

Report for: Pensions Committee and Board – 01 December 2025

Item number:

Title: Pension Fund Quarterly Investment and Performance Update

Report authorised by: Taryn Eves, Corporate Director of Finance and Resources (Section 151 Officer)

Lead Officer: Jamie Abbott – Head of Pensions
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Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Not applicable

1. Describe the issue under consideration

- 1.1. This report provides the Pensions Committee and Board (PCB) with the following updates on the Pension Fund's performance for the quarter ended 30 September 2025:
- a. Overview of fund performance including funding position update
 - b. Investment manager performance
 - c. Asset allocation
 - d. Investments with the pool
 - e. LAPFF Engagement Update
 - f. Independent advisor's market commentary

2. Cabinet Member Introduction

- 2.1. Not applicable

3. Recommendations

The Pensions Committee and Board is recommended:

- 3.1. To note the information provided in section 6 of this report regarding the Fund's investment performance and activity for the quarter ended 30 September 2025.

4. Reason for Decision

- 4.1. Not applicable.

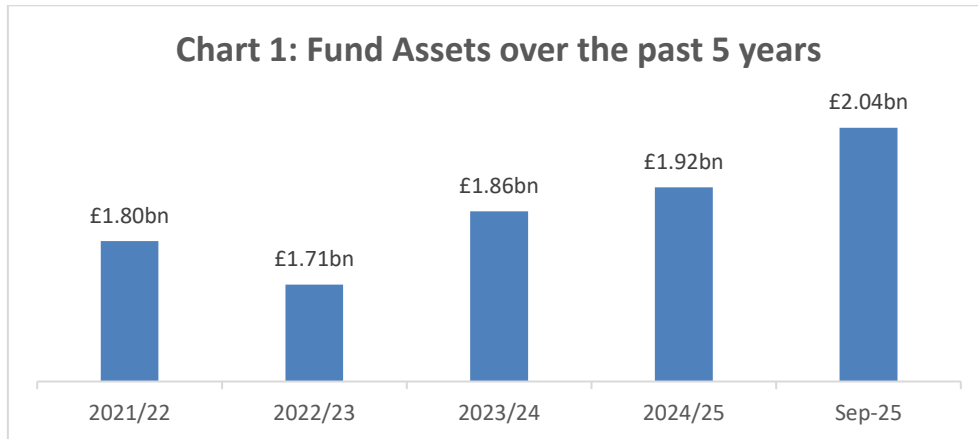
5. Alternative options considered

- 5.1. Not applicable.

6. Background information

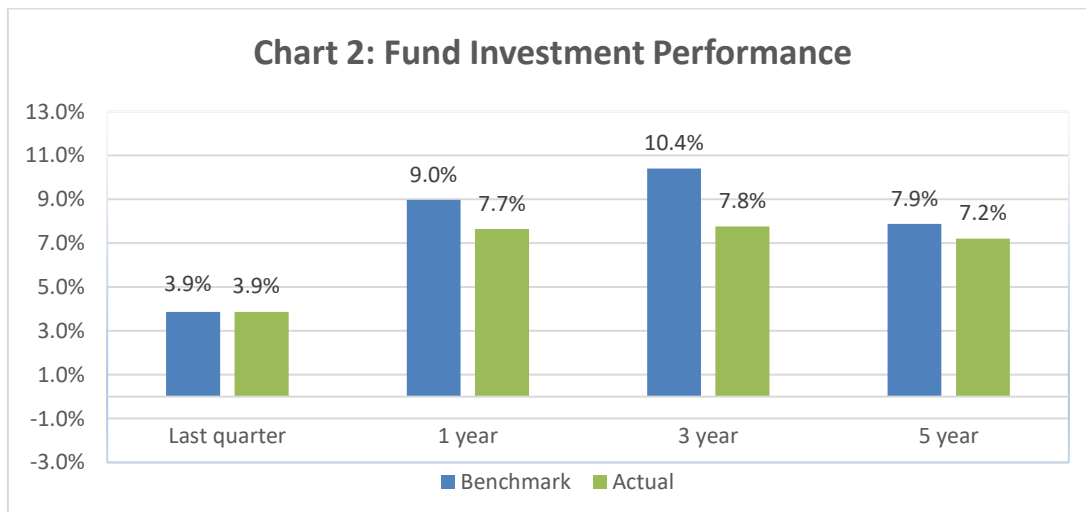
Overview of Fund Performance

- 6.1. The Fund's investment portfolio on 30 September 2025 was £2.04bn, representing a 6.7% increase over the quarter. Chart 1 shows the growth in investment assets over the past 5 years. The increase has been due to strong returns on equities in the quarter.



Source: Northern Trust, Haringey Pension Fund Strategy Report, 30 September 2025

- 6.2. Chart 2 shows the Fund's investment performance over various time periods relative to its overall strategic benchmark.



Source: Northern Trust, Haringey Pension Fund Strategy Report, 30 September 2025

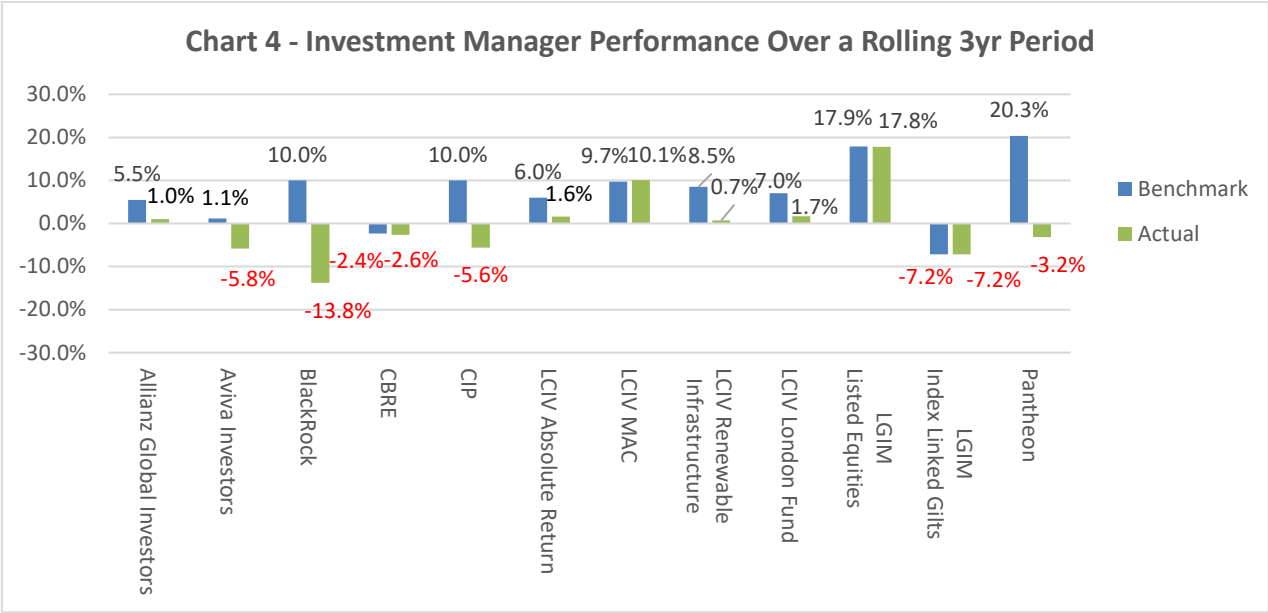
Funding position update

- 6.3. The Fund monitors its funding level each quarter. This is the ratio of the market value of assets to the projected future benefit payments, also known as fund liabilities.
- 6.4. The funding level as at 31 March 2022 was 113%, based on a discount rate of 4.3%. This indicated that the Fund's investment assets were more than sufficient to cover all the pension benefits accrued by that date, based on the underlying actuarial assumptions.
- 6.5. Hymans Robertson, the Fund Actuary, regularly calculates an indicative funding position update using the latest actuarial assumptions. A detailed breakdown of the Fund's funding position has been included as Confidential Appendix 1 to this report.

Investment Performance

6.6. The Fund's investment assets are managed to meet its liabilities over the medium to long term. Therefore, the performance of the appointed investment managers is assessed over these time periods.

6.7. Chart 4 shows the individual investment performance for each investment manager measured over the rolling three-year period.



Source: Northern Trust, Haringey Pension Fund Strategy Report, 30 September 2025

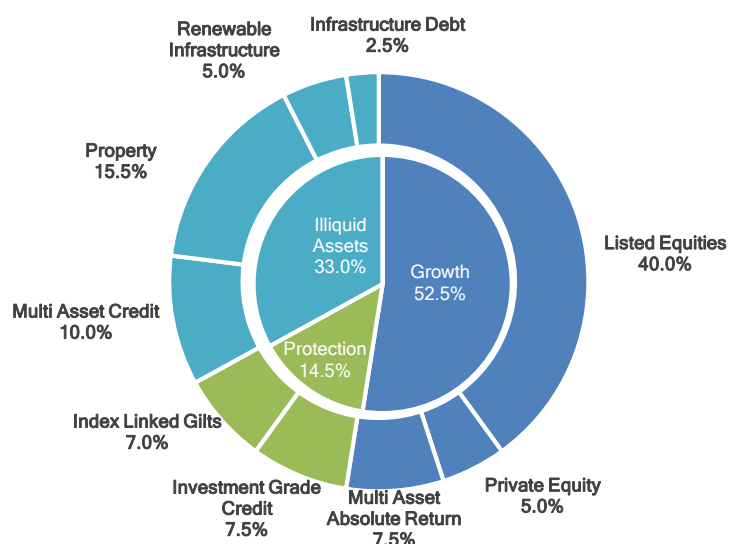
6.8. The following funds have not been included in Chart 4 as the Fund has been invested in them for less than 3 years:

- LCIV Buy and Maintain

Asset Allocation

7.1. The Fund has set a strategic asset allocation benchmark aimed at balancing long-term returns with risk, considering the nature of the Fund's liabilities and prevailing market factors. The Fund's strategic asset allocation is shown in Chart 5.

Chart 5: Strategic Asset Allocation



7.2. The Fund's current asset allocation, compared to the strategic asset allocation is shown in Table 1.

Table 1: Current strategic asset allocation

Asset	Sep-25 £m	Strategic Asset Allocation	Current Asset Allocation	Variance	Allowable Ranges
Listed equity	952	40.0%	46.6%	6.6%	+/- 5.0%
Diversified alternatives	570	30.0%	27.9%	(2.1%)	+/- 10.0%
Defensive	264	14.5%	12.9%	(1.6%)	+/- 5.0%
Property	216	15.5%	10.6%	(4.9%)	+/- 10.0%
Cash	47	0.0%	2.0%	2.0%	
Total	2,049				

Investments with the pool

- 7.3. Haringey Pension Fund, along with all the London Borough funds, is a Partner Fund of the London Collective Investment Vehicle (LCIV), one of the asset pools that were established following the government guidance issued in November 2015. As of 30 September 2025, the Fund had approximately 78% of its assets invested with the pool, with approximately 25% invested in funds managed directly by the London CIV.
- 7.4. Following the Government's response to the Fit for the future consultation, it is expected that all Pension Fund investments are transferred to the pool (or deemed under pool management) by 31 March 2026.
- 7.5. Fund Officers have met with LCIV to provisionally map the next steps for transitioning the remaining assets to the pool, the remaining assets to transition are the illiquid classes: infrastructure, Property and Private equity.
- 7.6. LCIV has attended the December PCB meeting to provide an update on activities undertaken since the 'Fit for the Future' consultation response. The update will

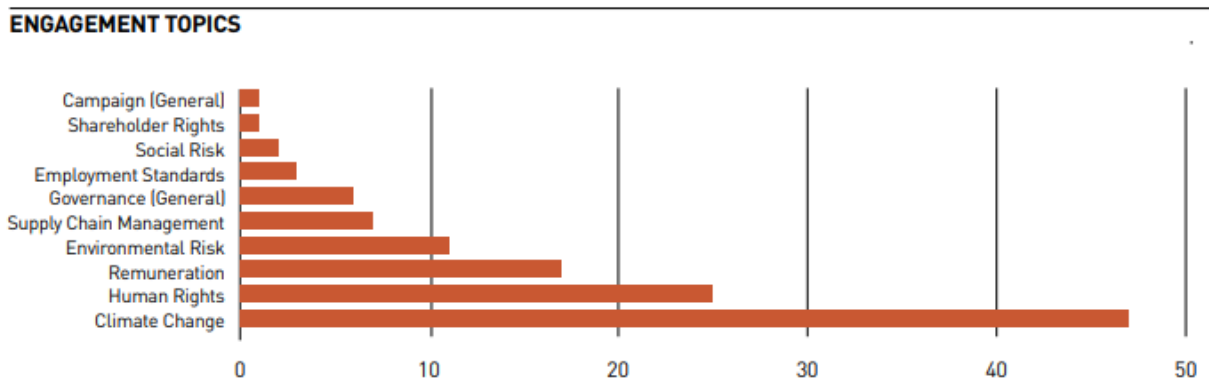
include progress on asset transitioning and a detailed outline of the remaining plan to complete the transition of outstanding assets by the March 2026 deadline.

- 7.7. We are currently collaborating with LCIV on the development and implementation of our draft Responsible Investment (RI) policy. This work is being undertaken in close alignment with the RI matrix that LCIV is in the process of designing, to ensure that our approach is consistent with their framework. Our objective is to achieve alignment and implementation of the policy by April 2026.

LAPFF Engagement update

- 7.8. Haringey Pension Fund is a member of the Local Authority Pension Fund Forum (LAPFF), a shareholder engagement group that regularly engages with companies to encourage best practice and effect positive change. LAPFF engages directly with senior management and company boards to ensure they have the right policies in place to create value responsibly.
- 7.9. During the quarter ending on 30 September 2025, LAPFF engaged with 45 companies domiciled across 14 jurisdictions. Most of the engagement focused on issues related to Climate Change.
- 7.10. Chart 6 shows the breakdown of engagement topics during quarter ending 30 September 2025:

Chart 6



Independent advisor's market commentary

- 7.11. The independent advisors market commentary for the quarter ending September 2025 can be found in appendix 3, a summary of the update can be found below in points 7.11 to 7.14.
- 7.12. Global equities continued their strong momentum from the second quarter of 2025 into the July–September period, buoyed by easing trade tensions, robust corporate earnings, anticipated monetary easing by the U.S. Federal Reserve, and optimism surrounding technology—particularly artificial intelligence. The MSCI World Index rose more than 7% in U.S. dollar terms during the quarter. However, by its end, valuations, especially in the U.S. and AI-related stocks, were seen as elevated. Both the International Monetary Fund and the Bank of England raised concerns in October about these high valuations, and JPMorgan Chase CEO Jamie Dimon echoed similar

caution, noting that while valuations were stretched, the timing of any correction remained uncertain.

- 7.13. On the monetary policy front, the Federal Reserve faced significant political pressure to cut rates but initially held them steady at 4.25%–4.5% in July, with two dissenting votes marking a rare split. Chair Jay Powell signalled flexibility in August, hinting at possible easing. By September, the Federal Open Market Committee reduced the federal funds rate by 0.25% to 4.0%–4.25%, citing rising risks to employment despite inflation remaining above target. Powell emphasized that while unemployment was still low, job gains had slowed, labour demand softened, and downside risks to employment had increased. Balancing its dual mandate of maximum employment and stable inflation, the Fed judged it appropriate to move toward a more neutral stance in response to shifting economic conditions.
- 7.14. Asian (excluding Japan) and Emerging Markets recorded another strong quarter, with both the MSCI Asia ex-Japan and MSCI Emerging Market indices advancing close to 11% in U.S. dollar terms. Supportive factors included the extension of the U.S.–China trade tariff truce in August, reciprocal measures from China, and the Federal Reserve's interest rate cut, which collectively boosted sentiment. Enthusiasm for technology, particularly artificial intelligence, lifted key markets such as China, Taiwan, and South Korea, where corporate governance reforms were also welcomed. Indonesia benefited from a July trade agreement with the U.S., which reduced reciprocal tariffs on its goods, further strengthening equity performance.
- 7.15. In fixed income markets, U.S. Treasury bonds enjoyed gains as yields fell in August and September, driven by expectations of monetary easing and weaker employment data. Conversely, UK gilt yields rose amid concerns over public finances and inflation nearing twice the Bank of England's target, while German bond yields also increased. Corporate credit markets across the U.S., UK, and Eurozone performed positively, with spreads narrowing thanks to strong earnings, low default rates, and pockets of economic optimism. Both investment-grade and high-yield bonds benefited from these supportive fundamentals, underscoring investor confidence despite broader macroeconomic uncertainties.

8. Contribution to Strategic Outcomes

- 8.1. Not applicable

9. Carbon and Climate Change

- 9.1. Haringey Pension Fund is committed to being a responsible investor, which involves engaging with and encouraging companies to take positive action on environmental, social and governance (ESG) issues.
- 9.2. The Fund's current investment strategy includes allocations to renewable infrastructure funds and low-carbon equity index funds. One such fund is the RAFI-Multi Factor Climate Transition Fund, which aims to reduce the Pension Fund's carbon intensity accordance with the Paris Agreement.
- 9.3. The Fund is continually reviewing the ESG performance of existing investment strategies while also seeking out sustainable investment opportunities that align with the Fund's overall investment objectives.

10. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance

- 10.1. The report contains the financial performance of the Haringey Pension Fund and its investments. Proper monitoring and management of these investments increases the likelihood of the Fund achieving its objectives. This, in turn, helps ensure the protection of member benefits and improves the probability of maintaining stable employer contribution rates.

Procurement

- 10.2. There are no immediate procurement implications arising from this report.

Director of Legal and Governance [Fiona Alderman]

- 10.3. The Council as administering authority for the Haringey Pension Fund must periodically review the suitability of its investment portfolio to ensure that returns, risk and volatility are all appropriately managed and are consistent with its overall investment strategy.
- 10.4. All monies must be invested in accordance with the Investment Strategy Statement (as required by Regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016) and members of the PCB should keep this duty in mind when considering this report and take proper advice on the matter.

Equality

- 10.5. The Local Government Pension Scheme is a defined benefit open scheme that allows all Council employees to participate. The report's contents have no direct impact on equality issues.

11. Use of Appendices

- 11.1. Confidential Appendix 1: Funding Position Update September 2025
- 11.2. Confidential Appendix 2: Quarterly Investment Performance Report 30 September 2025
- 11.3. Appendix 3: Independent Advisors Market Commentary for period ending 30 September 2025

12. Local Government (Access to Information) Act 1985

- 12.1 Not applicable.