



City of Westminster

Committee Report

Decision Maker:	PENSION FUND COMMITTEE
Date:	23 January 2018
Classification:	General Release
Title:	Performance of the Council's Pension Fund
Wards Affected:	All
Policy Context:	Effective control over Council Activities
Financial Summary:	There are no immediate financial implications arising from this report, although investment performance has an impact on the Council's employer contribution to the Pension Fund and this is a charge to the General Fund.
Report of:	Steven Mair <i>City Treasurer</i> smair@westminster.gov.uk 020 7641 2904

1. Executive Summary

- 1.1 This report presents the performance of the Pension Fund's investments, together with an update on the funding position to 30 September 2017.

2. Recommendation

- 2.1 The Committee is asked to note the performance of the investments, and funding position.

3. Background

- 3.1 The terms of reference of the Pension Fund Committee require the committee to monitor the performance of the Pension Fund, individual fund managers, and other service providers to ensure that they remain suitable.
- 3.2 This report presents a summary of the Pension Fund's performance and estimated funding level to 30 September 2017. The investment performance report (Appendix 1) has been prepared by Deloitte, the

Fund's investment adviser, who will be attending the meeting to present the key points and answer questions.

- 3.3 The Investment Performance Report shows that over the quarter to 30 September 2017, the market value of the assets increased by £32 million to a value of £1,319 million (£1,287) at 30 June 2017). The fund outperformed the benchmark by 0.6% over the quarter. The benchmark was however, suppressed mainly by the underperformance of one fund manager by 2.3%.
- 3.4 The Advisors continue to rate the fund managers favourably. However they expressed concern regarding the announcement of the Client Relations Director's imminent departure from London CIV Ltd.
- 3.5 The Funding update (Appendix 2) has been prepared by the Fund Actuary, Barnett Waddingham. This indicates that the smoothed funding level has increased to 88% over the quarter to 30 September 2017, up from 87% at the last quarter. This indicative position is up 1% on the calculated position at the triennial valuation of 31 March 2016.

If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:

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BACKGROUND PAPERS: None

APPENDICES:

Appendix 1 - Deloitte Investment Report, Quarter Ending 30 September 2017

Appendix 2 - Barnett Waddingham Funding Update as at 30 September 2017