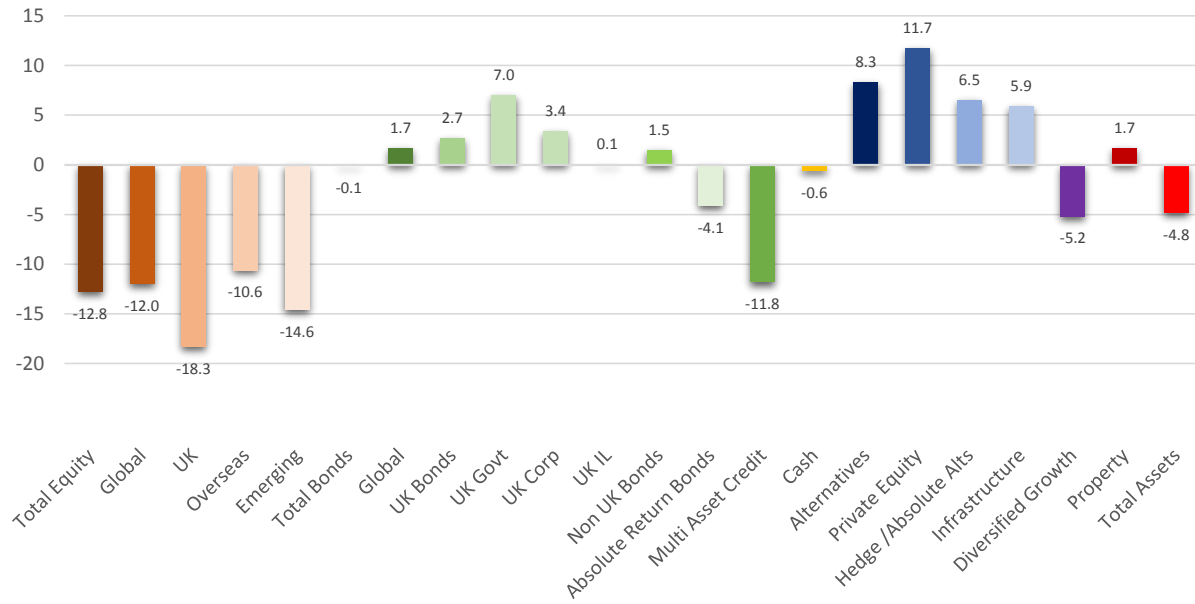


## Latest Year Performance



- Another year of global political uncertainty but this time was the unprecedented effects of COVID -19 .
- The year saw the fastest ever decline in equity markets, albeit from close to record high levels, new lows in oil prices, much of the credit market becoming barely liquid and property and many alternatives difficult to value.
- Funds returned an average of -4.8% for the year, perhaps better than was expected by many.
- Equities fared worst - funds with higher exposures to more defensive assets will have performed relatively well.

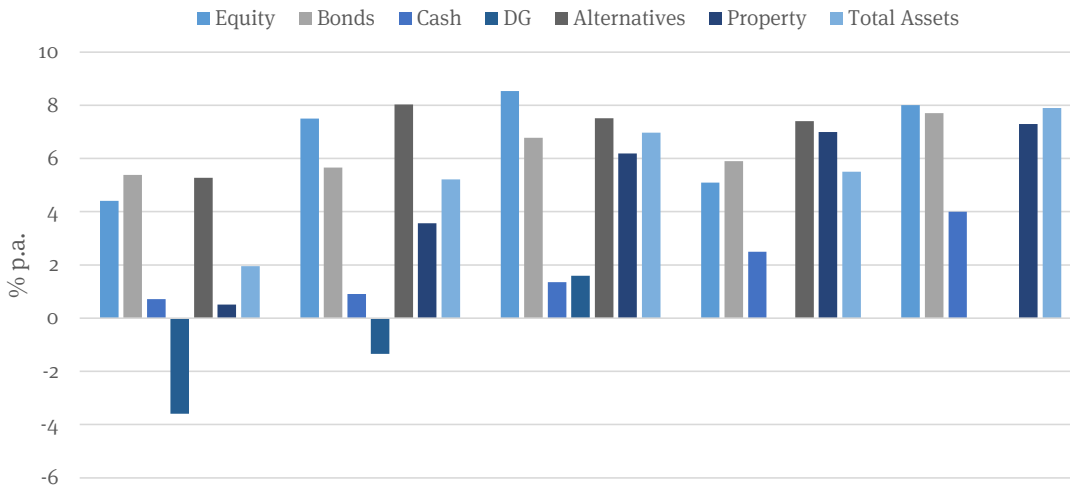
## Asset Allocation

- Strategic asset allocation remained broadly static most of the change to fund weightings came about from the relative market movements over the year.

% Allocation	End March		Diff
	2019	2020	
Equities	55	51	-4
Bonds	19	21	2
Cash	3	2	-1
Alternatives	11	12	1
Diversified Growth	3	3	-
Property	9	9	-

# Universe Longer Term Results

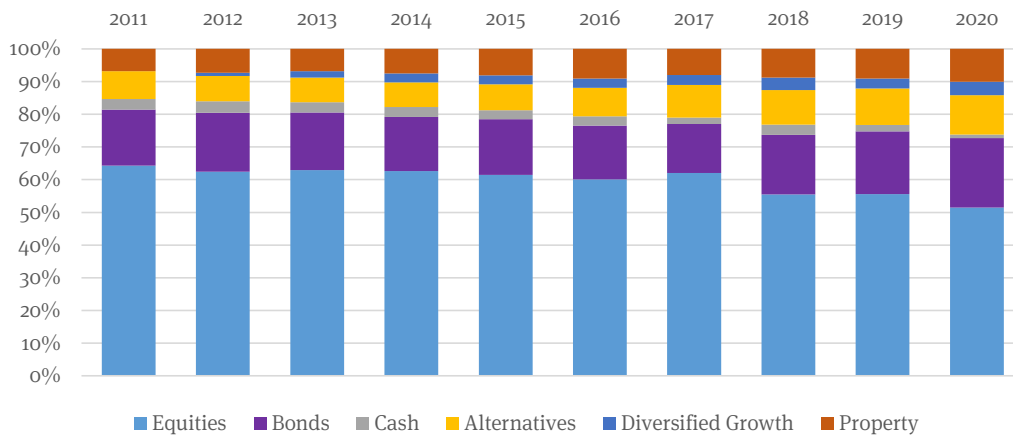
- Long term performance of the LGPS remains strong. The average funds delivered a positive return in 24 of the last 30 years and delivered an annualised performance of 7.9% p.a.
- Equities have driven the strong long term performance.
- Alternatives have performed strongly due in a large part to the excellent returns from private equity.



	3 Years	5 Years	10 Years	20 Years	30 Years
Equity	-0.8	4.2	6.9	5.1	8.0
Bonds	2.6	4.0	5.9	5.9	7.7
Cash	-0.1	0.4	1.1	2.5	4.0
DG	-1.2	0.1	2.3		
Alternatives	8.1	9.8	8.4	7.4	
Property	5.8	6.8	7.8	7.0	7.3
<b>Total</b>	<b>1.9</b>	<b>5.2</b>	<b>6.9</b>	<b>5.5</b>	<b>7.9</b>

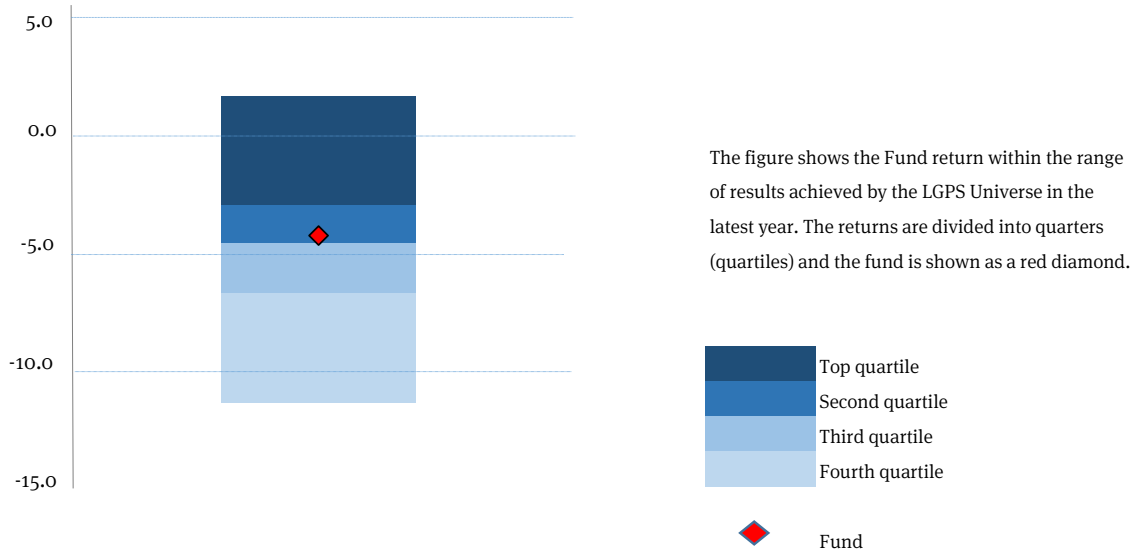
## Asset Allocation

- Equities remain the largest allocation within most fund's assets. 80% of this allocation is now invested overseas.
- Alternatives have increased markedly over the decade. Private equity makes up a half of this allocation with infrastructure increasing in recent years and expected to increase further.
- Within the bond allocation, there has been a continued move from index based towards absolute return mandates.



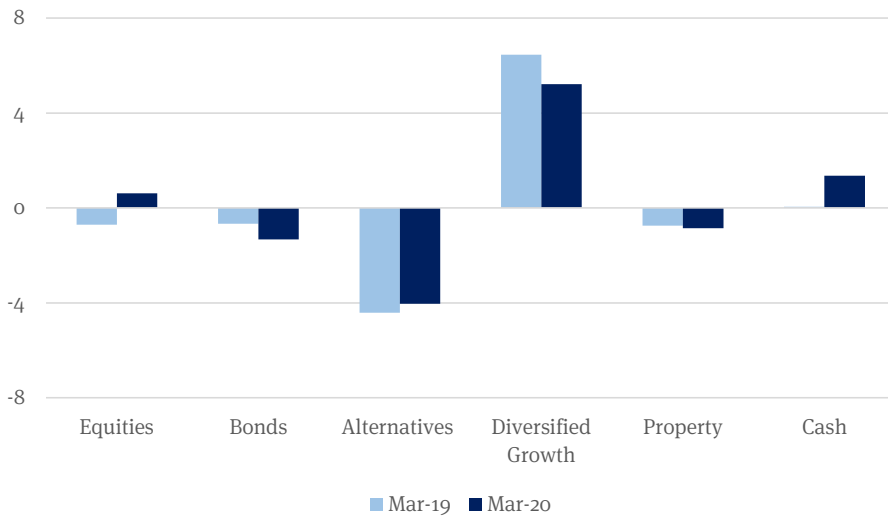
## Latest Year

- In the latest year the combined return of -4.1% was well ahead of the average of -4.8% and ranked in the 47th percentile.
- The range across London was from 0.0% (Bexley) to -8.4% (Wandsworth) although all were above the universe average.



## Fund Asset Allocation

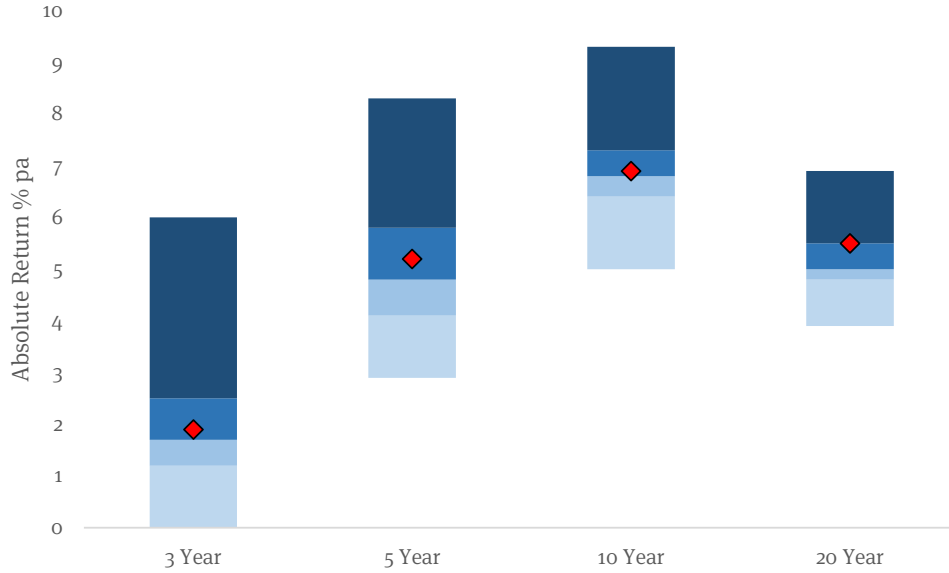
- The Funds combined are structured quite similarly to the average Fund.
- The key difference is the lower level of Alternatives and higher level of Diversified Growth.
- Last year these differences had a negatives impact upon the relative performance .



The chart shows the Fund's relative % weightings at asset class level at 31st March 2019 and 2020.

### Fund Longer Term Returns

- The latest year result has improved the combined performance against the universe average.
- London Funds are matching the 3 year average (1.9%) and only slightly behind the 5 year average.
- In the longer term the Funds are close to the average and slightly ahead over 10 years.
- The best Funds have added significant value over 10 years (+2.5% pa above average) although there is a significant gap to the worst performing Funds over 10 years of 4.2% pa which equates to 52%.

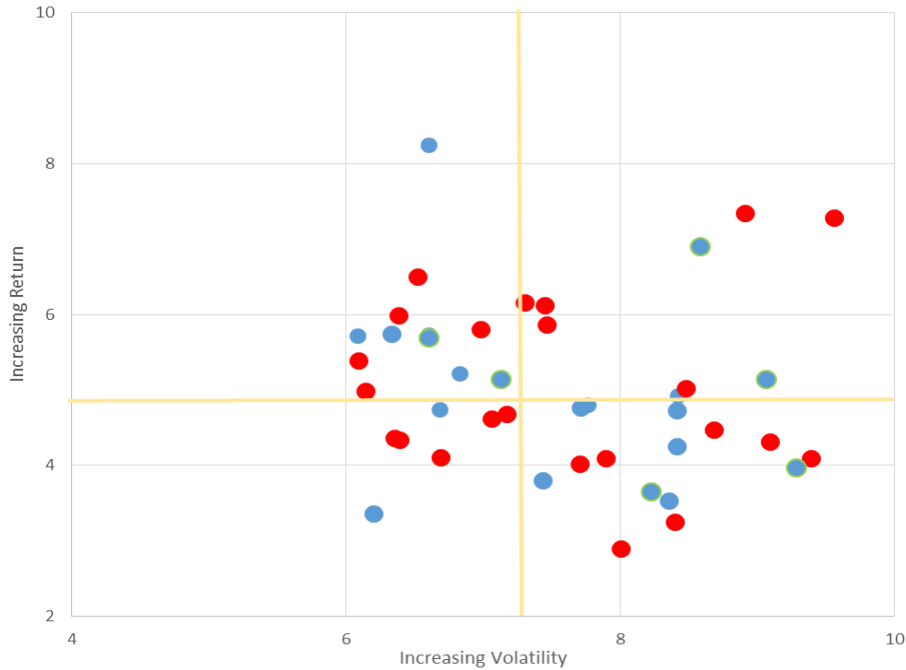


London Combined	1.9	4.9	7.0	5.2
Universe Average	1.9	5.2	6.9	5.5
Ranking	(38)	(45)	(41)	(46)
Range: Best	3.9	7.4	9.4	7.0
Worst	0.2	2.9	5.2	3.9
Difference	3.7	4.5	4.2	3.1

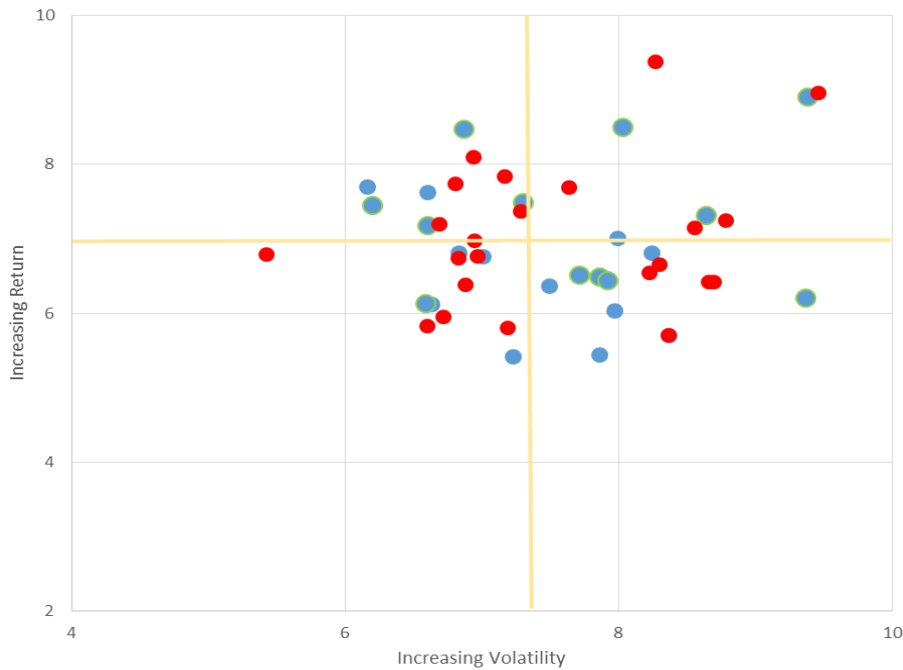
### Risk and Return

- Over the last ten years the Funds (red dots) show a divergence in risk tolerance across the London funds with the reward for taking risk showing no clear correlation with the best and worst performing taking above average risk.
- Over the last five years the Funds with the highest level of volatility have delivered the best results.

### Last Five Years (% p.a.)



### Last Ten Years (% p.a.)



The charts show the funds (red dots) in the LGPS Universe in risk/return space. The further up the vertical axis a fund is the better the return achieved. The further along the horizontal axis the more risk has been taken. The yellow lines are the median results. These divide the funds into quadrants. Most funds would prefer to be in the top left quadrant. Only funds which supply monthly data can be included in the risk / return analysis.

## Fund Returns and Rankings

- The top decile funds are shown in blue and the bottom decile in orange.
- Bromley, Bexley and Kensington & Chelsea have consistently performed well.
- Greenwich is the only fund to be bottom decile over all periods.
- Brent and City of London have improved from bottom decile over the long term to close to average in the last three years.

	3 Years		5 Years		10 Years		20 Years	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Barking & Dagenham	1.8	46	4.7	56	5.8	93	4.0	98
Barnet	1.0	80	3.3	95	5.2	100	4.6	93
Bexley	3.9	5	6.5	7	8.1	9	6.4	4
Brent	1.5	59	4.6	59	6.0	88	3.9	100
Bromley	3.9	3	7.3	3	9.0	2	7.0	1
Camden	0.6	88	4.1	81	5.8	93	5.1	53
City of London	1.8	42	4.5	63	6.5	63	4.4	94
Ealing	1.3	68	4.1	81	6.7	58	5.7	19
Enfield	2.5	24	5.4	27	6.8	47	5.4	36
Greenwich	0.2	97	3.3	97	5.7	95	4.2	96
Hackney	1.9	41	4.1	73	6.1	84	4.9	68
Hammersmith & Fulham	1.5	61	4.3	68	7.2	32	5.5	34
Haringey	2.1	34	6.1	14	7.7	16	4.8	85
Harrow	0.4	93	4.0	85	6.7	56	5.3	38
Havering	2.2	31	4.4	66	6.8	53	4.8	87
Hillingdon	0.5	90	4.1	76	5.8	90		
Hounslow	1.3	78	4.1	81	6.4	72	5.2	45
Islington	3.2	14	5.0	42	6.7	54	4.8	89
Kensington & Chelsea	3.7	9	7.4	2	9.4	1		
Kingston upon Thames	2.0	36	5.0	39	7.3	28	5.1	55
Lambeth	2.2	35	4.6	61				
Lewisham	2.8	19	6.2	12	7.4	23	4.8	79
Merton	1.6	54	4.8	48	6.8	49	5.5	30
Newham	2.3	29	5.8	19	7.7	12	5.2	43
Redbridge	1.4	63	4.0	83	6.4	74	4.9	70
Southwark	3.2	14	5.9	17	7.8	11	5.6	27
Sutton	2.0	37	5.3	28				
Tower Hamlets	3.8	7	5.9	15	7.0	40	5.1	52
Waltham Forest	1.6	53	2.9	100	6.4	73	5.0	63
Wandsworth & Richmond	0.7	87	4.4	65	7.2	31	5.5	32
Westminster	1.3	72	4.3	70	7.2	35		
Universe Average	1.9		5.2		6.9		5.5	
<b>London Weighted Average</b>	<b>1.9</b>		<b>4.9</b>		<b>6.5</b>		<b>4.3</b>	

Bottom decile  
 Top decile

## Asset Pooling

- The the London Funds are all members of the London CIV
- As at 31 March 2020 the total value of the London Funds was just under £35bn and around 47% was pooled.
- Around £7.6bn was held in active funds and £8.6bn in passive funds.
- Brent (84%) and Haringey (78%) held the highest proportion of their assets with the London CIV.

	Total Pooled	% Pooled
Barking & Dagenham	366,806,539	36%
Barnet	473,033,888	44%
Bexley	571,885,629	67%
Brent	702,837,575	84%
Bromley	-	0%
Camden	888,457,307	57%
City of London	188,412,175	20%
Ealing	436,477,778	37%
Enfield	467,196,896	40%
Greenwich	500,834,292	41%
Hackney	715,722,942	49%
Hammersmith & Fulham	639,635,867	67%
Haringey	1,036,510,807	78%
Harrow	368,525,696	47%
Havering	438,524,463	60%
Hillingdon	523,541,874	53%
Hounslow	234,518,263	25%
Islington	475,011,668	35%
Kensington & Chelsea	304,268,918	27%
Kingston upon Thames	179,496,774	22%
Lambeth	778,053,110	55%
Lewisham	501,906,498	37%
Merton	301,170,443	44%
Newham	296,308,093	22%
Redbridge	582,996,387	77%
Southwark	805,491,838	52%
Sutton	263,152,991	41%
Tower Hamlets	1,009,796,067	66%
Waltham Forest	345,122,381	40%
Wandsworth & Richmond	1,017,868,613	47%
Westminster	894,182,473	68%
<b>London</b>	<b>16,307,748,245</b>	<b>47%</b>

## Benchmarks and Relative Performance

- The table below shows each Funds performance against benchmark over different time periods.
- On aggregate the London Funds are behind their benchmark over all time periods.
- Tower Hamlets have consistently achieved the best relative performance although their benchmark is well below average.

Fund	1 year			3 years			5 years			10 years		
	Fund	BM	Rel	Fund	BM	Rel	Fund	BM	Rel	Fund	BM	Rel
Barking and Dagenham	-4.9	-0.5	-4.4	1.8	4.0	-2.2	4.7	6.4	-1.6	5.8	7.3	-1.4
Barnet Pension Fund	-5.4	-2.4	-3.0	1.0	2.9	-1.8	3.3	4.5	-1.1	5.2	6.6	-1.3
Bexley Pension Fund	0.0	-2.1	2.1	3.9	3.6	0.3	6.5	6.4	0.1	8.1	7.7	0.3
Brent Pension Fund	-3.9	-2.7	-1.3	2.8	2.1	0.7	4.6	5.4	-0.7			
Bromley Pension Fund	-2.7	-1.9	-0.8	3.9	3.1	0.8	7.3	6.5	0.7	9.0	7.8	1.0
Camden Pension Fund	-6.7	-3.3	-3.5	0.6	2.2	-1.6	4.0	5.1	-1.0	5.8	6.8	-0.9
City of London Corporation	-4.1	-3.3	-0.8	1.7	2.8	-1.1	4.5	5.7	-1.2	6.5	7.2	-0.6
Ealing Pension Fund	-5.7	-5.9	0.3	1.3	1.1	0.2	4.1	4.2	-0.1	6.7	6.5	0.1
Enfield Pension Fund	-1.5	-0.8	-0.6	2.5	2.3	0.3	5.4	5.0	0.4	6.8	6.7	0.1
Greenwich Pension Fund	-6.6	-4.3	-2.4	0.2	2.1	-1.9	3.3	4.8	-1.5	5.7	6.8	-1.1
Hackney Pension Fund	-4.1	-3.5	-0.7	1.9	2.4	-0.5	4.2	4.9	-0.7	6.1	6.8	-0.7
Hammersmith and Fulham	-2.2	0.3	-2.5	1.5	3.8	-2.3	4.3	5.5	-1.1	7.2	8.1	-0.8
Haringey Pension Fund	-3.7	-1.2	-2.5	2.1	3.5	-1.4	6.1	6.9	-0.7			
Harrow Pension Fund	-8.1	-3.2	-5.0	0.4	3.4	-2.9	4.0	5.9	-1.8	6.7	7.6	-0.8
Havering Pension Fund	-1.6	-0.3	-1.3	2.2	2.5	-0.3	4.4	4.3	0.1	6.8	6.3	0.5
Hillingdon Pension Fund	-6.1	-3.5	-2.7	0.5	2.0	-1.5	4.1	4.7	-0.5	5.8	5.7	0.1
Hounslow Pension Fund	-6.5	-6.3	-0.3	1.3	1.0	0.3	4.1	4.5	-0.4	6.4	6.6	-0.2
Islington Pension Fund	-1.3	-1.8	0.4	3.2	2.5	0.7	5.0	4.4	0.5	6.7	6.6	0.2
Kensington and Chelsea	-3.4	-2.6	-0.7	3.7	4.0	-0.3	7.3	7.6	-0.2	9.4	9.2	0.2
Kingston upon Thames	-3.1	-4.1	1.0	2.0	1.9	0.0	5.0	5.1	-0.1	7.3	7.1	0.2
Lambeth Pension Fund	-0.8	-1.2	0.5	2.2	2.8	-0.6						
Lewisham Pension Fund	-1.5	-2.1	0.6	2.9	3.0	-0.1	6.2	6.1	0.1			
Merton Pension Fund	-4.3	4.8	-8.7	1.6	4.8	-3.0	4.8	4.8	0.0	6.8	8.3	-1.4
Newham Pension Fund	-3.6	0.0	-3.6	2.3	3.9	-1.6	5.8	6.4	-0.6			
Redbridge Pension Fund	-5.4	-3.9	-1.5	1.4	1.9	-0.5	4.0	4.3	-0.3	6.4	6.4	-0.1
Southwark Pension Fund	-2.8	-1.8	-1.0	3.2	3.5	-0.3	5.9	6.7	-0.7	7.8	8.5	-0.6
Sutton Pension Fund	-3.3	-2.0	-1.3	2.0	2.6	-0.6	5.3	5.3	0.0			
Tower Hamlets Pension Fund	-0.4	-6.0	5.9	4.0	1.7	2.2	6.0	4.6	1.3	7.0	6.4	0.5
Waltham Forest Pension Fund	-5.4	-7.0	1.7	1.6	0.7	1.0	2.9	4.2	-1.2	6.4	6.0	0.4
Westminster Pension Fund	-7.0	-5.2	-1.9	1.3	1.6	-0.3	4.3	4.2	0.1	7.2	6.6	0.5
Wandsworth & Richmond Fund	-8.4	-5.2	-3.3	0.7	1.6	-0.9						
<b>Aggregates</b>	<b>-4.0</b>	<b>-2.7</b>	<b>-1.4</b>	<b>2.0</b>	<b>2.6</b>	<b>-0.6</b>	<b>4.9</b>	<b>5.3</b>	<b>-0.4</b>	<b>6.8</b>	<b>7.1</b>	<b>-0.2</b>

Best Performing

Worst Performing