%	20.0%	-3.5%
ESG Priority Allocation	£298.6	12.8%	£297.9	13.1%	10.0%	3.1%
Matching	**£180.0**	**7.7%**	**£244.8**	**10.8%**	**10.0%**	**0.8%**
Index-Linked Gilts	£164.0	7.0%	£230.1	10.1%	10.0%	0.1%
Liquidity Fund	£16.0	0.7%	£14.7	0.6%	0.0%	0.6%
Total	**£2,329.1**	**100%**	**£2,269.8**	**100%**	**100%**	**-**

Source: J.P.Morgan.. Totals may not sum due to rounding.

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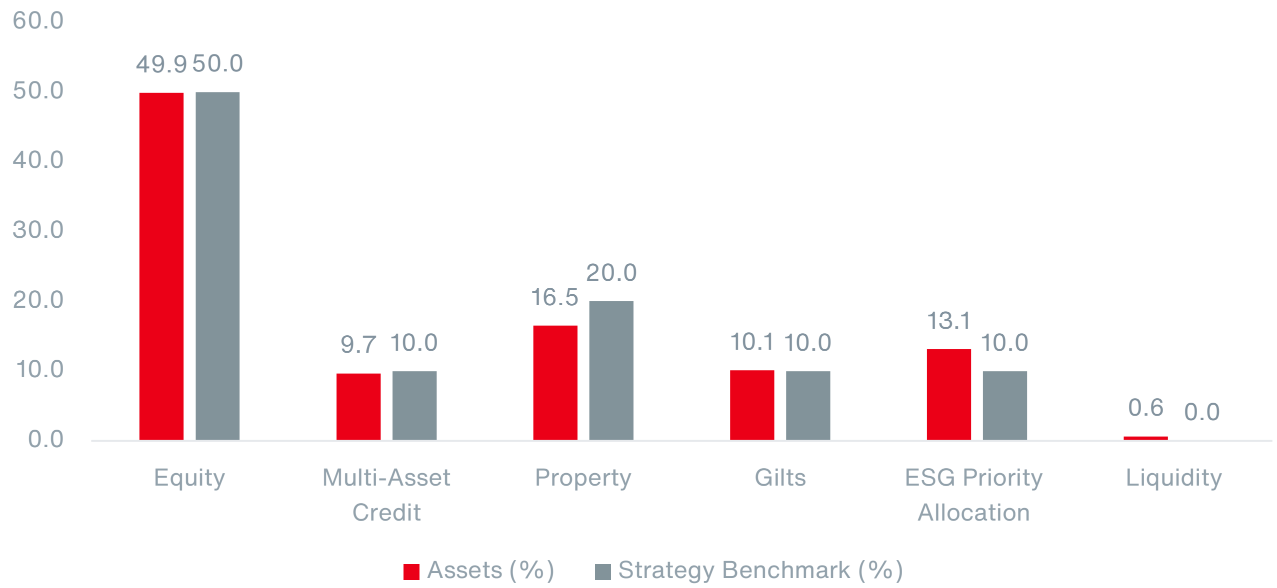
Asset Allocation – Current vs Strategic

Strategic allocation & Benchmark



£2,269.8m

Assets decreased by £59.3m over the quarter

Comments

- As at quarter end, the Fund is underweight to Property and overweight to the ESG Priority Allocation relative to the target allocations.
- Over the quarter, the Officers carried out rebalancing to bring the equity mandate back towards its target weight by redeeming £70m from Newton and investing the proceeds in Index-Linked Gilts (LGIM).
- Following the Triennial Actuarial Valuation, we will work with the Officers to optimise the Fund's asset allocation to meet target return and design long term journey plan.

31 March 2025

7.5%

Expected Absolute Return

31 March 2025

4.0%

Standard Deviation*

*This is a measure of portfolio volatility versus the mean return

Strategic Allocation

7.2%

Expected Absolute Return

Strategic Allocation

3.5%

Standard Deviation*

*This is a measure of portfolio volatility versus the mean return

3

Manager Performance

Manager focus – returns relative to benchmark (%)

	3 month (%)		1 year (%)		3 year (%)	
	Return	Relative	Return	Relative	Return	Relative
LGIM Low Carbon Transition Developed Markets Index Fund	-5.4	0.1	5.4	0.4	-	-
Newton Active Global Equity	-4.7	-1.3	0.5	-7.7	5.5	-5.4
Comgest Growth Emerging Markets Plus	-2.9	-2.8	-3.8	-9.6	-3.3	-5.5
BlackRock World Low Carbon Equities Fund	-6.5	-0.5	4.4	-0.3	-	-
Robeco Multi-Asset Credit	2.1	0.4	4.6	-0.3	-	-
LCIV Alternative Credit CQS	1.2	-1.0	8.7	-0.9	-	-
Nuveen Real Estate	2.4	0.7	4.1	-2.9	-4.3	-11.3
Invesco Real Estate UK Residential Fund	0.3	-1.7	-0.4	-8.4	0.4	-7.6
M&G UK Residential Property Fund	-0.8	-2.8	2.1	-5.9	0.5	-7.5
Frogmore Real Estate Partners III	87.6	83.7	-37.8	-54.3	-29.8	-46.3
Brockton Capital Fund III	1.2	-2.4	-5.2	-20.2	-3.9	-18.9
Darwin Leisure Development Fund	0.0	-1.5	-25.2	-31.2	-	-
Darwin Bereavement Services Fund	0.0	-1.5	-1.6	-7.6	3.0	-3.0
Glenmont Clean Energy Fund III	4.1	1.7	-2.0	-12.0	9.6	-0.4
Glenmont Clean Energy Fund IV	2.7	0.3	-21.2	-30.6	-	-
Blackrock Global Renewable Power	-3.7	-6.1	-14.0	-24.0	3.8	-6.2
BTG Pactual OEF Fund	1.9	0.4	6.4	0.4	8.8	2.8
Temporis Operational Renewable Energy Strategy	0.8	-1.6	-8.2	-18.2	20.7	10.7
Temporis Impact Strategy V	0.0	-2.4	2.7	-7.3	12.0	2.0
Temporis Renewable Energy Fund	1.3	-0.4	-11.1	-18.1	-	-
Blackstone Strategic Capital Holdings GP Stakes Fund II	-3.3	-6.2	17.9	5.9	12.0	-0.0

Source: J.P.Morgan and fund managers as required. Totals may not sum due to rounding. The total 1-year and 3-year performance includes prior period performance of the Fund’s legacy holdings.

Manager focus – returns relative to benchmark (%) (cont.)

`

	3 month (%)		1 year (%)		3 year (%)	
	Return	Relative	Return	Relative	Return	Relative
LGIM Over 5y Index Linked Gilts	-0.6	1.4	-9.2	1.3	-	-
BlackRock Aquila Over 5y Index Linked Gilts	-2.0	0.0	-10.4	0.1	-7.7	-0.9
BlackRock Sterling Liquidity Fund	1.1	0.0	9.7	4.8	-	-
LGIM Sterling Liquidity Fund	1.1	0.0	4.9	0.1	-	-
Northern Trust Money Market Fund	1.4	0.3	4.8	-0.2	-	-
Total performance	**-2.4**	**-0.8**	**1.6**	**-3.4**	**2.6**	**-3.2**

Source: J.P.Morgan and fund managers as required. Totals may not sum due to rounding. The total 1-year and 3-year performance includes prior period performance of the Fund's legacy holdings.

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Equity Mandate

Market Commentary & Outlook

A flurry of tariff announcements by US President Donald Trump led to greater market uncertainty and caused global equity markets to fall over the quarter, with the MSCI ACWI decreasing by 2.0% in local currency and 4.2% in sterling terms. US equities were the worst-performing market due to the relative over-valuation of US equities, specifically the major technology stocks along with the uncertainty surrounding Trump's tariff policies. European equities were the best-performing market with companies in the financial, communication services and energy sectors being amongst the best performers.

The Emerging Market (EM) also had a strong quarter, with all major equity markets in the region delivering positive returns, with the exception for the Taiwanese and Indian stocks. Over the quarter, a Chinese technology start-up, Deep Seek, announced that they had released an advanced large-language AI model having a performance comparable to the OpenAI model developed by the US, despite using much lesser computing power. This contributed to positive investor sentiment in the Chinese market.

The threat of significantly higher tariffs could hurt economic and corporate growth, but there is a strong possibility that tariffs could be scaled back or removed. We note that there has been a reversal of tariffs between the US and some of its trading partners and equity markets have recovered some of the losses seen to date. We do expect the market to remain volatile, especially as we go through Q1 earnings announcements. The Federal Reserve has reiterated the need for more clarity before changing policy and will prioritise bringing inflation down to target – this could be a headwind for markets.

We are broadly neutral on equities by regions as the tariff situation evolves, and negotiations are still underway. We expect higher volatility in regional equity markets over the near term. We favour Quality and Low Vol factors as those two are historically defensive factors and we are facing heightened volatility and economic uncertainty.

Fund Manager News

Newton – Performance Commentary: Relative underperformance over the quarter was in part driven by sector allocation – the Fund was structurally underweight to telecommunications, basic materials and energy. These are non-cyclical, defensive sector which typically perform better during a period of market volatility. The Fund benefitted from not having any exposure to Tesla or Amazon which had a challenging quarter following the announcement of wide-spread tariffs by the US government.

Comgest – Performance Commentary: The Fund experienced mixed performance over the quarter, with the investment strategy positioned to hold quality growth companies in the midst of market volatility. The portfolio's exposure to Brazilian equities were amongst the strongest contributors to absolute performance, with stocks held delivering strong operational performance and revenue growth. Whilst the Fund's position in China benefitted from the ongoing recovery, the underweight relative to the index meant that the strategy was not able to fully capture the rally from technology and AI-related stocks which was a major driver of underperformance.

Multi-Asset Credit Mandate

Market Commentary & Outlook

Global investment grade spreads rose over the quarter on the back of fears that tariff announcements could keep inflation higher for longer and likely reduce consumer confidence and disrupt supply chains which would significantly impact the US economy. US high yield saw its credit spreads rise sharply by 0.63%, ending the quarter at 3.55% (based on the ICE BofA Global Corporate index and US High Yield index). Hard currency emerging debt credit spreads rose by 0.24% to 3.49% (based on the JP Morgan EMBI Global Diversified index).

We still believe that spreads on global investment grade credit are not sufficiently attractive to compensate for weaker economic conditions at longer horizons. It is plausible for spreads to remain tight at these levels due to attractive all in yields and strong demand for credit. We think that the reward for moving down the risk curve within investment grade credit also does not seem sufficient. Recently, sub-investment grade credit spreads have moved significantly higher. Elsewhere, emerging market debt provides relatively attractive yields amidst a backdrop of growing infrastructure in spaces like India, Brazil, and Vietnam. A weaker dollar should support hard-currency EMD too. Where clients want to have high-yield credit beta exposure this is typically better value in subordinated securitised credit than in traditional high yield corporate bonds.

In an environment which is fuelled with uncertainty and volatility, we would prefer strategies that operate a nimble and dynamic approach such that they can extract value from different segments of the credit universe. For LBSPF, some of the best opportunities in credit are within the securitised and private market sectors. This is something that can be explored further as part of investment strategy discussions following the completion of the actuarial valuation.

Fund Manager News

Robeco – Over the quarter, the fund continued to believe that taking a bet on credit spreads offered limited value and therefore targeted bottom-up issuer selection and sector allocation as the main drivers of outperformance. The strategy benefitted from an overweight position to European denominated credit where spreads tightened and an underweight position to US credit where spreads widened. This was driven by more attractive relative valuations for the European market. From an issuer selection perspective, the Fund's overweight to European financials was a major contributor to performance due to the banking sector remaining relatively cheap and strong performance in subordinated financial debt.

LCIV Alternative Credit Fund - Spreads in the sub-investment grade universe (a core asset class within the strategy) rose more than investment grade credit over the quarter which acted as a drag on the investment performance. This was offset by the income generated by the portfolio and was therefore the main driver of returns over the quarter.

The fund's allocation to structured credit (21% of overall portfolio allocation) was the largest contributor to performance with collateralised loan obligations (CLO's) generating high income. Similarly to the Robeco strategy, the fund's tilt toward Europe was favourable and as well as employing a tactical decision to have exposure to interest rates via holdings in high yield fixed income bonds. The strategy did not incur any defaults over the quarter which is encouraging to see.

Property Mandate

Market Commentary & Outlook

Persistent high interest rates have continued to push down valuations in the property market. We now believe that valuations are starting to bottom outFurther, select sectors like housing, data centers, and logistics have limited supply, and the demand is rising. Although the office sector continues to have issues, we think that most of the adjustments have been made. We also encourage investors to go global with lots of diversifying opportunities across the world. For example, logistics in Europe remains under-supplied with high levels of return versus financing costs.

Despite the market backdrop, UK property capital values rose over the first quarter leading to a total return of 2.0%. Capital values rose by 0.6%, and the income return was 1.4%. Vacancy rates increased from 11.9% to 12.1%.

The Office sector was the worst performer, returning 1.1%, while the Retail sector was the best performer, returning 2.4%. The Industrial sector rose 2.2%.

Fund Manager News

Darwin Bereavement Services Fund – Performance Commentary – In the context of heightened volatility, the Fund saw minimal movement in NAV over the quarter benefitting from holding assets with relatively low correlation to market movements. In both Memoria and Greenacres, traditional burials and cremation activity were in line with expectations following the death rate being close to the five-year average.

Darwin Bereavement Services Fund – Portfolio Update – Memoria has appointed a new CEO who will focus on continue to restructure the Affordable Funeral Business. The company has developed a three-year strategic plan which will be focus on growing their presence in the attended funerals market. Addfield has been continuing its trials of a new electric cremator – modifications made have successfully reduced cremation times which is key to the overall project margin of the business.

Darwin Leisure Development Fund – Performance Commentary – Recent underperformance has been a combination of lower revenues across the portfolio sites and higher operating costs. Holiday rental revenues were lower than expected over the quarter, despite a strong year-on-year (YoY) improvement. The Fund has been able to continue to operate at the premium end of the market whilst largely able to maintain pricing. The portfolio management team have been focusing on reducing operating costs at the portfolio sites i.e., in-house cleaning and revisions and reductions to staffing levels. That being said, the portfolio is still over budget for the quarter and higher on a YoY basis.

Darwin Leisure Development Fund – Portfolio Update – Over the quarter, the Fund sold a development site, High Lodge, located in Suffolk to Sizewell C Limited at a price that was higher than the initial acquisition cost and all the planning and development costs incurred since.

ESG Priority Allocation Mandate

Market Commentary & Outlook

Private infrastructure revenue has remained either stable and contracted or regulated. This is often paired with strong firm asset bases continuing to support the infrastructure's valuations and contributing to performance. In a slower economic growth, these strong valuations and performance returns should remain robust.

We think that there are some opportunities in greenfield development within the infrastructure universe.

In the last quarter there has been further iteration and refinement of the Connections Reform process, in which National Energy System Operator (NESO) is seeking to restructure and reduce the queue for connections to only ready and required projects. OFGEM gave approval to the proposed reform on 15 April and thus it now moves into implementation, with the process playing out through the course of 2025.

Fund Manager News

BTG Pactual OEF Fund – Over the quarter, the fund generated $4m in revenue led by timber sales and land sales in the US South and Mixed Quality Hardwood timberland markets. The introduction of widespread tariffs sent ripple effects through global markets, including timberland. Exemptions for key wood products and the limited exposure of certain timberland markets have helped to insulate the sector thus far. However, the evolving nature of these policies will need to closely monitored for implications on trade flows and timber pricing.

US housing construction declined over the quarter on the back of elevated home prices, high mortgage rates and low housing supply. This acted as a tailwind given that housing is one of the most significant drivers of US timber demand. Timber markets in the Pacific Northwest improved over the quarter as log prices increased and pulpwood markets improved however subdued construction activity and geopolitical uncertainty have negatively impacted both domestic and export demand.

Temporis Impact Strategy V – As of Q1 2025, the fund has called down c.83% of committed capital. The present focus of the strategy is on increasing the allocation to solar and development equity investments. The fund is looking at development opportunities that have the potential to success under the gird connections reform process. Over the quarter, the English assets underperformed largely due to slower wind speeds in the South-East of England. This resulted in the three wind assets generating 58.5% of expected output. All three hydro assets in the portfolio performed below expectations due to the quarter being relatively dry.

Temporis Operational Renewable Energy Strategy – The Scottish assets and English assets held in the portfolio underperformed due to lower-than-expected wind speeds over the quarter. Given that all of the projects in the portfolio are operational, Temporis do not expect them to be subject to the reform process. Through the underlying assets held, the Fund has prevented c.650,000 tonnes of C02 emissions from being emitted into the atmosphere.

Matching Portfolio

Market Commentary & Outlook

The UK nominal gilt curve shifted downwards towards the shorter end but rose towards the longer end of the curve. The 10-year nominal bond yield rose by 10bps to 4.77%, and the 30-year nominal bond yield rose by 20bps to 5.48%. The index-linked gilt yield curve mostly shifted upwards over the quarter as yields rose which contributed to the Fund's index-linked gilt holdings reporting negative absolute performance over the quarter.

On a three-year view we think that longer-dated yields (10y to 20y) will be much lower than the current curve unwind is pricing them to be. We anticipate the Bank of England to keep on cutting through the rest of 2025 and that there will be further cuts through 2026, although this is fully priced into the front-end of the gilt curve.

Fund Manager News

Blackrock Sterling Liquidity Fund - The Fund performed in line with its benchmark (SONIA) over the first quarter of 2025. The Fund is positioned with large amounts of liquidity with c.44% of the fund maturing within a week and a weighted average maturity of 51 days

LGIM Sterling Liquidity Fund - LGIM has announced changes to its Securities Lending Programme which will come into effect from the end of Q1 2025 (effective date). The changes will not make a material difference to the overall risk profile of the funds nor result in any changes to fees and expenses applicable to the funds. Securities lending is a common practice, and many other asset managers are already lending across these asset classes. We therefore recommend clients take no action

4

Appendix

Funding level since latest Valuation

as at 31 December 2024

Change to funding level since 31 March 2022

Change to surplus/(deficit) since 31 March 2022

Please note that the graphs are based on unaudited, provisional value of assets as at 31 December 2024 (provided by JPM). In rolling forward the liabilities we have used an estimate of cashflows paid out to the Fund, based on those at the level of the 2022 valuation.

Explanation of Ratings – InForm assessment

Aon InForm assessment

Our manager research process assesses each component using both our qualitative and Aon InForm criteria. With the exception of Operational Due Diligence ("ODD"), each component is assessed as follows:

Qualitative Outcome	Explanation
1	Weak
2	Average
3	Above Average
4	Strong

Barometer Outcome	Explanation
	Factor in insolation meets or exceed our desired criteria. The further the blue bar is to the right, the more favourable the outcome.
	Factor in insolation does not meet our desired criteria. The further the red bar is to the left, the less favourable the outcome.
| & |	Represents prior quarter outcome
-	There is a lack of data, which means that we are not able to assess this factor, however we do not consider this in isolation to justify an Alert

Inform Outcome	Explanation
✓	Pass: This component in isolation meets or exceed our desired criteria
⚐	Alert: This component in isolation does not meet our desired criteria, or the lack of data on this component means that we are not able to judge whether it meets our desired criteria
-	Not assessed: There is a lack of data, which means that we are not able to assess this component, however we do not consider this in isolation to justify an Alert
➚	Component has improved over the quarter
=	Component remains broadly unchanged over the quarter
➘	Component has worsened over the quarter

Explanation of Ratings - ODD

Operational Due Diligence ("ODD")

- The ODD factor is assigned a rating. The table below describes what these ratings mean.
- Please note: Operational due diligence inputs provided to the research team by Aon's Operational Risk Solutions and Analytics Group (ORSA). ORSA is an independent entity from Aon Solutions UK Limited, Aon Hewitt Investment Consulting, Inc., and Aon Hewitt Inc./Aon Hewitt Investment Management Inc. Investment advice is provided by these Aon entities.

Rating	Explanation
A1 Pass	No material operational concerns – the firm's operations largely align with a well-controlled operating environment.
A2 Pass	The firm's operations largely align with a well-controlled operating environment, with limited exceptions – managers may be rated within this category due to resource limitations or where isolated areas do not align with best practice.
Conditional Pass ("CP")	Specific operational concerns noted that the firm has agreed to address in a reasonable timeframe; upon resolution, we will review the firm's rating.

Explanation of Ratings – Overall Ratings

Overall Ratings

An overall rating is then derived taking into account both the above outcomes for the product. The table lists how the overall rating can be interpreted.

The comments and assertions reflect our views of the specific investment product and our opinion of its quality. Differences between the qualitative and Aon InForm outcome can occur and if meaningful these will be explained within the Key Monitoring Points section. Although the Aon InForm Assessment forms a valuable part of our manager research process, it does not automatically alter the overall rating where we already have a qualitative assessment. Overall rating changes must go through our qualitative manager vetting process. Similarly, we will not issue a Buy recommendation before fully vetting the manager on a qualitative basis.

Colour	Rating	Explanation
	Buy-rated	The strategy is rated as best in class by Aon's manager research specialists
	Qualified	The strategy is rated as suitable for pension scheme investment by Aon's manager research specialists
	Sell	The strategy is rated as not suitable for pension scheme investment by Aon's manager research specialists
	Not Rated	The strategy is not monitored on an ongoing basis by Aon's manager research specialists

Explanation of Ratings – Overall Ratings

Overall Ratings

An overall rating is then derived taking into account both the above outcomes for the product. The table lists how the overall rating can be interpreted.

The comments and assertions reflect our views of the specific investment product and our opinion of its quality. Differences between the qualitative and Aon InForm outcome can occur and if meaningful these will be explained within the Key Monitoring Points section. Although the Aon InForm Assessment forms a valuable part of our manager research process, it does not automatically alter the overall rating where we already have a qualitative assessment. Overall rating changes must go through our qualitative manager vetting process. Similarly, we will not issue a Buy recommendation before fully vetting the manager on a qualitative basis.

Rating	Explanation
Advanced	The fund management team demonstrates an advanced awareness of potential ESG risks in the investment strategy. The fund management team can demonstrate advanced processes to identify, evaluate and potentially mitigate these risks across the entire portfolio.
Integrated	The fund management team has taken appropriate steps to identify, evaluate and mitigate potential financially material ESG risks within the portfolio.
Limited	The fund management team has taken limited steps to address ESG considerations in the portfolio.
N/A (Not Applicable)	ESG risks and considerations are not applicable to this strategy, for example, on the grounds of materiality or asset class relevance.
NR (Not Rated)	An evaluation of ESG risks is not yet available for this strategy.

Key assumptions of the model (1)

- The purpose of the model is to consider and monitor the return and risk characteristics of the long-term investment strategy of the Fund.
  - The analysis considers the expected return of the Fund's investment strategy, and the standard deviation (measure of portfolio volatility versus the mean return) implied by the strategy.
  - Return statistics are shown relative to the expected return of the Fund's liabilities.
  - There is only one outcome for inflation, benefit cashflows and contributions.
  - Unless otherwise stated, the parameters of the model (e.g. member movements, historic funding performance and contributions assumed) are unaltered from previous iterations of this quarterly report.
- In the calculation of risk and return, the Fund's liabilities are represented by a proxy of purely fixed and purely real investment instruments ("the liability proxy").
- Investment risk is included in the model outputs but this is not the only risk that the Fund faces; other risks include covenant risk, longevity risk, timing of member options, basis risks and operational risks.

Key assumptions of the model (2)

- The calculation of portfolio risk is approximate;
  - The calculation considers (5000 stochastic) simulations of returns over a single year of the Fund's investment strategy relative to simulations of the liability proxy.
  - The simulations are constructed using Aon Investment's Asset Model – the details and assumptions of which are outlined in this appendix.
  - The calculation does not take into account any cashflows payable over the year; if cashflows are expected to be material the result is likely to be different.
  - The calculation may not perfectly capture inflation risk in the liabilities; actual liability returns are likely to differ to the liability proxy due to any limited inflation linkage in benefits (e.g. benefits linked to the increase in RPI with a 5% cap).
  - The calculation does not take into account longevity risk (i.e. liability values increasing due to members living longer than assumed).
  - Owing to these approximations, a more detailed ALM study is likely to result in a different result to the VaR calculation.
  - Other portfolios with different risk and return characteristics may be available to the Fund.

AON

TAS compliance

This document has been prepared in accordance with the framework below.

This document, and the work relating to it, complies with ‘Technical Actuarial Standard 100: General Actuarial Standards’ (‘TAS 100’).

The compliance is on the basis that the Pension Advisory Panel of the London Borough of Southwark Pension Fund are the addressees and the only users. If you intend to make any other decisions after reviewing this document, please let me know and I will consider what further information I need to provide to help you make those decisions.

The document has been prepared under the terms of the Agreement covering Scheme Actuarial services between the PAP and Aon Solutions UK Limited on the understanding that it is solely for the benefit of the addressees.

If you require further copies of this document, please let me know.

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Agenda Item 10

Meeting Name:	Pensions Advisory Panel
Date:	3 June 2025
Report title:	Carbon Footprint Update – 31 Mar 2025
Ward(s) or groups affected:	Not applicable
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Interim Environmental, Social and Governance (ESG) Manager

RECOMMENDATIONS

1. The Pensions Advisory Panel is asked to note the Fund's updated carbon footprint as at 31 March 2025.

Results

2. The table on the next page sets out the weighted carbon intensity (with $ million revenue as a base) by asset class against our benchmark period of September 2017. For the calculations, we rely on the Weighted Average Carbon Intensity (WACI) provided by our fund managers and available from Trucost, our carbon data provider. In our calculations, we currently consider Scope 1 and Scope 2 carbon emissions only.

3. The result for 31 March 2025 shows an increase in Weighted Carbon Intensity ('WCI') (Scope 1 and Scope 2) of the Fund by 11% compared to the previous quarter (31 Dec 2024). On an aggregate basis, since September 2017 baseline, the Fund has reduced its WCI by ~82%.

4. The changes in the standalone investments across the asset classes in the portfolio is discussed below:

   a. Developed market equities (positive impact): There is a decrease in WCI for the BlackRock and LGIM developed market low-carbon equities (10.4 vs 10.5), primarily due to market movements. On a standalone basis, there is a 4% increase the carbon footprint of the LGIM fund and a 6% decrease in the carbon footprint of the BlackRock fund.

Weighted Carbon Intensity over time		Weighted Carbon Intensity (Scope 1 & Scope 2) tCO2e/$m revenue						
Asset Class	**Fund Managers**	**Sept 2017 (baseline)**	**March 2021**	**March 2022**	**March 2023**	**March 2024**	**Dec 2024**	**March 2025**
Equity - Developed	Blackrock, LGIM	98.7	23.0					
Equity - Developed Market Low Carbon	Blackrock, LGIM		24.2	51.0	17.5	13.7	10.5	10.4
Equity - Emerging Markets	Blackrock	18.1	19.1					
Equity - Emerging Markets	Comgest			0.2	0.4	2.2	2.2	1.6
Equity - Global	Newton	10.6	4.4	5.8	6.9	4.5	3.6	2.9
Diversified Growth Fund	Blackrock	26.7	15.6	16.5	12.6			
Absolute Return Bonds	Blackrock	22.4	10.0	6.8	19.6			
Multi-Asset Credit	Robeco, LCIV					5.1	5.4	5.1
Core Property	Nuveen	14.3	10.6	12.0	1.8	1.7	1.0	2.8
ESG Priority Allocation - Property	Invesco, M&G, Brockton, Frogmore	8.8	10.9	4.6	4.8	0.8	0.4	1.1
ESG Priority Allocation - Alternatives	BTG Pactual, Blackstone, Darwin			0.1	0.5	1.1	1.0	1.0
Sustainable Infrastructure	Blackrock, Glennmont, Temporis	0.0	0.0	0.0	0.0	1.8	1.7	1.8
IL Gilts	Blackrock, LGIM	14.0	14.0	24.2	21.4	8.8	8.4	11.1
Cash And Equivalents	Blackrock, Nuveen, Newton	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Weighted Carbon Intensity		213.7	131.7	121.4	85.5	39.7	34.2	37.8
Total Change in Footprint			**-38.3%**	**-43.2%**	**-60.0%**	**-81.4%**	**-84.0%**	**-82.3%**

b. Comgest (positive impact): During Q4, there has been a 25% decrease in the WCI of the Comgest investment (1.6 vs 2.2). This is due to a combination of divestment from a high carbon-intensive company, market movements and improved carbon profile of some companies in the portfolio.

c. Newton Global Equity (positive impact): Overall WCI of the Newton portfolio has decreased compared to previous quarter (2.9 vs 3.6). This is due to decrease in overall investment with Newton (£70 million divested to manage overweight allocation in line with our Strategic Asset Allocation) and therefore a lower weighted allocation to the total Fund carbon footprint.

d. Multi-asset credit funds with LCIV and Robeco (positive impact): Overall WCI for both the multi-asset credits funds is positive (5.1 vs 5.4), driven primarily by a c. 20% decrease in WCI of the Robeco fund. There is a 1% increase in the WCI of the LCVI-CQS fund.

e. Nuveen (negative impact): There is an increase in the WCI for the quarter (2.8 vs 1.0). This is primarily on account of higher vacancies at some assets. Alongside this, refurbishments are being undertaken at two other properties impacting tenancy income. All refurbishments are in line with our net-zero strategy and consider circular economy principles. While this impacts short-term carbon footprint, we expect to see positive impact in the long-term.

f. ESG Priority Allocation (negative impact): Aggregate WCI for all investments in the ESG Priority Allocation category including both property assets (Invesco, M&G, Brockton, etc) and wider infrastructure assets (BTG Pactual, Darwin) has increased compared to the previous quarter (2.1 vs 1.4). We use Nuveen WACI as a proxy for these investments. Increase in WACI for Nuveen (as discussed above), has, in-turn, impacted overall WCI for ESG Priority Allocation.

g. Sustainable Infrastructure (neutral): We continue to use actual WACI information from BlackRock in relation to our investment in Global Renewable Power III Fund as a proxy for other investments in the sustainable infrastructure category. Aggregate WCI for all investments in the category has increased marginally (1.8 vs 1.7) during the quarter primarily driven by market movements in other asset classes.

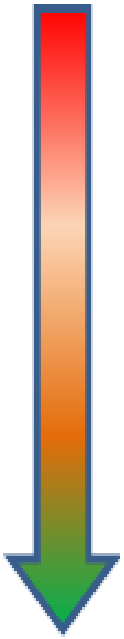
h. Index-linked Gilts (negative impact): WCI for the index-linked gilts over the quarter has increased (11.1 vs 8.4). This is primarily on account of an additional allocation of £70 million to LGIM ILG to balance the underweight position and bring back the holdings in ILG in line with our Strategic Asset Allocation.

5. The unweighted exposure for each investment is set out below:

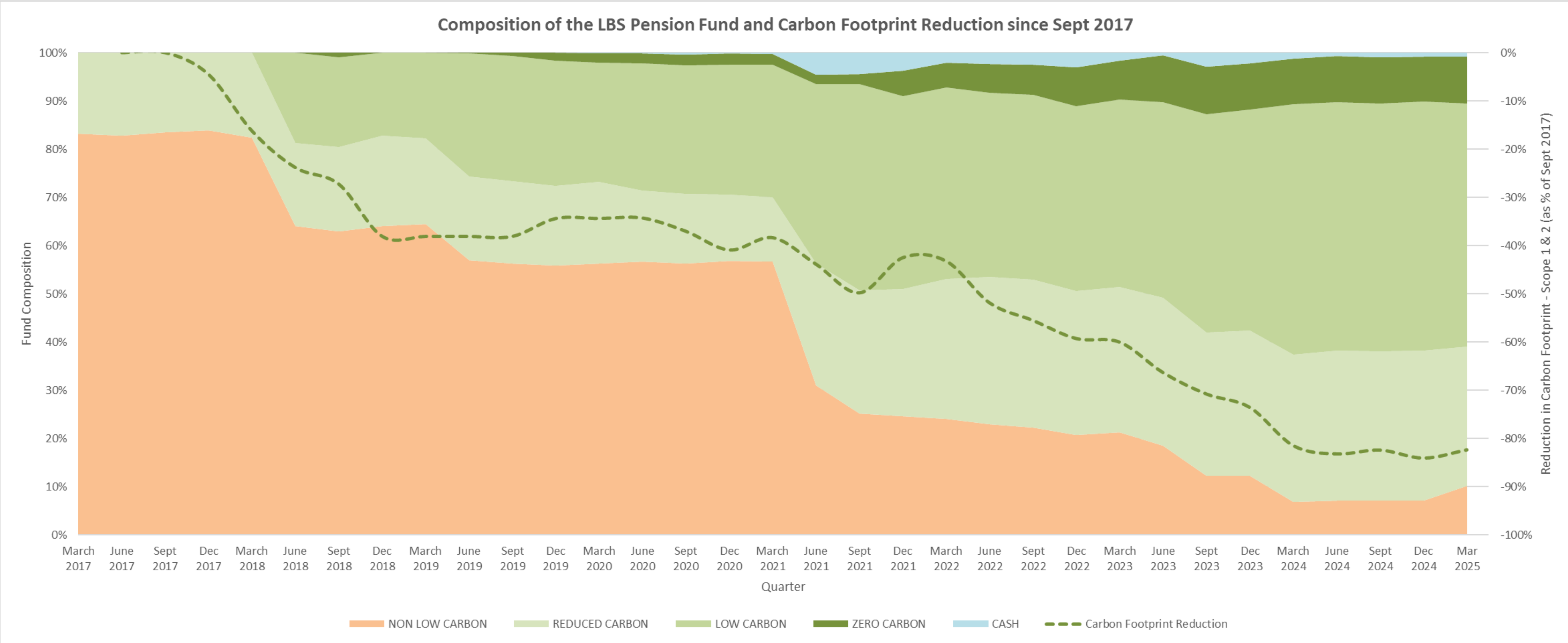
Unweighted Carbon Intensity		**Unweighted Carbon Intensity tCO2e/$m revenue**
Asset Class	**Fund Manager(s)**	**March 2025**
Cash And Equivalents	BlackRock, LGIM, Nuveen, Newton	0.00
Core Property	Nuveen	25.10
Global Equities	Newton	26.40
Low Carbon Equity	BlackRock	28.00
Low Carbon Equity	LGIM	31.30
Emerging Markets Equity	Comgest	40.00
ESG Priority Allocation - Alternatives	BTG Pactual, Blackstone, Darwin Bereavement & Leisure Dev	89.00
ESG Priority Allocation - Property	Brockton, Frogmore, Invesco, M&G	100.40
Multi-asset Credit Funds	Robeco, LCIV	106.70
Sustainable Infrastructure	BlackRock, Glenmont, Temporis	112.50
Index Linked Gilts	Blackrock, LGIM	220.00
Total		**779.40**

6. During the quarter, the holdings in the Zero Carbon, Low Carbon and Reduced Carbon investments are ~90% of our total investment in line with our Strategic Asset Allocation.

7. The carbon footprint reduction infographic (set out below, with further information on the following page) has been produced to demonstrate the changes in the composition of the Fund in terms of carbon emissions against the reduction of the carbon footprint over time. The graph is intended to easily display the Fund's progress towards net zero.



LEGACY INVESTMENTS	Investment products that are not actively targeting reduced carbon emissions. Some of these may potentially have exposure to fossil fuels; however, we are working to understand the extent of this and will address this in our strategy going forwards. The Fund intends to make no new investments in such products.
REDUCED CARBON	Investments either in property or in funds with specific oil and gas exclusions.
LOW CARBON	Funds specifically set up as ‘low carbon’ funds. All products within this category are currently index tracking developed market equities.
ZERO CARBON	Investments in vehicles that produce zero carbon or in some cases have a measurable offsetting impact on carbon emissions. Currently this category contains sustainable infrastructure products.
CASH	Held in the pension fund, usually pending anticipated drawdown requests or in advance of an acquisition.



Composition of the LBS Pension Fund and Carbon Footprint Reduction since Sept 2017
Fund Composition
Reduction in Carbon Footprint - Scope 1 & 2 (as % of Sept 2017)
Quarter
NON LOW CARBON
REDUCED CARBON
LOW CARBON
ZERO CARBON
CASH
Carbon Footprint Reduction

Community, Equalities (including socio-economic) and Health Impacts

Community Impact Statement

8. No immediate implications arising

Equalities (including socio-economic) Impact Statement

9. No immediate implications arising

Health Impact Statement

10. No immediate implications arising

Climate Change Implications

11. No immediate implications arising

Resource Implications

12. No immediate implications arising

Legal Implications

13. No immediate implications arising

Financial Implications

14. No immediate implications arising

Consultation

15. No consultation is needed.

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director of Resources	
Report Author	Spandan Shah, Interim ESG Manager	
Version	Final	
Dated	15 May 2025	
Key Decision?	N/A	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	**Comments Sought**	**Comments Included**
Assistant chief executive, governance and assurance	N/A	N/A
Strategic Director of Resources	N/A	N/A
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team		21 May 2025

Agenda Item 11

Meeting Name:	Pensions Advisory Panel
Date:	3 June 2025
Report title:	Update on Engagement and Voting activity – 31 March 2025
Ward(s) or groups affected:	Not applicable
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Interim ESG Manager – Treasury and Pensions

RECOMMENDATIONS

1. The Pension Advisory Panel is asked to note the Fund's engagement and voting activity for the underlying equity investments for the quarter ended 31 March 2025.

An update on the fund's engagement and voting activity

2. This report outlines the key engagement and voting themes across the Fund's listed equity assets for both segregated and pooled mandates.

3. It also summarises the engagement and voting activity undertaken by LAPFF, active equities managers (Newton and Comgest) and passive equities managers (LGIM and Blackrock) up to the quarter ended 31 March 2025.

Key engagement and voting themes

4. During the quarter, the key ESG-focused engagement and voting themes for the listed assets are outlined below:

a. Environment-focused themes:
   i. Decarbonisation
   ii. Climate risk

b. Social themes:
   i. Human Rights

c. Governance-related themes:
   i. Board and leadership quality
   ii. Corporate Strategy
   iii. Compensation & Remuneration

5. The investment managers summarise their engagement and voting related data in reports which are subsequently shared with Fund officers on a quarterly basis.

ENGAGEMENT AND VOTING SUMMARY

LAPFF (1 Jan 2025 - 31 Mar 2025)

6. LAPFF engagement report for the period 1 January 2025 to 31 March 2025 is available at: https://lapfforum.org/engagements/q1-2025-quarterly-engagement-report/

7. During the quarter, LAPFF continued to seek responses from FTSE 100 companies in relation to their approach to operations in conflict-affected and high-risk areas.

8. LAPFF also engaged with other companies on topics including decarbonisation, water stewardship, financing fossil fuel sector, nature-related disclosures, and human rights.

9. LAPFF had meetings with 23 companies during the quarter as part of their engagement activity.

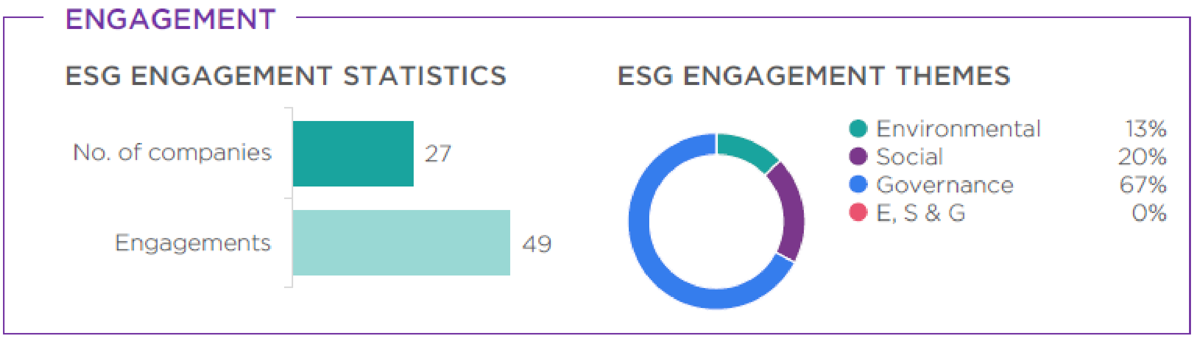
10. An overview of the engagement themes undertaken by LAPFF across the 17 UN Sustainable Development Goals is captured in the table below:

LAPFF SDG ENGAGEMENTS	
SDG 1: No Poverty	2
SDG 2: Zero Hunger	1
SDG 3: Good Health and Well-Being	0
SDG 4: Quality Education	0
SDG 5: Gender Equality	1
SDG 6: Clean Water and Sanitation	19
SDG 7: Affordable and Clean Energy	3
SDG 8: Decent Work and Economic Growth	19
SDG 9: Industry, Innovation, and Infrastructure	7
SDG 10: Reduced Inequalities	30
SDG 11: Sustainable Cities and Communities	62
SDG12: Responsible Production and Consumption	34
SDG 13: Climate Action	21
SDG 14: Life Below Water	29
SDG 15: Life on Land	20
SDG 16: Peace, Justice, and Strong Institutions	12
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

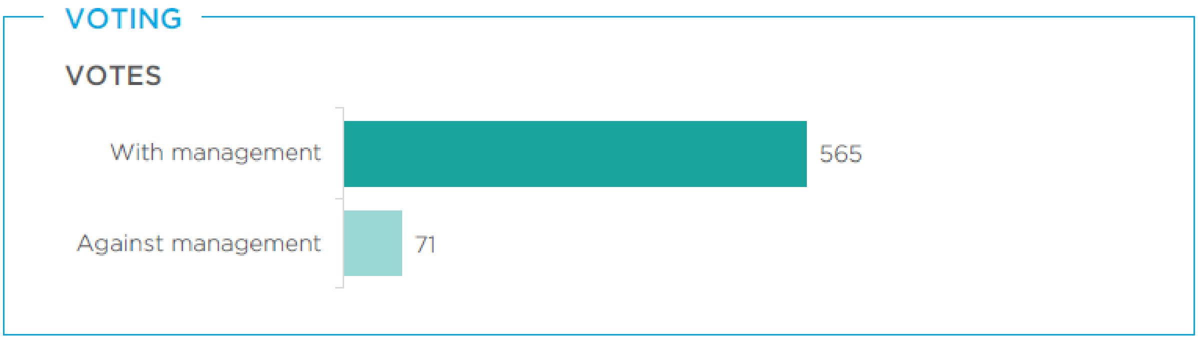
Comgest (12-month period from 1 Jan 2024 – 31 Dec 2024) [1]

11. On a quarterly basis Comgest provides information on the voting undertaken and their engagement across ESG matters over the previous 12-month period.

12. Over the 12-month period from 1 Jan 2024 to 31 Dec 2024, Comgest had 49 engagements with 27 companies. Breakdown of the engagement themes is captured in the chart below.



13. The voting activity for the 12-month period is captured below:



Newton (Engagement data: 12-month period from 1 Apr 2024 - 31 Mar 2025; Voting data: 1 Jan 2025 – 31 Mar 2025)

14. On a quarterly basis, Newton provides information on the voting undertaken and their engagement across ESG matters.

15. During the 12-month period from Apr 2024 - Mar 2025[2], for our segregated fund, Newton had engagements with two companies in relation to climate transition risk and net-zero strategy.

16. Additionally, during the quarter, as part of its investment and ESG research, Newton met with a financial services company to discuss governance aspects including remuneration, Board and leadership quality, and skills and experience.

17. During the quarter, Newton voted with the management of 4 portfolio companies on all resolutions and against the management of 3 companies on one or more resolutions.

[1] Source: Comgest Quarterly Report shared on 08/04/2025
[2] Source: Newton Quarterly RI Report shared on 12/05/2025

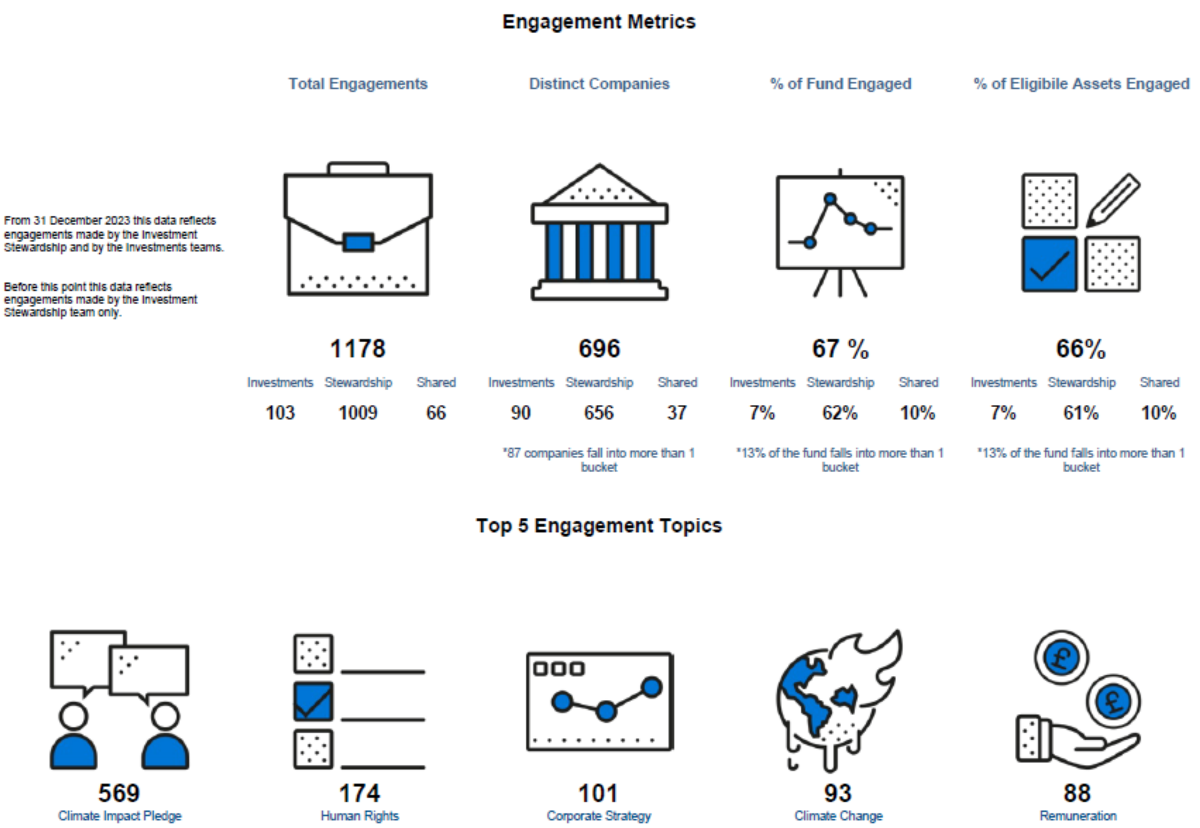
LGIM (Engagement data: 12-month period from 1 Apr 2024 - 31 Mar 2025; Voting data: 1 Jan 2025 – 31 Mar 2025)

18. During the quarter, for the Low Carbon Transition Developed Markets Equity Index Fund[3], LGIM voted with the management on 80.30% resolutions and against the management on 18.65% of the resolutions. Total resolutions where LGIM was eligible to vote were 2,203.

19. During the 12-month period, Low Carbon Transition Developed Markets Equity Index Fund, LGIM had 1,178 engagements with 696 companies comprising 67% of the fund value.

20. The top 5 engagement topics were Climate Impact Pledge, Human Rights, Corporate Strategy, Climate Change and Remuneration.

21. Summary of the engagement activity is captured below[4]:



[3] Shared by LGIM team on 25/04/2025
[4] Shared by LGIM team on 09/05/2025

BlackRock (1 Jan 2025 - 31 Mar 2025)

22. During the quarter, for the ACS World Low Carbon Equity Tracker Fund[5], BlackRock voted with the management on 96.59% proposals and against the management on 3.41% of the proposals. Total management and shareholder proposals where BlackRock was eligible to vote were 820.

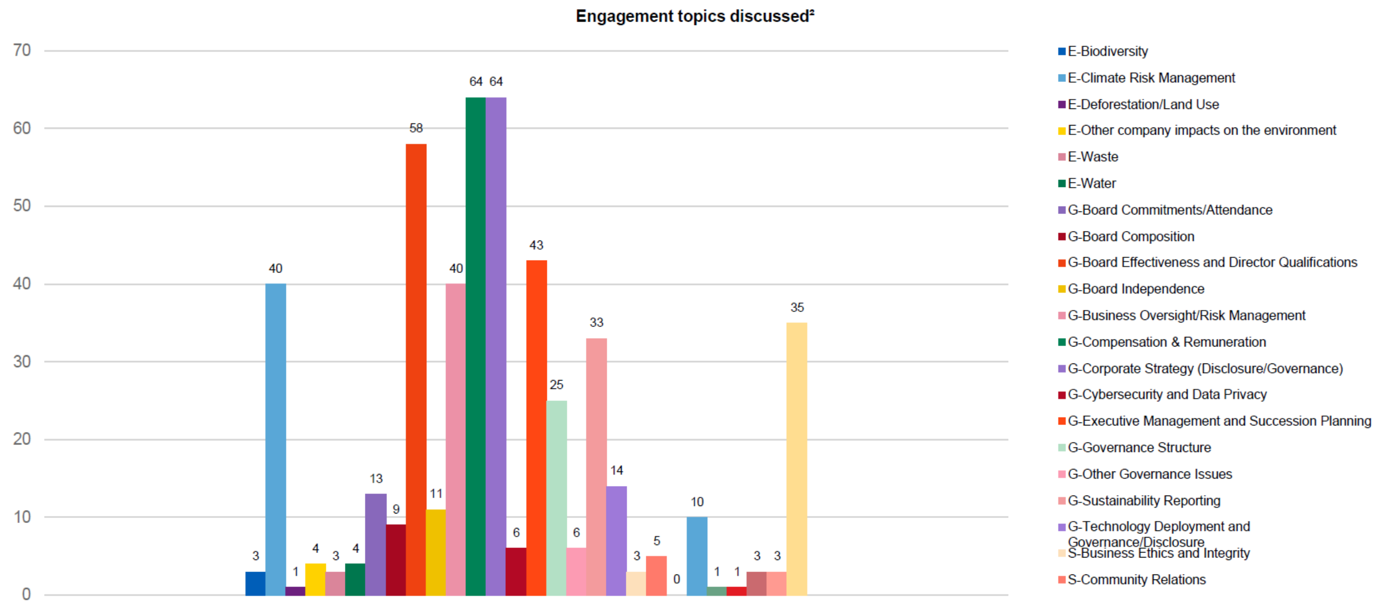
23. During the quarter, for the ACS World Low Carbon Equity Tracker Fund[6], BlackRock LGIM had engagements with 113 companies.

24. Top 5 engagement topics were Board effectiveness & Director Qualifications, Climate risk management, Compensation & Remuneration, Corporate Strategy and Executive Management and Succession planning.

25. Summary of the engagement activity is captured below:

BACSLCRAGG

Reporting Period: 01-JAN-2025 to 31-MAR-2025



Engagement and Voting case studies

26. Appendix 1 to the report includes select case studies from the engagement and voting activity undertaken over the past 12-month period by fund managers with various companies in their respective portfolios.

---

[5] BlackRock Proxy Vote summary report for quarter ended 31/03/2025
[6] BlackRock Stewardship Engagement report for quarter ended 31/03/2025

Policy framework implications

27. There are no immediate implications arising from this report.

Community impact statement

28. There are no immediate implications arising from this report.

Equalities (including socio-economic) impact statement

29. There are no immediate implications arising from this report.

Health impact statement

30. There are no immediate implications arising from this report.

Climate change implications

31. There are no immediate implications arising from this report.

Resource implications

32. There are no immediate implications arising from this report.

Legal implications

33. There are no immediate implications arising from this report.

Financial implications

34. There are no immediate implications arising from this report.

Consultation

35. There are no immediate implications arising from this report.

APPENDICES

No.	Title
Appendix 1	Case studies - Engagement and Voting

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director of Resources		
Report Author	Spandan Shah, Interim ESG Manager - Treasury and Pensions		
Version	Final		
Dated	15 May 2025		
Key Decision?	N/A		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title		**Comments Sought**	**Comments Included**
Assistant chief executive, governance and assurance		N/A	N/A
Strategic Director of Resources		N/A	N/A
Cabinet Member		N/A	N/A
Date final report sent to Constitutional Team			21 May 2025

Item 13 – Appendix 1 – Case studies: Engagement and Voting activity during the 12-month period from 1 April 2024 to 31 March 2025

Fund manager: LGIM

Case study 1 – Engagement with BHP Group on decarbonisation

- LGIM have been engaging with BHP Group (BHP) for several years on the topic of climate change and, most recently, on their Climate Action Transition Plan (CTAP).
- Over the period of engagement, BHP has made significant improvements in developing a climate transition strategy in a sustainable manner. This is also demonstrated this through the substantial alignment of BHP's CTAP with LGIM's internal framework for assessing mining company transition plans.
- BHP's CTAP is now in line with LGIM's internal framework and meets its minimum expectations for the metals sector. Hence, LGIM also voted in favour of the resolution to approve BHP's CTAP at its AGM in September 2024.
- LGIM will monitor progress on BHP's plans for the development of a more targeted methane measurement, management and mitigation strategy, as well as decarbonisation of steelmaking, which are critical areas for the mining sector.
- LGIM will also continue to engage with BHP to ensure robustness of its climate strategy and CTAP whilst BHP navigates the dynamic market for its products (e.g. coal).

Case study 2 – Engagement with Colgate-Palmolive on deforestation

- LGIM have been engaging with Colgate-Palmolive since November 2022, just after initial publication of their deforestation policy. In addition to written communications, LGIM have met with company representatives twice (in 2022 and 2024).
- The engagements have been focused on Colgate-Palmolive's deforestation approach as well as challenges and opportunities in meeting their deforestation commitments. LGIM have engaged with the Chief Sustainability Officer and explored how the company is ensuring supplier compliance and increased traceability across commodities as well as robustness of their grievance mechanisms and key escalations for non-compliance.
- LGIM have also encouraged increased board oversight of deforestation and prioritisation of this issue within the company's risk management agenda.
- Colgate-Palmolive have demonstrated progress over the period of engagement. In addition to appreciating responsible sourcing as a critical issue, they have been building relationships and furthering engagement with their suppliers, including ending relationships with those found to be non-compliant. In terms of monitoring, they have introduced satellite imaging and are undertaking the complex process of mapping palm oil derivatives.
- Additionally, Colgate Palmolive has set up a 'grievance log' for palm oil for 2023. LGIM have also seen increase in frequency of board-level updates on deforestation.

- In the next engagement, LGIM plans to focus on traceability progress across key commodities, collaborations and work done with their peers to eliminate deforestation. LGIM will also continue to discuss the Colgate-Palmolive's work on mapping and addressing deforestation risks across their supply chain.

Fund manager: Comgest

Case Study 1 – Engagement with Taiwan Semiconductor Manufacturing on decarbonisation

- As part of ongoing engagement, Comgest analysts met with Taiwan Semiconductor Manufacturing's (TSMC) senior Investor Relations team again at their headquarters in Taiwan during Q4 2024.
- Comgest followed up on several environmental topics previously discussed. TSMC has initiated multiple projects in collaboration with the government, renewable energy companies, and industry consultants. These initiatives aim to increase the supply of renewable energy in Taiwan, benefiting not only TSMC but also the entire semiconductor industry and the general public. These projects are expected to come online in the next few years, helping Taiwan achieve its national target of generating 27% of its electricity from renewable sources by 2030 (from approximately 9.5% in 2023).
- These projects will enable TSMC to reduce its carbon footprint from its overall operations, including wider value chain as more suppliers also shift to renewable energy. This also shows TSMC's approach to engage with and enhance relationships with local stakeholders, aimed at driving wider impact beyond its own operations.
- Comgest will continue to engage with TSMC and monitor progress on various decarbonisation-focused projects underway.

Fund manager: BlackRock

Case Study 1 – Voting on resolutions at Alphabet Inc (Alphabet)'s Annual General Meeting (AGM) in June 2024

- Alphabet is a US based technology conglomerate, of which Google Services, YouTube, Chrome are subsidiaries.
- Twelve shareholder proposals were submitted to a shareholder vote at the company's June 2024 AGM which sought amendments to the company's by-laws and capitalisation plan; the adoption of targets to evaluate the effectiveness of Alphabet's safety policies; and additional disclosure on various issues, including climate and human capital management-related matters, corporate political activities, and the company's deployment and oversight of Artificial Intelligence (AI), among other items.
- Ahead of its June 2024 AGM, BlackRock Investment Stewardship (BIS) engaged with Alphabet's corporate leadership in May 2024 at the company's request, and again in June 2024, to better understand the company's approach to these topics.
- BIS supported all management-proposed items, including the election of directors, at the June 2024 AGM. BIS also supported two shareholder proposals: Item 9, which

sought a change to Alphabet's capitalisation plan to provide for a "one vote for one share" structure, on the basis that this helps to achieve a proportionate balance of shareholder voting rights to economic ownership.

- BIS also supported Item 13, which requested that the company conduct an independent human rights impact assessment (HRIA) related to AI-driven targeted ad policies as in their assessment, the independent HRIA would help investors understand the effectiveness of the human rights due diligence carried out by Alphabet in relation to this material operational risk.
- All management-proposed items received majority shareholder support. No shareholder proposals passed. Items 9 and 13, which BIS supported, received 31.3% and 18.5% support, respectively. Investor sentiment may have been muted given a multi-class ownership structure with unequal voting rights.
- BIS again engaged with Alphabet in December 2024 to give the company the opportunity to provide additional clarity on its approach to climate and human capital management-related matters.

Case Study 2 – Voting on resolutions at Intel Corporation's (Intel) Annual General Meeting (AGM) in May 2024

- Intel is a U.S. major technology company. The company is a large semiconductor manufacturer, and is also active in other sectors, including cloud computing, artificial intelligence, and data storage services.
- Intel's May 2024 AGM agenda included management-proposed items concerning the election of directors and approval of the compensation plan for the company's executive officers. Also on the ballot were three shareholder proposals. Two shareholder proposals requested enhanced disclosure on the company's corporate political activities and human capital management policies, respectively. The third shareholder proposal requested that the company amend its compensation policies for senior managers so that they were submitted to a shareholder vote.
- BlackRock's former Vice Chairman, who remains a Senior Advisor to the company, concurrently serves as a director on the board of Intel. Consistent with BIS' conflicts of interest policy, vote recommendations were outsourced to BIS' independent third-party voting service provider, which makes voting recommendations based on BIS' publicly available Global Principles and regional voting guidelines and information disclosed publicly by the relevant companies. The independent third-party voting service provider recommended voting in support of all management recommendations at the May 2024 AGM. All management-proposed items and no shareholder proposals received majority shareholder support.
- BIS engaged with representatives on Intel's management team in January 2024. A representative of BIS also visited Intel's offices as part of the annual "BlackRock Tech Tour" in June 2024. Both engagements were helpful to better understand the corporate strategy as well as the company's approach to material climate-related risks and opportunities, including how it is approaching energy demand and water usage in data centers.
- BIS engaged with Intel again in November 2024. The team received an update on the company's approach to several matters, including the execution of its updated

corporate strategy, board composition, and managing business-relevant climate-related risks.

Fund manager: Newton

Case Study 1 – Engagement with Barclays on Climate Transition Risk and Net-zero Strategy

- Newton have been engaging with Barclays for several years on the topic of climate transition risk and their net-zero strategy.
- Newton remains comfortable with the bank's overall approach to climate transition. Barclays have positively acknowledged feedback from Newton in relation to the requirements to provide more disclosure on specific parameters and metrics used to analyse components of the bank’s climate transition framework.
- Newton will continue to monitor Barclays's update on its broader climate transition plan and continue its decarbonisation-focused engagement over the course of 2025.

Fund manager: Robeco

Case Study 1 – Engagement with Apple on approach to Responsible AI and human rights

- Robeco had set an ambition for Apple to develop a robust and systematic human rights due diligence approach and to publish its AI principles.
- In 2024, Apple introduced Apple Intelligence and reported on their focus on Responsible AI Development which includes principles for designing with care and protecting privacy.
- Apple’s Human Rights Policy clearly outlines their commitment to human rights, especially across its supply chain, with mandatory training and robust due diligence to identify salient human rights risks. Based on both these commitments, Robeco has seen positive progress on the two areas of engagement with Apple.
- Robeco will continue to engage with Apple to understand the implementation of these guidelines in practice.

Case Study 2 – Engagement with Grupo Bimbo on various Sustainable Development Goals

- In Q4 2024, Robeco successfully concluded its SDG program with Grupo Bimbo, a Mexican multinational food company with a presence in over 33 countries globally.
- Grupo Bimbo achieved five milestones and progressed on seven sustainability topics. Their new strategy, “Nourishing a Better World,” aims to transform the organisation into a fully regenerative business by 2030, focusing on healthy products, communities, employees, and nature.
- The healthy product approach promotes simple, nutritious products with transparent information, addressing SDG 2 (Zero Hunger). Grupo Bimbo assessed suppliers’ No Deforestation, No Peat, and No Exploitation commitments and engaged in dialogues to address gaps. Their decarbonisation targets were verified by SBTi.

- Robeco’s March 2024 analysis confirmed that their targets align with SDGs and are integrated into the company’s strategy. However, the goal to source 100% of key ingredients from regenerative farming by 2050 lacks clarity on measures of success.
- As per Robeco’s internal analysis, most milestones were achieved or showed positive progress. Robeco therefore marked 'Impact Plan,' 'SDG Mapping,' 'Target Setting,' and 'Stakeholder Management' as closed.

Agenda Item 12

Meeting Name:	Pensions Advisory Panel
Date:	03 June 2025
Report title:	Update on the Local Pension Board
Ward(s) or groups affected:	Not applicable
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Chair of the Local Pension Board

RECOMMENDATION

1. The Pensions Advisory Panel (PAP) is asked to note:
    a. The update from the Local Pension Board (LPB) meeting of 2 April 2025.

KEY AREAS OF DISCUSSION

Matters Arising

2. An update was provided on the legal opinion and other actions being taken regarding the ongoing issue of failure by three employers /admitted bodies to pay contributions to the Fund. Fund officers will keep the Board updated on the progress and any next steps.

Action Tracker

3. The Chief Investment Officer presented the Action Tracker. An update was provided regarding a new action item included in relation to complying with the requirements of the General Code.

4. The Pensions Operations Lead also discussed work being done in developing an updated Administration Strategy for the Fund and various KPIs/metrics in relation to the pensions services.

Pension Services

5. The Pensions Operations Lead presented the report. An update was provided on progress made to date on the IT systems in place.

6. There was a discussion on the activity and planning done for the issuance of Annual Benefit Statements (ABS) for financial year 2024-25.

7. An update was also provided regarding Strictly Education discontinuing their pensions payroll service and the possible impact to the Fund. There was a discussion on alternative options being considered to mitigate any risks from this development.

8. Lastly, there was a discussion on status of ongoing member complaints and outcomes and other relevant areas including gender pay gap review, change in the pensions age, survivors benefit and upcoming legislation changes.

Pensions Dashboard

9. The go-live connect date for the National Pensions Dashboard is October 2025.

10. There was a discussion on the timelines and what members could potentially expect and benefits once the dashboard is available.

Pension Fund Statement of Account and Audit Findings Report 2023-2024

11. The Chief Investment Officer presented the report.

12. There was an update on the unqualified audit opinion issued by KPMG, the Fund's auditor, for financial year 2023-24. There was a subsequent discussion on various recommendations from the auditors which will be considered in the accounts going forward.

General Code of Practice – Action Plan

13. The Chief Investment Officer presented the report.

14. There was a discussion on findings from Barnet Waddingham's review and the subsequent Action Plan that has been prepared by the Fund officers in addressing gaps identified in complying with requirements of The General Code.

Update on Current LGPS issues

15. An update was provided on current LGPS issues including the new Pensions ministers' statement at PLSA conference, welcome letter from SAB to the Pensions minister, proposed separation of pension fund accounts from the accounts of administering authorities and SAB letter to CFOs and Pension Committee Chairs for effective pension service delivery.

16. The Schools Employer Representative provided a verbal update on the topics covered at the 2025 LGPS Governance Conference on 30-31 January 2025 in Bournemouth.

COMMUNITY, EQUALITIES (including socio-economic) AND HEALTH IMPACTS

1. **Community Impact Statement**
   No immediate implications arising

2. **Equalities (including socio-economic) Impact Statement**
   No immediate implications arising

3. **Health Impact Statement**
   No immediate implications arising

4. **Climate Change Implications**
   No immediate implications arising

5. **Resource Implications**
   No immediate implications arising

6. **Legal Implications**
   No immediate implications arising

7. **Financial Implications**
   No immediate implications arising

8. **Consultation**
   No immediate implications arising

AUDIT TRAIL

Lead Officer	Clive Palfreyman, Strategic Director of Resources	
Report Author	Mike Ellsmore, Chair of Local Pension Board	
Version	Final	
Dated	20 May 2025	
Key Decision?	N/A	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	**Comments Sought**	Comments Included
Director of Law and Democracy	N/A	N/A
Strategic Director of Resources	N/A	N/A
List other officers here		
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team		21 May 2025

Agenda Item 13

Meeting Name:	Pensions Advisory Panel
Date:	3 June 2025
Report title:	Pension Services – admin/ops update
Ward(s) or groups affected:	Not applicable
Classification:	Open
Reason for lateness (if applicable):	Not applicable
From:	Head of Pensions Operations

Recommendation

1. The Pensions Advisory Panel (the **Panel**) is asked to note this update on the pensions administration and operational function.

Background Information

2. The Panel last received an update in March 2025 setting out specific information on recruitment, IT/systems, National Dashboard Programme, communication initiatives, Strictly Education payroll provider and complaint management.

Recruitment

3. Two Admin and one Data Officer vacancies exist across Pension Services. We are working with Council HR to recruit these positions.

4. However, a number of First Contact Officer interviews took place during April resulting in the successful recruitment of Ms Ida Bah.

IT/Systems

5. Future enhancements continue to be made to both the UPM Employer Hub and Member Portal, focusing on usability and member functionality.

6. We continue to refine the user interface, addressing access issues, and ensuring security features meet compliance standards. Additionally, we are introducing further online modellers within the Member Portal, specifically designed for death benefits and ill-health early retirement. These tools will provide members with easier access to essential online information and support important lifestyle and financial decision making.

7. Plans to automate some bulk processes are underway and will significantly improve efficiency/accuracy of routine administrative tasks.

This includes automating large-scale data updates, batch processing, and other high-volume tasks. Automation helps reduce manual intervention, minimizes human error and speeds up the process of managing records.

National Dashboard Programme

8. Southwark's "connect by" date remains unchanged at 31 October 2025.

9. Although the Government has not yet agreed an actual "go-live" date, it is expected that the Dashboard Service will commence later in 2026.

10. In line with Pensions Regulator best practice, the Pension Fund prepared a paper for the Local Pension Board in April, including an updated National Dashboard checklist setting out Southwark's progress.

Progress to June 2025

11. Since the last Panel update, further progress has been made in the following areas.

Communication initiatives

12. The 2025 Annual Benefit Statement (**ABS**) exercise is now well underway, with validated Council data expected by end of May. The majority of external employer data remains on track for validation by the end of July albeit with some exceptions (see Strictly update below).

13. Additional Voluntary Contribution (**AVC**) annual statement plans are now with the AVC provider, and this year we aim to ensure AVC year-end fund values/statements will be sent out simultaneously along with main ABS.

14. The Pension Fund Payroll team successfully managed the Annual Pension Increase exercise, effective from 7 April 2025, which resulted in a Pension Increase of 1.7%. Pensions in payment are increased annually in line with the cost of living, as measured by changes in the Consumer Price Index ('CPI') over the year to the previous September.

Strictly Education update – schools payroll provider

15. The Head of Schools HR has now taken an active role in dealing with any legal and operational issues this change has had on many schools.

16. Some schools have signed up to existing Southwark payroll providers (EPM and Dataplan), whilst other schools procured new payroll providers.

17. Should any ABS validation deadlines be missed (July), the Pension Fund will most likely use annualized pay data from earlier in 2025 with reasonableness checks made back to 31 March 2024. This will be done to ensure the ABS does not overstate pension values.

Complaint Management

Against Employer:

- Pensions Ombudsman single complaint - ill-health tiering award appeal against a former school employer. All ill-health tiering awards are recommended by Occupational Health following a medical assessment, but the employer makes the final decision.

  Case OPEN – with Ombudsman pending formal decision.

- Pensions Ombudsman single complaint - protracted complaint from a former member of Council staff about legal Settlement Agreement.

  Case OPEN – the Council received the Ombudsman's Final Determination on 25 March 2025 which upheld the complaint in part, but only an element of non-financial injustice. The Council accepted the Final Determination whereas the complainant did not and has since decided to appeal the Ombudsman's decision in court, on a point of law. Further updates will follow in due course.

Against Administering Authority (i.e. Pension Fund):

- Pensions Ombudsman single complaint - pensions liberation claim that the Pension Fund undertook no receiving scheme due diligence in 2016.

  Case OPEN – the Pension Fund denies all allegations. Complainant has taken an identical matter to the Crown Court, meaning the Pensions Ombudsman may discontinue its own investigation.

- Internal Dispute Resolution Procedure single complaint - the estate of a deceased member complained that the Pension Fund failed to return a preserved refund 35 years ago and maintain contact with the member.

  Case OPEN – Adjudicator upheld complaint in part but was unable to agree to the refund as the member had attained age 75 some years ago prohibiting a payment. But it was acknowledged that the Pension Fund could have done more to try and trace the member.

- Internal Dispute Resolution Procedure single complaint - whilst a Cash Equivalent Transfer Value (CETV) was requested and produced within the statutory deadline, final payment was declined by the Pension Fund.

  Case OPEN – Adjudicator upheld complaint in part (communication leading to confusion) but could not agree to transferring funds to the receiving arrangement because member was within 12 months of Normal Pension Age (NPA) by the time advice had been sought.

Admin performance monitoring

Performance metrics are detailed in Appendix 1 covering the three-month period March, April and May 2025.

Future work planning

18. Pension Services signed up to a wider Resources Directorate Business Plan over 2025/26. This includes IT related objectives such as improved member self-service functionality and any staff survey follow up actions.

Conclusions

19. Recruitment and retention of key staff with the necessary skills is critical to the achievement of all future plans, as is succession planning.

KEY ISSUES FOR CONSIDERATION

Policy framework implications

20. There are no immediate implications arising from this report.

Community, equalities (including socio-economic) and health impacts
Community impact statement

21. There are no immediate implications arising from this report.

Equalities (including socio-economic) impact statement

22. There are no immediate implications arising from this report.

Health impact statement

23. There are no immediate implications arising from this report.

Climate change implications

24. There are no immediate implications arising from this report.

Resource implications

25. There are no immediate implications arising from this report.

Legal implications

26. There are no immediate implications arising from this report.

Financial implications

27. There are no immediate implications arising from this report.

Consultation

28. There are no immediate implications arising from this report.

APPENDICES

No.	Title
Appendix 1	Admin Performance Metrics March 2025 – May 2025

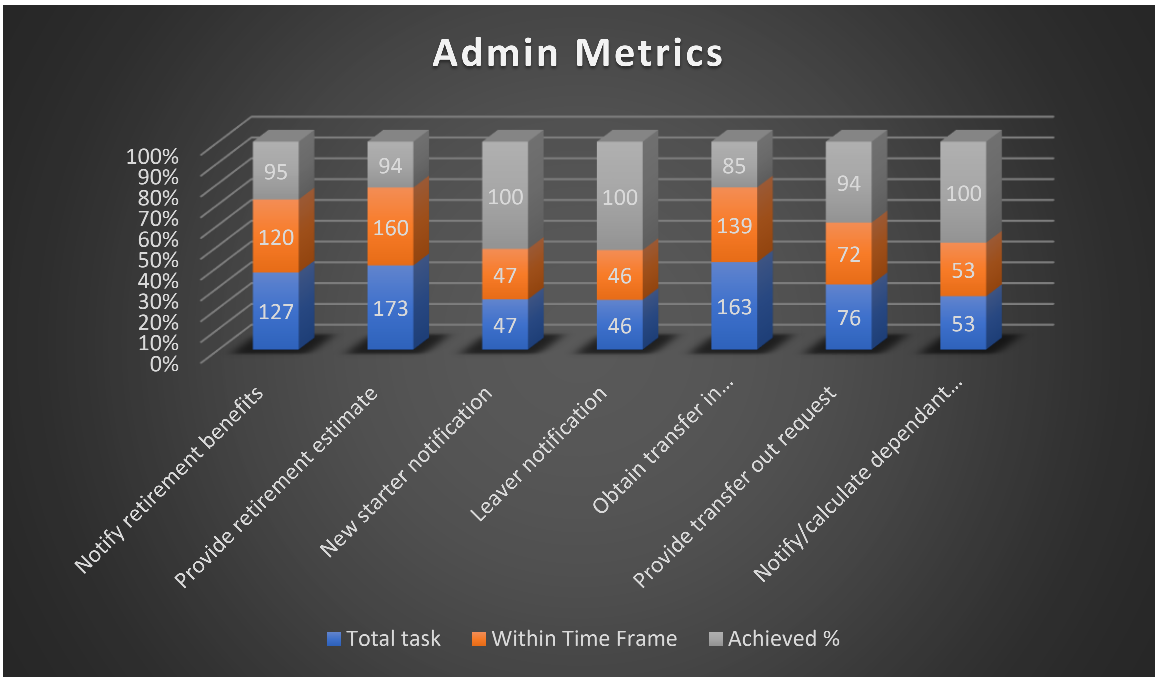
AUDIT TRAIL

<table>
<tr><td>Lead Officer</td><td colspan="2">Clive Palfreyman, Strategic Director, Resources</td></tr>
<tr><td>Report Author</td><td colspan="2">Barry Berkengoff, Head of Pensions Operations, Resources</td></tr>
<tr><td>Version</td><td colspan="2">Final</td></tr>
<tr><td>Dated</td><td colspan="2">19 May 2025</td></tr>
<tr><td>Key Decision?</td><td colspan="2">No</td></tr>
<tr><td colspan="3">CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</td></tr>
<tr><td>Officer Title</td><td>Comments Sought</td><td>Comments Included</td></tr>
<tr><td>Assistant chief executive, governance and assurance</td><td>No</td><td>N/a</td></tr>
<tr><td>Strategic director of resources</td><td>No</td><td>N/a</td></tr>
<tr><td>Cabinet Member</td><td>No</td><td>N/a</td></tr>
<tr><td colspan="2">Date final report sent to Constitutional Team</td><td>21 May 2025</td></tr>
</table>

APPENDIX 1

Admin Metrics – March, April & May 2025

	Total Tasks	Within Time frame	Achieved	
Notify Retirement Benefits (Within One Month of Retirement)	127	120	95%	↑
Provide Retirement Estimate/ Quote on request	173	160	93%	↓
New Starter Notification joining the LGPS	47	47	100%	→
Inform member who left scheme of leaver rights and options	46	46	100%	→
Obtain transfer details for transfer in, calculate and provide quote	163	139	85%	↓
Provide transfer out (CETV) request (Three months from date of request)	76	72	94%	↑
Calculate and notify dependants about death benefits	53	53	100%	→


Admin Metrics
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
95
120
127
94
160
173
100
47
47
100
46
46
85
139
163
94
72
76
100
53
53
Notify retirement benefits
Provide retirement estimate
New starter notification
Leaver notification
Obtain transfer in...
Provide transfer out request
Notify/calculate dependant...
Total task
Within Time Frame
Achieved %

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MUNICIPAL YEAR 2025-26

COMMITTEE: Pensions Advisory Panel

NOTE: Original held by Constitutional Team. All amendments/queries to Andrew Weir Tel: 020 7525 7222. Email: Andrew.weir@southwark.gov.uk

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Last updated – May 2025

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Dated: 22 May 2025