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Brent Pension Fund Sub-Committee

Wednesday 7 October 2026 at 6.00 pm

Conference Hall, 3rd Floor – Brent Civic Centre, Engineers Way, Wembley, HA9 0FJ

Please note this will be held as a physical meeting which all members of the Sub Committee will be required to attend in person.

The meeting will be open for the press and public to attend but has not been scheduled for live webcast.

Membership:

Members Councillors:	**Substitute Members** Councillors
Burn (Chair) Mishra (Vice Chair) I.Ahmed Anderson Brown A.Patel Ryan	Labour Group Agha, Bajwa, Choudry and Thomas Conservative Group Kansagra and HB Patel Liberal Democrats Group Lorber and Unger Green Group Gallagher and Perrin

Non Voting Co-opted Member

Elizabeth Bankole	Brent Unison representative

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Tel: 07394837462; Email: harry.ellis@brent.gov.uk

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Notes for Members - Declarations of Interest:

If a Member is aware they have a Disclosable Pecuniary Interest* in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent and must leave the room without participating in discussion of the item.

If a Member is aware they have a Personal Interest** in an item of business, they must declare its existence and nature at the start of the meeting or when it becomes apparent.

If the Personal Interest is also significant enough to affect your judgement of a public interest and either it affects a financial position or relates to a regulatory matter then after disclosing the interest to the meeting the Member must leave the room without participating in discussion of the item, except that they may first make representations, answer questions or give evidence relating to the matter, provided that the public are allowed to attend the meeting for those purposes.

***Disclosable Pecuniary Interests:**

(a) **Employment, etc. -** Any employment, office, trade, profession or vocation carried on for profit gain.

(b) **Sponsorship -** Any payment or other financial benefit in respect of expenses in carrying out duties as a member, or of election; including from a trade union.

(c) **Contracts -** Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.

(d) **Land -** Any beneficial interest in land which is within the council's area.

(e) **Licences-** Any licence to occupy land in the council's area for a month or longer.

(f) **Corporate tenancies -** Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.

(g) **Securities -** Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

****Personal Interests:**

The business relates to or affects:

(a) Anybody of which you are a member or in a position of general control or management, and:

- To which you are appointed by the council;
- which exercises functions of a public nature;
- which is directed is to charitable purposes;
- whose principal purposes include the influence of public opinion or policy (including a political party of trade union).

(b) The interests a of a person from whom you have received gifts or hospitality of at least £50 as a member in the municipal year;

or

A decision in relation to that business might reasonably be regarded as affecting the well-being or financial position of:

- You yourself;

a member of your family or your friend or any person with whom you have a close association or any person or body who is the subject of a registrable personal interest.

Agenda

Introductions, if appropriate.

Item Page

1 Apologies for absence and clarification of alternate membership

2 Declarations of personal and prejudicial interests

Members are invited to declare at this stage of the meeting, any relevant disclosable pecuniary or personal interests in any matter to be considered at this meeting.

3 Minutes of the previous meeting 1 - 14

To approve the minutes of the previous meeting held on Thursday 9 July 2026 as a correct record

4 Matters arising 15 - 18

4.1 Exposure to business enterprises listed on the UN OHCHR database

To receive (for reference) a report, in response to a commitment made at the September 2025 Full Council meeting, informing the Committee of the Fund's exposure to business enterprises listed on the United Nations Office of the High Commissioner for Human Rights (UN OHCHR) database, which identifies business enterprises involved in certain specified activities related to Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem.

5 Deputations (if any)

Members are asked to note that there are currently no deputation(s) due to be presented at the meeting.

6 Investment Monitoring Report - Q2 2026 19 - 42

To receive the Brent Pension Fund Q2 2026 - 27 Investment Monitoring Update Report.

7 Presentation from London CIV 43 - 104

To receive a presentation from the London CIV regarding progress on

implementation of the Fit for Future requirements along with an update on Governance & Engagement, Responsible Investment and Local Investment.

As part of the update members have also been provided with the London CIV Quarterly Performance Report (ending December 2025).

8 Brent Pension Fund: Annual Report and Accounts 2025-26 105 - 250

This report provides an update on the Pension Fund Annual Report and Accounts for the year ended 31 March 2026.

9 Investment Strategy Statement 251 - 266

This report provides an update on the Investment Strategy Statement.

Agenda republished to include this report on the 2nd of October 2026

10 Appointment of an Independent Person and LGPS Senior Officer for the Brent Pension Fund 267 - 272

The purpose of this report is to outline the proposals to appoint an independent person to support the discharge of the Council's pensions functions in accordance with Regulation 53A of the LGPS Regulations 2013 and the relevant statutory guidance, and to provide an update on the requirement to appoint a LGPS Senior Officer.

11 Training Update - Members' Learning and Development 273 - 320

The purpose of this report is to provide an update on the Pension Fund Learning Strategy and provision of the LGPS online learning facility.

12 LAPFF Engagement Report 321 - 342

To present members with an update on engagement activity undertaken by the Local Authority Pension Fund Forum (LAPFF) on behalf of the Fund.

13 Minutes of Pension Board 343 - 356

To note the draft minutes of the Pension Board meeting held on Tuesday 21 July 2026.

Agenda republished to include an initial draft of the attached minutes on 2 October 2026. Members are asked to note these minutes have been published as subject to final review.

14 Exclusion of Press and Public

The following item is not for publication as it relates to the category of exempt information set out below, as specified under Part 1, Schedule 12A of the Local Government Act 1972:

Agenda Item 6: Q1 2025-26 Investment Monitoring Report – Appendix Fund Manager performance ratings.

This appendix has been classified as exempt under Paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of and particular person (including the authority holding that information).”

15 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Deputy Director Democratic and Corporate Governance or their representative before the meeting in accordance with Standing Order 60.

Date of the next meeting: Tuesday 23 February 2027

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LONDON BOROUGH OF BRENT

MINUTES OF THE BRENT PENSION FUND SUB-COMMITTEE
Held in the Conference Hall, Brent Civic Centre on Thursday 9 July 2026 at 6.00 pm

PRESENT: Councillor Burn (Chair) and Councillors I.Ahmed, Brown, Kansagra and Ryan

Co-opted Member (Non-Voting): Elizabeth Bankole (Brent UNISON).

Also present: Councillor Dar, David Ewart (Independent Chair – Brent Pension Board), Kenneth Taylor (Hymans Robertson – Investment Advisor), Stephanie Aymes (Client Relations Manager, London CIV), Christopher Gardiner (Chief Financial Officer, London CIV).

1. **Apologies for Absence and clarification of Alternative Members**

An apology for absence was received from Councillor H Patel, with no substitute member in attendance.

2. **Declarations of Interests**

Councillor Brown declared a personal interest as a member of the Local Government Pension Fund Scheme. It was asked whether, for reasons of efficiency, standing declarations of Pension Fund membership could be recorded so that members did not need to repeat their declarations at each meeting. The Chair advised that this would be considered further outside of the meeting.

No other declarations of interest were made at the meeting.

3. **Minutes of the previous meeting**

Prior to consideration of the minutes, the Chair welcomed everyone to the meeting noting the change in membership following the local elections and appointments subsequently confirmed through the General Purposes Committee. Given the new membership, the Chair advised that he intended to take the minutes as a whole rather than consider them on a page by page basis and it was subsequently **RESOLVED** that the minutes of the previous meeting held on 18 February 2026 be approved as an accurate record of the meeting.

Councillor Brown abstained from the above decision on the basis he had not been presented at the previous meeting.

4. **Matters arising**

No matters arising were identified at the meeting.

5. **Deputations (if any)**

Councillor Burn (as Chair) advised that he had agreed to receive a deputation at the meeting from Sheila Guhadasan representing the Brent & Harrow Palestine Solidarity Campaign (PSC). The Chair welcomed Sheila Guhadasan along with other representatives from the Brent & Harrow PSC who were attending in support with members advised that the deputation was seeking an update on progress in relation to commitments regarding the disclosure, review and potential divestment of Pension Fund investments.

In presenting the deputation, Sheila Guhadasan thanked Members for the opportunity to address the Sub Committee and highlighted that Brent & Harrow PSC had been campaigning for almost two years for the Council to divest Pension Fund investments from companies said to be complicit in human rights abuses against Palestinians, a call which had originated from a petition of around 2,000 signatures.

Referring to developments in international law and human rights, Sheila Guhadasan highlighted findings from a United Nations Commission of Inquiry report and referenced the advisory opinion of the International Court of Justice issued in July 2024 regarding the situation in Gaza, the West Bank and East Jerusalem, which she felt established a clear legal and moral case for local authorities to review and withdraw investments from companies alleged to be involved in violations of international law. Members were advised that the PSC's concerns extended beyond human rights issues and also encompassed environmental, governance and fossil fuel-related considerations, on which support had been received from environmental campaign groups as well as local residents.

In highlighting and welcoming previous statements made by the Council regarding engagement with the London Collective Investment Vehicle (London CIV) the Sub Committee was reminded of the commitment made by the previous Deputy Leader & Cabinet Member for Finance and Resources at the Council meeting in September 2025 to write to the London CIV calling for a more robust framework to enable future exclusion of investments linked to conflict, military occupation or genocide, and to work with fund managers to disclose the Fund's investment in companies listed by the United Nations OHCHR. Reference was also made to the Brent Labour and Brent Green Party manifestos, which it was pointed out had contained commitments supporting divestment, ethical procurement and responsible investment approaches, with the deputation therefore urging the Council to honour these commitments and maintain momentum in progressing the work already outlined.

Drawing comparisons with previous campaigns against apartheid in South Africa, Sheila Guhadasan felt that the Council had already demonstrated previous leadership on ethical investment and divestment matters which it was hoped they would continue in relation to the current position within Palestine. She further highlighted comments made at previous Pension Fund Sub Committee meetings indicating that companies achieving strong Environmental, Social and Governance (ESG) performance often delivered strong financial results, suggesting that ethical investment objectives could be pursued without compromising the Fund's fiduciary responsibilities to members and would be consistent with the Fund's long-term financial objectives.

Whilst recognising that investment management arrangements were increasingly undertaken through the London CIV, the deputation highlighted that the Council retained responsibility for determining its investment strategy and investment preferences with examples provided of other London authorities, including Lewisham, Waltham Forest, Tower Hamlets and Hackney, who were understood to be exploring or supporting investment options incorporating stronger ethical exclusions. Particular reference was made to discussions around the London CIV's proposed "third pillar" investment arrangements and the potential opportunity for participating authorities to shape investment products incorporating more comprehensive ethical screens.

In concluding, Shelia Guhadasan advised that the deputation was therefore requesting that the Sub Committee commit to the following actions:

- Conduct and publish a full and transparent audit of Pension Fund investments, identifying holdings in arms companies and companies alleged to be involved in violations of international law within the Occupied Palestinian Territories.
- Provide clear timelines for any future divestment actions.

- Work with the London CIV to secure investment options incorporating stronger ethical exclusions.

- Review and strengthen the responsible investment provisions within Brent's Investment Strategy Statement before submission to the London CIV.

- Provide regular progress updates to future Pension Sub Committee meetings and continue engagement with Brent & Harrow PSC through ongoing dialogue.

Having thanked Sheila Guhadasan for presenting the deputation, Councillor Burn (as Chair) in response, took the opportunity to acknowledge the strength of feeling regarding human rights, international law and ethical investment. Confirmation was provided that the officers were currently reviewing recent correspondence issued to the Local Government Pension Scheme Advisory Board by the Minister for Local Government Minister concerning the role of local authorities in relation to boycott, divestment and sanctions matters. Whilst noting that the guidance indicated such issues were principally matters of national foreign policy, the Chair also highlighted that it had been clear local authorities retained the ability to determine investment strategies where consistent with their fiduciary responsibilities and legal obligations.

The opportunity was also taken to confirm the Administration’s manifesto commitment to review and disclose Pension Fund investments, incorporate principles arising from the United Nations Genocide Convention into its investment framework, and work with the London CIV to support divestment from companies operating within UN-identified occupied territories, involved in human rights abuses, or associated with fossil fuel activities with an assurance provided that the Council remained committed to these objectives and would continue exploring lawful and practical mechanisms for integrating them into the Pension Fund's investment strategy.

In addition, the Chair confirmed that engagement would continue with the London CIV, Government Ministers, other London boroughs and relevant partners as the regulatory and policy environment developed in order to ensure the Council's approach towards responsible investment was kept under review and any future strategy remained legally compliant, financially responsible and consistent with the values and commitments previously established by the Council.

In concluding, the Chair once again thanked Brent & Harrow PSC for their continued engagement and constructive dialogue with the Council with assurance provided that the matters raised would remain under active consideration as the Pension Fund's investment strategy evolved and as further opportunities emerged to strengthen responsible and ethical investment approaches within the framework of the Fund's fiduciary obligations.

6. **Investment Monitoring Report - Q1 2026**

The Chair invited Kenneth Taylor (Hymans Robertson) (Hymans Robertson) to introduce a report, which outlined the performance of the Brent Pension Fund over the Q1 monitoring period 2026 (January - March 2026). Members were advised this formed part of the Sub-Committee's regular reporting cycle, designed to help members monitor investment performance against expectations, review whether investment managers were delivering expected outcomes, compare the Fund's current asset allocation against its long-term strategic targets, and consider whether any investment changes might be required to keep the Fund on track with its agreed strategy.

Prior to presenting the report, members were also advised that once the Pension Fund pooling arrangements had been fully implemented future Investment Monitoring Updates would be provided through the London CIV.

In outlining the market background to the reporting period, it was noted that the 12 months to the end of March 2026 had been an eventful period from a geopolitical perspective, beginning with the announcement of US tariffs in April 2025, which had led to a sharp but short-lived fall in equity markets, and including the onset of the conflict in Iran in February/March 2026, which had increased inflation expectations. Despite this backdrop, equity markets had delivered strong returns over the year. Global equities had returned 18% over the 12-month period, UK equities over 20%, and Asia Pacific markets 47%, whilst returns on other asset classes such as UK gilts, corporate bonds, property and cash had been more limited but still generally positive.

The key highlights of the report were noted as follows:

- Regarding total Fund performance, members were advised that the Fund had returned 12.7% over the 12-month period, compared with a benchmark return of 12.2%, though the latest three-month return had been negative, reflecting the impact of the war in Iran late in the quarter. Over three years, the Fund had achieved an annualised return of 9.2%, which was slightly behind its predicted benchmark.

- In relation to asset allocation, it was noted that the Fund had largely exited the London CIV Baillie Gifford Multi-Asset Fund during the first quarter of the year,

in line with the decision taken following the last strategy review with the value of that holding having fallen from £110m at the end of December 2025 to £2.2m at the end of March 2026 and expected to be fully realised over the coming months, with the proceeds reinvested in the Fund's protection assets, namely the London CIV CQS Multi-Asset Credit Fund and the BlackRock UK Gilts Fund. The total growth asset allocation stood at around 58%, higher than the long-term target allocation agreed at the last strategy review; members were advised that this overweight position was deliberate, reflecting the time it would take to build out the Fund's private market investments on which officers would continue to work with the London in order to understand the plans they had for building those investments.

- At fund manager level, it was noted that the LGIM Global Equity Fund had returned 17.7% over 12 months against a benchmark of 17.8%. In breaking down how benchmarks were set for individual funds, Kenneth Taylor explained that the precise benchmark or index used depended on the index provider (such as MSCI or FTSE) and reflected the composition of the relevant market. In terms of specific Funds, it was also noted that details had been provided on each mandate's contribution to the Fund's absolute performance over the monitoring period, according to their allocation (including supporting details within the exempt appendix which had been provided for members of the Sub Committee).

Following presentation of the report, the Sub-Committee was invited to raise any questions, with the highlights summarised below:

- In beginning the discussion, queries were raised regarding how the funds infrastructure investments were managed and how this would change under the new pooling arrangements. In response, Kenneth Taylor confirmed that the Fund currently held three infrastructure investments, with the Alinda and Capital Dynamics funds being legacy, wind-down investments not forming part of the Fund's long-term strategy, whilst the London CIV infrastructure fund would form the long-term vehicle for this asset class, against a target allocation of 10%.

- Following on, details were sought as to what the expected timescale for the wind-down of the legacy funds might be, with members advised this was expected to take in the region of two to four years. Sawan Shah (Head of Finance, Pensions and Housing Companies) added that the Capital Dynamics holding was now negligible in size and had a correspondingly minimal impact on overall Fund performance.

- In commenting on the overall performance of the fund, Members noted that the actively managed London CIV Emerging Markets Fund had returned 36% over 12 months against a benchmark of 26%, reflecting changes made to the fund's managers following a prolonged period of prior underperformance, whilst the London CIV Ruffer Multi-Asset Fund, though it had performed well over the most recent 12 months, remained behind benchmark over three years.

- Regarding the fund-by-fund attribution of returns figures set out on page 25 of the report, Members queried how the constituent contributions shown

appeared not to reconcile precisely with the reported total return of -0.9% over the quarter. In response, Kenneth Taylor and Sawan Shah explained that this reflected the differing weightings of individual holdings within the portfolio, such that even a very strong or very weak return from a small holding would have limited impact on the overall figure, whereas larger holdings, such as the Legal & General Future World Global Equity Fund, had a correspondingly greater effect on total Fund performance.

With no further issues raised, the Chair thanked Keneth Taylor (Hymans Robertson LLP) for the update, noting the importance of the monitoring update and welcoming the Fund's performance over the period as strong and creditable given the prevailing geopolitical backdrop, with it then **RESOLVED** by the Sub-Committee to note the report.

7. **Presentation from London CIV - An introduction**

The Chair welcomed Stephanie Aymes (Client Relations Manager) and Christopher Gardiner (Chief Financial Officer) from the London CIV (LCIV), who had been invited to update the Sub-Committee on developments at the London CIV and on the Fit for the Future reforms (recent national government reforms to the UK's pensions sector). The key points from the presentation and update provided are highlighted below:

- Christopher Gardiner began, outlining the origins and purpose of the London CIV, which members were advised had been formed 11 years ago by the 32 London boroughs with three core aims: to bring the benefits of scale and fee savings by pooling investments; to deliver cost efficiencies through central management of assets; and to provide partner funds with access to a broader range of investment products than would otherwise be available individually, alongside enhanced investment governance. The London CIV was owned by the 32 London boroughs along with the City of London and, since April 2026, also included Buckinghamshire County Council as a member authority and remained one of six pension asset pools established nationally following the Fit for the Future reforms. London CIV's approach to managing partner fund assets was underpinned by three principles: fiduciary responsibility to meet current and future pension liabilities; providing choice to enable partner funds to implement their desired investment strategies; and delivering long-term value through efficient management of assets, all delivered on a collaborative basis under which the Sub-Committee retained responsibility for setting investment strategy, local investment policy and responsible investment policy, with the London CIV responsible for implementation.

- Regarding London CIV's progress in implementing the changes mandated by the Pensions Scheme Act 2026 and Fit for the Future reforms, Members were advised that the London CIV had been assessed as meeting all minimum standards required by Government as at the end of March 2026. As of the previous month, the London CIV was managing approximately £40 billion of assets directly and indirectly and expected to be managing approximately £60 billion on behalf of all partner funds by 30 September 2026, as partner funds completed the onboarding of Investment Management Agreements (IMAs); Brent had signed its IMA on 11 June 2026.

- Following on from this, Stephanie Aymes, provided further detail on progress since the London CIV's Strategic Plan was approved in 2025, including strengthening of the investment team, investment in systems to monitor and record assets accurately in conjunction with custodians, and the development of a product range to close gaps in the funds available to partner funds off-pool. Having noted that the Fit for the Future reforms placed a greater focus on UK and local investment, members were advised that a dedicated senior investment team member was working with private markets colleagues on this, supported by a survey of partner funds' requirements with the London CIV's property investments in London highlighted as an example.

- Following sign off of Brent's Investment Management Agreement (IMA) members were advised that next steps would involve the London CIV proposing an investment implementation plan for approval, following which trading would commence to move the Fund towards its strategic asset allocation. In concluding her address, Stephanie Aymes noted that quarterly reporting, as well as reporting on performance and local investment, would begin for the June to September 2026 quarter, which would be provided to the Sub-Committee after September 2026.

Following presentation of the report, the Sub-Committee was invited to raise any comments or questions, with the following issues highlighted summarised below:

- In opening the discussion, Members sought further clarification on how the London CIV's performance was scrutinised and monitored. In response, Members were advised that, in future, an independent person and a senior officer would be appointed to support scrutiny of the London CIV's performance at partner fund level. Adding to this, Christopher Gardiner explained the escalation route available in the event of unresolved performance concerns involving the Senior Responsible Officer at partner fund level, to the London CIV's shareholder committee (at which partner funds had elected representation, meeting twice yearly, with the Chair of Pension Fund Sub-Committee representing Brent), and ultimately, if necessary, to the Financial Conduct Authority, given the London CIV's status as an FCA-regulated investment manager.

- Moving on, the London CIV representatives were questioned regarding how individual fund managers were monitored, with Members advised that the London CIV's investment team met with managers on at least a quarterly basis to review progress, performance, compliance and business stability. Monitoring updates were provided on an annual basis to the London CIV's Investment Committee with the performance of individual Fund Managers continuing to be provided within quarterly performance monitoring reports to the Sub Committee. It was noted, by way of example, that the manager of the LCIV Emerging Markets Fund had previously been delisted and replaced following prolonged underperformance, with the fund's performance since being closely monitored.

- In response to a specific question raised by the Chair on the performance of the LCIV Ruffer Multi-Asset Fund, Stephanie Aymes agreed to provide a written follow-up from the relevant investment team for circulation to all members of the Sub-Committee.

- A final question was posed to the London CIV representatives, seeking clarification on the future role of the Fund's investment advisers (Hymans Robertson) once the London CIV assumed responsibility for implementation. Members were advised that, under the new regulations, investment strategy advice was required to be provided by the pool going forward, such that the next triennial investment strategy review would be commissioned through the London CIV rather than an external investment consultant, and that Brent was required to appoint an independent person to support the Sub-Committee, with this process due to take place over the coming months. Members asked for the timing of this transition, to which they were advised that Hymans Robertson's advisory responsibilities would reduce over the coming months, following completion of the investment implementation plan now being developed with the London CIV.

With no further questions or comments, the Sub Committee thanked Stephanie Aymes and Christopher Gardiner for attending and for the update provided which it was **RESOLVED** to note.

8. **Draft Annual Accounts 2025/26**

Manish Shah (Senior Finance Analyst) introduced the report from the Corporate Director Finance and Resources, presenting the draft Pension Fund Annual Accounts for the year ending 31st March 2026.

In noting the indicative draft audit plan for the 2025/26 accounts (on which no significant issues had been identified to date), as detailed within Appendix 2 of the report and draft Pension Fund Annual Accounts for the year ended 31 March 2026, as detailed in Appendix 1 of the report, the following main issues were highlighted for members:

- During 2025/26, the value of the Pension Fund's investments increased to £1,482m (2024/25 £1,310m). Growth assets continued to be main driver of positive returns both in absolute and in relative terms over the past 12 months, with investments held within the Emerging Markets equities being the main performer and the overweight position in this asset class having benefited fund performance. The UK housing market had for the quarter remained flat but underperformed the bench over the same period as rising gilts yields triggered by the war in Iran continued to impact demand.

- Total contributions received from employers and employees were £70m for the year, a decrease on the previous year's £73m reflecting the reduction in the main employer contribution rate from 30.5% to 23% as the Fund's funding position had improved

- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £62m, an increase on the previous year's £60m.

- As in 2024/25, the pension fund remained in a positive cash-flow position as its contributions exceeded outgoings to members.

Following the update, the Chair invited members to raise any comments with the issues summarised below:

- A question was raised over how the Fund had achieved such a strong position given the scale of the reduction in employer contributions. Sawan Shah responded by explaining that the employer contribution rate had in fact reduced only gradually over recent years, under the stabilisation strategy agreed as part of the previous valuation cycle, from 35% three years earlier to 30.5% for the year covered by these accounts. Pay increases over this period had largely been offsetting the cash effect of the rate reduction. It was noted that the more significant reduction to 23%, effective from 1 April 2026 following the latest triennial valuation, would be reflected in next year's accounts.

With no further issues raised and in thanking the Finance team for their work regarding the funds management, the Committee **RESOLVED** to note the Draft Brent Pension Fund Year End Accounts 2025-26.

9. **Fit for the Future Update**

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced a report from the Corporate Director Finance & Resources presenting an update on the Government's Fit for the Future reforms, following publication of the final regulations, which had been laid before Parliament and came into force on 30 June 2026, alongside final guidance which had also been published.

In presenting the report, members were reminded that the Pension Schemes Act 2026 had received Royal Assent at the end of April 2026, enabling the subsequent regulations, and that the reforms covered three key areas: asset pooling, local investment, and governance arrangements across the Local Government Pension Scheme.

The most significant change for the Fund was that Brent, as administering authority, would continue to be responsible for setting funding and investment strategy, however, there would be a much greater focus on oversight and scrutiny of the asset pool with the London CIV, responsible for implementation of the strategy and investments. Members were advised that the Fund was already well advanced in this respect, with 93% of assets managed directly or indirectly by the London CIV, and that the Investment Management Agreement signed with the London CIV on 11 June 2026 now provided for management of the Fund's remaining off-pool assets.

Members were further advised that an updated Investment Strategy Statement was required to be published by March 2027, with officers planning to bring this to the Sub-Committee in October 2026. In terms of governance requirements, these now included the appointment of a Senior Responsible Officer and an Independent Person by the end of 2026; and that an independent governance review would be required by March 2028, and every three years thereafter. Updated requirements in relation to governance training and conflicts of interest documentation were also outlined and noted.

In concluding the report, Members were advised that the Fund already operated within a robust governance environment, and that these requirements largely added to, rather than fundamentally changed, that existing environment.

With no further decisions required of the Sub-Committee at this stage, and further updates expected to follow as the reforms were implemented over 2026, the Sub-Committee (with no further comments raised) **RESOLVED** to note the update provided.

10. **Brent Pension Fund - Training Strategy**

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced the report from the Corporate Director Finance & Resources which presented the updated Brent Pension Fund Training Strategy for approval as a means of ensuring that the Sub Committee, Pension Board members, and Officers maintained the appropriate knowledge and skills to effectively fulfil their responsibilities under the new requirements within the Pension Schemes Act 2026.

In presenting the report, members were advised that the update had been designed to reflect the Fit for the Future reforms and the governance guidance published at the end of June 2026. Key changes to the strategy had included:

- a focus on the individual responsibility for members to maintain and record their own training.

- nine core knowledge areas based on the CIPFA Knowledge and Skills Framework.

- differentiated levels of knowledge required for members and Board representatives (general awareness and understanding) as against officers (a detailed or, for senior officers, expert level of knowledge).

- a requirement for induction training to be completed within three months of appointment.

- an annual training needs analysis for all relevant individuals; and enhanced monitoring and reporting of training activity.

In support of the strategy, members were advised that a range of training resources had been made available, including pre-committee training sessions, reading material, e-learning, and attendance at seminars and conferences, alongside the Pensions Regulator's online training toolkit with the guidance confirming that administering authorities must ensure Committee and Board members maintained an appropriate level of knowledge and understanding, assessed on an individual basis and supported by structured training plans and ongoing monitoring.

Following presentation of the report, the Sub-Committee was invited to raise any comments or questions, with the following issues highlighted summarised below:

- In response to the suggestion that an additional briefing be provided on the London CIVs evolving role officers agreed to consider how best this could be provided following the meeting.

- Moving forward, accessibility of training and external training (including training received through Brent UNISON) were discussed. Sawan Shah confirmed that a range of learning styles would be offered based on an individual training needs analysis, and that any relevant external training should be reported to officers so that it could be recorded, noting that training would always be viewed positively, whilst also noting that training completed some time ago might need to be refreshed in light of recent regulatory changes.

With no further questions or comments, the Chair commended officers on the quality of the document and the committee **RESOLVED** to approve the updated Brent Pension Fund Training Strategy (as detailed within Appendix 1 of the report) having noted the requirement on members to acquire and maintain the appropriate level of expertise, knowledge and skills.

11. **LAPFF Engagement Report**

Manish Shah (Senior Finance Analyst) introduced the report from the Corporate Director Finance & Resources which outlined the latest Local Authority Pension Fund Forum (LAPFF) Engagement Update.

In presenting the update, members were advised that the LAPFF had been established to promote the highest standards of corporate governance in order to protect the long-term value of local authority pension funds and engage directly with companies in which investments were held in order to affect change, understand views on company behaviour and risks with engagement being member led and designed to advance corporate responsibility and responsible investment on the basis of collaboration strengthening the voice of Pension Funds.

In noting the summary of key engagement work undertaken by the LAPFF during January - March 2026 (as detailed in Appendix 1 of the report) key areas of activity were highlighted in relation to water utilities, climate risk and resilience strategies alongside engagement with automotive manufacturers to assess how they were managing the human rights and supply chain risks associated with a transition to electric vehicles.

Having noted the viability and advantages available through the sustained collective effort and pressure that could be applied through the LAPFF in seeking to promote corporate responsibility and responsible investment, rather than by single Pension Funds acting individually, the Chair thanked officers for presentation of the report and with no further questions or comments, the Sub Committee **RESOLVED** to note the report.

12. **Minutes of Pension Board**

The Chair then welcomed David Ewart (as Independent Chair of the Pension Board) to the meeting in order to provide an overview of the issues considered at

the most recent Board held on Tuesday 31 March 2026, as set out in the draft minutes from the meeting.

As a starting point, David Ewart took the opportunity to remind members of the function and structure of the Pension Board, which he advised was a statutory body established to review the performance of the Pension Fund and was made up of an equal number of employer and member representatives. In comparison, the Pension Fund Sub-Committee's role focused on the investment and management of the Fund, although in practice the two bodies within Brent worked closely together and shared similar views in overseeing governance of the Pension Fund.

In outlining specific issues considered at the Board's last meeting, members were advised of the ongoing monitoring of performance relating to administration of the Pension Fund for scheme members (including an ongoing focus on data quality given its critical role on the valuation process) as well as the updated Risk Register for the Brent Pension Fund Administration Service, which it was felt also provided a useful point of reference for the Sub Committee in relation to the management of existing and emerging risks. The Board had also received updates on the investment and governance matters considered by the Sub-Committee and had been broadly supportive of all decisions made.

In response to a question regarding current membership of the Board, James Kinsella (Governance and Scrutiny Manager) confirmed the newly appointed Brent employer side councillor representatives as Councillors S. Butt and Dar with work ongoing to fill the current vacancy for the Non Brent Council employer side representative.

The Chair thanked David Ewart for the update provided, and with no further issues raised, it was **RESOLVED** to note the minutes from the Pension Board held on 31 March 2026.

13. **Any other urgent business**

Prior to moving into the closed session of the meeting, Sawan Shah advised members of a London CIV training session being held on Monday 13 July 2026 for which a place remained available, should any members of the Sub Committee be available to attend, pending appointment of the Sub Committee's vice-chair by the General Purposes Committee.

Any member wishing to attend was invited to contact Amanda Healy (Deputy Director of Finance) or Sawan Shah (Head of Finance, Pensions and Housing Companies) after the meeting.

14. **Exclusion of Press and Public**

At this stage in the meeting, the Chair advised that the Sub-Committee would need to move into closed session to consider the final item on the agenda.

It was therefore **RESOLVED** to exclude the press and public from the remainder of the meeting as the reports and appendices to be considered contained the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Access to Information Act 1972, namely:

"Information relating to the financial or business affairs of any particular person (including the Authority holding that information)".

As the Sub Committee moved into closed session the webcast was ended at this stage of the meeting

15. **London CIV update**

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced a report from the Corporate Director Finance & Resources providing an update on recent developments regarding Brent Pension Fund investments held within the London CIV (LCIV).

The update covered the London CIV's continuing assumption of responsibility for implementing the Fund's investment strategy, the appointment of a new client relationship manager, and confirmation that Buckinghamshire had formally joined the London CIV as a partner fund in April 2026, alongside further information on the Fund's holdings within London CIV Pooled Vehicles.

Issues highlighted arising from the update included:

- The value of assets invested directly through the LCIV.

- The update on the LCIV Fund Manager Monitoring Framework and progress in the development and launch of new Funds, with members keen to ensure a focus (in recognising the Funds fiduciary duty) in maintaining a broad and diversified approach toward the Fund's Investment Strategy.

In response to issues raised, further clarification was provided on the nature, terms and content of the Investment Management Agreement and process undertaken to complete sign off with it noted that 15 partner funds (including Brent) had completed IMAs with the London CIV at the time of the meeting.

With no further questions or comments received, the members of the Committee welcomed the update and **RESOLVED** to note the progress report.

The meeting closed at 7.55 pm

COUNCILLOR GEORGE BURN
Chair

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Brent	**Brent Pension Fund Sub-Committee** 7 October 2026
	Report from the Corporate Director, Finance and Resources

Exposure to business enterprises listed on the UN OHCHR database

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s):	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk

1.0 Executive Summary

1.1 This report informs the Committee of the Fund's exposure to business enterprises listed on the United Nations Office of the High Commissioner for Human Rights (UN OHCHR) database, which identifies business enterprises involved in certain specified activities related to Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem.

2.0 Recommendation(s)

2.1 The Committee is asked to note the report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complies with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background

4.1 At the September 2025 Council meeting, it was agreed to bring a report detailing any exposure of the Brent Pension Fund to business enterprises included within the United Nations Office of the High Commissioner for Human Rights (OHCHR) database, which identifies enterprises involved in certain specified activities relating to Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem.

4.2 The analysis has been undertaken using the Fund's holdings as at 30 June 2026 and identifies investments included within the OHCHR database. The Fund's total exposure to these companies was £3.509m, representing 0.22% of total Fund assets of £1.621bn as at that date.

4.3 The Pension Fund does not invest directly in any companies listed in the database. All exposure is through pooled funds held through the Fund's investment managers.

4.4 Of the 153 companies listed in the database, the review found exposure to 21 companies with exposure concentrated in holdings in Airbnb Inc., Booking Holdings Inc., Expedia Group Inc. and Motorola Solutions Israel Ltd.

4.5 The attached schedule provides a breakdown of the individual holdings identified through the screening exercise, together with the value of the Fund's exposure to each company as at 30 June 2026.

UN database reference: https://www.ohchr.org/en/documents/thematic-reports/ahrc6019-database-all-business-enterprises-involved-activities-detailed

5.0 Stakeholder and ward member consultation and engagement

5.1 Not applicable.

6.0 Financial Considerations

6.1 Not applicable.

7.0 Legal Considerations

7.1 Not applicable.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

8.1 Not applicable.

9.0 Climate Change and Environmental Considerations

9.1 Not applicable.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 Not applicable.

11.0 Communication Considerations

11.1 Not applicable.

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

Schedule 1: London Borough of Brent Pension Fund exposure to UN OHCHR listed companies

As at 30 June 2026

Business enterprise	Exposure Amount (£)	Exposure Amount (%)
Airbnb Inc.	559,865	0.03%
Amot Investments Ltd.	3,442	0.00%
Bank Hapoalim Ltd.	68,843	0.00%
Bank Leumi Le-Israel Ltd.	99,057	0.01%
Bezeq, the Israeli Telecommunications Corp. Ltd.	14,923	0.00%
Booking Holdings Inc.	1,553,759	0.10%
Delek Group Ltd.	179,916	0.01%
Egis	38,471	0.00%
Expedia Group Inc.	307,585	0.02%
First International Bank of Israel Ltd.	8,374	0.00%
Fosun International Ltd.	3,413	0.00%
Israel Discount Bank Ltd.	27,660	0.00%
Matrix IT Ltd.	2,765	0.00%
Mega Or Holdings Ltd.	11,170	0.00%
Mivne Real Estate KD Ltd.	5,674	0.00%
Mizrahi Tefahot Bank Ltd.	23,040	0.00%
Motorola Solutions Israel Ltd.	550,829	0.03%
Motorola Solutions, Inc.	33,139	0.00%
Shahar Co. – Civil Engineering, Construction and Infrastructure Company Ltd.	5,421	0.00%
Shikun & Binui Ltd.	5,143	0.00%
Shufersal Ltd.	6,544	0.00%
Total Exposure	**3,509,032**	**0.22%**

Total Fund Value as at 30/06/26 (£)	**1,621,359,012**

HYMANS ROBERTSON

London Borough of Brent Pension Fund

Q2 2026 Investment Monitoring Report - Public

Kenneth Taylor, Senior Investment Consultant

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Market Background

Market update

Q1 GDP data showed some resilience across major economies. Over Q2, the US expanded at 2.1% annualised, supported by strong Artificial Intelligence-related (AI) investment. UK GDP rose 0.6% quarter on quarter (q/q), potentially reflecting seasonal distortions. Japan expanded 0.5% q/q following growth in consumption and exports. The eurozone marked its first quarterly contraction (0.2%) since end-2022.

The US-Iran ceasefire helped cool energy- and fuel-price rises in June. US headline inflation fell to 3.5% year on year (y/y); UK and eurozone measures eased to 2.6% and 2.8%, respectively. Core inflation declined to 2.6% in the US and UK, and 2.4% in the eurozone, suggesting relatively contained underlying price pressures.

The European Central Bank hiked rates to 2.25% pa, its first increase since 2023. Despite subdued inflation, the Bank of Japan (BoJ) increased borrowing costs to 1.0% pa. The Federal Reserve and the Bank of England held rates at 3.50–3.75% pa and 3.75% pa, respectively. Markets expect one or two rate hikes in the US and one in the UK by year-end.

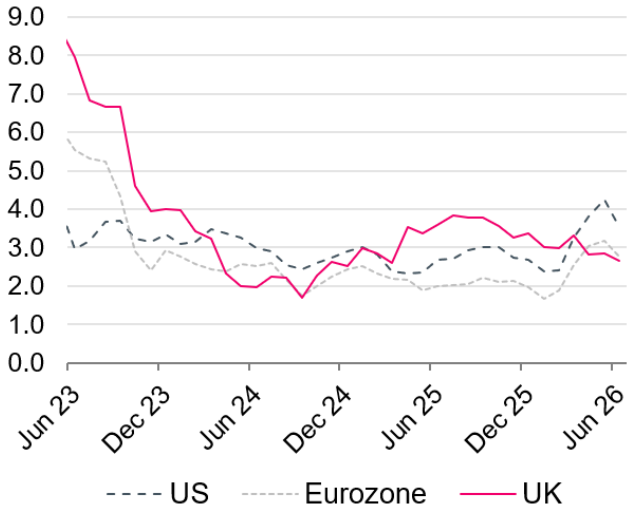
European sovereign bonds outperformed, as energy-driven concerns eased and the growth outlook weakened. Ten-year gilt yields fell 0.2% pa, to 4.8% pa. Gilt markets were largely unmoved following Prime Minister Starmer's resignation, given indication of Andy Burnham's commitment to the previous government's fiscal rules. German 10-year yields eased 0.1% pa, to 2.9% pa.

US 10-year yields rose 0.2% pa, to 4.5% pa, as previously hotter inflation and a resilient labour and growth backdrop spurred rate-hike bets. Japanese 10-year yields rose 0.3% pa, to 2.7% pa, amid expectations of further BoJ rate increases.

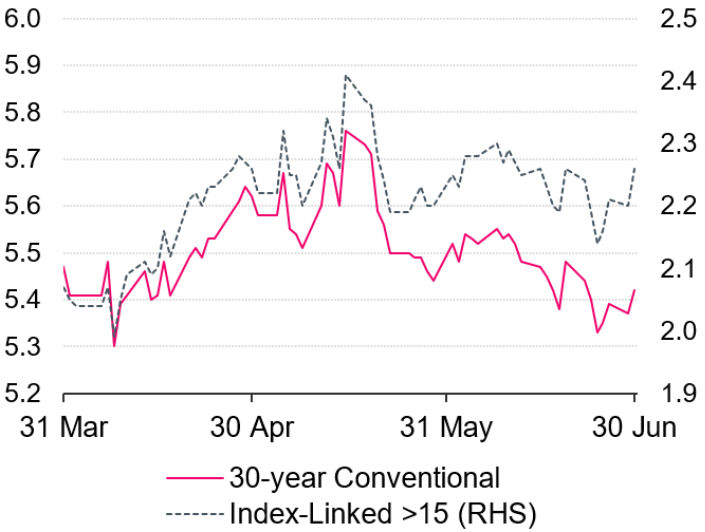
The Nominal Broad US Dollar Index fell 0.1%. The Dollar fell 0.6% against sterling but rose 2.2% versus the yen, reflecting the gap in real interest rates between the US and Japan.

Credit spreads narrowed further over Q2 following robust earnings and easing geopolitical tensions. They're now below the tight levels at the turn of the year across ratings and geographies.

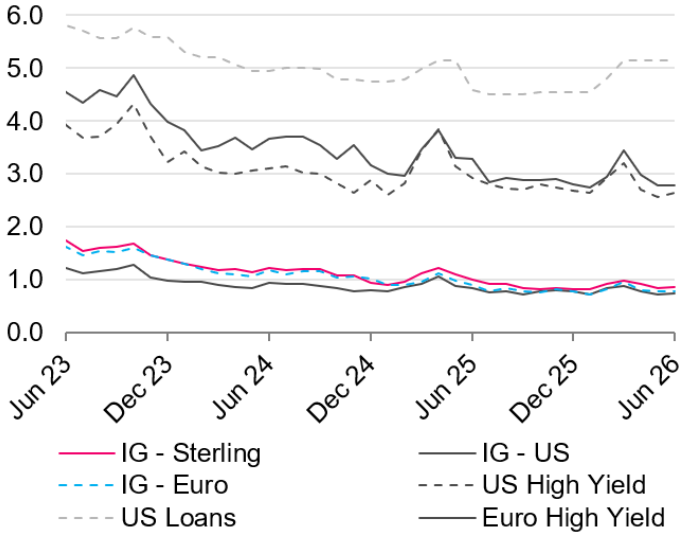
Annual CPI Inflation (% year on year)



Gilt yields chart (% p.a.)



Investment and speculative grade credit spreads (% p.a.)



 Data source: LSEG Datastream, Barings, Bloomberg

Market Background

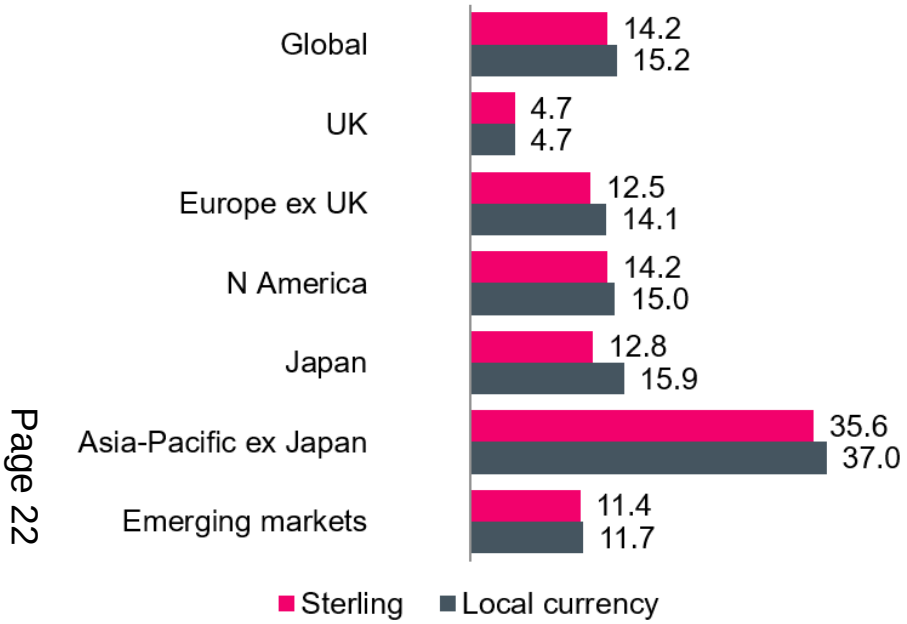
Historical returns for world markets



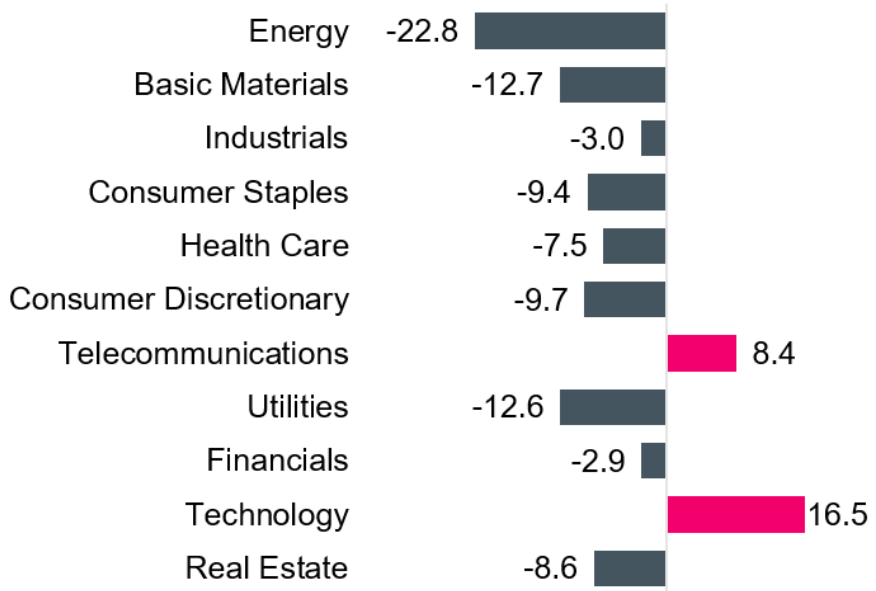
Data source: LSEG DataStream. Returns shown in Sterling terms. Indices shown (from left to right) are: FTSE All World, FTSE All Share, FTSE AW Developed Europe ex-UK, FTSE North America, FTSE Japan, FTSE AW Developed Asia Pacific ex-Japan, FTSE Emerging, FTSE Fixed Gilts All Stocks, FTSE Index-Linked Gilts All Maturities, iBoxx Corporates All Investment Grade All Maturities, Bloomberg Global Aggregate Treasuries Index, MSCI UK Monthly Property; UK SONIA.

Market Background

Regional equity returns [1]



Global equity sector returns [2]



Market commentary

Global equities returned 15.2% in Q2, supported by strong earnings growth, increased AI-related investment and easing geopolitical tensions. The Technology sector led performance, causing growth to outperform value. All sectors had positive returns, except energy, which fell 11.9% amid oil-price declines.

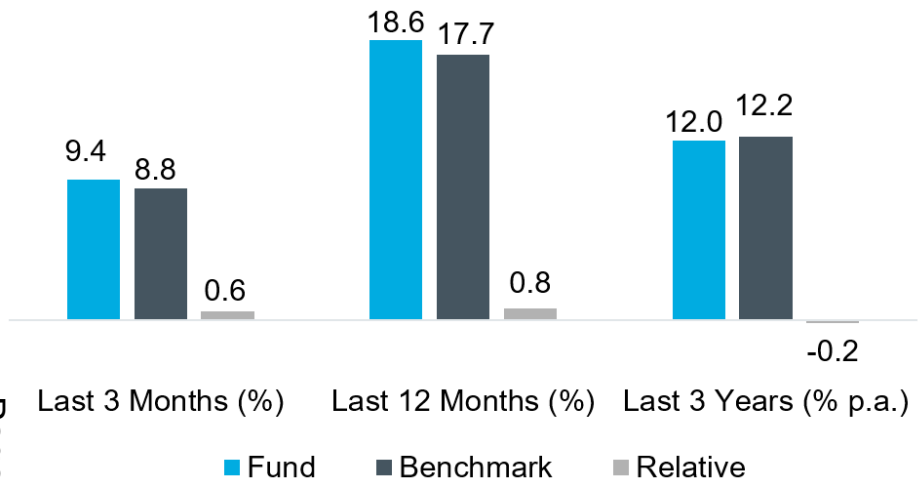
Exposure to AI drove regional performance, particularly in Developed Asia Pacific ex Japan. The region returned 37%, led by Korean memory-chip manufacturers. Accordingly, emerging-market indices that include Korea returned 24%, while those excluding it gained 12%. US equities underperformed, reflecting some sector rotation. US Technology stocks trailed their peers, as investors want proof of AI investment generating higher future earnings. Europe lagged on lower tech exposure, while energy-sector underperformance impacted the UK.

Brent crude oil fell 38.4% to pre-conflict levels of $72 per barrel. Gold declined 12.7%, as some investors sold it to manage liquidity. Much of gold's decline occurred in June, as US economic data reinforced a 'higher-for-longer' environment, reducing non-yielding assets' appeal.

The MSCI UK Property Total Return Index rose 1.2%. It was supported by income alone, as quarterly capital growth was negative for the first time in two years due to industrial-sector declines.

Data source: LSEG DataStream. [1] FTSE All World Indices. Commentary compares regional equity returns in local currency. [2] Returns shown in Sterling terms and relative to FTSE All World

Total fund performance



High-level asset allocation

	Actual	Long-Term Target	Relative
Growth	60.8%	47.5%	13.3%
Income	17.6%	32.5%	-14.9%
Protection	18.4%	20.0%	-1.6%
Cash	3.2%	0.0%	3.2%

Key points to note:

- The Fund delivered a positive return in Q2 2026, with assets increasing from £1,483.2m to £1,621.4m over the quarter.
- Global equities were the main driver of returns over the quarter. The L&G Future World Global Equity Index Fund made the largest contribution to performance, while the LCIV Emerging Markets fund delivered the strongest returns. Infrastructure, property and private debt also generated modest positive returns, while the LCIV Ruffer Multi Asset fund was the only notable detractor.
- On a relative basis, the Fund outperformed its benchmark by 0.6% over the quarter, outperformed by 0.8% over 12 months, and underperformed by 0.2% p.a. over three years.
- The long-term strategic targets reflect the outcome of the latest strategy review, including new allocations to natural capital and private equity.
- The Fund continued to implement the agreed strategy during the quarter, with further details provided on page 8.

*Source: Northern Trust.*At the time of writing, the Fund's Q2 2026 funding position is not available. The Fund Actuary is currently finalising the 2025 actuarial valuation of the Fund, which is based on updated data and assumptions. The provision of estimated funding level data has been paused while this work is underway.*

Asset allocation

	Valuation (£m)		Actual Proportion	Long-Term Target	+ / -
	Q1 26	Q2 26			
L&G Global Equity	180.8	207.8	12.8%	37.0%	10.5%
L&G Future World Global Equity Index Fund	446.7	514.2	31.7%		
Blackrock Acs World Low Crbn	41.5	47.9	3.0%		
L&G UK Equity	101.7	106.4	6.6%	5.0%	1.6%
LCIV Emerging Markets	83.6	108.3	6.7%	3.0%	3.7%
Capital Dynamics Private Equity	1.2	1.2	0.1%	2.5%	-2.4%
Private Equity (New Allocation)	0.0	0.0	0.0%		
Total Growth	**855.5**	**985.8**	**60.8%**	**47.50%**	**13.3%**
LCIV Baillie Gifford Multi Asset	2.2	0.0	0.0%	5.0%	1.3%
LCIV Ruffer Multi Asset	103.5	102.1	6.3%		
Alinda Infrastructure	15.0	14.5	0.9%	10.0%	-5.3%
Capital Dynamics Infrastructure	0.6	0.5	0.0%		
LCIV Infrastructure	60.7	61.8	3.8%		

Note: The long-term target allocations reflect the 2025/26 investment strategy review and include new allocations to natural capital and private equity. It is expected that these new allocations will be built up through investments with the London CIV.

The current overweight to growth and cash, and underweight to income assets, reflects the temporary positioning of the blended fund earmarked for future investment in income assets while private market allocations are built up. This is expected to unwind over time as capital is deployed and the allocations move towards their longer-term targets.

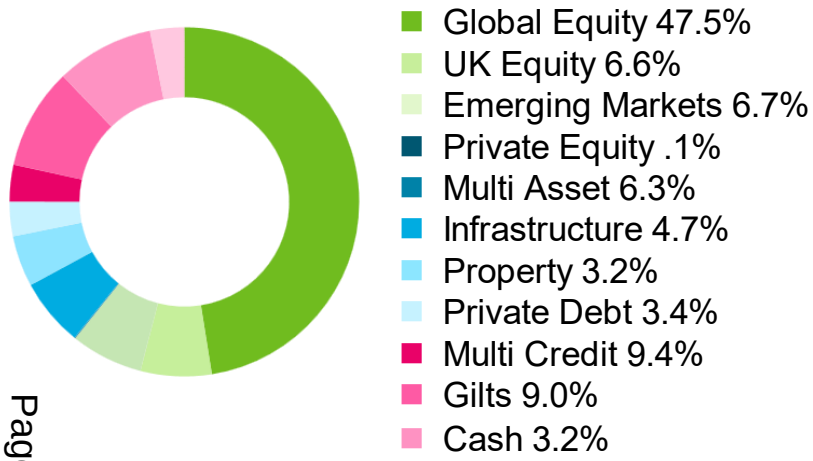
 Source: Northern Trust.

Asset allocation

	Valuation (£m)		Actual Proportion	Long-Term Target	+ / -
	Q1 26	Q2 26			
Fidelity UK Real Estate	14.8	14.8	0.9%	10.0%	-6.8%
UBS Triton Property	11.4	11.4	0.7%		
LCIV UK Housing Fund	21.3	25.5	1.6%		
LCIV Private Debt	44.7	44.6	2.7%	5.0%	-1.6%
LCIV Private Debt II	11.1	10.7	0.7%		
Natural Capital (New Allocation)	0.0	0.0	0.0%	2.5%	-2.5%
Total Income	**285.3**	**285.9**	**17.6%**	**32.5%**	**-14.9%**
LCIV MAC	144.2	151.9	9.4%	10.0%	-0.6%
BlackRock UK Gilts Over 15 yrs	143.3	146.6	9.0%	10.0%	-1.0%
Total Protection	**287.6**	**298.5**	**18.4%**	**20.0%**	**-1.6%**
Cash	54.8	51.2	3.2%	0.0%	3.2%
Total Scheme	**1,483.2**	**1,621.4**	**100.0%**	**100.0%**	**-**

 Source: Northern Trust.

Asset class exposures*



Asset allocation commentary

The Fund's current target allocations are as follows:

Long-term: Growth – 47.5%; Income/Diversifiers – 32.5%; Protection – 20%

Strategy review

Strategic targets were updated following the strategy review to reflect agreed changes, including the introduction of 2.5% allocations to natural capital and private equity.

The remaining Baillie Gifford multi-asset holding was redeemed during the quarter and cash holdings reduced significantly. The Fund also made a further investment in the LCIV UK Housing Fund as implementation of the agreed strategy continued.

 *Source: Northern Trust. *Total may not round to 100% due to rounding.*

Manager performance

	Last 3 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
L&G Global Equity	14.9	15.0	**0.0**	28.3	28.4	**-0.1**	18.6	18.9	**-0.2**
L&G Future World Global Equity Index Fund	15.1	15.0	**0.1**	-	-	**-**	-	-	**-**
Blackrock Acs World Low Crbn	15.4	15.9	**-0.4**	23.7	23.3	**0.3**	17.6	17.2	**0.4**
L&G UK Equity	4.7	4.7	**0.0**	21.9	21.9	**0.0**	15.3	15.3	**0.0**
LCIV Emerging Markets	29.6	23.3	**5.2**	66.1	48.2	**12.1**	22.0	21.3	**0.6**
Growth									
LCIV Ruffer Multi Asset	-1.3	1.4	**-2.7**	4.7	5.9	**-1.1**	3.3	6.6	**-3.1**
Alinda Infrastructure	-3.1	1.6	**-4.6**	2.0	4.6	**-2.4**	8.2	4.7	**3.4**
Capital Dynamics Infrastructure	-9.0	1.6	**-10.4**	-8.2	4.6	**-12.3**	-6.7	4.7	**-10.9**
LCIV Infrastructure	2.2	1.6	**0.6**	6.0	4.6	**1.3**	7.3	4.7	**2.5**

 Source: Fund & Benchmark performance provided by Northern Trust and investment managers. Fund return is net of fees.

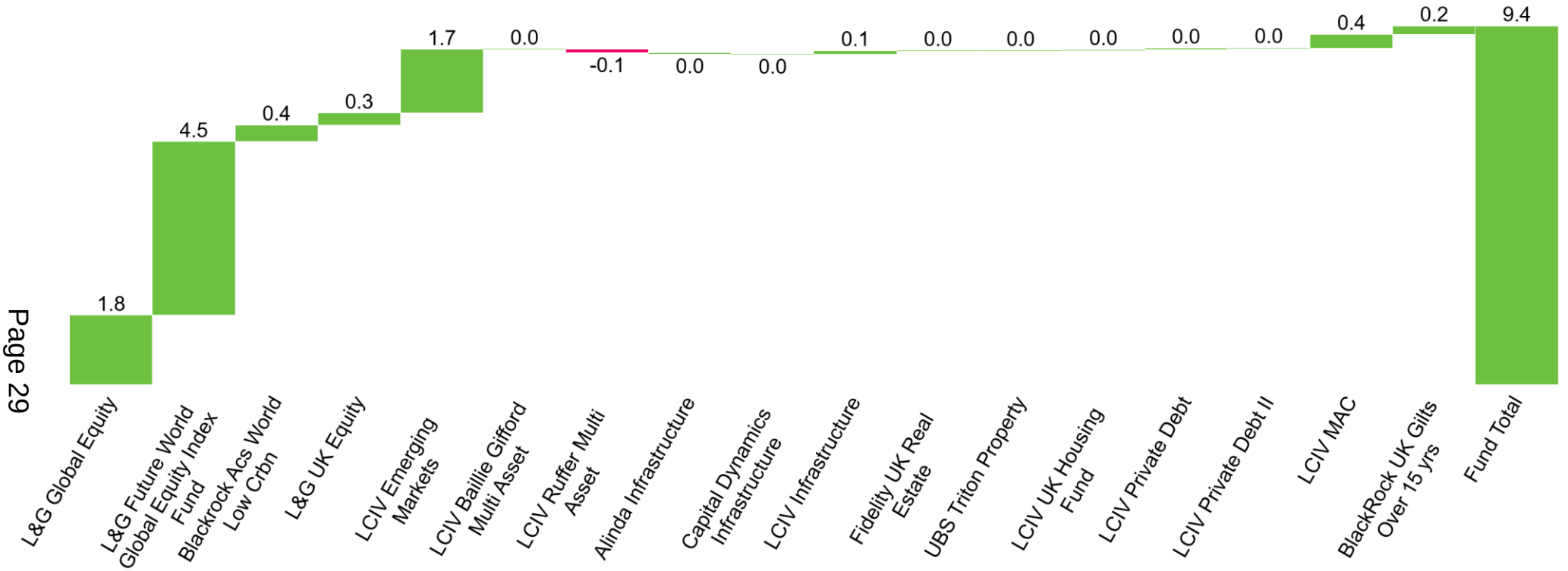
Manager performance

	Last 3 Months (%)			Last 12 Months (%)			Last 3 Years (% p.a.)		
	Fund	B'mark	+ / -	Fund	B'mark	+ / -	Fund	B'mark	+ / -
Fidelity UK Real Estate	0.5	0.5	**0.0**	-1.3	3.3	**-4.5**	2.5	3.3	**-0.8**
UBS Triton Property	0.6	0.5	**0.1**	3.6	3.3	**0.3**	2.6	3.3	**-0.7**
LCIV UK Housing Fund	1.2	1.5	**-0.2**	1.9	6.0	**-3.9**	-	-	**-**
LCIV Private Debt	1.4	1.5	**0.0**	4.8	6.0	**-1.1**	8.4	6.0	**2.3**
LCIV Private Debt II	0.0	1.5	**-1.4**	0.0	6.0	**-5.7**	-	-	**-**
Income									
LCIV MAC	3.7	1.4	**2.3**	7.2	6.0	**1.1**	9.0	6.8	**2.1**
BlackRock UK Gilts Over 15 yrs	2.3	2.3	**0.0**	1.0	1.3	**-0.3**	-0.8	-0.6	**-0.1**
Protection									
Total Scheme	9.4	8.8	**0.6**	18.6	17.7	**0.8**	12.0	12.2	**-0.2**

Note: Performance from Capital Dynamics' private equity allocation is not shown and has been excluded from the total performance calculations.

 Source: Fund & Benchmark performance provided by Northern Trust and investment managers. Fund return is net of fees.

Fund performance by manager



Strong returns from the Fund's equity investments were the main driver of performance over the quarter. The L&G Future World Global Equity Index Fund made the largest contribution, with further support from the LCIV Emerging Markets fund and the Fund's other equity holdings.

Elsewhere, returns from infrastructure, property and private debt were broadly positive, while the LCIV Ruffer Multi Asset fund was the only notable detractor.

Overall, gains across most asset classes resulted in a total scheme return of 9.4% over the three-month period.

11 *Source: Fund performance provided by Northern Trust and is net of fees. Please note that due to rounding, the total performance shown above may not add to the total quarterly performance shown on page 10 of this report.*

Current issues in LGPS – July 2026 edition

The long-awaited appearance of the Fit for the Future guidance dominated LGPS headlines late last month. On wider issues, we discuss the impact of AI and how to close the gender pensions gap. Plus, a briefing about the lesser-known SCAPE rate!

Please see excerpts below from our latest edition or download the full publication.

Guiding us into a fitter future - With the Fit for the Future reforms embedded within the Pension Schemes Act 2026, the government has now published statutory guidance to support implementation by LGPS funds in England and Wales.

Spotlight on valuations - Fresh valuation results have been published for the Teachers', Civil Service and NHS pension schemes, while Scottish LGPS funds are stepping up preparations for the 2026 valuation cycle.

No escape from the scape rate! - On 19 May 2026, HM Treasury announced a change in the SCAPE discount rate to CPI + 2.0% pa (an increase from CPI + 1.7% pa). Whilst the SCAPE rate is primarily used to carry out the valuations of unfunded public service pension schemes, it also affects the administration factors used by LGPS funds. The SCAPE rate also feeds into the LGPS cost control mechanisms.

Addressing the gender pensions gap - Closing the gender pensions gap in the LGPS requires action well before retirement with actions such as improving engagement and increasing financial confidence being critical. Our blog recommends reframing pensions within wider financial wellbeing, using data to identify at-risk groups, targeting key life events, tailoring communications by life stage and getting employers on board to help with communication. The result? Practical, personalised support to help improve decisions and reduce long-term inequality.

Spotlight on investments:

1. **AI – three areas to focus on** - The march of AI is daily news, with its potential to do good frequently weighed against concerns about the future. For asset owners, there are three contexts in which AI is relevant. The first is investment decision-making, the second is responsible investing and the last is longevity. Our latest thought piece explores each of these angles.
2. **Capital markets update** - Global markets fared well in the second quarter, buoyed by strong earnings growth, particularly among major technology companies. The FTSE All World Index rose 15.2%, and credit spreads tightened too. Our latest update reviews the big themes driving markets over Q2 and sets out our views for each asset class.
3. **SpaceX: to infinity and beyond control** - Our latest Sustainability Snippets delves into SpaceX's IPO. Listed on the Nasdaq stock exchange with a dual-class share structure, there are two headlines for investors: shareholder influence is limited, and it'll be entering the benchmark for some passive funds. We also explore The Pension Regulator's AI guidance and consider 'social risk'.

12 *Source: Hymans Robertson*

Manager benchmarks and performance targets

Mandate	Date appointed	Benchmark description
L&G Global Equity	31/10/2010	FTSE All World Developed ex UK
L&G UK Equity	12/06/2012	FTSE All Share
L&G Future World Global Equity Index Fund	30/11/2025	Fund Return
LCIV Emerging Markets	30/11/2018	MSCI Emerging Markets
Blackrock Acs World Low Crbn	03/09/2021	MSCI World
LCIV Baillie Gifford Multi Asset	31/05/2012	BoE Base Rate +2% p.a.
LCIV Ruffer Multi Asset	15/03/2017	BoE Base Rate +2% p.a.
Allinda Infrastructure	31/08/2009	UK CPI +2% p.a.
Capital Dynamics Infrastructure	31/10/2012	UK CPI +2% p.a.
LCIV Infrastructure	31/10/2012	UK CPI +2% p.a.
Capital Dynamics Private Equity	31/12/2003	MSCI All World +1% p.a
LCIV Private Debt	22/06/2021	Absolute BM 6%
LCIV Private Debt II	30/04/2025	Absolute BM 6%
LCIV UK Housing Fund	31/03/2024	Absolute BM 6%
Fidelity UK Real Estate	22/12/2021	MSCI/AREF UK All Balanced Property
UBS Triton Property	31/08/2022	MSCI/AREF UK All Balanced Property
LCIV MAC	30/11/2018	SONIA + 2% p.a.
BlackRock UK Gilts Over 15 yrs	05/03/2019	FTA UK Gilts Over 15 yrs

13 *Source: Investment Managers.*

Glossary - equity manager styles

'Style' refers to the type of stocks a manager will typically research and select for portfolios. It is important to diversify these 'styles' in order to manage concentration risks.

- **Value** – this style tilt considers whether stocks held within the portfolio are discounted relative to their fundamentals, i.e. whether stocks have low market valuations versus current earnings or book value.
- **Growth** – this style tilt considers companies earning potential relative to its industry and the overall market. The key consideration within this factor is a company's potential for growth and therefore commonly used metrics include historical earnings growth and forward earnings growth.
- **Quality** – this style tilt considers companies financial stability. A company's quality can be evaluated using various metrics including: profitability, earnings quality, financial leverage and corporate governance.
- **Volatility** – this style tilt considers the systematic risk of the portfolio relative to the market.
- **Momentum** – this style tilt is based on the premise that stocks that have recently risen or fallen in price will continue to do so in the future.
- **Low volatility** – A low volatility equity manager will aim to construct a portfolio that exhibits significantly lower volatility than the benchmark index (low volatility is a relative, not absolute, term). A low volatility manager will generally target a volatility of around 15% p.a. versus a benchmark that exhibits a 20% p.a. volatility. A low volatility portfolio will generally be constructed through a quantitative assessment of past stock performance and correlation to select stocks that have historically exhibited low levels of volatility.
- **Neutral** - A neutral manager will aim to construct portfolios that have no significant sector or style biases relative to the benchmark index. This is more common in bottom up, in-depth research, managers (sometimes referred to as 'stock pickers') who aim to isolate stocks that are undervalued relative to their peers whilst avoiding taking a position on whether a country or industry itself will out or underperform. For example they might take an overweight position in BP if they believe the stock is fundamentally undervalued but remove their exposure to the more general oil market by compensating with an underweight position in Shell.

Glossary

- **Buy-out –** purchase of a more mature company usually as part of a private equity deal.
- **Capital structure** – how a company is financed through equity and debt.
- **Closed-ended -** When an investment fund has a finite lifecycle, money is invested and returned in full to the investor over a defined period (usually 5 – 8 years for private debt).
- **Commitment** – The investment amount initially made to a fund, this is then drawn by the manager over time and invested**.**
- **Dividend –** Annual income paid through holding an equity.
- **Duration** – A measure of the average expected life of an investment that indicates sensitivity to interest rate changes.
- **Indirect –** Access an asset via other funds rather than directly.
- **Information ratio** - This measures the risk-adjusted returns of a fund relative to its respective benchmarks. For active funds, a higher information ratio is better.
- **IRR** - a measure of performance taking into account cashflow.
- **Liquidity** – ability to sell a stock quickly at a known price.
- **MAC** – Multi Asset Credit, an investment fund made up of a mix of different types of debt/credit.
- **Mid-market** – focus on mid-sized companies.
- **Open (closed) ended investment** – Open ended investments have no end date and can be traded. Closed ended cannot usually be traded and have a finite life.
- **Senior secured** - Debt issued at a high level in a company's capital structure secured against company assets.
- **Sub-investment grade** – bond assets rated below investment grade (and therefore higher risk).
- **Tracking error** – This shows the difference in actual performance between a fund and its respective benchmark. This should be lower for passive funds tracking an index compared to active funds where the manager is trying to outperform a benchmark.
- **TVPI** - Total value (distributions plus residual values) divided by paid-in capital. An alternative measure of the return on investment for closed-end funds.
- **Volatility** – a measure of risk based on ‘ups and downs’ of stock/portfolio over a period of time.

Growth, Income and Protection

Principle Objectives

Pay member benefits. Build a resilient funding position.

Growth	Income	Protection
Assets that deliver a return in excess of the liabilities by generating real returns, typically through capital gains.	Assets that can provide contractual or secure returns in the form of income.	Assets that move in line with the liabilities and are used to hedge interest rate and inflation risks.
Equities, Private Equity	Property, Infrastructure, Private debt, High yielding bonds	Government bonds, Investment Grade corporate bonds Low risk absolute return bonds

Geometric vs arithmetic performance

Hymans Robertson is among the investment professionals that calculate relative performance using a geometric approach, as outlined below:

$$\frac{(1 + \text{Fund Performance})}{(1 + \text{Benchmark Performance})} - 1$$

Some industry practitioners use the simpler arithmetic approach, calculated as follows:

$$\text{Fund Performance} - \text{Benchmark Performance}$$

The geometric return is generally considered a better measure of investment performance when compared to the arithmetic return as it accounts for the impact of compounding and the volatility of returns over time.

The difference between the arithmetic mean return and the geometric mean return widens as the volatility increases.

Risk warning

This report is provided to the Pensions Committee of the London Borough of Brent Pension Fund in our capacity as your investment adviser. Its purpose is to assist the Committee with their monitoring of the Fund's investments. The report shows how the assets have performed over various time periods, on an absolute basis and relative to the agreed benchmarks, in the context of general market movements. It also shows how the asset allocation compares with the Fund's strategic target allocation. The report may contain fund and fund manager specific research ratings and comments based on the views of our investment research team. Please speak to your investment adviser before taking any investment decisions or actions. They will advise whether formal investment advice is necessary, including a risk assessment and investment suitability information where appropriate. No investment decisions should be taken based solely on the contents of this report.

The report should not be released or otherwise disclosed to any third party except as required by law or regulatory obligation or without our prior written consent. We accept no liability where the report is used by, or released or otherwise disclosed to, a third party unless we have expressly accepted such liability in writing. Where this is permitted, the report may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investment in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

In some cases, we have commercial business arrangements/agreements with clients within the financial sector where we provide services. These services are entirely separate from any advice that we may provide in recommending products to our advisory clients. Our recommendations are provided as a result of clients' needs and based upon our independent research. Where there is a perceived or potential conflict, alternative recommendations can be made available.

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Brent Pension Fund

Pension Committee meeting

7th October 2026

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Agenda

1. Fit For Future: Progress in meeting the deadline
2. Working together with Brent
3. Governance and Engagement: Present State
4. Responsible Investment update
5. Local Investment update
6. Appendix

Fit For Future: Progress in meeting the deadline

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Progress with meeting the Government deadline

1

Final statutory guidance completing the legislative process of the Pensions Bill 2026 for the LGPS issued on 29th June 2026 by MHCLG. Deadline for compliance with the Bill and transferring all assets into the Pool management is 30th September 2026.

2

Investment Management Agreement (IMA) and Service Level Description (SLD; to include Dispute resolution) documents agreed with Officers as a collective to ensure a uniform approach. 26 IMA's now signed (as at 22nd September 2026) i.e. circa 93% of circa £65bn under pool management. Majority of remaining IMAs expected by end of September.

3

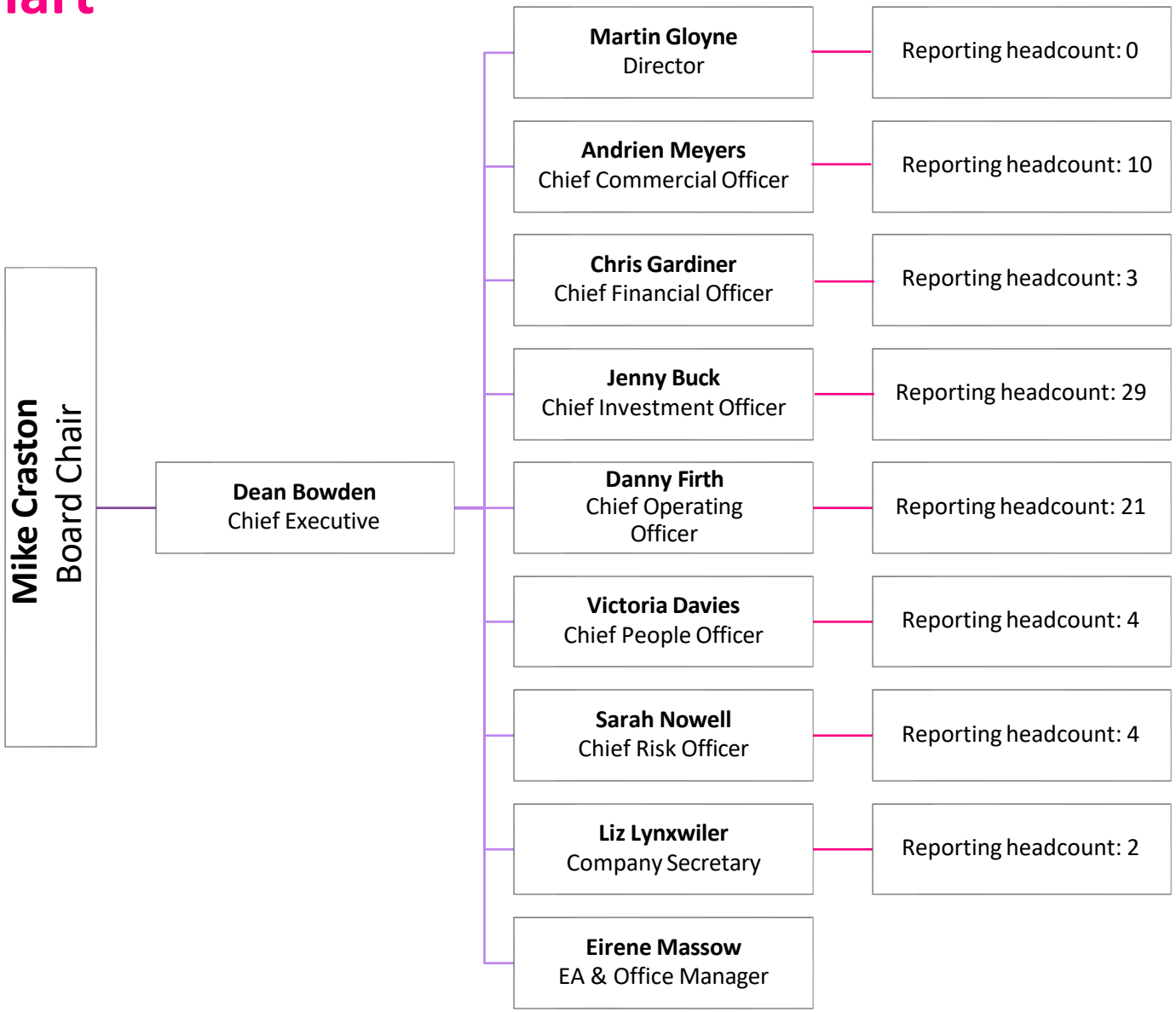
- Alongside the IMA process, London CIV now supports all Partner Funds with their new Investment Strategy Statement (ISS) requirements, which were introduced under the LGPS Regulations 2026. Three Partner Funds in scope.
- SAA function has been up and running for almost a year; with two Partner Funds using the service.

4

Reporting to the June-September 2026 period will be provided for all IMAs signed by 31 August 2026.

Organisation Chart

September 2026



Working together with Brent

London CIV

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for the communities that count on us all

Working together with Brent - Maintaining high levels of engagement and collaboration

1. Brent Pension Fund (BPF) signed the IMA on 11th June 2026.

2.
- London CIV provided an Implementation Plan (27th August 2026)
- Per the agreed Implementation Plan, London CIV has engaged with BPF Officers to implement trades on their behalf

3. London CIV has reviewed the Fund's 2026 Investment Strategy Statement (ISS) and provided advice in accordance with Regs 2026 (24th September 2026).

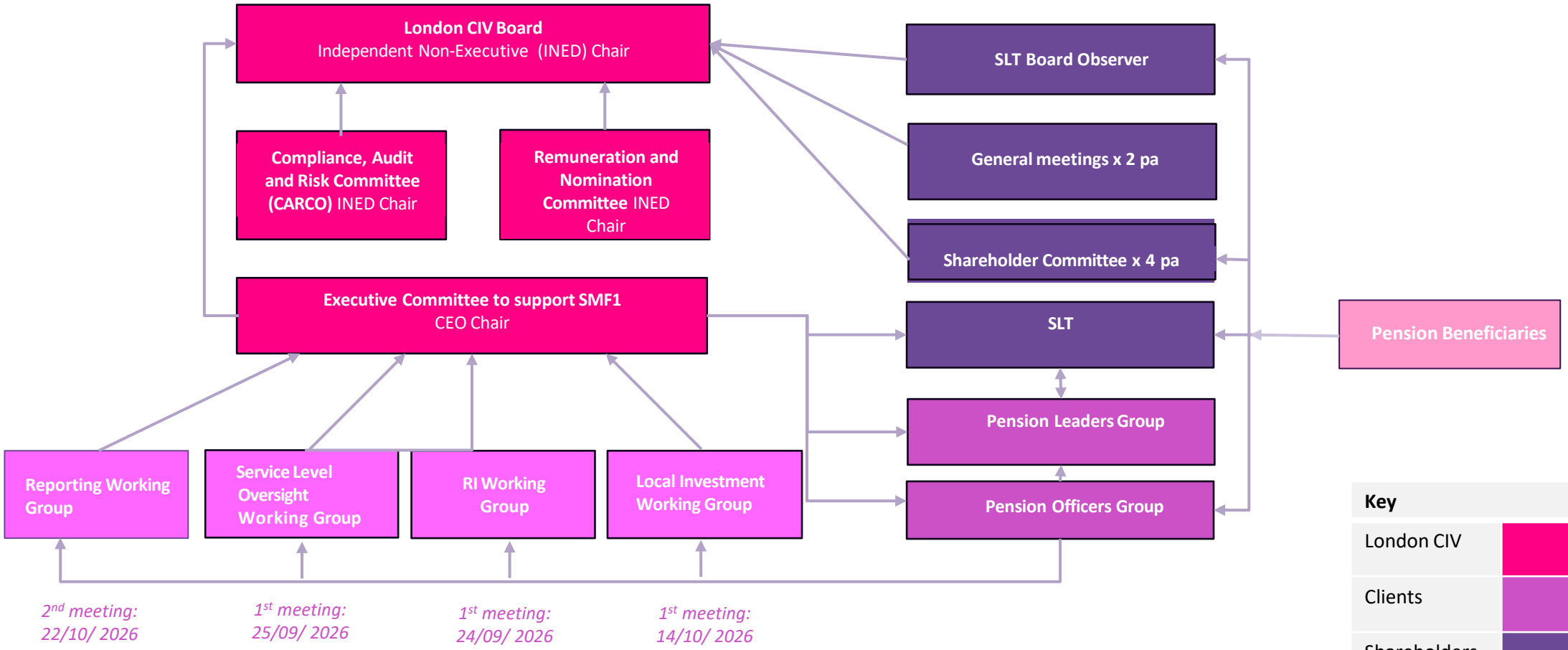
4. Reporting to the June-September 2026 period will be provided end of November 2026

Governance and Engagement: Present State

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Partner Fund and Shareholder Touchpoints / Escalations



Governance and Engagement: Present State

- Pools to have appropriate governance model for an FCA regulated entity – LCIV Board and committees, and ExCo supporting SMF1.
- Shareholder engagement to be at appropriate level – 2 x GMs, 4 x Shareholder committees and Shareholder-representative non-executive directors ("NEDs") and SLT Board Observer.
- Member input – Union representation as member of Shareholder Committee.
- SRO engagement and input essential – SLT, PLG, Pension Officer Group, and LCIV Working Groups (RI, Service Level Oversight, Reporting and Local), in addition to regular interactions.
- London CIV at all Pension Committee meetings.

Responsible Investment update

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Responsible Investment update

- Administering authorities are responsible for setting their Responsible Investment Strategy.
- Guidance provides that RI strategies should not contain direction for divestment from individual countries, sectors and companies.
- Minister letter to SAB states that decisions on boycotts, divestment, and sanctions belong exclusively to UK foreign policy, not local authorities.
- In consultation with Partner Funds, the Exclusions Matrix was designed to meet the requirements of Government and Partner Funds.

Exclusions Matrix

Requirements

Guidance confirmed that Pools should work with Partner Funds to identify common approaches to RI. However, Government recognises that there are differing views and that Pools may provide a limited range of options.

LCIV exclusions Matrix

- Following the Government's recent announcement relating to defence and sanctions, several additional considerations have emerged which may have implications for aspects of the Matrix framework.
- We have sought further clarification from MHCLG to better understand any potential impact and have been advised that a response is expected within the coming weeks.
- The Working Group meeting will therefore provide an opportunity both to review the Matrix itself and to discuss the Government's announcement, any implications arising from it, and how best to progress the work in light of any further guidance received.
- Next steps, assuming approval, are to ascertain the demand for solutions to populate different cells of the Matrix.
- First product delivery likely to be a Pillar 3 version of the LCIV PEPPA and Core Global Equity Funds in Q1 2027.

	Pillar 1	Pillar 2	Pillar 3
Exclusions / Restrictions	**Controversial weapons** Includes incendiary weapons, cluster munitions, anti-personnel mines, biological and chemical weapons, blinding laser weapons and depleted uranium weapons (0% revenue exclusion)	**Restrictions from Pillar 1**	**Restrictions from Pillar 2**
	Non-conventional fossil fuel extraction 5% revenue exclusion	**Controversial areas** Includes adult entertainment, gambling, tobacco, and predatory lending (5% revenue exclusion threshold on each sector)	**Weapons** 5% revenue exclusion
		Companies breaching global norms and human rights standards	**Companies officially listed by the UN as breaching human rights / international law in conflict zones**

Local Investment update

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Local Requirements : What the Guidance Says

- Each administering authority (AA) is responsible for setting a target range to be invested locally. Allocation to include a target and range.

- Local means in or for the benefit of the region of the AA, or its pool.

- Local investment is not an asset class but may include investment in a range of assets classes including property, infrastructure, private equity and private debt. Investment in public investments are not likely to be considered local.

Plans should be captured in an AAs ISS and:

- Must take account of Local Growth Plans
- May indicate that they will accept lower returns for local investments than for the rest of their portfolio
- Should set out their preferences for the local area and region and sectors they wish the pool to target

- Local investments should have measurable beneficial impact and should be reported on annually.

Greatest Potential Sectors
Housing
Regeneration
Infrastructure
Clean Energy
Small and Medium Enterprise Finance
Natural Capital

Appendix

Our monitoring and oversight framework

- London CIV carries out regular monitoring and challenge of investment managers.
- Where concerns arise, London CIV can increase monitoring, challenge the manager more formally, require remedial action, or consider changes where appropriate.

Skill proposition: overall rating
Resourcing
Investment process
Responsible Investment & Engagement
Risk Management
Strategy execution
Business management

Value proposition: rating
Performance
Fees

Executive Investment Committee (EIC)

Purpose

- Support the ExCo in the management of investment activity as part of the Company's operational arrangements
- Monitor the Public and Private markets fund performance
- Monitor external investment manager performance.
- Monitor the implementation and performance against the Board-approved climate and stewardship items
- Monitor relevant investment risks

Responsibilities

- Investment Products and Services
- Investment Manager Performance and Monitoring
- Responsible Investment (RI) and Stewardship
- Investment Risk and Compliance

Quarterly Performance Report (QPR)

Please refer to the supplementary document ‘LCIV QPR_Updated as at 020626’

Risk Disclosures (i)

Equity risk
Investing in equity securities may offer a higher rate of return than those investing in short term and longer-term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value as a result of changes in a company's financial position and overall market and economic.

Market risk
The market price of securities owned by a fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

Fixed Interest Securities
Fixed interest securities are particularly affected by trends in interest rates, inflation and market risk premium. If interest rates increase, capital values may fall and the amount of income paid may decrease and vice versa, such falls may be more pronounced in a low nominal interest rate environment. Inflation will erode the real value of capital. In addition, companies, particularly in emerging markets, may not be able to honour repayment on bonds they issue resulting in default. If perceived default risk or market risk increases, this may result in a larger risk premium.

Alternative assets
A Sub-fund may invest directly into alternative asset classes such as hedge funds and insurance-linked bonds or, through specific investment vehicles, into property, infrastructure, private (unlisted) companies and commodities. Returns from these investments are sensitive to various factors which may include interest and exchange rates, economic growth prospects and inflation, the occurrence of natural disasters, and the cost and availability of gearing (debt finance). Where a Sub-fund invests directly or indirectly in alternative asset classes there may be an increased risk of volatility in the price of that Sub-fund depending on the structure and investment policy of that Sub-fund.

Risk Disclosures (ii)

Inducements

In the provision of investment services to Partner Funds, London CIV may occasionally provide, accept or retain certain minor non-monetary benefits to or from third parties, including investment service providers who currently provide or may bid to provide investment services to London CIV. These may give rise to potential conflicts of interest where such minor non-monetary benefits could impair London CIV's obligations to act in the best interests of Partner Funds. Minor non-monetary benefits include business conferences offering hospitality, transport and accommodation, or day to day business meetings providing food and drinks.

To minimise the risk of conflicts, London CIV has adopted a Gifts and Entertainment Policy which is designed to ensure that any minor non-monetary benefits meet regulatory obligations, enhance the services provided and do not impair London CIV's ability to act in the best interests of Partner Funds. As such, the Gifts and Entertainment Policy set restrictions on the monetary values of minor non-monetary benefits to ensure that these are proportionate and reasonable.

London CIV may also host events such as conferences which may be sponsored by investment service providers. This sponsorship could create potential conflicts of interest, such as preferential treatment in the selection of investment managers or in the marketing of London CIV funds managed by conference sponsors. Arrangements have been put in place to ensure that such events are delivered for the sole benefit of Partner Funds and that no preferential treatment is given to any sponsor. Information about any such events and sponsorship is disclosed to Partner Funds during regular communications such as the London CIV's Monthly Business Updates and Newsletters.

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Other important information

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Quarterly Performance Report

Period ending December 2025

XX XXXXX 2026



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Past performance is not a reliable indicator of future results. Returns are shown net of investment management fees



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Executive Summary

Executive Summary

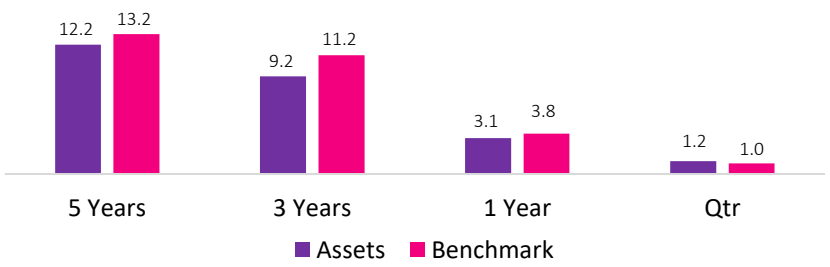
Investment Performance

Objective

3.4% ▼

The portfolio returned +3.4% to end December 2025 compared to the strategic asset allocation expected return of 6.7%

Performance

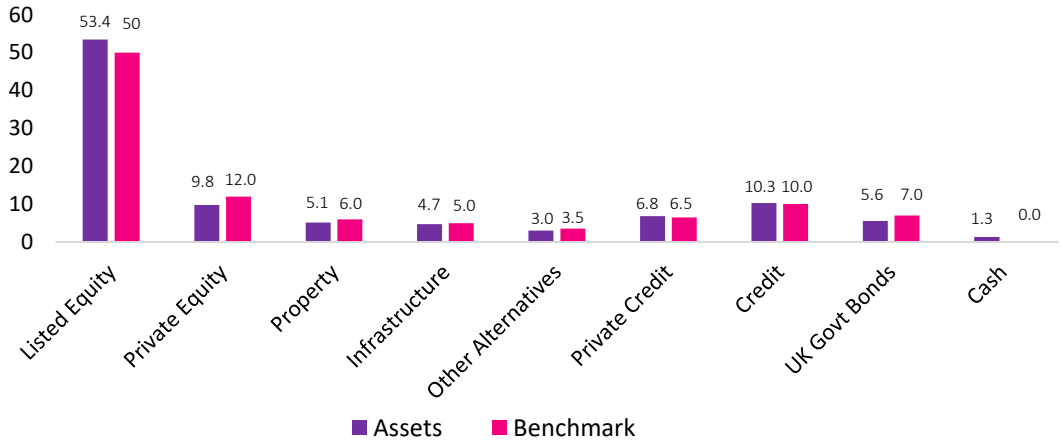


Over the quarter the Fund's absolute performance was positive (+1.2%), resulting in £36m gain, primarily driven by a rise in global equity markets, which saw the MSCI ACWI generate a return of 2.0% in sterling terms. The Fund's outperformance is due to the outperformance of the equity component of the fund, with the LCIV Global Alpha Growth and the Blackrock Global Equity outperforming their respective benchmarks.

Strategic Positioning

£1,170m ▲

Assets increased by £36m (3.2%) from **£1,134m** over the quarter



As at quarter end, the Fund is underweighted to Private Equity, which is compensated with an overweight to Listed Equity. Commitments to private debt, global private equity and infrastructure were made on 1 June. This should ensure the allocation to those asset classes gets closer to target over the medium term.

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Executive Summary *(continued)*

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Over the quarter the key themes were continued strength in equities, a depreciation in the US $ and growing expectation of interest rate cuts in 2026. Geopolitics also continues to create "noise" but the TACO (Trump always chickens out) seems to be a theme that markets have bought into.

- Withina assets classes the common theme of the quarter and year is dispersion of returns. The market is distinguishing between styles, sectors and those investments that are perceived to have enduring revenue growth prospects.
- The LB of XXX portfolio had portfolio value of £1.17bn at the quarter end of which 53% is invested in global equities.
- The Scheme's Strategic Asset Allocation plan for the latest triennial valuation was agreed during the quarter and steps have already been taken to implement this with £15m being invested into UK gilts. This money came from the equity allocation.
- Over the last 3 and 5 years the portfolio has provide returns of 9.2% an 12.6% respectively which are higher than the return target of 6.7%. However, over the last 12 months the Scheme has only returned 3.4%. This can be attributed to the Equities book and also the under-performance of the private markets as a whole.
- London CIV's key activity over the quarter has been working on the RI Matrix solution with Partner Funds and engagement. Positive engagement has included Nestle's Plastic reduction and a major technology firm revising its client take on due diligence with respect to human rights. A "thought" piece on flooding has also been included which emphasises a shift in insurers about how are companies and insures able to demonstrate resilience and adaptation to flooding.
- Looking ahead, the key initiatives that will be worked upon are:
    - The continued implementation of the SAA Allocation plan;
    - A deep dive into the JP Morgan Infrastructure Fund; and
    - Working with you to fine tune your Local Allocation particular in the context of your existing exposure



Markets Update

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Markets Update
Macro

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The final quarter of 2025 unfolded against a backdrop of persistent geopolitical strain and ongoing policy uncertainty.

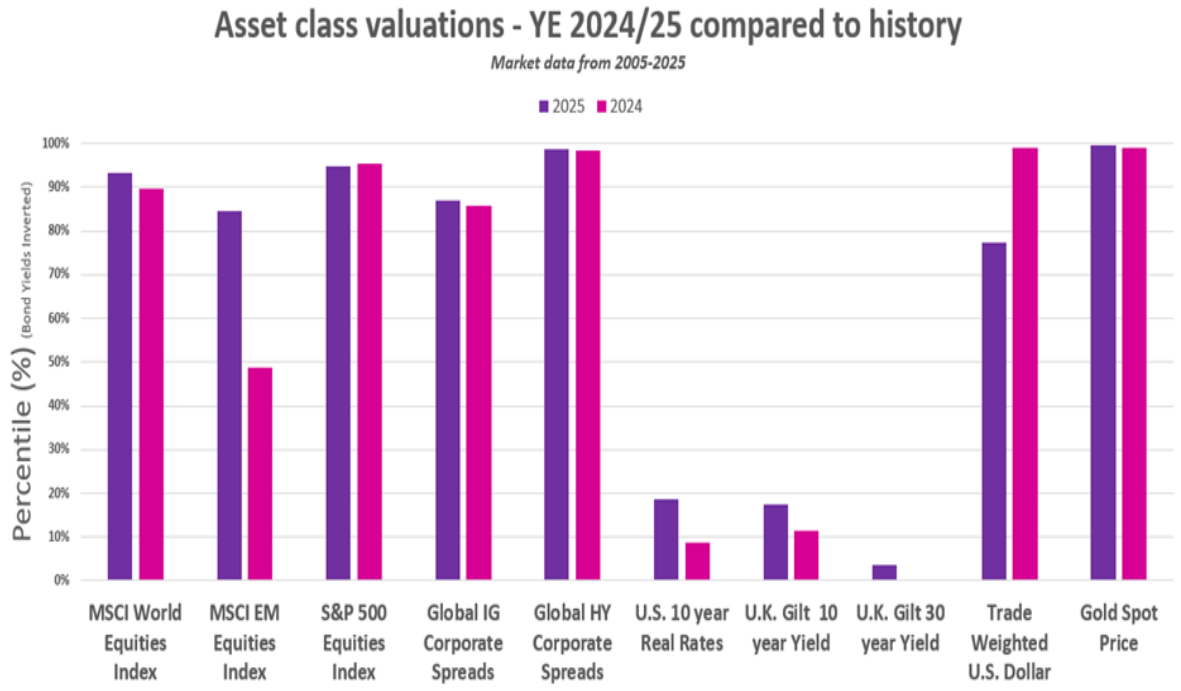
Hopes for diplomatic progress faded as the conflict in Ukraine remained unresolved and external tensions deepened, while developments in the Middle East added fresh concerns over broader regional instability.

These geopolitical pressures—combined with shifting global trade dynamics, evolving central bank policy, and mounting government debt and deficit worries—ranked among investors' leading anxieties throughout the year.

Yet despite this challenging environment, financial markets remained relatively composed compared with earlier periods, as investors grew increasingly accustomed to navigating these key risks.

As shown in the chart below market valuations for risk assets such as equities ended the year at elevated levels relative to history, with many risk-asset classes trading near the top of their valuation ranges over the past two decades.

By contrast, bond yields closed 2025 at comparatively high levels versus their long-term history, resulting in much lower valuations across fixed income rates markets.



Source: MSCI, S&P, Bloomberg. 31/12/2025.
Equities - Bloomberg Earnings Yield - a high percentile indicates a relatively low earning yield compared to history. Spreads - a high percentile indicates relatively low spreads compared to history. Yields/Rates - a low percentile indicates a relatively high yield compared to histord

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Markets Update *(continued)*
Macro

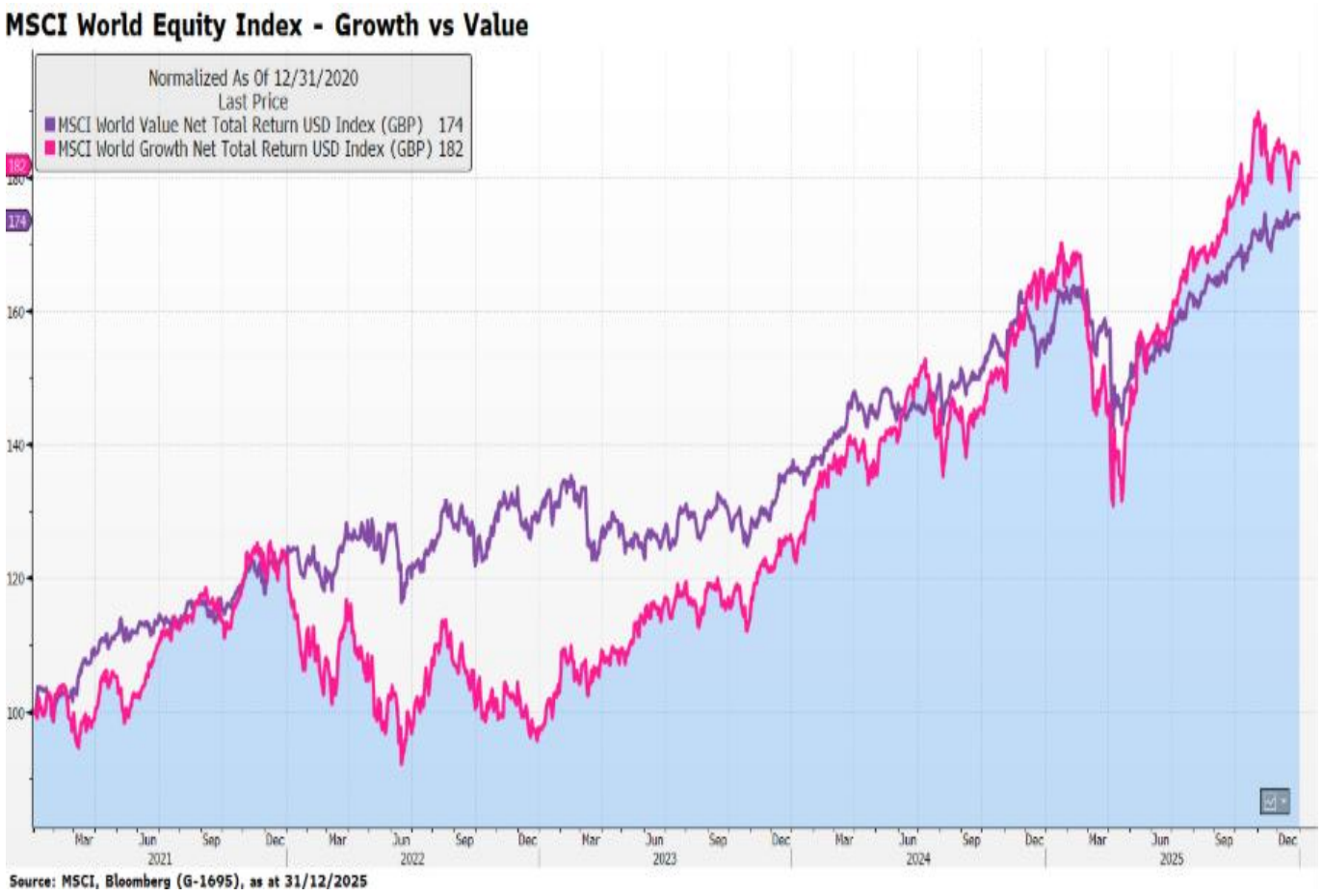
U.S. exceptionalism and market concentration remained prominent themes in Q4 2025. By year end, the ten largest U.S. companies accounted for roughly 39% of the S&P 500's market capitalisation, with a combined valuation exceeding $23 trillion.

For perspective, this figure is broadly equivalent to the total market value of all large cap equities across Canada, France, Germany, Japan, Switzerland, and the U.K. combined.

The rapid expansion of AI related investment remained a key driver of equity markets—and at times a source of volatility. Major technology firms continued to ramp up spending on advanced hardware, data centre capacity, and next generation AI models.

This sustained capex cycle supported equities with a growth tilt over recent years, with AI aligned companies outperforming.

Growth stocks rebounded strongly from April, outpacing value, though the gap has narrowed in Q4 2025. This can be seen in the chart opposite.



Source: MSCI, Bloomberg (G-1695), as at 31/12/2025

Markets Update *(continued)*
Macro

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On the monetary policy front, nine of the G-10 Central Banks reduced their respective policy rates in 2025 (the exception being Japan – who raised rates twice to levels last seen in 1995).

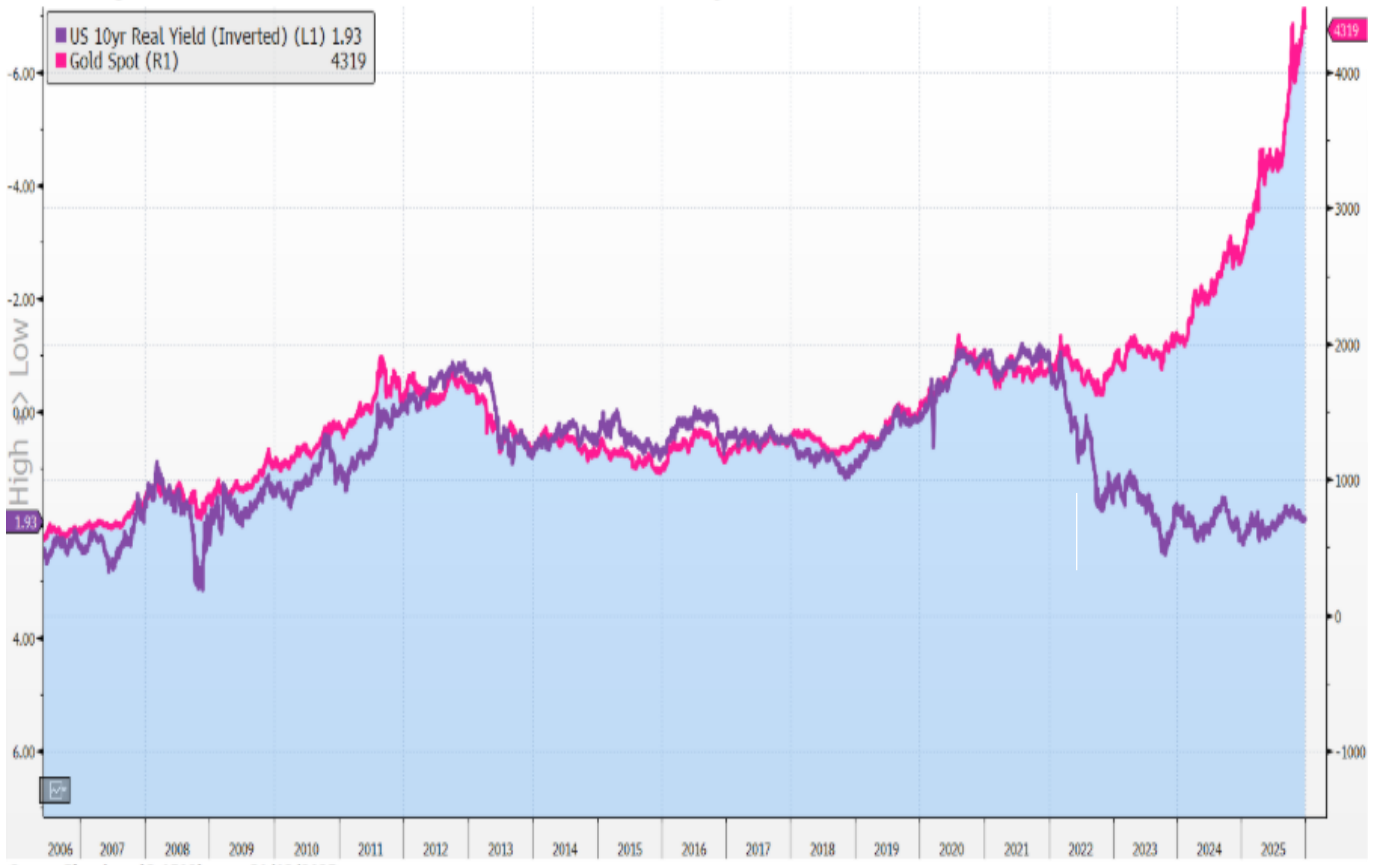
Fiscally speaking, taxation policies varied greatly from one nation to the next, however, the themes of trade, tariffs, government deficits and debt burdens were ubiquitous. Globally, total government debt surpassed $100 trillion mark for the first time.

Gold's rally despite higher U.S. real rates reflects a structural break from its traditional rate sensitivity, driven instead by fiscal and geopolitical stress.

Mounting concerns over unsustainable government debt, heavy central bank buying, and investor rotation away from sovereign bonds have strengthened demand for safe haven assets.

Combined with policy uncertainty, a softer dollar outlook, and expectations of future easing, have pushed gold to new records and persistently elevated levels. This divergence can be seen in the chart opposite.

U.S. 10-year Real Rates (inverted) and Gold have decoupled



Source: Bloomberg (G-1508), as at 31/12/2025

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Markets Update
Asset Class Update

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Equity:

Equity markets finished 2025 on a firm footing, with Q4 returns underpinned by solid corporate earnings, easing inflation and growing confidence that policy rates may fall further in 2026. Market leadership, which had been narrowly concentrated earlier in the year, began to broaden late in the quarter, with improved performance across non-US regions and a wider range of sectors. The weakening of the US dollar provided additional support to overseas equity returns for UK-based investors, while relative valuations outside the US remained attractive. Overall, the quarter reinforced a constructive backdrop for global equities, albeit with valuations and geopolitical risks continuing to warrant close monitoring.
We have an appendix – do we want to reference that here

UK Government Bonds:

UK government bonds generated positive returns over the period as inflation continued to moderate and the Bank of England adopted a more accommodative policy stance. Falling policy rates and improved confidence around the inflation outlook supported gilt prices across much of the yield curve, despite ongoing concerns around fiscal sustainability and elevated public debt levels. Volatility remained higher at longer maturities, reflecting sensitivity to supply dynamics and changes in interest-rate expectations. Overall, gilts continued to play an important defensive role within portfolios, providing diversification benefits alongside stabilising returns as market conditions eased.

Credit:

Public credit markets delivered positive returns over the period, supported by stable economic conditions, easing inflation and expectations of further monetary policy easing in 2026. Credit spreads remained relatively tight, reflecting resilient corporate balance sheets and a continued low default environment, while higher starting yields contributed meaningfully to total returns. Performance was broadly supported across both investment grade and high yield segments, although valuations left less margin for error in riskier parts of the market. mature.

Private Equity:

Private equity markets showed signs of stabilisation during the period, with transaction activity improving as financing conditions became more supportive and valuation expectations began to converge. While deal volumes remained below longer-term averages, there was increased focus on high-quality assets and conservative underwriting, particularly in the small and mid-market. Exit activity gradually recovered through a combination of trade sales, secondary transactions and continuation vehicles, supporting a modest improvement in sentiment. Overall, the period reflected a gradual transition from recovery towards more normalised market conditions, although distributions remained an area of focus for investors.

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Markets Update *(continued)*
Asset Class Update

For illustrative purposes only

Private Credit:

Private credit markets remained resilient over the period, supported by stable economic conditions, easing base rates and continued demand for bespoke financing solutions. Direct lending activity showed gradual improvement as M&A and refinancing volumes recovered, while tighter underwriting standards and conservative deal structures helped support credit quality. Returns continued to benefit from elevated all-in yields, although performance remained more mixed across sectors, with weaker conditions persisting in selected consumer-exposed areas. Overall, private credit continued to offer an attractive income profile and diversification benefits, while careful manager and asset selection remained important as the cycle matured.

Infrastructure:

Infrastructure assets continued to deliver stable, income-led returns, supported by inflation-linked revenues and largely defensive demand characteristics. Performance remained resilient across core sectors, reflecting regulated or contracted cashflows and limited sensitivity to the broader economic slowdown. Asset fundamentals were supported by long-term investment needs across energy transition, transport and utilities, although rising financing costs and construction pressures remained a consideration for new projects.

UK Property:

The UK property markets showed further signs of stabilisation, supported by easing inflation and improved visibility on interest rates. Performance continued to be driven mainly by income, with rental growth holding up in sectors with constrained supply. Market conditions remained uneven, reflecting a clear divergence between high-quality, well-located assets and weaker secondary stock facing structural and sustainability challenges. Transaction activity picked up modestly as pricing expectations aligned, although investors remained selective.

Other Alternatives:

XXX To be discussed in meeting



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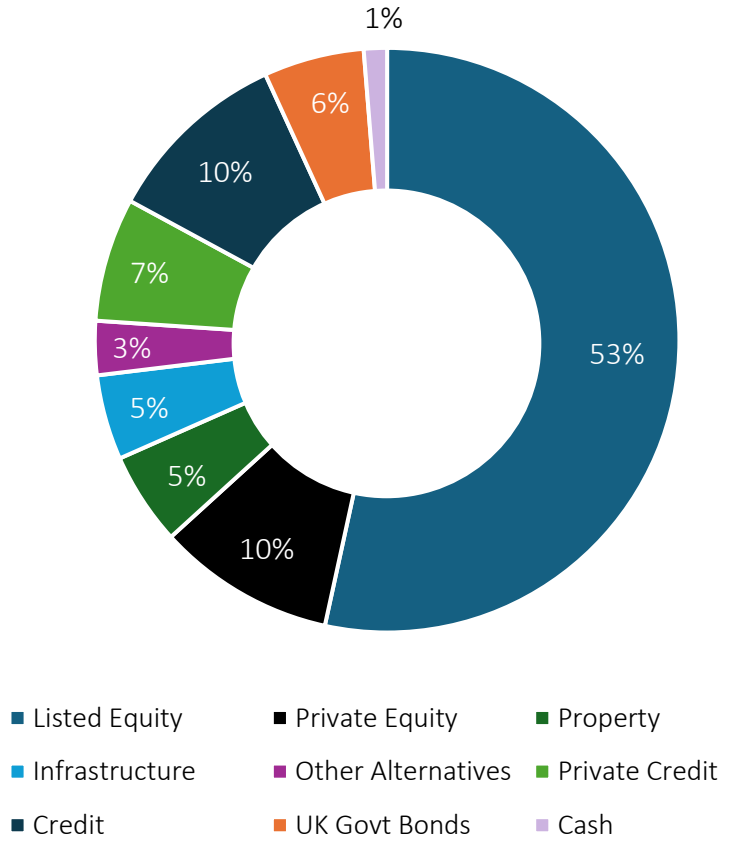
Portfolio Statement and Asset Class Allocation

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Portfolio Statement
Asset Class Allocation

For illustrative purposes only

Asset Class	As at 30.9.25 (£m)	As at 31.12.25 (£m)	As at 30.09.25 (%)	As at 31.12.25 (%)	Cashflow (£m)
Listed Equity	600	625	**53**	**53**	**+10**
Private Equity	120	115	**11**	**10**	**-**
Property	58	60	**5**	**5**	**-**
Infrastructure	56	55	**5**	**5**	**-**
Other Alternatives	32	35	**3**	**3**	**-**
Private Credit	78	80	**7**	**7**	**-**
Credit	115	120	**10**	**10**	**-**
UK Govt Bonds	65	65	**6**	**6**	**-**
Cash	10	15	**1**	**1**	**-**
Total	**1134**	**1170**	**100**	**100**	



Source: Northern Trust

See Appendix for a more detailed portfolio statement

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Portfolio Statement

Asset Class Weight vs Target Asset Allocation

For illustrative purposes only



Asset Class	Target ranges (%)	Actual (%)	Target (%)	Difference
Listed Equity	41 – 51	42	**45**	**-3**
Private Equity	4 – 6	6	**5**	**+1**
Property	4 – 6	3	**5**	**-2**
Infrastructure	9 – 12	11	**5**	**+6**
Other Alternatives	0 - 10	0	**10**	**0**
Private Credit	4 – 6	4	**0**	**+4**
Credit	11 –21	18	**16**	**+2**
UK Govt Bonds	6 – 16	12	**11**	**+1**
Cash	0 – 4	3	**2**	**+1**

Total Undrawn Commitment = £82m

See Appendix 4 for further Commitment details



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Update to Investment Strategy Statement (ISS) Implementation Plan

Proposed transactions are indicative and subject to change at the discretion of the portfolio manager, including in response to market conditions. Investments and strategies referenced involve risks, as outlined in the risk disclosures available on the client portal (here). Estimated transaction costs include, as relevant, both explicit costs (broker commissions, taxes and levies, custody and settlement charges, and transition manager fees) and implicit costs (bid-offer spreads, market impact, and FX conversion costs). Figures are estimates and actual costs may differ.

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Update to Investment Strategy Statement (ISS) Implementation Plan
As at 31 December 2025

For illustrative purposes only

Investment	Amount	Trade method	Target Implementation date
Sell Equities	-£15m	Transition	Q2 2026
Buy Gilts	+£15m	Cash	Q2 2026
Sell MAC	-£55m	Cash	Q2 2026
Buy MAC	+£55m	Cash	Q2 2026
Commitment to Private Credit	+£20m		Q3 2026, subject to markets
Commitment to Private Equity	+£10m		Q4 2026
Commitment to Infrastructure	+£30m		Q3 2026

- Since the last update the implementation plan has been agreed.
- The reduction in equities and the investment into into gilts was completed on 11 April.
- The multi asset credit transition is scheduled for Q2 2026. This should save annual fees of c. £80,000.
- Commitments to private credit, global private equity and infrastructure were made in Q2 2026. This should ensure the allocation to those asset classes gets closer to target over the medium term.
- Liquidity is currently provided through equities and bonds. Any drawdowns will be funded out of those allocations.
- RI Policy – LCIV are aware that xxx has preference for Pillar 3 products and are working to get these launched so that RI preferences can be more readily adopted.



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Investment Performance

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Investment Performance
By Asset Class

For illustrative purposes only

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Asset Class	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Listed Equity	**625**	2.2	2.0	0.2	5.5	5.0	0.5	5.5	5.0	0.5	12.8	14.8	-2.0	14.0	18.0	-4.0
Private Equity	**115**	-0.5	2.4	-2.9	-1.3	6.0	-7.3	2.3	6.0	-3.8	18.2	16.0	2.2	22.0	17.1	4.9
Property	**60**	1.0	1.1	-0.1	2.5	2.8	-0.3	2.5	2.8	-0.3	9.0	7.5	1.5	12.2	8.0	4.2
Infrastructure	**55**	-2.0	1.6	-3.6	-5.0	2.5	-0.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a
Other Alternatives	**35**	1.0	1.0	0.0	3.1	3.0	0.1	3.1	3.0	0.1	11.2	7.0	4.2	12.0	9.0	3.0
Private Credit	**80**	0.6	0.8	-0.2	1.5	2.0	-0.5	1.5	2.0	-0.5	6.4	4.5	1.9	8.4	7.2	1.2
Credit	**120**	0.7	0.9	-0.2	1.8	2.3	-0.5	1.8	2.3	-0.5	7.0	4.0	3.0	6.5	8.0	-1.5
UK Govt Bonds	**65**	0.6	0.5	0.1	1.5	1.3	0.3	1.5	1.3	0.3	3.8	4.0	-0.2	3.9	4.0	-0.1
Cash	**15**	0.7	0.9	-0.2	1.8	2.1	-0.4	1.8	2.1	-0.4	3.1	3.0	0.1	2.8	2.9	-0.1
Total Scheme	**1170**	1.2	1.0	0.2	3.4	3.8	-0.4	3.4	3.8	-0.4	9.2	11.2	-2.0	12.6	12.7	-0.1
Total Scheme inc. FX overlay	**1170**	1.4			3.0			3.0			8.0			10.6		

Source: Northern Trust

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Investment Performance
Commentary

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The scheme returned 1.2% over the quarter, and 3.4% for the 12 months to end December 2025.

- The scheme's IMA objective is a return of 6.7%.
- Over the last 3 and 5 years this target has been achieved. However, over the last year the fund has not achieved this due to subdued returns from all asset classes In particular the portfolio's allocation to xx and xx under-performed their relative market benchmarks. This is commented further upon in the pages that follow.
- The FX overlay has been accretive over the last quarter but not over the longer term.

Source: Northern Trust

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Portfolio Update

TEMPLATE ONLY SLIDE

Portfolio Update
Listed Equities

For illustrative purposes only

Investment Strategy Summary

As reported previously the current strategy is to split the equity allocation between equity managers to be two thirds to passive managers and one third to active managers.

Portfolio Activity

As the beginning of the quarter, the team topped up the LCIV Global Alpha Growth mandate by £50m to bring overall equity exposure in line with the strategic asset allocation weights. LCIV Emerging markets had a distribution which has been re-invested back into the fund.

Investment Performance

- Performance was positive in absolute terms over the quarter. Total equities outperformed the benchmark by 0.2% in the three months to end of December. This was driven be strong performance by the LCIV Global Alpha Growth fund.
- The equities portfolio also outperformed over the last year with both the LCIV Global Alpha Growth fund and the LCIV Emerging market fund being accretive to performance.
- Over the longer-term performance has been weaker with total equities underperforming by 2.0% over three year and 4.0% over five years. This has been caused by poor performance of LCIV Emerging markets fund which has underperformed by 8% over five years.
- The under-performance of the LCIV Emerging Market fund has been addressed by the 100% sale out of the JP Morgan fund and the conversion of the fund to a multi-manager fund in December 2025.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
LCIV Global Alpha Growth	**190**	2.2	2.0	0.2	5.5	5.5	0.0	5.5	14.8	-2.0	12.8	14.8	-2.0	14.0	18.0	-4.0
LCIV Emerging Markets	**90**	2.8	3.5	-0.7	7.0	7.0	0.0	9.0	16.8	-7.8	9.0	16.8	-7.8	15.0	23.0	-8.0
Blackrock Global Equity	**345**	1.6	1.5	0.1	4.9	4.9	0.0	4.9	4.9	0.0	14.0	14.0	0.0	17.1	16.9	0.2
Total	**625**	2.2	2.0	0.2	5.5	5.0	0.5	5.5	5.0	0.5	12.8	14.8	-2.0	14.0	18.0	-4.0

Source: Northern Trust

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Portfolio Update
Private Equity

For illustrative purposes only

Investment Strategy Summary

The Private equity portfolio is currently outside of the SAA range. As reported last quarter, commitments have been made to two new venture funds, and we expect these to be funded during 2026. Also, outstanding commitments currently stand at £65m.

Portfolio Activity

There were two calls during the quarter where a further $10M was invested in Pantheon Asia fund and $5m into the Expedition Growth fund.

Investment Performance

- Performance was negative in the quarter and underperformed the benchmark by 1.5%. Over the one year there was underperformance of 3.8%, with the longer term numbers showing both strong absolute and relative performance.
- The performance in the quarter was driven by the OTA Offshore fund. This fund fell by over 15% due the write-down in one of its fund's investments. In November 2025 OTA wrote down the value of its holding in Park Energy, a Mexican gas pipeline operator. The investment team are meeting with the manager shortly to understand the causes and plans to protect and recover value.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Pantheon Asia Fund V LP	**30**	-0.2	2.2	-2.4	4.2	4.2	0.0	7.0	6.8	0.2	7.7	6.2	1.5	11.2	8.0	3.2
Expedition Growth LP	**25**	3.1	1.0	2.1	4.6	4.6	0.0	4.0	3.8	0.2	6.0	6.0	0.0	n/a	n/a	n/a
OTA Offshore – 2003 US Fund	**15**	-15.2	2.0	-17.2	3.3	3.3	0.0	-8.0	8.0	-16.0	8.0	7.8	0.2	20.0	8.1	11.9
Summit EUR Growth EQ III	**20**	4.6	2.6	2.0	2.0	2.0	0.0	7.0	9.1	-2.1	12.0	8.1	3.9	n/a	n/a	n/a
Vespa Capital III	**25**	5.2	1.8	3,4	3.3	3.3	0.0	8.2	4.0	4.2	7.8	6.5	1.3	7.0	6.5	0.5
Total	**115**	-0.5	2.4	-2.9	-1.3	6.0	-7.3	2.3	6.0	-3.8	18.2	16.0	2.2	22.0	17.1	4.9

Source: Northern Trust

Portfolio Update
Property

For illustrative purposes only

UK Property Market

The UK property market in 2025 is exhibiting early signs of recovery following a period of repricing and subdued transaction activity. A stabilising macroeconomic environment, easing inflationary pressures and expectations of gradual interest-rate cuts are supporting improved investor sentiment. While capital deployment remains selective, pricing clarity is improving, particularly for prime assets.

Occupational fundamentals are underpinned by structural supply shortages, supporting resilient demand across living, logistics and high-quality office sectors. Rental growth has moderated but remains positive, aligned with income growth and constrained new supply. For long-term institutional investors, UK property continues to offer defensible income and medium-term recovery potential.

Portfolio Activity

None.

Investment Performance

Property underperformed the benchmark by 0.1% over the quarter and 0.3% over the one year. Over the longer term the portfolio continues to show outperformance, 1.5% over three years and 4.2% over five years.

The Fidelity UK real estate fund fell by 1% during the quarter due to a write down on it's shopping centre exposure which continues to suffer from lower footfall and the failure of a tenant in one of its centres. Long term performance of both the Fidelity and Hermes has been positive with strong outperformance.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Fidelity UK Real Estate Fund	**35**	-1.0	0.8	-1.8	2.0	2.0	0.0	4.8	5.1	-0.3	9.0	6.0	3.0	n/a	n/a	n/a
Hermes Property Unit Trust	**25**	0.5	0.8	-0.3	1.5	1.5	0.0	7.5	8.0	-0.5	8.0	7.8	0.2	20.0	8.1	11.9
Total	**60**	1.0	1.1	-0.1	2.5	2.8	-0.3	2.5	2.8	-0.3	9.0	7.5	1.5	12.2	8.0	4.2

Source: Northern Trust

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Portfolio Update
Infrastructure

For illustrative purposes only

Infrastructure Opportunities

Infrastructure continues to present attractive medium-term opportunities for investors. Falling interest rates have improved valuations and financing conditions, while many assets benefit from inflation-linked or regulated revenues, supporting stable cash flows. Structural growth themes, including electrification, energy security, digital infrastructure and data-centre expansion, are driving increased capital expenditure and earnings visibility across the sector.

Opportunities remain particularly strong in regulated utilities, transport assets and digital networks, where demand is supported by long-term contracts and essential service provision. With valuations having stabilised following recent market adjustments, infrastructure offers the potential for resilient returns, income generation and diversification within the Fund's long-term portfolio.

Portfolio Activity

- None, although £22m was called down from commitments
- This leaves outstanding commitments at £38m

Investment Performance

Performance has continued to struggle this quarter with the strategy underperforming by 3.6%, and 7.5% over the one year. The underperformance has come from the JP Morgan Infrastructure fund and it's investment in the Tata Infrastructure fund.

The Tata fund underperformed due to a combination of sector rotation away from cyclical capex-linked stocks and high exposure to mid and small cap infrastructure names.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
JP Morgan Infra Invest Fund	**55**	-2.0	1.6	-3.6	-5.0	2.5	-0.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a
Total	**55**	-2.0	1.6	-3.6	-5.0	2.5	-0.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a

Source: Northern Trust

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Portfolio Update
Other Alternatives

For illustrative purposes only

Investment Strategy Summary

As reported previously the current strategy is still behind allocation. The team are continuing to seek opportunities and have a number of interesting potential investments that are currently being investigated.

Portfolio Activity

- Commitments were made in the quarter to Quinbrook Low Carbon Power LP fund.
- LCIV is developing its own Local product and over the quarter has looked at various investment opportunities. It is planning to launch a solution before the end of the year

Investment Performance

- Performance over the quarter and the one year has been in line with the benchmark.
- Over the longer term the asset class continues to show strong outperformance coming from both the Quinbrook Low Carbon power fund and the LCIV Nature Based Solutions fund. The Quinbrook Low Carbon fund has outperformed strongly over the longer term as it is positioned in assets that directly address UK grid constraints – including battery storage, grid-stability assets and flexible power solutions – rather than relying solely on subsidy-backed renewables. These assets have benefited from growing demand for system stability and flexibility as renewable penetration increases.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Quinbrook Low Carbon Fund	**15**	1.0	1.0	0.0	2.0	2.0	0.0	4.9	5.0	-0.1	12.8	6.0	6.8	9.0	7.0	2.0
LCIV NBS Fund	**20**	1.0	0.8	0.2	1.5	1.5	0.0	1.5	1.0	0.5	9.0	8.0	1.0	15.0	12.0	3.0
Total	**35**	1.0	1.0	0.0	3.1	3.0	0.1	3.1	3.0	0.1	11.2	7.0	4.2	12.0	9.0	3.0

Source: Northern Trust

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Portfolio Update
Private Credit

For illustrative purposes only

Investment Strategy Summary

- Private credit has grown rapidly in recent years, with a significant share of lending directed toward private equity-backed software and business services companies. The accelerating pace of artificial intelligence adoption is introducing a new and potentially disruptive risk to these borrowers, particularly where business models rely on legacy software pricing, billable hours or perceived revenue stickiness.
- Recent market commentary has highlighted rising stress indicators, including increased use of payment-in-kind structures, valuation uncertainty and growing dispersion across portfolios. While default rates remain contained, LCIV are concerned that a rapid AI-driven disruption could .lead to materially higher defaults in a tail-risk scenario, with private credit more exposed than public markets. LCIV is also questioning how this may affect the private equity market.
- All that said, LCIV does see difference to the GFC where short term deposits were used to fund longer term loans. Further, much of the current distress appears to have arisen in “evergreen” funds where structures have offered too “aggressive” liquidity solutions.

Portfolio Activity

Against this backdrop, we are slowing deployment particularly into seeded funds. This slowdown allows time for greater clarity on borrower fundamentals, valuation adjustments and underwriting discipline as the implications of AI disruption become clearer.

Investment Performance

- Performance has remained muted over the last quarter and year with absolute returns of 0.6% and 1.5% respectively. This is behind our long term return expectation for the asset class and reflects in part the current market dislocation as described in the previous paragraphs, but also the depreciation of the US$ over the quarter as most private credit funds are $ denominated.
- Over the last three and five years there has been positive absolute returns of 6.4% and 8.4% giving outperformance of 1.9% and 1.2% compared to what demonstrating the managers ability to pick good companies whilst avoiding defaults.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
CIV Credit Partners Euro Direct	**80**	0.6	0.8	-0.2	1.5	2.0	-0.5	1.5	2.0	-0.5	6.4	4.5	1.9	8.4	7.2	1.2
Total	**80**	0.6	0.8	-0.2	1.5	2.0	-0.5	1.5	2.0	-0.5	6.4	4.5	1.9	8.4	7.2	1.2

Source: Northern Trust

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Portfolio Update
Credit

For illustrative purposes only

Investment Strategy Summary

The credit portfolio is currently outside of the SAA range. We have begun detailed manager selection analysis with plans to add a new credit portfolio in the second half of the year.

Portfolio Activity

In line with SAA implementation plan, £0m was invested into this asset class over the quarter:

- £30m invested into the BNYM Return Bond portfolio; and
- £20m into the existing Fidelity product.

Investment Performance

- Performance in the quarter was positive in absolute terms but underperformed the benchmark by 0.2%. This was caused by the Fidelity mandate which suffered underperformance due to its underweight to emerging market credit.
- Over the one year both funds underperformed, but both show outperformance over the three-year period.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
BNY Mellon RTN Bond HDG	**65**	0.9	0.8	0.1	0.5	0.5	0.0	1.8	2.4	-0.6	7.0	4.2	2.8	9.0	8.0	1.0
Fidelity Instil LIQ Global Multi Asset Cred HGD	**55**	0.5	0.8	-0.3	0.5	0.5	0.0	2.0	2.3	-0.3	9.0	3.9	5.1	5.0	8.1	-3.1
Total	**120**	0.7	0.9	-0.2	1.8	2.3	-0.5	1.8	2.3	-0.5	7.0	4.0	3.0	6.5	8.0	-1.5

Source: Northern Trust

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Portfolio Update
UK Govt Bonds

For illustrative purposes only

Investment Strategy Summary

Gilts rallied in Q4 2025 as UK inflation eased and markets priced further Bank of England rate cuts. Falling yields supported positive total returns, particularly at the front end. The rally occurred despite ongoing quantitative tightening, with BoE gilt sales proceeding smoothly and fiscal credibility reinforced by a stable Autumn Budget.

Portfolio Activity

There were no changes to the portfolio during the quarter

Investment Performance

- The Blackrock Life Over 15 Years fund is a passive long-dated UK government bonds, aiming to track the performance of gilts with maturities over 15 years.
- Performance in the quarter was influenced primarily by interest-rate movements and asset allocation positioning. Long-duration fixed income assets were sensitive to changes in yield expectations, while diversified growth assets benefited from improved market conditions.

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Fund	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
Blackrock Life LTD Aquila Life Over 15 Yr	**65**	0.6	0.5	0.1	1.5	1.3	0.3	1.5	1.3	0.3	3.8	4.0	-0.2	3.9	4.0	-0.1
Total	**65**	0.6	0.5	0.1	1.5	1.3	0.3	1.5	1.3	0.3	3.8	4.0	-0.2	3.9	4.0	-0.1

Source: Northern Trust



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Responsible Investment

Responsible Investment

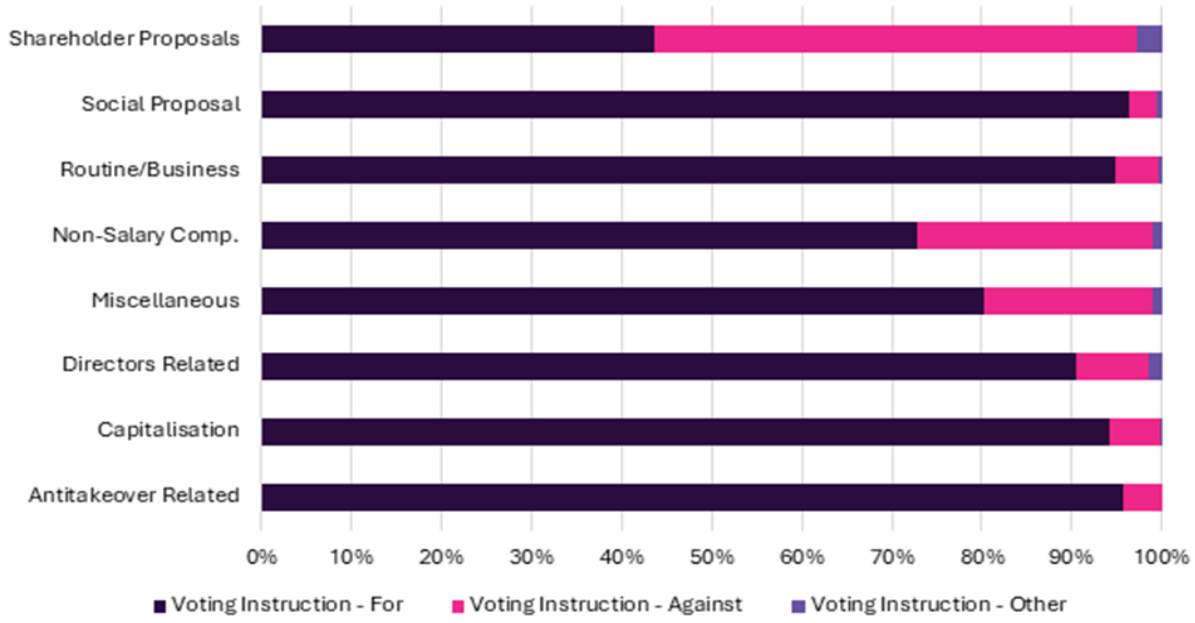
For illustrative purposes only

COP25 – Key Takeaways

- Expectation of future action: COP25 reinforced expectations that countries would submit more ambitious climate targets at subsequent COPs, recognising the growing gap between current policies and global temperature goal.
- Carbon markets unresolved: Negotiations on international carbon markets (Paris Agreement Article 6) did not reach agreement and were deferred to a later COP.
- Focus on loss and damage: Increased attention was given to climate-related loss and damage, though without major new funding commitments.

Voting

- Voting remains a core stewardship tool. In 2025, investment managers and EOS voted on 23,312 proposals, representing 98.9% voting execution.
- Votes against management numbered 2,113, with director elections and non-salary remuneration accounting for the highest levels of dissent.



Other Activity

- RI Matrix – this is currently being finalised as we are waiting on some legal clarifications.
- Please see Appendix where a thought piece on Flood Risk is included.

Source: LCIV



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For illustrative purposes only

Appendices

TEMPLATE ONLY SLIDE

Appendix 1:
Full Valuation Statement as at end December 2025

For illustrative purposes only

31/12/2025				
Asset Class	**Fund**	**30/09/2025 (£m)**	**31/12/2025 (£m)**	**Change**
Listed Equity	LCIV Global Alpha Growth	174	190	16
	LCIV Emerging Markets	85	90	5
	Blackrock Global Equity	340	345	5
Private Equity	Pantheon Asia Fund V LP	30	30	0
	Expedition Growth LP	25	25	0
	OTA Offshore – 2003 US Fund	15	15	0
	Summit EUR Growth EQ III SCSP	24	20	-4
	Vespa Capital III	25	25	0
Property	Fidelity UK Real Estate Fund	33	35	2
	Hermes Property Unit Trust	24	25	1
Infrastructure	JP Morgan Infrastructure	50	55	5
Other Alternatives	Quinbrook Low Carbon	15	15	0
	LCIV Nature Based Solutions	20	20	0
Private Credit	CVC Credit Partners European Direct III	75	80	5
Credit	BNY Mellon RTN Bond HDG	63	65	2
	Fidelity Instil LIQ Global Multi Asseet Cred HGD	55	55	0
UK Govt Bonds	Blackrock Life Ltd Aquila Life Over 15 Yr	67	65	-2
Cash	JP Morgan Money Market Fund	14	15	1
Total		1,134	1,170	36

Source: Northern Trust

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Appendix 2:
Full Investment Performance in GBP

For illustrative purposes only

31/12/2025	AUM	Quarter			YTD			One Year			Three Years (p.a.)			Five Years (p.a.)		
Asset Class	£m	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel	Fund	Index	Rel
LCIV Global Alpha Growth	**190**	2.2	2.0	0.2	5.5	5.0	0.5	5.5	5.0	0.5	12.8	14.8	-2.0	14.0	18.0	-4.0
LCIV Emerging Markets	**90**	2.8	3.5	-0.7	-1.3	6.0	-7.3	9.0	7.0	2.0	9.0	16.8	-7.8	15.0	23.0	-8.0
Blackrock Global Equity	**345**	1.6	1.5	0.1	2.5	2.8	-0.3	4.9	4.9	0.0	14.0	14.0	0.0	17.1	16.9	0.2
Pantheon Asia Fund V LP	**30**	-0.2	2.2	-2.4	-5.0	2.5	-0.3	7.0	6.8	0.2	7.7	6.2	1.5	11.2	8.0	3.2
Expedition Growth LP	**25**	3.1	1.0	2.1	3.1	3.0	0.1	4.0	3.8	0.2	6.0	6.0	0.0	n/a	n/a	n/a
OTA Offshore – 2003 US Fund	**15**	-15.2	2.0	-17.2	1.5	2.0	-0.5	-8.0	8.0	-16.0	8.0	7.8	0.2	20.0	8.1	11.9
Summit EUR Growth EQ III SCSP	**20**	4.6	2.6	2.0	1.8	2.3	-0.5	7.0	9.1	-2.1	12.0	8.1	3.9	n/a	n/a	n/a
Vespa Capital III	**25**	5.2	1.8	3.4	1.5	1.3	0.3	8.2	4.0	4.2	7.8	6.5	1.3	7.0	6.5	0.5
Fidelity UK Real Estate Fund	**35**	-1.0	0.8	-1.8	1.8	2.1	-0.4	4.8	5.1	-0.3	9.0	6.0	3.0	n/a	n/a	n/a
Hermes Property Unit Trust	**25**	0.5	0.8	-0.3	5.5	5.0	0.5	7.5	8.0	-0.5	8.0	7.8	0.2	20.0	8.1	11.9
JP Morgan Infrastructure	**55**	-2.0	1.6	-3.6	-1.3	6.0	-7.3	-5.0	2.5	-7.5	n/a	n/a	n/a	n/a	n/a	n/a
Quinbrook Low Carbon	**15**	1.0	1.0	0.0	2.5	2.8	-0.3	4.9	5.0	-0.1	12.8	6.0	6.8	9.0	7.0	2.0
LCIV Nature Based Solutions	**20**	1.0	0.8	0.2	5.5	5.0	0.5	1.5	1.0	0.5	9.0	1.0	1.0	15.0	12.0	3.0
CVC Credit Partners European Direct III	**80**	0.6	0.8	-0.2	-1.3	6.0	-7.3	1.5	2.0	-0.5	6.4	1.9	1.9	8.4	7.2	1.2
BNY Mellon RTN Bond HDG	**65**	0.9	0.8	0.1	2.5	2.8	-0.3	1.8	2.4	-0.6	7.0	2.8	2.8	9.0	8.0	1.0
Fidelity Instil LIQ Global Multi Asseet Cred HGD	**55**	0.5	0.8	-0.3	5.5	5.0	0.5	2.0	2.3	-0.3	9.0	5.1	5.1	5.0	8.1	-3.1
Blackrock Life Ltd Aquila Life Over 15 Yr	**65**	0.6	0.5	0.1	-1.3	6.0	-7.3	1.5	1.3	0.3	3.8	-0.2	-0.2	3.9	4.0	-0.1
JP Morgan Money Market Fund																

Source: Northern Trust

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Appendix 3: Benchmarks

For illustrative purposes only

31/12/2025		
Asset Class	**Fund**	**Benchmark**
Listed Equity	LCIV Global Alpha Growth	MSCI ACWI
	LCIV Emerging Markets	MSCI Emerging Markets
	Blackrock Global Equity	MSCI World
Private Equity	Pantheon Asia Fund V LP	Absolute Return 8%
	Expedition Growth LP	Absolute Return 8%
	OTA Offshore – 2003 US Fund	Absolute Return 8%
	Summit EUR Growth EQ III SCSP	Absolute Return 8%
	Vespa Capital III	Absolute Return 8%
Property	Fidelity UK Real Estate Fund	UK IPD
	Hermes Property Unit Trust	UK IPD
Infrastructure	JP Morgan Infrastructure	CPI +4%
Other Alternatives	Quinbrook Low Carbon	Absolute Return 6%
	LCIV Nature Based Solutions	Absolute Return 6%
Private Credit	CVC Credit Partners European Direct III	Absolute Return 8%
Credit	BNY Mellon RTN Bond HDG	Barclays Global AGG HDG TO GBP
	Fidelity Instil LIQ Global Multi Asseet Cred HGD	Barclays Global Credit HDG TO GBP
UK Govt Bonds	Blackrock Life Ltd Aquila Life Over 15 Yr	iBoxx 15+ Years
Cash	JP Morgan Money Market Fund	SONIA

Source: Northern Trust

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Appendix 4:
Outstanding commitments as at end December 2025

For illustrative purposes only

31/12/2025			
Asset Class	**Fund**	**Commitment paid to date (£m)**	**Outstanding commitments (£m)**
Private Equity	Pantheon Asia Fund V LP	25	15
	Expedition Growth LP	18	22
	OTA Offshore – 2003 US Fund	12	13
	Summit EUR Growth EQ III SCSP	22	3
	Vespa Capital III	27	13
Infrastructure	JP Morgan Infrastructure	50	0
Other Alternatives	Quinbrook Low Carbon	12	3
	LCIV Nature Based Solutions	12	13
Private Credit	CVC Credit Partners European Direct III	80	0
Total		**258**	**82**

Please note that some Private Market data may be lagged

Source: Northern Trust

Unrestricted Document

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Appendix 5:
Transactions over the 3 months to end December 2025

For illustrative purposes only

31/12/2025

Asset Class	Fund	Action	Date	Value (m)
Listed Equity	LCIV Emerging Markets	BUY	03/10/2025	£20
Private Equity	Summit EUR Growth EQ III SCSP	BUY	28/11/2025	$10
	Vespa Capital III	BUY	28/11/2025	$15
Credit	BNY Mellon RTN Bond HDG	SELL	12/12/2025	£15

Source: Northern Trust

Thank-you

Disclaimer

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Important information

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	Brent Pension Fund Sub-Committee 7 October 2026
	Report from the Corporate Director, Finance and Resources

Brent Pension Fund: Annual Report and Accounts 2025-26

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	Two: Appendix 1: Draft Brent Pension Fund Annual Report 2025/26 Appendix 2: Audit Findings Report
Background Papers:	None
Contact Officers:	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk Manish Shah, Senior Finance Analyst 020 8937 1444 manish.shah@brent.gov.uk

1.0 Executive Summary

1.1 This report provides an update on the Pension Fund Annual Report and Accounts for the year ended 31 March 2026.

2.0 Recommendation(s)

2.1 The Committee is recommended to note the draft Brent Pension Fund Annual Report 2025/26.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

Statement of Accounts

3.3 Included in the Brent Pension Fund Annual Report 2025/26 attached in Appendix 1 are the latest version of the Pension Fund Annual Accounts for the year ended 31 March 2026.

3.4 At the time of writing, the audit fieldwork is complete in line with timelines as set out in the audit plan, with the auditors, Grant Thornton, now working on the review of the annual report.

3.5 The audit findings report from Grant Thornton, attached in Appendix 2, provided positive feedback as the auditors identified no adjustments to the financial statements, that have resulted in an adjustment to the Pension Funds reported financial position. Grant Thornton intends to give an unmodified opinion on the Pension Fund accounts.

3.6 The responsibility for approving the statement of accounts resides with the Audit and Standards Committee which noted the audit findings report on 23rd September 2026. The sign-off of the Pension Fund accounts is dependent on progress on the Council's audit, which is the process of being finalised.

3.7 The accounts have been prepared to meet the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the Code) governing the preparation of the 2025/26 financial statements for Local Government Pension Scheme funds. The accounts aim to give a true and fair view of the financial transactions of the Pension Fund during the year ended 31 March 2026 and the amount and disposition of the Fund's assets and liabilities as at 31 March 2026.

3.8 The main items to note are as follows:

- During 2025/26, the value of the Pension Fund's investments increased to £1,482.4m (2024/25 £1,310.3m). Further detail on investment performance is available in the regular monitoring reports.
- Total contributions received from employers and employees were £69.6m for the year, an increase on the previous year's £73.2m.
- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £61.6m, an increase on the previous year's £59.9m.

- As in 2025/26, the pension fund is in a positive cash-flow position because its contributions exceed its outgoings to members.

Pension Fund Annual Report

3.9 The draft Pension Fund annual report has been sent to Grant Thornton for review. Regulations require the annual report to be published on or before 1st December. The Fund will publish the report on completion of the audit process and before the required deadline.

3.10 The Annual Report for 2025/26 has been updated to reflect the latest guidance from Ministry of Housing, Communities and Local Government (MHCLG), which sets out the required structure and content for Local Government Pension Scheme (LGPS) Annual Reports. The report is divided into several sections:

- **Overall Fund management** - which explains the management arrangements for the Fund and the Fund's approach to risk management.
- **Governance & Training** – details the Fund's governance structure and how the Fund has complied with its Governance Compliance Statement
- **Financial Performance** – which considers financial performance excluding investments focused on income, expenditure, and cash flows.
- **Investments & Funding** - which details the Fund's investment strategy, arrangements, and performance.
- **Scheme Administration** - which sets out how the scheme is administered including a summary of some key administration statistics
- **Actuarial report** - which provides an update on the Fund's Funding Position including a statement from the Fund Actuary.

3.11 Also included are the Investment Strategy Statement, Pensions Administration Strategy, Funding Strategy Statement and Communications Policy Statement which have been approved by the Committee at previous meetings.

4.0 Stakeholder and ward member consultation and engagement

4.1 Not applicable.

5.0 Financial Considerations

5.1 Not applicable.

6.0 Legal Considerations

6.1 Not applicable.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Not applicable.

8.0 Climate Change and Environmental Considerations

8.1 Not applicable.

9.0 Human Resources/Property Considerations

9.1 Not applicable.

10.0 Communication Considerations

10.1 Not applicable.

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

Brent Pension Fund Annual Report & Accounts 2025/26

Pensions Regulator Scheme Number: 10272080

Brent Council



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Chairman's Forward

It is my pleasure to present the Annual Report and Accounts of the Brent Pension Fund for 2025/26.

The Fund has 6,579 contributors, 7,790 pensioners and 8,389 deferred pensioners.

The scheme is administered locally and is a valuable part of the pay and reward package for employees working in Brent Council or working for other employers in the Borough participating in the scheme.

During 2025/26, the value of the Pension Fund's investments increased to £1,481.9m (2024/25 £1,310.3m). The primary driver of the Fund's positive performance was its overweight exposure to equities, supplemented by its allocation to diversified assets. The Fund's returns were dragged down by its underweight positions in infrastructure and private debt, even though both asset classes delivered positive performance.

Total contributions received from employers and employees was £69.6m for the year, a decrease on the previous years of £73.2m, however the current figure is in line with the total contributions received in 2023/24. Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £61.6m, an increase on the previous year's £59.9m.

During the 2025/26 financial year, the Pension Fund continued to maintain a positive cash-flow position, as total contributions exceeded member outgoings. This net inflow enabled the Fund to allocate a portion of these contributions toward investments, thereby expanding the asset base dedicated to funding future liabilities. Moving forward, however, employer contribution rates are projected to decrease following in the following year.

The Brent Pension Fund is revalued every three years by an independent actuary. The Pension Fund had its most recent triennial review in 2025. This is a detailed appraisal that uses economic and demographic assumptions in order to estimate future liabilities and set employer contribution rates.

The 2025 actuarial valuation revealed that the Fund achieved a 113% funding level as of 31 March 2025, marking a 26% improvement from the prior valuation on 31 March 2022. Consequently, based on comprehensive modelling, future return expectations, and extensive stakeholder consultation, the long-term contribution rates for open employers will decrease from 30.5% of pensionable pay in 2025/26 to 23.0% for 2026/27 and subsequent years.

In conclusion, I would like to extend my thanks and appreciation to all members of the Pension Fund Sub-Committee and officers for their continued input to the strong governance and management arrangements of the Fund.

Cllr Robert Johnson

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1. Scheme Management & Advisors



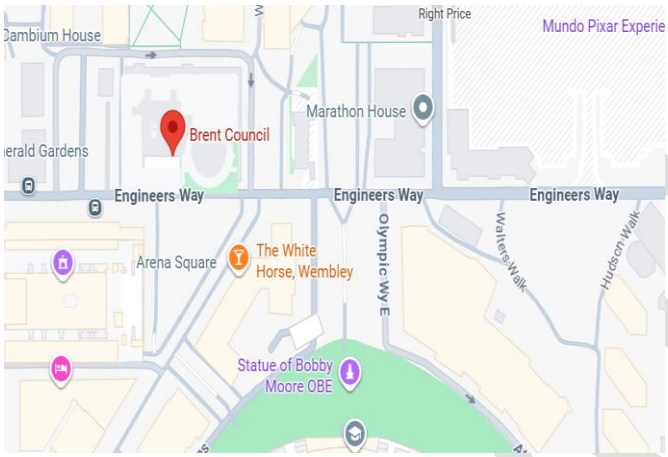
Scheme Management and Advisors 2025/26

Administering Authority:

Brent Council
Civic Centre
Engineers Way
Wembley
HA9 0FJ
☎ 0208 937 1234
Brent Council

Brent Pension Fund Officers:

Minesh Patel, Corporate Director, Finance and Resources
Amanda Healy, Deputy Director of Finance
Sawan Shah, Head of Finance
Manish Shah, Senior Finance Analyst
John Smith, Pensions Manager



Investment Advisor: Hymans Robertson LLP

Custodian: Northern Trust

Auditor: Grant Thornton LLP

Pooling Partner: London CIV

Performance Measurement: Northern Trust

Actuary: Hymans Robertson LLP

Investment Managers:

Alinda Capital Partners

Blackrock Investment Management

Capital Dynamics

Fidelity UK Real Estate

Legal & General Investment Management

London CIV

UBS Triton Property

Legal Advisers: In house

Banker: NatWest Bank

Scheme Administrator: LPPA

AVC Providers: Prudential

Prudential

Utmost (legacy, formerly Equitable Life)

Clerical Medical (legacy)

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2. Risk Management



Identifying, Managing and Reviewing Risks:

The Pension Fund has a dedicated Risk Management Policy, supported by a comprehensive risk register. The policy is reviewed at least every three years, while the risk register is reviewed and updated prior to each Pension Board meeting.

The processes for identifying and managing risks are integrated into the governance structure of the Fund.

Officers operate within the financial procedures and control environment which are regularly audited by internal and external audit, with overall oversight of risk management falling to the Pension Board.

The Pension Fund is exposed to risks inherent in its activities. Risk management policies and procedures are in place to identify, assess, monitor and manage these risks effectively.

The Fund's primary risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members) over time. Therefore, the aim of is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio.

The Fund looks to achieve this through asset diversification to reduce exposure to market risk (price, currency, interest rate risk and credit risks) to an acceptable level.

In addition, the Fund manages its liquidity risk to ensure there are sufficient funds to meet the Fund's forecast cash flows.

The Pension Fund manages investment risks through its overall pension fund risk management framework.

Responsibility for overseeing the Fund's risk management strategy rests with the Pension Fund Sub-Committee.

Policies are reviewed regularly to reflect changes in activity and in market conditions.

The risk management process involves:

• Review of the Funds key policies and procedures.

• Regular review of the Funds Risk Register.

• Review of quarterly investment and manager performance.

• Training.

The Fund's annual accounts (see note 17) also make detailed reference to managing specific risks relating to the Fund's assets, liabilities and investments.

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The Brent Pension Fund Risk Register is a key tool for managing risk and it incorporates an assessment of the likelihood and impact of risks together with control and mitigation measures. It ensures that key risks are identified and that mitigating actions are taken to control them.

How Risks Are Identified, Managed and Reviewed

Risks are "RAG" rated using a "traffic light system" and are monitored on a regular basis. The controls and mitigations are documented and further actions identified and implemented where necessary. This is reviewed and reported at Pension Board meeting and can be found on the Brent Pensions Board website.

The Funding Strategy Statement summarises the key risks within each objective area and sets out mitigating actions in place to manage them.

The actuary reports on these risks at each triennial valuation or more frequently as and when required. The key risks identified within the Pension Fund Risk Register are:

- Investment
- Funding
- Covenant
- Governance
- Administration
- Geopolitical

The Risk Management Programme in place ensures that key risks are identified and mitigating actions are taken to control them Risks. Appendix C of the Funding Strategy Statement summarises the key risks in each objective area and the mitigating actions being taken to manage them.

Cyber Risk

The Council has published its comprehensive Cyber Security Strategy, which establishes rigorous operational protocols and safeguards to defend critical infrastructure and sensitive data against evolving internet-based threats. By prioritising disaster recovery frameworks, the implementation of multi-factor authentication, and mandatory workforce training, the strategy ensures staff are fully equipped to identify vulnerabilities and uphold standards of data confidentiality

The Pension Fund has adopted the Council's data security procedures to maintain effective controls and actively monitors cyber risks as part of its overall risk register. The Fund's external administrators, the Local Pensions Partnership Administrators (LPPA)

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also implements cyber security controls, including network firewalls and daily remote backups to prevent the loss or corruption of sensitive data.

The Council's Cyber Security Strategy for 2022-2026 can be found here: https://democracy.brent.gov.uk/documents/s134188/Appendix%20A%20

Third Party Risks

The payment of contributions is robustly monitored in accordance with the Pensions Administration Strategy to ensure compliance and accuracy. Scheme employers must submit an electronic return that verifies the underlying contribution calculations for both employees and employers while ensuring full alignment with the corresponding pension payments.

The Council has also outsourced the following functions of the Fund:

• Custodianship of assets.

• Pensions administration in coordination with the Brent pensions administration team who monitors and manages the Fund's contractor for pension administration services, Local Pensions Partnership Administration (LPPA).

• The Pension Payroll

As these functions are outsourced, the Council is exposed to Third Party Risk. A range of investment managers are used to diversify risk.

Custodianship risk is mitigated by AAF 01/06 and ISAE3402 assurance and any weaknesses in controls are reviewed and reported as necessary to the Pension Fund Sub-Committee.

During the 2023/24 financial year, Internal Audit reviewed the Pension Fund's procedures for monitoring the pensions administration contract and managing the collection of pension contributions. The primary objective was to provide formal assurance of the effectiveness of the controls governing the contributions management process. The scope of the review covered roles and responsibilities, service level agreement (SLA) monitoring, employer and employee contribution data, contribution receipts, and ongoing monitoring and reporting arrangements.

The audit identified no critical high or low risk issues with only one medium risk item being reported. Internal audit identified several areas of good practice. Any risks identified were agreed between internal audit and management and actions are taken to ensure that the recommendations are implemented and the controls are operating effectively.

The next internal audit of the Brent Pension Fund is set to take place in 2026/27 as part of the 3-Year Rolling Plan.

The Pension Fund has formalised its operational expectations through its publication of the Pension Administration Strategy (PAS), which helps to mitigate administrative risks by establishing clear quality and performance standards for scheme employers. The strategy sets out the respective roles and responsibilities of both the Administering Authority and participating employers. It establishes a collaborative environment that ensures the timely submission of accurate data and the prompt notification of member events within prescribed service level agreements. The Fund reserves the right to impose financial penalties where employers consistently fail to meet these required service standards including deadlines for the payment of contributions and the submission of data returns (see Annex 1 of the Pensions Administration Strategy).

The Pension Fund also maintains its Members Communications Strategy, which is designed to ensure that all key stakeholders are kept informed of developments within the Fund and through the appropriate medium. The aim being to ensure an effective communication process is in place to help maintain the efficient and effective running of the Scheme and deliver better stakeholder and customer outcomes

Other Investment Risk

Brent Pension Fund maintains a rigorous framework for monitoring investment risk. Risk assessments are conducted at both the market level and the individual fund manager level. Fund managers implement diverse risk-management strategies, including disciplined valuation processes to prevent overpaying for assets, and regular oversight by dedicated risk and investment committees that review and challenge investment decisions and underlying assumptions. Fund managers actively navigate the complexities of asset mispricing, which can be exacerbated by heightened market competition and the investor demand for yield.

The Pension Fund employs an Investment Advisor, Hymans Robertson, to assist and advise the Pensions Sub Committee. Investment performance is reviewed by the committee each quarter.

The Pension Fund evaluates its fund managers on a quarterly basis as part of its regular performance monitoring. The assessment analyses both net returns and the specific attribution factors explaining how those results were generated. Performance is benchmarked against expected outcomes under prevailing market conditions to identify and manage guard investment or style drift. The fund also considers tactical adjustments by managers in changing market environments.

Pension Fund Officers ensure that all tasks are undertaken in compliance with best practice as detailed and the principles set out in the Investment Strategy Statement. This helps to mitigate any governance risk, such as acting outside the Fund's statutory powers (ultra vires).

Pension Fund Officers document meetings with fund managers, and report back to the Pension Fund Sub-Committee on a quarterly basis.

The key risks and controls in place to mitigate investment risks are included in the Funding Strategy Statement.

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3. Governance & Training



Pension Fund Sub-Committee Membership as at 31 March 2026

Chair:	Cllr R Johnson
Other Members:	Cllr D Kennelly (Vice Chair)
	Cllr I Ahmadi Moghaddam
	Cllr S Choudry
	Cllr S Crabb
	Cllr S Kansagra
	Cllr A Molloy
Employee representatives: (non-voting)	Elizabeth Bankole (Unison)

Information on the voting rights and record of attendances at meetings for each member of the Pension Fund Sub-Committee can also be found on the committee web page on the Brent Democracy Portal:

Pension Fund Sub-Committee
https://democracy.brent.gov.uk/mgAttendanceSummary.aspx?RPID=155

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Governance Structure

The London Borough of Brent Council has delegated responsibility for pension matters to the Pension Fund Sub-Committee. The Committee is comprised of seven elected representatives of the council – six from the administration and one opposition party representative. An employer representative of the Trade Unions is appointed but has no voting rights.

Pension Fund Sub-Committee

The Pension Fund Sub-Committee is responsible for the strategic management of the assets of the Fund and the administration of benefits. The Pension Fund Sub-Committee meets quarterly to:

- Ensure compliance with legislation and best practice
- Determine policy for the investment, funding and administration of the Fund
- Monitor performance across all aspects of the service
- Consider issues arising and make decisions to secure efficient and effective performance and service delivery
- Appoint and monitor advisers
- Ensure that arrangements are in place for consultation with stakeholders as necessary.
- To consider the annual statement of pension fund accounts and actuarial valuation.

Pension Board The below table summarises the Board attendance during the 2024/25 municipal year:

Attendee	22 July	6 November	23 March
David Ewart	✓	✓	✓
Cllr S Kabir	✓	✓	
Cllr T Smith	✓	✓	✓
Bola George	✓	✓	
Chris Bala	✓	✓	✓
Robert Wheeler		✓	

Governance Compliance Statement

This statement shows how Brent Council as the Administering Authority of the Brent Pension Fund complies with guidance on the governance of the Local Government Pension Scheme (LGPS) issued by the Secretary of State for Communities and Local

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Government in accordance with the Local Government Pension Scheme (Administration) Regulations 2013.

Ref.	Principles	Compliance and comments
A	**Structure**	
a.	That the management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	Full compliance. Brent Council's constitution sets out the terms of reference for the Pension Fund Sub-Committee.
b.	That representatives of participating LGPS employers, admission bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Full compliance.
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	No formal secondary committees or panels have been established.
d.	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	No formal secondary committees or panels have been established.
B	**Representation**	
a.	That all key stakeholders have the opportunity to be represented within the main or secondary committee structure. These include: i) employing authorities (including non-scheme employers, e.g. admission bodies) ii) scheme members (including deferred and pensioner scheme members) iii) where appropriate, independent professional observers, and iv) expert advisers (ad-hoc basis only).	Full compliance. The Pension Fund Sub-Committee includes a representative of the other employers in the Fund and contributor members. The Fund's investment adviser attends Pension Fund Sub-Committee meetings. Independent professional observers are not regarded as appropriate.
b.	That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers, meetings, and training and are given full opportunity to contribute to the decision-making process, with or without voting rights.	Full compliance. Equal access is provided to all members of the Pension Fund Sub-Committee.
C	**Selection and role of lay members**	
a.	That committee or panel members are made fully aware of the status, role and function they	Full compliance.

Ref.	Principles	Compliance and comments
	are required to perform on either a main or secondary committee.	
D	**Voting**	
a.	That the individual administering authorities on voting rights are clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.	Full compliance. All representatives on the Pension Fund Sub-Committee have full voting rights, but the Sub-Committee works by consensus without votes being required.
E	**Training/facility time/expenses**	
a.	That in relation to the way in which the administering authority takes statutory and related decisions, there is a clear policy on training, facility time and reimbursement of expenses for members involved in the decision-making process.	Full compliance. Full training and facilities are made available to all members of the Pension Fund Sub-Committee.
b.	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Full compliance.
c.	That the administering authority considers adopting annual training plans for committee members and maintains a log of all such training undertaken.	Full compliance. A training plan has been prepared for the Pension Fund Sub-Committee and training logs are maintained for all such training undertaken.
F	**Meetings (frequency/quorum)**	
a.	That an administering authority's main committee or committees meet at least quarterly.	Full compliance. The Pension Fund Sub-Committee meets regularly throughout the year. Additional meetings can be arranged to fit its business needs.
b.	That an administering authority's secondary committee or panel meets at least twice a year and is synchronised with the dates when the main committee sits.	No formal secondary committees or panels have been established.
c.	That an administering authority that does not include lay members in its formal governance arrangements must provide a forum outside of those arrangements to represent the interests of key stakeholders.	Full compliance. The Pension Fund Sub-Committee includes lay members. Employers' forums are arranged for employers.
G	**Access**	
a.	That, subject to any rules in the Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and	Full compliance. Equal access is provided to all members of the Pension Fund Sub-Committee.

Ref.	Principles	Compliance and comments
	advice that are due to be considered at meetings of the main committee.	
H	**Scope**	
a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Full compliance. The Pension Fund Sub-Committee deals with fund administration issues as well as fund investment.
I	**Publicity**	
	That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in how the scheme is governed can say they want to be part of those arrangements.	Full compliance. The Council's Governance Policy Statement is published in the Pension Fund's Annual Report and on its website.

Member Training

Members of the Pension Fund Sub-Committee and Pension Board are required to have the appropriate level of knowledge and understanding for their roles. This aims to ensure that members possess the necessary knowledge and skills to effectively fulfil their roles in providing effective oversight of the Brent Pension Fund.

Members of the Pension Fund Sub-Committee and Brent officers have opportunities to attend training courses and seminars on pension fund matters, when necessary and appropriate. The cost of attending is charged to the Pension Fund. Training is delivered in advance of all committee meetings and to ensure that the sessions are effective, topics are usually arranged in line with agenda items.

Training provided during 2025/26 included:

Committee training

- Actuarial Valuation: Introduction
- Valuation Assumption Setting
- Current Funding Environment
- Investment risk from conflict regions
- Risk-return profiles of assets
- Investment Strategy Review Implementation

LGPS Online Learning Academy (LOLA)

- Module 1: Committee Role and Pensions Legislation
- Module 2: Pensions Governance
- Module 3: Pensions Administration

- Module 4: Pensions Accounting and Audit Standards
- Module 5: Procurement and Relationship Management
- Module 6: Investment Performance and Risk Management
- Module 7: Financial Markets and Product Knowledge
- Module 8: Actuarial methods, Standards and Practices

Accountability and Transparency

Pension Fund Sub-Committee agendas, reports and minutes are published on the Brent Council website at; **Brent Council**.

Conflict of Interests

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Pension Board and Sub-Committee. It does not include a financial or other interest arising merely by virtue of that person being a member of the Scheme.

There is a standing agenda item at each Pension Fund Sub-Committee and Board meeting for members to declare any personal or prejudicial interests.

On appointment and following any subsequent declaration of potential conflict by a member, the Administering Authority shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Conflicts of Interest policy and the requirements of the Code.

Summary of Freedom of Information requests

The Fund promotes a strong sense of accountability and transparency across the organisation, especially with its beneficiaries. Operating under public sector regulations dictates that the Pension Fund must respond to requests under the Freedom of Information (FoI) Act 2000. The Fund received and responded to 29 such requests in 2025-26.

Governance Overview – London CIV

London LGPS CIV Limited is an FCA authorised and regulated company limited by shares, in which all 32 London LGPS Funds are shareholders. In addition to London CIV's Articles of Association, there is a Shareholder Agreement in place which outlines the matters reserved to shareholders. These matters include items such as the approval of the budget, objectives, and the business plan. London CIV hosts several meetings throughout the year to provide touchpoints where such matters may be discussed, including two General Meetings, four Shareholder Committees and four Sustainability Working Groups.

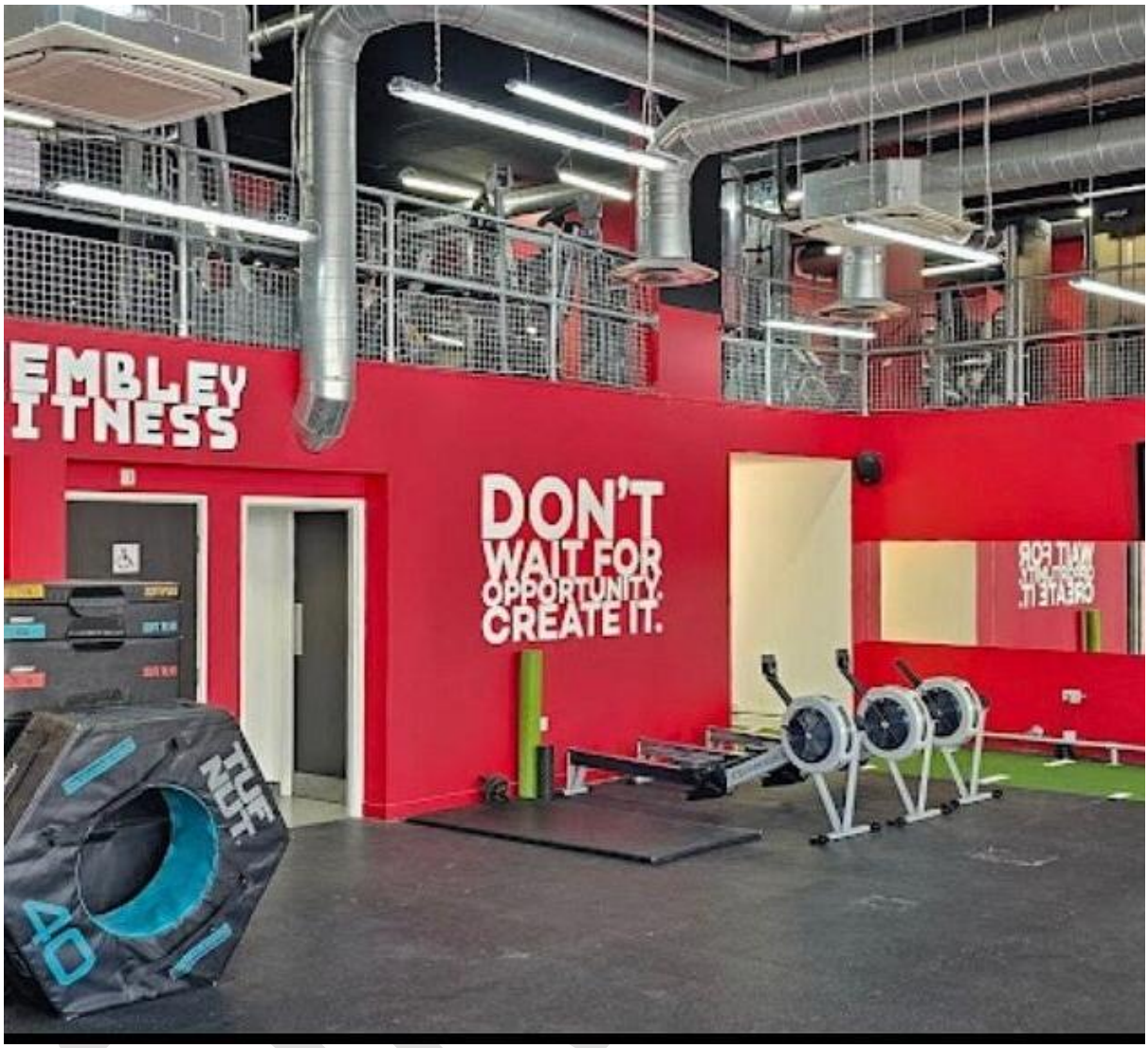
London CIV also publishes an Annual Report, which captures all major developments throughout the year. A copy of the report for 2025/26 may be accessed here: https://londonciv.org.uk/block/download/6863/file

Oversight from the Brent Pension Fund of the work undertaken by LCIV is further exercised through:

- Regular relationship meetings to discuss current workstreams and priorities.
- Regular attendance at monthly Business Updates through which officers can ask questions and raise queries.
- Attendance at the annual LCIV conference providing a more detailed, up to date breakdown of the pools operations and performance.
- Review of LCIV Fund performance by Sub-committee and Board.
- Participation in relevant seed Investor groups and working groups when new Funds or policies are being designed to help shape the idea, raise questions and challenge where necessary.
- An in-depth due diligence process is undertaken by the Funds investment advisors for any new Funds of interest presented by the LCIV.

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4. Financial Performance



Financial Summary

Income and expenditure of the fund over the past five years is shown below. This shows that a net increase in the Fund's market value of £452m over the five-year period. During 2025/26, the Fund's value increased by £169.6m.

Financial Summary	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Contributions receivable	(70.9)	(73.8)	(76.7)	(80.0)	(78.7)
Benefits payable	52.7	55.6	59.8	69.2	74.5
Net (additions)/withdrawals from dealings with members	**(18.2)**	**(18.2)**	**(16.9)**	**(10.8)**	**(4.2)**
Management expenses	4.3	4.1	4.2	5.1	4.2
Net of investment income and taxes on income	(1.1)	1.8	(11.1)	(15.4)	(20.3)
Change in market value	(88.1)	25.8	(117.1)	(30.6)	(149.3)
Net (increase)/decrease in Fund Value	**(103.1)**	**13.5**	**(140.9)**	**(51.6)**	**(169.6)**

Movements in the Fund's income and expenditure primarily reflect changes in membership and demographics. Contribution income varies with active member numbers, pay levels, employer rates, and transfers, while benefit costs are driven by retirements, pensioner longevity and pension increases. A comprehensive summary of the Fund's member composition can be found in Note 1 of the main Statement of Accounts.

Analysis of Dealings with Scheme Members

As shown in the table below, net contribution from members has been positive over the past six years. Employer contributions show a modest increase relative to the previous year. Transfers out have increased compared to last year, reflecting more members electing to remove their benefits from the scheme.

Analysis of Dealings with Scheme Members	**2021/22 £m**	**2022/23 £m**	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**
Contributions receivable					
Members	(9.7)	(10.6)	(11.1)	(12.0)	(12.5)
Employers	(54.4)	(56.9)	(57.8)	(61.2)	(57.1)
Transfers In	(6.8)	(6.3)	(7.8)	(6.8)	(9.1)
Total	**(70.9)**	**(73.8)**	**(76.7)**	**(80)**	**(78.7)**
Benefits payable					
Pensions	39.7	41.4	45.2	49.3	50.5
Lump sum retirement and death benefits	7.2	6.4	6.8	10.6	11.1
Transfers Out	5.7	7.6	7.7	9.1	12.6
Refunds to members leaving service	0.2	0.2	0.1	0.2	0.3
Total	**52.7**	**55.6**	**59.8**	**69.2**	**74.5**
Net Dealings with Members	**(19.2)**	**(18.2)**	**(16.9)**	**(10.8)**	**(4.2)**

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Analysis of Management Expenses

The costs of managing the Pension Fund are split into three areas: Administration expenses, Oversight and Governance costs and Investment management expenses.

Analysis of Management Expenses	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Administration costs	1.6	1.4	1.6	2.4	1.6
Oversight and Governance costs	0.2	0.2	0.2	0.4	0.4
Investment management costs					
Management fees	2.4	2.4	2.4	2.3	2.2
Custody fees	0.1	0.1	0.0	0.0	0.0
Total	**4.3**	**4.1**	**4.2**	**5.1**	**4.2**

Analysis of non-investment assets and liabilities

Compared to the prior year, the Fund saw an increase in non-current assets. Sundry debtors decreased from £3.8m to £1.1m, and sundry creditors stayed unchanged.

The main driver for the decrease in debtors is that the Fund received £1.7m from employers to cover voluntary-redundancy costs and £1m for enhanced pension costs in the period to 31 March 2025. When an employer offers voluntary redundancy, the pension scheme meets the extra pension or early-retirement costs up front. The employer reimburses the Fund for those additional costs.

Contribution Rates

Members of the LGPS pay a contribution rate dependant on the salary band they fall in to. The contribution rate employees pay depends on their salary. The bands and contribution rates for 2025/26 are set out in the table below.

Annual Pensionable Pay	Rate	50/50 Gross Contribution
Up to £17,800	5.5%	2.75%
£17,801 to £28,000	5.8%	2.90%
£28,001 to £45,600	6.5%	3.25%
£45,601 to £57,700	6.8%	3.40%
£57,701 to £81,000	8.5%	4.25%
£81,001 to £114,800	9.9%	4.95%
£114,801 to £135,300	10.5%	5.25%
£135,301 to £203,000	11.4%	5.70%
£203,001 or more	12.5%	6.25%

Individual employers' rates vary depending on the demographic and actuarial factors particular to each employer. The most commonly applied employer contribution rate within the Brent Pension Fund was 30.5% in 2025/26.

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Regulations state that contributions must be paid to the Fund by the 22nd day of the month following deduction. The Fund reserves to right to levy interest on an employer for the late payment of contributions. In 2025/26, this power was not exercised.

Counter Fraud initiatives

Brent Council and the Brent Pension Fund have a statutory obligation to protect the public funds it administers. As part of this responsibility, the Council participates in the National Fraud Initiative, a government-led data matching scheme that helps identify fraud by detecting inconsistencies across public records. This initiative assists in identifying issues such as overpayments by flagging cases where pension recipients may have passed away, relocated overseas, or are receiving duplicate benefits. Identifying such inconsistencies allows the Fund to investigate and take corrective action before losses occur.

To further reduce the risk of overpayments, the Council provides information on the Tell Us Once service, which allows residents to report a death just once, ensuring relevant departments are notified promptly.

Overpayments and Write-offs

The Fund monitors and actively manages the recovery of pension overpayments, which can arise from late notification of a member's death or a change in circumstances. Where an overpayment is identified, prompt action is taken to stop further payments and to initiate recovery. Recoveries are pursued by LPPA, who balance the duty to safeguard scheme assets with the need to act reasonably and sensitively in individual cases. The recovery threshold is set at £500.

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5. Fund Account, Net Assets and Notes



Brent Pension Fund Accounts

Pension Fund Accounts as at 31 March 2026

2024/25 £m		Notes	2025/26 £m
	Dealings with members, employers and others directly involved in the fund		
(73.2)	Contributions	7	(69.6)
(6.8)	Transfers in from other pension funds	8	(9.1)
(80.0)			**(78.7)**
59.9	Benefits	9	61.6
9.3	Payments to and on account of leavers	10	12.9
69.2			**74.5**
(10.8)	**Net (additions)/withdrawals from dealings with members**		**(4.2)**
5.1	Management expenses	11	4.2
(5.7)	**Net (additions)/withdrawals including management expenses**		**(0.0)**
	Returns on investments		
(15.4)	Investment income	12	**(20.2)**
0.1	Taxes on income	13	**(0.1)**
(30.6)	(Profits) and losses on disposal of investments and changes in the market value of investments	14	**(149.3)**
(45.9)	**Net return on investments**		**(169.6)**
(51.6)	**Net (increase)/decrease in the net assets available for benefits during the year**		**(169.6)**
(1,261.2)	**Opening net assets of the scheme**		**(1,312.8)**
(1,312.8)	**Closing net assets of the scheme**		**(1,482.4)**

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Net Assets Statement of the Pension Fund as at 31 March 2026

	Notes	31 March 2025 £m	31 March 2026 £m
Investment assets	14	1,310.3	1,481.9
Total net investments		**1,310.3**	**1,481.9**
Current assets	20	5.1	3.1
Current liabilities	21	(2.6)	(2.6)
Net assets of the fund available to fund benefits at the end of the reporting period		**1,312.8**	**1,482.4**

The net asset statement includes all assets and liabilities of the Fund as at 31 March 2026 but excludes long-term liabilities to pay pensions and benefits in future years. The actuarial present value of promised retirement benefits is disclosed in Note 19.

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Notes to the Brent Pension Fund accounts

1. Description of Fund

The Brent Pension Fund (the 'Fund') is part of the Local Government Pension Scheme (LGPS) and is administered by Brent Council. The following description of the Fund is a summary only.

a) General

The Fund is a contributory defined benefit pension scheme administered by Brent Council to provide pensions and other benefits for pensionable employees of Brent Council and a range of other scheduled and admitted bodies.

b) Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme.

Organisations participating in the Brent Pension Fund include:

- Scheduled bodies whose staff are automatically entitled to be members of the Fund
- Admitted bodies which are other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. Admitted bodies include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 43 employer organisations with active members within the Brent Pension Fund at 31 March 2026, listed below:

Scheduled bodies

London Borough of Brent	North West London Jewish Day School (Academy)
Alperton Community School	Oakington Manor Primary School
ARK Academy	Our Lady of Grace RC Infants School
ARK Elvin Academy	Our Lady of Grace RC Juniors School
Ark Franklin Primary School	Preston Manor High School
Braintcroft Primary School	Queens Park Community School
Byron Court	St Andrew & St Francis (Acad)
Claremont High School Academy	St Claudine's Catholic School for Girls
Compass Learning Partnership	St Gregory's RC High School
Crest Academy	St Margarets Clitheroe School

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Furness Primary School (Academy)	St Mary's RC Academy
Gladstone Park Primary School	Sudbury Primary School
Harris Lowe Acad. Willsden BR	The Village School
Harris Primary Academy (South Kenton)	Wembley High Technology College
Kingsbury High School	Woodfield School Academy
Manor School	Michaela Community School Academy
	Roundwood School and Community Centre

Admitted bodies

Alliance in Partnership (Gladstone Park Primary)

Atalian Servest AMK

Barnardos

Veolia (Ground Maintenance)

Continental Landscapes Limited

Local Employment Access Project (LEAP)

O'Hara Bros Surfacing

Prospects Services (BR)

Taylor Shaw

Veolia

Brent Pension Fund	**31-Mar-25**	**31-Mar-26**
Number of employers with active members	44	43
Number of employees in scheme		
Brent Council	4,630	4,508
Other employers	2,100	2,071
Total	**6,730**	**6,579**

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Number of pensioners		
Brent Council	6,753	6,785
Other employers	932	1,005
Total	**7,685**	**7,790**
Deferred pensioners		
Brent Council	6,951	6,861
Other employers	1,428	1,528
Total	**8,379**	**8,389**
Total members in pension scheme	**22,794**	**22,758**

c) Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2025. During 2025/26, the most commonly applied employer contribution rate within the Brent Pension Fund was 30.5% of pensionable pay.

d) Benefits

Since April 2014, the scheme is a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate 1/49th. Accrued pension is updated annually in line with the Consumer Price index.

For a summary of the scheme before April 2014 and details of a range of other benefits provided under the scheme including early retirement, disability pensions and death benefits please refer to the LGPS website: www.lgpsmember.org

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 issued by the

Chartered Institute of Public Finance and Accountancy (CIPFA) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts have been prepared on a going concern basis. The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 19 of these accounts.

3. Summary of significant accounting policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions are accounted for on an accruals basis as follows:

• Employee contribution rates are set in accordance with LGPS regulations and are accounted for in the payroll period to which they relate.

• Employer contribution rates are set at the percentage rate recommended by the Fund actuary and are accounted for in the payroll period to which they relate.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classified as a current financial asset. Amounts not due until future years are classified as long-term financial assets.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations (see Notes 8 and 10).

Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions (see section o below) to purchase scheme benefits are accounted for on a receipts basis and are included in Transfers In (see Note 8).

Bulk (group) transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

c) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues, using the effective interest

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rate of the financial instrument as at the date of acquisition or origination. Income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of the instrument and its amount at maturity calculated on an effective interest rate basis.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iv) Movement in the net market value of investments

Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a Fund expense as it arises.

f) Management expenses

The fund discloses its management expenses in line with the CIPFA guidance accounting for local government pensions scheme management expenses, as shown below. All items of expenditure are charged to the fund on an accrual basis as follows:

i) Administrative expenses

All staff costs for the pensions administrative team are directly charged to the fund. Council recharges for management, accommodation, and other overhead costs are

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accounted for as administrative expenses.

ii) Oversight and governance

Costs associated with governance and oversight are separately identified, apportioned, and charged as expenses to the fund.

iii) Investment management expenses

Investment fees are directly charged to the fund as management expenses and are not included in reported investment returns. If fees are netted off returns by investment managers, these expenses are adjusted to reflect their impact on the investment value. Fees charged by external investment managers and custodians are based on the market value of managed investments, increasing, or decreasing with the changes in value. Estimated fees based on market value are included if fee notes are not received by year-end. Costs of the council's in-house fund management team and officer team spent on investment management are charged to the fund.

Net Assets Statement

g) Financial assets

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised by the Fund.

The values of investments as shown in the Net Assets Statement have been determined as follows:

i) Market-quoted investments

The value of an investment for which there is a readily available market price is determined by the bid market price ruling on the final day of the accounting period.

ii) Fixed interest securities

Fixed interest securities are recorded at net market value based on their current yields.

iii) Unquoted investments

The fair value of investments for which market quotations are not readily available is determined as follows:

- Valuations of delisted securities are based on the last sale price prior to delisting, or where subject to liquidation, the amount the Fund expects to receive on wind-up, less estimated realisation costs.
- Securities subject to takeover offer – the value of the consideration offered under the offer, less estimated realisation costs.
- Directly held investments include investments in limited partnerships, shares in unlisted companies, trusts and bonds. Other unquoted securities typically include pooled investments in property, infrastructure, debt securities and private equity. The valuation

of these pools or directly held securities is undertaken by the investment manager or responsible entity and advised as a unit or security price. The valuation standards followed in these valuations adhere to industry guidelines or to standards set by the constituent documents of the pool or the management agreement.

- Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.
- Investments in private equity/infrastructure funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity/infrastructure fund or limited partnership using the latest financial statements published by the respective fund managers.

iv) Limited partnerships

Fair value is based on the net asset value ascertained from periodic valuations provided by those controlling the partnership.

v) Pooled investment vehicles

Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, change in market value also includes income which is reinvested in the Fund, net of applicable withholding tax.

h) Contingent Assets

Admitted body employers in the Brent Pension Fund hold bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the pension fund and payment will only be triggered in the event of employer default. Contingent Assets are disclosed in Note 25.

i) Foreign currency transactions

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at the end of the reporting period.

k) Cash and cash equivalents

Cash comprises cash in hand and demand deposits.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

l) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by

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the Fund.

m) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 19).

n) Additional voluntary contributions

Brent Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. The Fund has appointed Prudential as its AVC provider. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2016/946) but are disclosed as a note only (Note 22).

4. Critical judgements in applying accounting policies

In applying the accounting policies set out in note 3, the Pension Fund has had to make certain judgements about complex transactions or those involving uncertainty about future events.

There were no such critical judgements made during 2025/26.

5. Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if actual results differ from assumptions
Actuarial present value of promised retirement benefits	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the	The effects on the net pension liability of changes in individual assumptions can be measured. For

(Note 19)	discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about the assumptions to be applied.	instance, a 0.1% p/a decrease in the real discount rate assumption would result in an increase in the pension liability of approximately £20.0m. A 0.1% increase in Pension Increase Rate (CPI) would increase the value of liabilities by approximately £20.0m, and a one-year increase in assumed life expectancy would increase the liability by around 4% (c. £53.0m).
Private equity / infrastructure / private debt	Private equity/infrastructure/private debt investments are valued based on the latest available information, updated for movements in cash where relevant. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.	The total private equity/infrastructure/private debt investments in the financial statements are £133.4m. There is a risk that this investment may be under- or overstated in the accounts. There is a risk that this investment may be under- or overstated in the accounts up to 12% (£16.6m).

6. *Events after the Reporting Date*

There have been no events since 31 March 2026, and up to the date when these accounts were authorised that require any adjustments to these accounts.

The Pension Schemes Act 2026 officially became law on April 29, 2026, after receiving Royal Assent. The landmark legislation introduces sweeping regulatory reforms across both Defined Benefit (DB) and Defined Contribution (DC) schemes, alongside changes to the Local Government Pension Scheme. The Pension Schemes Act 2026 is a non-adjusting post-balance sheet event and an estimate of its financial effect cannot be reliably made.

7. *Contributions receivable*

By Category

	2024/25	**2025/26**
	£m	**£m**
Employees' Contributions	12.0	12.5
Employers' Contributions:		
Normal contributions	39.1	40.4

Deficit recovery contributions	18.9	15.9
Augmentation contributions	3.2	0.8
Total Employers' contributions	61.2	57.1
Total contributions receivable	**73.2**	**69.6**

By authority

	2024/25	**2025/26**
	£m	**£m**
Administering Authority	57.9	55.2
Scheduled bodies	14.0	14.1
Admitted bodies	1.3	0.3
Total	**73.2**	**69.6**

8. *Transfers in from other pension funds*

	2024/25	**2025/26**
	£m	**£m**
Individual transfers	6.8	9.1
Total	**6.8**	**9.1**

9. *Benefits payable*

By Category

	2024/25	**2025/26**
	£m	**£m**
Pensions	49.3	50.5
Commutation and lump sum retirement benefits	10.0	9.1

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Lump sum death benefits	0.6	2.0
Total	**59.9**	**61.6**

By authority

	2024/25	2025/26
	£m	£m
Administering Authority	57.0	54.7
Scheduled bodies	1.8	3.1
Admitted bodies	1.0	3.8
Total	**59.9**	**61.6**

10. Payments to and on account of leavers

	2024/25	2025/26
	£m	£m
Refunds to members leaving service	0.2	0.3
Individual transfers	9.1	12.6
Total	**9.3**	**12.9**

11. Management Expenses

	2024/25	2024/26
	£m	£m
Administration costs	2.4	1.6
Investment management expenses	2.3	2.2
Oversight and Governance costs	0.4	0.4
Total	**5.1**	**4.2**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments. Audit fees were £97k (£98k 2024/25).

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11a. Investment management expenses (see Note 11b for further details)

	2024/25	2025/26
	£m	£m
Management fees	2.3	2.2
Total	**2.3**	**2.2**

11b. Investment management expenses

Fund Manager	2025/26 Total	Management fees
	£m	£m
Alinda	0.2	0.2
Capital Dynamics	0.0	0.0
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.1	0.1
LCIV Baillie Gifford	0.4	0.4
LCIV Infrastructure	0.0	0.0
LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.7	0.7
LCIV UK Housing Fund	0.1	0.1
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	**2.2**	**2.2**

Fund Manager	2024/25 Total	Management fees
	£m	£m
Alinda	0.2	0.2
Capital Dynamics	0.1	0.1
Fidelity	0.1	0.1
Legal & General	0.1	0.1
LCIV MAC	0.2	0.2
LCIV JP Morgan	0.3	0.3
LCIV Baillie Gifford	0.3	0.3
LCIV Infrastructure	0.0	0.0

LCIV Private Debt	0.0	0.0
LCIV Ruffer	0.6	0.6
LCIV UK Housing Fund	0.0	0.0
London LGPS CIV LTD	0.2	0.2
Blackrock	0.0	0.0
UBS Triton	0.1	0.1
Northern Trust (Fund Custodian)	0.0	0.0
Cash	0.0	0.0
Total	**2.3**	**2.3**

12. Investment income

	2024/25	2025/26
	£m	£m
Pooled investments- unit trusts and other managed funds	9.6	10.4
Dividend income from private equities/infrastructure/property	2.7	2.5
Interest income from private equities/infrastructure/private debt	0.4	5.2
Interest on cash deposits	2.7	2.1
Total	**15.4**	**20.2**

13. Taxes on income

	2024/25	2025/26
	£m	£m
Withholding tax paid / (refunded)	0.1	(0.1)
Total	**0.1**	**(0.1)**

14. Investments

Investments asset	**Market value 31 March 2025**	**Market value 31 March 2026**
	£m	**£m**
Pooled investments	1,091.8	1,247.3
Pooled property investments	41.1	47.3
Infrastructure	72.1	76.3
Private debt	40.2	55.9
Private equity	1.5	1.2
	1,246.7	**1,428.0**

14a. Investments

2025/26	Market value 1 April 2025 £m	Purchases during the year £m	Sales during the year £m	Change in market value during the year £m	Market value 31 March 2026 £m
Pooled investments	1,091.8	579.1	(570.2)	146.6	1,247.3
Pooled property investments	41.1	5.8	(0.2)	0.6	47.3
Infrastructure	72.0	5.0	(2.3)	1.6	76.3
Private debt	40.3	25.7	(10.9)	0.8	55.9
Private equity	1.5	0.5	(0.5)	(0.3)	1.2
	1,246.7	**616.1**	**(584.1)**	**149.3**	**1,428.0**
Other investment balances: Cash Deposit	63.6				53.9
Net investment assets	**1,310.3**				**1,481.9**

2024/25	Market value 1 April 2024 £m	Purchases during the year £m	Sales during the year £m	Change in market value during the year £m	Market value 31 March 2025 £m
Pooled investments	1,068.4	27.6	(34.5)	30.3	1,091.8
Pooled property investments	24.1	15.2	(0.2)	2.0	41.1
Infrastructure	66.3	6.4	(4.8)	4.1	72.0

Private debt	39.1	0.0	0.0	1.2	40.3
Private equity	17.3	0.8	(9.6)	(7.0)	1.5
	1,215.2	**50.0**	**(49.1)**	**30.6**	**1,246.7**
Other investment balances: Cash Deposit	44.1				63.6
Net investment assets	**1,259.3**				**1,310.3**

14b. Analysis of investments by category	**Market value 31 March 2025 £m**	**Market value 31 March 2026 £m**
Pooled funds - additional analysis		
UK		
Fixed income unit trust	66.6	144.2
Unit trusts	192.1	245.1
Diversified growth funds	197.8	105.7
Overseas		
Unit trusts	635.2	752.3
Total Pooled funds	**1,091.8**	**1,247.3**
Pooled property investments	41.1	47.3
Private equity/infrastructure/private debt	113.8	133.4
Total investments	**1,246.7**	**1,428.0**

14c. Analysis of investments by fund manager

Fund manager	**Market value 31 March 2025 £m**	**%**	**Market value 31 March 2026 £m**	**%**
Legal & General	620.4	49.8	728.8	51.0
London CIV	0.2	0.0	0.2	0.0
LCIV – Emerging Market	61.4	4.9	83.6	5.9
Capital Dynamics	3.6	0.3	1.8	0.1
LCIV - Baillie Gifford	101.8	8.2	2.2	0.2
LCIV - Ruffer	96.0	7.7	103.5	7.2
LCIV - CQS & PIMCO	66.6	5.3	144.2	10.1
LCIV - Stepstone Infrastructure	54.2	4.3	60.7	4.3
LCIV UK Housing Fund	15.2	1.2	21.3	1.5
LCIV - Private Debt	40.2	3.2	55.9	3.9
Alinda	15.9	1.3	15.0	1.1
Fidelity UK Real Estate	14.7	1.2	14.8	1.0

Blackrock	145.4	11.7	184.7	12.9
UBS Triton Property Fund	11.2	0.9	11.3	0.8
	1,246.7	**100.0**	**1,428.0**	**100**

The following investments represent over 5% of the net assets of the fund. All of these companies are registered in the United Kingdom.

Security	**Market value 31 March 2025**	**% of total fund**	**Market value 31 March 2026**	**% of total fund**
	£m	**%**	**£m**	**%**
L&G - Global Equities	536.8	43.1	**627.2**	**43.9**
L&G - UK Equities	83.6	6.7	**101.6**	**7.1**
Blackrock - Over 15-Year Gilts	108.3	8.7	**143.3**	**10.0**
LCIV - Ruffer DGF	96.0	7.7	**103.5**	**7.2**
LCIV - CQS & PIMCO MAC	66.6	5.3	**144.2**	**10.1**
LCIV - JP Morgan	61.4	4.9	**83.6**	**5.9**

14d. Stock lending

The London Borough of Brent Pension Fund does not operate a Stock Lending programme.

15. Fair Value – Basis of Valuation

The basis of the valuation of each asset class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuations provided
Cash	Level 1	Carrying value is deemed to be fair value because of the short-term nature of these financial instruments	Not required	Not required

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Pooled investments – overseas unit trusts and property funds	Level 2	Closing bid price where bid and offer prices are published. Closing single price where single price published	NAV-based pricing set on a forward pricing basis	Not required
Private Equity, Infrastructure and Private Debt	Level 3	Comparable valuation of similar companies in accordance with International Private Equity and Venture Capital Valuation Guidelines (2012)	EBITDA multiple Revenue multiple Discount for lack of marketability Control premium	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension fund's own reporting date, by changes to expected cash flows, and by any differences between audit and unaudited accounts

15a. Sensitivity of assets valued at Level 3

Having analysed historical data and current market trends, and consulted with our independent investment advisor, the fund has determined that the valuation methods described above are likely to be accurate to within the following ranges and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

	Assessed valuation range (+/-)	**Value at 31 March 2026**	**Value on increase**	**Value on decrease**
	%	**£m**	**£m**	**£m**
Private equity	27.0%	1.2	1.5	0.9
Infrastructure	14.6%	76.3	87.4	65.2
Private debt	9.1%	55.9	61.0	50.8

	Assessed valuation range (+/-)	**Value at 31 March 2025**	**Value on increase**	**Value on decrease**
	%	**£m**	**£m**	**£m**
Private equity	26.6%	1.5	2.0	1.1

Infrastructure	14.5%	72.1	82.6	61.7
Private debt	7.6%	40.2	43.3	37.2

15b. Fair value hierarchy

The valuation of financial instruments had been classified into three levels, according to the quality and reliability of information used to determine fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities, unit trusts and cash.

Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Such instruments would include unquoted equity investments and fund of hedge funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The values of the investment in private equity are based on valuations provided by the general partners to the private equity funds in which Brent Pension Fund has invested.

These valuations are prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which follow the valuation principles of IFRS and US GAAP. Valuations are usually undertaken annually at the end of December. Cash flow adjustments are used to roll forward the valuations to 31 March as appropriate.

Transfers between levels will be recognised when there has been a change to observable mark data (improvement or reduction) or other change in valuation technique.

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into Levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2026	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss				
Pooled investments		1,247.3		**1,247.3**
Pooled property investments		47.3		**47.3**
Private Equity/Infrastructure/Private Debt			133.4	**133.4**
Subtotal Financial assets at fair value through profit and loss		**1,294.6**	**133.4**	**1,428.0**
Cash	53.9			**53.9**
Subtotal Loans and receivables	**53.9**			**53.9**
Total Financial assets	**53.9**	**1,294.6**	**133.4**	**1,481.9**
Financial liabilities				
Current liabilities	(2.6)			**(2.6)**
Subtotal Financial liabilities at amortised cost	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Total Financial liabilities	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Net Financial assets	**51.3**	**1,294.6**	**133.4**	**1,479.3**

Values at 31 March 2025	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Financial assets at fair value through profit and loss				
Pooled investments		1,091.8		**1,091.8**
Pooled property investments		41.1		**41.1**
Private Equity/Infrastructure/Private Debt			113.8	**113.8**

Subtotal Financial assets at fair value through profit and loss	**0.0**	**1,132.9**	**113.8**	**1,246.7**
Cash	63.6			**63.6**
Subtotal Loans and receivables	**63.6**	**0.0**	**0.0**	**63.6**
Total Financial assets	**63.6**	**1,132.9**	**113.8**	**1,310.3**
Financial liabilities				
Current liabilities	(2.6)			**(2.6)**
Subtotal Financial liabilities at amortised cost	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Total Financial liabilities	**(2.6)**	**0.0**	**0.0**	**(2.6)**
Net Financial assets	**61.0**	**1,132.9**	**113.8**	**1,307.7**

15c. Transfers between Levels 1 and 2

There were no transfers between levels 1 and 2 during the year.

15d. Reconciliation of Fair Value Measurements within Level 3

	£m
Value at 31 March 2025	**113.8**
Transfers into Level 3	0.0
Transfers out of Level 3	0.0
Purchases	31.2
Sales	(13.7)
Issues	0.0
Settlements	0.0
Unrealised gains/losses	2.1
Realised gains/losses	0.0
Value at 31 March 2026	**133.4**

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16. Classification of financial instruments

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2025				31 March 2026		
Fair value through profit and loss £m	**Assets at amortised cost £m**	**Financial liabilities at amortised cost £m**		**Fair value through profit and loss £m**	**Assets at amortised cost £m**	**Financial liabilities at amortised cost £m**
			Financial assets			
1,091.8			Pooled investments	1,247.3		
41.1			Pooled property investments	47.3		
113.8			Private equity/ infrastructure/ private debt	133.4		
	63.6		Cash		54.8	
	5.1		Debtors		2.2	
1,246.7	**68.7**	**0.0**	**Total Financial assets**	**1,428.0**	**57.0**	**0.0**
			Financial liabilities			
		(2.6)	Creditors			(2.6)
0.0	**0.0**	**(2.6)**	**Total Financial liabilities**	**0.0**	**0.0**	**(2.6)**
1,246.7	**68.7**	**(2.6)**	**Net Financial Assets**	**1,428.0**	**57.0**	**(2.6)**

16a. Net gains and losses on Financial Instruments

31 March 2025 £m		31 March 2026 £m
	Fair value through profit	
30.6	and loss	149.3
30.6	**Total**	**149.3**

17. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e., promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk, and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Pension Fund manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Sub-Committee. Risk management policies are established to identify and analyse the risks faced by the Pension Fund's operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

a) Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Pension Fund and its investment advisers undertake appropriate monitoring of market conditions and benchmark analysis.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share and derivative price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from shares sold short are unlimited.

The Fund's investment managers mitigate this price risk through diversification, and the selection of securities and other financial instruments is monitored by the Pension Fund to ensure it is within

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limits specified in the Fund investment strategy.

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the fund's investment advisors, the council has determined that the following movements in market price risk are reasonably possible for the 2025/26 reporting period. (Based on data as at 31 March 2026 using data provided by investment advisors scenario model). The sensitivities are consistent with the assumptions contained in the investment advisors' most recent review. This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same.

Other price risk – sensitivity analysis

Asset Type	Value as at 31 March 2026 £m	Potential market movements (+/-)	Value on increase £m	Value on decrease £m
Bonds	143.4	6.5%	152.7	134.1
Equities				
UK Equity	101.6	18.0%	119.9	83.3
Global Equity	668.7	18.4%	791.7	545.7
Emerging Market Equity	83.6	26.9%	106.1	61.1
Other Pooled investments				
Diversified Credit	144.2	6.1%	153.0	135.4
Ruffer Multi Asset	103.5	8.7%	112.5	94.5
Baillie Gifford Multi Asset	2.2	12.9%	2.5	1.9
Pooled Property investments	47.3	15.9%	54.8	39.8
Private Equity	1.2	27.0%	1.5	0.9
Infrastructure	76.3	14.6%	87.4	65.2
Private Debt	55.9	9.1%	61.0	50.8
	1,427.9		**1,643.1**	**1,212.7**

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Other price risk – sensitivity analysis

Asset Type	Value as at 31 March 2025 £m	Potential market movements (+/-)	Value on increase £m	Value on decrease £m
Bonds	108.3	6.6%	115.5	101.2
Equities				
UK Equity	83.7	16.3%	97.4	70.1
Global Equity	573.8	18.6%	680.5	467.1
Emerging Market Equity	61.4	24.3%	76.3	46.5
Other Pooled investments				
Diversified Credit	66.6	6.3%	70.8	62.5
Ruffer Multi Asset	96.0	8.6%	104.3	87.8
Baillie Gifford Multi Asset	101.8	12.8%	114.8	88.8
Pooled Property investments	41.1	15.2%	47.3	34.9
Private Equity	1.5	26.6%	2.0	1.1
Infrastructure	72.1	14.5%	82.6	61.7
Private Debt	40.2	7.6%	43.3	37.2
	1,246.5		**1,434.8**	**1,058.9**

Interest rate risk exposure asset type

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2026 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

	Asset value at 31 March 2025 £m	Asset value at 31 March 2026 £m
Cash balances	63.6	53.9
UK Fixed income unit trust	66.6	144.2
Total	**130.2**	**198.1**

Asset type	Carrying amount as at 31 March 2026	+1%	-1%
	£m	£m	£m
Cash balances	53.9	0.5	(0.5)
UK Fixed income unit trust	144.2	1.4	(1.4)
Total	**198.1**	**1.9**	**(1.9)**

Asset type	Carrying amount as at 31 March 2025	+1%	-1%
	£m	£m	£m
Cash balances	63.6	0.6	(0.6)
UK Fixed income unit trust	66.6	0.7	(0.7)
Total	**130.2**	**1.3**	**(1.3)**

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK.

The Fund's currency rate risk is routinely monitored by the Pension Fund in accordance with the Fund's risk management strategy, including monitoring the range of exposure to currency fluctuations.

The following table summarises the Fund's currency exposure as at 31 March 2026 and as at the previous period end:

Currency risk exposure - asset type	Asset value at 31 March 2025	Asset value at 31 March 2026
	£m	£m
Overseas unit trusts	635.2	752.3
Overseas private equity/infrastructure/private debt	113.8	133.4
Total	**749.0**	**885.7**

A 1% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Assets exposed to currency rate risk	Asset value as at 31 March 2026 £m	+1% £m	-1% £m
Overseas unit trusts	752.3	7.5	(7.5)
Overseas private equity/infrastructure/private debt	133.4	1.3	(1.3)
Total	**885.7**	**8.8**	**(8.8)**

Assets exposed to currency rate risk	Asset value as at 31 March 2025 £m	+1% £m	-1% £m
Overseas unit trusts	635.2	6.4	(6.4)
Overseas private equity/infrastructure/private debt	113.8	1.1	(1.1)
Total	**749.0**	**7.5**	**(7.5)**

b) Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence, the Fund's entire investment portfolio is exposed to some form of credit risk. However, the selection of high-quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

The Pension Fund's cash balance is held in an interest-bearing instant access deposit account with NatWest plc, which is rated independently and meets Brent Council's credit criteria.

The Pension Fund believes it has managed its exposure to credit risk and has had no experience of default or uncollectable deposits over the past five financial years. The Fund's cash holding under its treasury management arrangements at 31 March 2026 was £54.8m (31 March 2025: £63.5m). This was held with the following institutions:

Credit risk exposure

	Rating	Balances at 31 March 2025 £m	Balances at 31 March 2026 £m
Bank deposit accounts			
NatWest	A+	0.8	0.9
Northern Trust - Aviva Cash		0.2	0.1
Money Market deposits	AAA	62.6	53.8
Total		**63.6**	**54.8**

c) Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Pension Fund therefore takes steps to ensure that it has adequate cash resources to meet its pensioner payroll costs and investment commitments.

The Pension Fund has immediate access to its cash holdings.

Periodic cash flow forecasts are prepared to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy.

All financial liabilities at 31 March 2026 are due within one year.

d) Refinancing risk

The key risk is that the Pension Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. However, the Pension Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

18. Funding arrangements

In line with the LGPS Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025. The next valuation will take place as at 31 March 2028 and the results will be released in March 2029.

The key elements of the funding policy are:

- to ensure the long-term solvency of the Fund, i.e., that sufficient funds are available to meet all pension liabilities as they fall due for payment
- to ensure that employer contribution rates are as stable as possible
- to minimise the long-term cost of the Scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return
- to reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so

- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.
-

The aim is to achieve 100% solvency over a period of 20 years from 1 April 2025 and to provide stability in employer contribution rates by spreading any increases in rates over a period of time. Solvency is achieved when the funds held, plus future expected investment returns and future contributions are sufficient to meet expected future pension benefits payable.

At the 2025 actuarial valuation the Fund was assessed as 113% funded, which is a improvement to the 87% valuation at the 2022 valuation. This corresponded to a surplus of £151m (2022 valuation: deficit of £162m) at that time.

Contribution increases or decreases may be phased in over the three-year period beginning 1 April 2026 for both Scheme employers and admitted bodies. The most commonly applied employer contribution rate within the Brent Pension Fund is:

Year	Employers' contribution rate
2024/25	32.0%
2025/26	30.5%
2026/27	23.0%

Individual employers' rates will vary from the common contribution rate depending on the demographic and actuarial factors particular to each employer. Full details of the contribution rates payable can be found in the 2025 actuarial valuation report and the funding strategy statement on the Fund's website.

The valuation of the Fund has been undertaken using the projected unit method under which the salary increase for each member is assumed to increase until they leave active service by death, retirement or withdrawal from service. The main actuarial assumptions used for the 2025 actuarial valuation were as follows:

Discount rate	6.0% p.a.
Pay increases	2.6% p.a.
Pension increases	2.3% p.a.

Demographic assumptions

Future life expectancy based on the Actuary's fund-specific review was:

Life expectancy at age 65	Male	Female
Current pensioners	22.2 years	24.8 years
Future Pensioners retiring in 20 years	23.1 years	26.0 years

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Commutation assumption

It is assumed that 80% of future retirements will elect to exchange pension for additional tax free cash up to HMRC limits.

19. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, the Fund's Actuary also undertakes a valuation of the pension fund liabilities, on an IAS 19 basis, every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year. This valuation is not carried out on the same basis as that used for setting fund contribution rates and the fund accounts do not take account of liabilities to pay pensions and other benefits in the future.

In order to assess the value of the benefits on this basis, the Actuary has updated the actuarial assumptions (set out below) from those used for funding purposes (see Note 18). The Actuary has also used valued ill health and death benefits in line with IAS 19.

Calculated on an IAS19 basis, the actuarial present value of promised retirement benefits at 31 March 2026 was £1,321m (31 March 2025: £1,220m). This figure includes both vested and non-vested benefits, although the latter is assumed to have a negligible value. The Fund Accounts do not take account of liabilities to pay pensions and other benefits in the future

The liabilities above are calculated on an IAS 19 basis and therefore differ from the results of the 2025 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects market rates.

Financial assumptions

Inflation/pensions increase rate	3.00%
Salary increase rate	3.30%
Discount rate	6.20%

Longevity assumption

The average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	22.4 years	24.9 years
Future pensioners*	23.2 years	26.1 years

* Future pensioners are assumed to be currently aged 45

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Commutation assumption

An allowance is included for future retirements to elect to take 80% of the maximum additional tax-free cash up to HMRC limits.

Sensitivity Analysis

Sensitivity to the assumptions for the year ended 31 March 2026	Approximate % increase to liabilities	Approximate monetary amount (£m)
0.1% p.a. decrease in the discount rate	2%	20
1 year increase in member life expectancy	4%	53
0.1% p.a. increase in the Salary Increase Rate	0%	1
0.1% p.a. increase in the Pension Increase Rate (CPI)	2%	20

The principal demographic assumption is the longevity assumption. For sensitivity purposes, it is estimated that a 1 year increase in life expectancy would approximately increase the liabilities by around 4% (c. £53m).

20. Assets

a) Current assets

	31 March 2025	31 March 2026
	£m	£m
Debtors		
- Contributions due – employees	0.2	0.2
- Contributions due – employers	1.1	0.9
- Sundry debtors	3.8	1.1
Total	**5.1**	**2.2**
Cash balances	**0.8**	**0.9**
Current assets	**5.9**	**3.1**

Analysis of debtors

	31 March 2025	31 March 2026
	£m	£m
- Central government bodies	0.0	0.1
- Other local authorities	2.7	0.3
- Other entities and individuals	2.4	1.8
Total	**5.1**	**2.2**

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21. Current liabilities

	31 March 2025	31 March 2026
	£m	£m
Group transfers	0.0	0.0
Sundry creditors	2.6	2.6
Total	**2.6**	**2.6**

Analysis of creditors

	31 March 2025	31 March 2026
	£m	£m
Central government bodies	1.2	1.4
Other entities and individuals	1.4	1.2
Total	**2.6**	**2.6**

22. Additional voluntary contributions

	Market Value 31 March 2025	Market Value 31 March 2026
	£m	£m
Clerical Medical	1.2	1.3
Prudential	1.1	1.2
	2.3	**2.5**

	Contributions March 2025	Contributions March 2026
	£m	£m
Clerical Medical	0.0	0.0
Prudential	0.1	0.2
	0.1	**0.2**

For information, Prudential has since replaced Clerical Medical as the Fund's AVC provider with effect from 1 April 2014.

In accordance with Regulation 4(1)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016, the contributions paid and the assets of these investments are not included in the Fund's Accounts.

23. Related party transactions

Brent Council

The Brent Pension Fund is administered by Brent Council. Consequently, there is a strong relationship between the Council and the Pension Fund.

The Council incurred costs of £0.77m (2024/25: £0.98m) in relation to the administration of the Fund and was subsequently reimbursed by the Fund for these expenses. The Council is also the single largest employer of members of the Pension Fund and contributed £44.9m to the Fund in 2025/26 (2024/25: £45.2m).

Key management personnel

One member of the Pension Fund Sub-Committee (chair Cllr R Johnson) and one member of the Pension Board (C Bala) are in receipt of pension benefits from the Brent Pension Fund. Another member of the Pension Board (Cllr S Kabir) is an active member of the Pension Fund. In addition, both the Chief Executive (Kim Wright), and S.151 Officer (Minesh Patel) are active members of the Pension Fund. Each member of the Pension Fund Sub-Committee is required to declare their interests at each meeting. The proportion of the total remuneration payable to key management personnel that is charged to the Pension Fund is set out below:

	31st March 2025	31st March 2026
	£'000	£'000
Short Term Benefits	82.2	72.3
Post-Employment Benefits	26.3	22.1
Termination Benefits	0.0	0.0
Total Remunerations	**108.5**	**94.4**

24. Contingent liabilities and capital commitments

Outstanding capital commitments (investments) at 31 March 2026 totalled £80.0m (31 March 2025 £107.1m)

	31st March 2025	31st March 2026
	£m	£m
Capital Dynamics	11.9	12.6
Alinda Fund II	2.4	0.0
Alinda Fund III	7.1	7.0
London CIV Infrastructure Fund	4.6	0.0
London CIV Private Debt Fund	16.4	12.6
LCIV UK Housing Fund	19.7	13.9
LCIV Private Debt II Fund	45.0	33.9
Total	**107.1**	**80.0**

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in the private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

25. Contingent Assets

Contingent assets

One non-associated admitted body employers in the Brent Pension Fund held insurance bonds to guard against the possibility of being unable to meet their pension obligations. These bonds are drawn in favour of the Pension Fund and payment will only be triggered in the event of employer default. No Such defaults occurred in 2025/26.

	31st March 2025	31st March 2026
	£m	£m
Continental Landscapes	0.5	0.5
Total	**0.5**	**0.5**

26. Impairment Losses

The Fund had no Impairment Losses at 31 March 2026.

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6. Investments and Funding



Investment Strategy:

The Investment Strategy Statement (ISS) sets out the Fund's investment objectives and principles on how the Pension Fund will manage its assets to ensure pensions and other benefits, the long-term liabilities, can be paid as they fall due (Funding Strategy Statement).

The ISS is made in accordance with Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 .

The key regulatory requirement under the guidance is for the Pension Fund to formally formulate and maintain a comprehensive investment strategy statement that covers the investment objectives, asset allocation, risk parameters, and approaches to asset pooling and responsible investment, together with policies on environmental, social, and governance (ESG) integration.

The Investment Strategy Statement (ISS) must be published and remain accessible to scheme employers, members, and the public to maintain institutional transparency.

Finally, the Pension Fund must regularly review and revise their strategies, at least every three years, to reflect changing market conditions, scheme valuations, or updated government directives.

The Investment Strategy Statement (ISS) should be read in conjunction with the following statutory documents:

- Funding Strategy Statement (FSS)
- Communications Policy Statement
- Actuarial Valuation

Growth assets, such as global and UK equities, represents over half the Brent portfolio, and is subject to greater market volatility relative to income and protection assets, which provide safety and diversification benefits as well as steady cash flows to the overall fund.

Asset Class	Interim Target Allocation (%)	Long-Term Target Allocation (%)
Growth Assets (Global/UK/Emerging Equities, Private Equity)	**52.5%**	**50.0%**
Income Assets (Property, Infrastructure, Private Debt, Diversified Growth)	**32.5%**	**35.0%**
Protection Assets (Government Gilts, Multi-Asset Credit)	**15.0%**	**15.0%**
Total Allocation	**100.0%**	**100.0%**

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The Fund actively oversees primary risks to its financial stability, including broader financial market volatility and demographic shifts like increasing life expectancy, through a continuous risk management framework that reports findings directly to the Pension Fund Sub-Committee and Pension Board.

Investment performance is evaluated relative to risk. An increased allocation toward higher-risk assets offers the potential for enhanced financial returns; however, it concurrently elevates portfolio volatility and the probability of adverse investment outcomes. The Fund continuously reviews its allocation to maintain an optimal risk-reward balance.

When setting up the ISS, the Pension Fund carefully balances expected returns, risk, and costs. High returns often come with high-risk assets. Conversely, low-risk investments offer stability but slower growth. The aim of the ISS is to balance the competing objectives of maximising financial returns, protecting asset values, and funding pension liabilities.

Investment management fees fund the expertise and operations of asset managers. Passive funds replicate market indices, require minimal rebalancing, and maintain low expense structures. Active funds charge higher fees to employ specialized talent and conduct the research necessary to outperform benchmarks. While higher costs do not guarantee superior returns, they finance the advanced risk mitigation and security selection required for capital appreciation.

The Fund actively monitors this balance across its portfolio to ensure that its investment approach delivers sustainable, risk-adjusted returns while providing value for money for scheme members.

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), which is a voluntary association of LGPS funds that seeks to protect and enhance the value of its members' shareholdings by way of shareholder engagement, by action on corporate governance issues and by seeking to promote the highest standards of corporate social responsibility at the companies in which LAPFF members invest. Through LAPFF, the Fund exercises its belief that engagement with company management to promote improvements in socially responsible investment (SRI) practices is more powerful than divesting from the company's shares.

Funding Strategy Statement (FSS):

The FSS is a statutory public document for the Pension Fund that explains how an administering authority plans to pay future pensions. It outlines the Fund's approach to funding liabilities including:

- how employers' pension liabilities are best met;
- supporting stable employer contribution rates;
- ensuring the fund meets its solvency and long-term cost efficiency objectives;

- taking a prudent longer-term view of funding liabilities

The Funding Strategy Statement (FSS) has been formulated by the administering authority in conjunction with the Fund's actuary, Hymans Robertson LLP. The preparation process includes comprehensive consultations with both the Fund's participating employers and its investment advisor. The FSS is reviewed in detail at least every three years during the triennial actuarial valuation.

The Local Government Pension Scheme (LGPS) guarantees employee benefits through statutory regulations, ensuring they remain independent of employer contribution rates and investment market fluctuations. While investment returns contribute partially to scheme funding, they carry no performance guarantees. Furthermore, employee contribution rates are statutorily fixed to cover only a designated fraction of the total benefit costs.

Employers must consequently fund the remaining costs required to provide member and dependent benefits.

Pension funding levels and employer contribution rates depend heavily on long-term predictions about the economy and demographics, such as investment returns, inflation, and how long members will live. Because these factors are uncertain, each Local Government Pension Scheme (LGPS) fund sets its own customised assumptions based on its specific risks, local context, and financial goals.

These differing approaches—combined with unique funding levels and varying employer budgets—naturally lead to different financial metrics across the LGPS network.

To allow for fair comparisons between different funds, all authorities must publish a standardized metric called the Scheme Advisory Board (SAB) funding level, which uses identical rules for everyone. As of 31 March 2025, the Fund's SAB funding level was 93%.

However, this standardised SAB figure is purely for comparison. It is not used to calculate the fund’s actual financial health or to plan how to pay off deficits. As a result, it does not change the fund's day-to-day investment strategy or the contribution rates that employers are legally required to pay.

The 2025 actuarial valuation indicated that the Fund achieved a funding level of 113% as of 31 March 2025, representing a 26% improvement compared to the 31 March 2022 assessment, as positive asset performance enhanced the Fund's financial position. The funding improvements have been factored into the revised contribution rates which balance affordability for the employers and security for the pension fund. This has resulted in the main contribution rate for employers decreasing from 30.5% of pensionable pay in 2025/26 to 23.0% in 2026/27.

The FSS was agreed and approved at the Pension Sub-Committee meeting in February 2026, with the next review set to take place in 2029. More information can be found in the FSS.

Strategic Asset allocation (SAA):

The Pension Fund monitors its strategic asset allocation in line with the interim and long-term targets set out in the ISS, ensuring a balanced and well-diversified investment portfolio. The Fund's holdings (excluding cash) showing target asset allocation and performance over the previous 12 months are shown in the later pages below.

The SAA reflects the Fund's long term investment objectives and is inline with the interim and long-term targets set out in the ISS, ensuring a balanced and well-diversified investment portfolio.

The Pension Fund employs a phased approach to working towards the long-term target allocation; therefore, an interim allocation was also agreed to get to target.

The table below shows the current, interim and long-term allocation.

Asset Class	March 2026 Exposure (£m)	March 2026 Exposure (%)	Interim Target (%)	Strategic Asset Allocation (%)	Range (%)
Listed Equities	854.3	57.6	52.5	45.0	+/- 3.0%
Private Equity	1.2	0.1	1.0	2.5	n/a
Private Debt	55.9	3.8	5.0	5.0	n/a
Property	47.5	3.2	6.0	10.0	+/- 3.0%
Infrastructure	76.3	5.1	6.0	10.0	n/a
Other Alternatives	105.7	7.1	7.0	7.5	n/a
Credit	144.2	9.7	10.0	10.0	+/- 3.0%
Gilts	143.3	9.7	11.0	10.0	+/- 3.0%
Cash	54.8	3.7	1.5	-	+/- 3.0%
Total	**1483.2**	**100.0**	**100.0**	**100.0**	

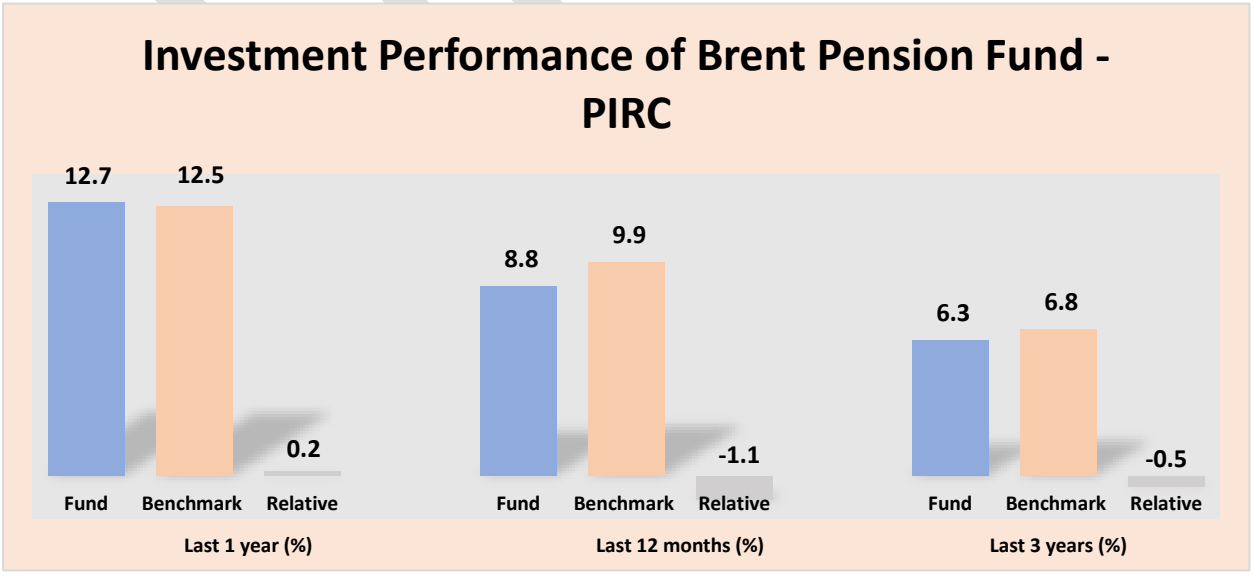
The table above outlines asset distribution for the year ending 31 March 2026. It also displays the Pension Funds current Strategic Asset Allocation (SAA) agreed in February 2026, plus the interim target asset allocation to provide context of the Pension Funds direction of travel.

Listed equities is outside of its allocation range in both the interim and long term with aim of reducing exposure over time with a view in the short term to increase exposure to gilts and credit. The Income allocation is made up of infrastructure, property, private debt and multi asset, totalling 19.2%, with the balance of 23.1% held in the form of Protection assets, i.e. credit, gilts and cash.

Strategic Asset allocation (SAA):

Investment	Asset Class	Benchmark Name	Long Term Allocation (%)	Allocation at 31 March 2026 (%)	Market value 31 March 2026 (£m)	Performance (%)	
						Fund	Benchmark
Legal & General	Global Equity	FTSE AW Dev World ex UK	37.0	12.2	180.8	17.7	17.8
Legal & General Future World Equity	Global Equity	Fund Return		30.1	446.7	-	-
BlackRock World Low Carbon	Global Equity	MSCI World		2.8	41.5	13.7	12.0
Legal & General	UK Equity	FTSE All Share Index	5.0	6.9	101.7	21.5	21.5
LCIV Arcadian/Ashmore	Emerging Market Equity	MSCI Emerging Market	3.0	5.6	83.6	36.2	26.8
Capital Dynamics	Private Equity	MSCI All World +1% p.a.	2.5	0.1	1.2	-	-
Total Growth			**47.5**	**57.7**	**855.5**		
LCIV Baillie Gifford	Diversified Growth	BoE Base Rate + 2% p. a	5.0	0.2	2.2	5.6	6.0
LCIV Ruffer	Diversified Growth	BoE Base Rate + 2% p. a		7.0	103.5	7.7	6.0
Alinda	Infrastructure	UK CPI + 2%	10.0	1.0	15.0	0.6	5.3
Capital Dynamics	Infrastructure	UK CPI + 2%		0.0	0.6	-0.2	5.3
LCIV Infrastructure	Infrastructure	UK CPI + 2%		4.1	60.7	6.7	5.3
Fidelity UK Real Estate	Property	MSCI/AREF UK All Balanced Property	10.0	1.0	14.8	-0.7	4.3
UBS Triton Property	Property	MSCI/AREF UK All Balanced Property		0.8	11.4	4.1	4.3
LCIV UK Housing Fund	Property	Absolute BM 6%		1.4	21.3	0.7	6.0
LCIV Private Debt I	Private Debt	Absolute BM 6%	5.0	3.0	44.7	13.7	6.0
LCIV Private Debt II	Private Debt	Absolute BM 6%		0.8	11.1	-	-
Natural Capital (New Allocation)			2.5	0.0	0.0		
Total Income			**32.5**	**19.2**	**285.3**		
LCIV MAC	Multi Asset Credit	SONIA + 2%	10	9.7	144.2	5.9	6.1
Blackrock Over 15-Year Gilts	Gilts	FTSE UK Gilts Over 15 Years	10	9.7	143.3	0.1	0.4
Total Protection			**20.0**	**19.4**	**287.6**		
Cash	Cash	LBB Total Cash	0.0	3.7	54.8		
Total			**100.0**	**100.0**	**1483.2**	**12.7**	**12.5**

Performance:



The Fund delivered a return of 12.7% over the year to 31 March 2026, against the Fund's strategic benchmark return of 12.5%, delivering a relative outperformance of 0.2%.

The Pension Fund Committee aims to achieve a long-term return materially more than 6% per annum, the rate at which the Fund's liabilities are assumed to grow year on year, as set as part of the 2025 actuarial valuation.

Comparison of investment performance with other LGPS Funds:

The Fund's investment performance in comparison to the PIRC Local Authority percentile average for all Local Government Pension Schemes (LGPS) funds nationally is shown below (the PIRC universe consists of 61 LGPS funds):

Investment Benchmarking by Time Period	Rank	Period ended 31 March 2026 (%)	PIRC Local authority Average (%)
1 year	10	12.7	12.5
3 years	17	8.8	9.9
5 years	23	6.3	6.8

Comparison of investment performance with other LGPS Funds:

It is important to note that, as a long-term investor, investment returns over a longer period of time should be considered. The table below shows the rolling three-year performance of the Fund compared to other LGPS funds:

Investment Benchmarking by Year	Rank	Rolling 3-year return (%)
2025/26	17	8.8
2024/25	49	3.7
2023/24	36	5.4
2022/23	63	8.7
2021/22	61	8.2
2020/21	72	7.6
2019/20	42	1.5

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Investment Management Costs and Cost Transparency

The Pension Fund pays fees to external managers for the services they provide in managing the Fund's assets. These fees can be broken down into three categories:

1. Fees paid to fund managers for managing assets in line with agreed mandates. These fees are usually related to the value of assets managed and will therefore increase as asset values increase.
2. Transaction costs which include things like brokers fees which are incurred when investments are bought or sold.

The Pension Fund is a strong supporter of the LGPS Scheme Advisory Board's Code of Transparency in relation to investment management costs and secures data from fund managers using the Code's agreed templates for inclusion in the Fund's accounts. The table below provides a breakdown of investment management costs incurred by the Fund.

2024/25 (£m)	Investment Management Costs	Management Fee (£m)	Transaction Costs (£m)	Total (£m)
1.8	Assets managed by LCIV	1.8		1.8
0.3	Assets under Private Markets	0.2		0.2
0.2	Assets under Property	0.2		0.2
2.3	**Subtotal**	**2.2**	**-**	**2.2**
-	Custody fees	-	-	-
2.3	**Total**	**2.2**	**-**	**2.2**

Investment Administration and Custodianship:

The investment portfolio of the Fund is executed through a dual structure comprising pooled vehicles and directly appointed mandates. For pooled assets, the London Collective Investment Vehicle (London CIV) acts as the official pooling authority for London Local Government Pension Scheme (LGPS) funds. In this capacity, the London CIV administers sub-funds, appoints and oversees underlying investment managers, negotiates fee arrangements, and unifies reporting on performance, expenses, and stewardship.

The Brent Pension Fund's mandates with Legal & General and BlackRock are deemed as being under pooled management. They are investments which are not in an authorised London CIV sub-fund, but the mandate is monitored and overseen by the pool on behalf of the LGPS Funds.

Underlying fund managers carry out the day-to-day management of assets within their mandates, including security selection, portfolio rebalancing, trade execution, and cashflow management.

The Fund's assets are safeguarded by Northern Trust, who act as custodian. Northern Trust is responsible for the safe keeping of securities, settlement of trades, collection of income and reconciliation of holdings. They provide independent reporting on valuations, cashflows, and transactions to ensure that the Fund's assets are accurately recorded and securely managed.

The Brent Pension Fund's officers maintain oversight, monitor performance and risk, and provide quarterly reporting to the Pension Fund Sub-Committee and Pension Board.

Responsible Investment:

The Fund's Responsible Investment policy formalises the Fund's beliefs and principles with regard to environmental, social, and governance (ESG) considerations, in order to safeguard the long-term sustainability of its investments and acknowledges the critical significance of responsible investment, particularly regarding climate risk, and continuously refines its governance frameworks and investment strategies to address the financial implications of climate change.

The Funds RI Policy statement can be found at the following link: Brent Pension Fund RI Policy

The Fund's investment managers, acting in their fiduciary interests of the Fund, are required to evaluate all material factors including environmental, social and governance issues on the performance of an asset across the complete lifecycle when undertaking the acquisition, retention or realisation of investments for the Fund.

The UN Principles for Responsible Investment (PRI) are a set of principles which have been developed to reflect the increasing relevance of ESG issues in investment practices. Each of the underlying investment managers in the Brent Pension Fund's portfolio are signatories to the UN PRIs and are required to publish a transparency report which details their compliance when measured against the guiding principles.

Our pooling operator, London CIV, is also a signatory to the UK Stewardship Code, which establishes the core Principles of effective stewardship and sets a high standard of transparency for asset owners and asset managers. Their responsible investment activities and supporting documents can be found by following the link below. LCIV RI Policy

Investment Pooling:

Background:

In 2015, the Department for Levelling Up, Housing and Communities (DLUHC) issued its Investment Reform Criteria and Guidance, setting out the requirement for Local Government Pension Scheme (LGPS) funds in England and Wales to pool their assets to deliver strong governance, economies of scale, reduced investment costs and an improved capacity and capability to invest in infrastructure.

In January 2019, DLUHC consulted on revised guidance in January 2019 to formalize the pooling framework and update expectations for administering authorities. This initiative built on previous discussions to introduce a more transparent regulatory structure for LGPS pool operations.

In July 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published a formal consultation titled "Next Steps on Investment," which reaffirmed the Government's commitment to consolidating public pension assets. This strategy was subsequently reinforced by the Chancellor of the Exchequer in the Autumn Statement 2023. The directive established a formal expectation that all Local Government Pension Scheme (LGPS) funds transfer their listed assets into their respective regional investment pools by 31 March 2025.

Following the summer 2024 transition of the UK Government administration, the new Chancellor outlined legislative plans to consolidate the Local Government Pension Schemes (LGPS) into eight 'megafunds'. As a core element of the administration's 'Fit for the Future' agenda, this strategy aims to pool LGPS investment assets to deliver enhanced outcomes for both scheme members and taxpayers. Concurrently, the government launched a public consultation intended to accelerate previous pooling initiatives, with the specific objective of transferring all assets from the 86 individual

LGPS funds into the eight designated pools to stimulate investment in high-growth businesses and infrastructure by March 2026.

Investment Pooling:

The London CIV, a FCA regulated investment company, was established in 2015 and is wholly owned by the 32 London local authority pension funds, with Buckingham Pension Fund also now a partner fund as of earlier this year.

The London CIV manage approximately £38.1bn in combined total pooled assets and actively manging £20.2bn with the balance passively being managed by LGIM and Blackrock where the Fund benefits from lower negotiated fees.

The Pension Fund continues to engage actively with the London CIV and monitors the development of new investment products.

As of 31 March 2026, the Fund held the following investments with the London CIV:

- Emerging Market equities (Arcadian/Ashmore)
- Diversified Growth (Baillie Gifford)
- Absolute Return (Ruffer)
- Multi Asset Credit (CQS/PIMCO)
- Infrastructure (Stepstone)
- Private Debt I (Churchill/Pemberton)
- Private Debt II (Ares, Patheon, Arcmont, Pollen Street, Churchill)
- UK Housing Fund (CBRE/Octopus/Savills/LGIM/Man Group)
- Gilts (Blackrock)
- UK Equity (LGIM)
- Global Equity (Blackrock/LGIM)

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Investment Pooling:

The table below shows the pooling status of the Fund's investments grouped by asset class.

	Pooled (£m)	Under pool Management (£m)	Non Pooled (£m)	Total (£m)
Global Equities	83.6	669.0	-	752.6
UK Equities	-	101.7	-	101.7
Diversified Growth & Multi Asset	105.7	-	-	105.7
Bonds	144.2	143.3	-	287.6
Private Equity	-	-	1.2	1.2
Infrastructure	60.7	-	15.6	76.3
Private Debt	55.9	-	-	55.9
Property	21.3	-	26.1	47.3
Cash	-	-	54.8	54.8
	471.4	**914.0**	**97.7**	**1,483.1**

Following the UK Government's Fit for the Future consultation, the UK Government proposes that LGPS funds transfer all assets, including legacy assets, to the management of pooling vehicles.

93% of the Brent Fund's assets are pooled or under pooled management.

Another component of the Fit for the Future consultation is for greater emphasis to be placed on investment in the UK. The table below illustrates investments made by the Brent Pension Fund, which are either made directly in UK equities or bonds, or which are exposed to projects based in the UK, such as in infrastructural projects or private equity holdings.

	Pooled (£m)	Under pool Management (£m)	Non Pooled (£m)	Total (£m)
Global Equities	-	-	-	-
UK Equities	-	101.7	-	101.7
Diversified Growth & Multi Asset	44.0	-	-	44.0
Bonds	7.52	143.34	-	150.9
Private Equity	-	-	-	-
Infrastructure	-	-	-	-
Private Debt	-	-	-	-
Property	21.3	-	14.7	35.9
Cash	-	-	54.7	54.7
	72.8	**245.0**	**69.3**	**387.1**

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Pool set-up and ongoing costs:

The table below shows pool setup and on-going costs paid to London CIV during 2025/26 and since inception:

	2025/26 £'000	Cumulative £'000
Set up costs		
Shareholding at cost	70	220
Development Funding Charge	73	684
Annual Service Charge	25	275
Ongoing investment management costs		
Investment management costs*	60	375
Total	**228**	**1,554**

Investment Pooling:

Investment management costs for the whole fund totalled £2.2m in 2025/26 as disclosed in the Pension Fund Accounts.

Cost savings as a result of pooling

London CIV produce an annual net savings report for the year, which shows the management fees incurred by the Pension Fund and the estimated management expenses for the Fund's investments if they were invested outside the London CIV pool. The net saving is the difference between these two figures.

London CIV calculate cost savings by estimating expenses if the Fund invested outside of the pool and comparing it to actual expenses incurred with London CIV. The difference is the projected saving in management and investment fees which arise from pooling.

In 2025/26, the estimated gross saving achieved by investing with London CIV totalled £1.529m, while net of the CIV's management and investment fees the total saving is £1.241m.

Contact Details

The London CIV can be contacted as follows:

Post: London CIV, Fourth Floor, 22 Lavington Street, London, SE1 0NZ

Telephone: 0208 036 9000

Website: https://lonconciv.org.uk

7. Administration



The Brent Pensions Team

Pensions administration service is outsourced to the Local Pension Partnership Administrators (LPPA). A dedicated internal team complements this arrangement by serving as the primary point of contact for participating employers and scheme members, providing guidance on scheme membership, processes and procedures, as well as responding to enquiries and complaints.

The internal team is responsible for:

- Acting as the first point of contact for employers, members and prospective members, providing guidance, support and resolving queries and complaints.
- Ensuring compliance with relevant pension legislation, regulations and governance requirements.
- Supporting employers in meeting their responsibilities under the Local Government Pension Scheme (LGPS).
- Monitoring and managing the performance of the Local Pension Partnership Administrators (LPPA) to ensure service standards are met.
- Reviewing the LPPA's performance through monthly contract management meetings, during which areas for improvement are identified, and service enhancement initiatives are agreed, monitored, and implemented.
- Reporting to and supporting the Pension Fund Sub-Committee and Local Pension Board.
- Developing and maintaining pension policies, procedures and governance documents.
- Managing stakeholder communications and promoting high standards of customer service.
- Working with advisers, employers and other stakeholders to ensure the effective operation of the Pension Fund.

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The LPPA is responsible for maintaining all member records and administering key processes, including new starters, transfers, leavers, and pension benefit calculations. LPPA also manages direct communication with scheme members. All member records and correspondence are maintained by LPPA and are securely backed up daily.

Summary of Fund activity

Pension Payroll Migration

The migration of Pension Payroll and single payment processing to the LPPA was successfully implemented in January 2025. Since the transition, processes and controls have been reviewed and refined to support operational efficiency and service resilience. Payroll administration is now operating effectively, with pensions being processed accurately and paid to pensioners on time.

Data cleanse

Following the migration, the LPPA undertook a comprehensive data cleansing exercise to enhance data quality and provide assurance that pension benefits were being calculated and paid correctly. The Fund's internal team worked closely with the LPPA throughout the project, providing oversight and support to ensure the successful completion of the exercise and the continued integrity of member data.

The triennial valuation

The 2025 actuarial valuation represented the Fund's most significant strategic project during the period. The valuation was completed in 2026 and produced a positive outcome for the Fund. Key results included a significant improvement in funding level from 87% at the 2022 valuation to 113%, together with broadly proportionate reductions in employer contribution rates. These results demonstrate the Fund's strong financial position and provide assurance that it remains well placed to meet its long-term pension obligations while maintaining stable and sustainable contribution requirements for participating employers.

McCloud

The McCloud remedy was introduced in October 2023 to address the age discrimination identified in the McCloud judgment. The remedy provides eligible younger members with underpin protection comparable to that previously available to older members.

Brent has worked closely with the LPPA to improve the quality and completeness of member data, supporting compliance with the remedy and associated regulatory requirements.

The Fund, working in partnership with the LPPA, has made significant progress in enhancing data quality, resulting in 96.8% of Annual Benefit Statements (ABS) being

compliant in 2025. As a precautionary measure, and in line with Local Government Association recommendation, the Fund passed a resolution to defer compliance.

Pensions Dashboard

The Pensions Dashboard enables members to access information about all their pension benefits through a single, secure platform.

Brent successfully connected to the Pensions Dashboard ecosystem ahead of the statutory deadline and has worked closely with the LPPA to improve data quality, enhance data accuracy, and oversee project delivery.

The Fund continues to work with the LPPA to maintain high data standards and support ongoing compliance with regulatory obligations.

Cyber Security

The Fund uses the host authority's Information Technology systems in common with all but the largest local government pension schemes. It has adopted the Council's information security policies and procedures to maintain appropriate safeguards over pension data and systems. Cyber security risks are monitored as part of the Fund's risk management framework and are regularly reviewed through the Fund's risk register.

The Fund's administration provider, LPPA, operates a range of cyber security controls to protect member data and ensure service resilience. These controls include network security measures, such as firewalls, and daily data backups to reduce the risk of data loss, unauthorised access, or system disruption.

The Fund works closely with LPPA and its other partners to ensure that data security arrangements remain robust and responsive to emerging cyber threats.

Key performance indicators (KPIs)

The LPPA's performance is closely monitored through monthly contract management meetings and quarterly performance reviews. While the KPIs reported in Annex 1 are satisfactory, the internal team validates these against other performance indicators, including calculation / payment accuracy, complaint volumes, and Internal Dispute Resolution Procedure (IDRP) cases, to ensure a balanced and comprehensive assessment of the LPPA's performance.

Members and employers

The number of members in each category on 31 March 2026 were;

Active members	6,579
Deferred pensioners	8,389
Pensioner members	7,790

The number of employers by category on 31 March 2026 were;

Employer Type	Active	Ceased
Scheduled Bodies	1	1
Admitted & Other Bodies	12	29
Academies	33	0

Communications Policy

The London Borough of Brent Pension Fund ("the Fund") Communication Policy is reviewed every three years, or sooner if there is a material change in legislation, policy, or Fund operations.

The Communications Strategy is prepared in accordance with Regulation 61 of the Local Government Pension Scheme Regulations 2013, which requires the Administering Authority to prepare, maintain, and publish a policy on communications

The Fund will use the most appropriate communication channels for each audience, which may include:

- The Brent Pension Fund website
- PensionPoint Member Self-Service
- Email and electronic communications
- Letters and printed publications
- Annual Benefit Statements
- Employer newsletters, guidance, and training sessions

Where practical, the Fund will communicate electronically as the preferred method of communication. Paper communications will remain available for members and stakeholders who are unable or unwilling to access information digitally. The Fund will

ensure that communications are clear, accessible, accurate, and compliant with relevant legislation, including data protection requirements and accessibility standards.

The Fund and its partners actively engage with the members through a variety of courses and events. The Pensions Made Simple presentations are particularly popular, with each session typically attracting between 55 and 85 attendees.

- 24 LPPA scheme member events
- 59 LPPA scheme employer events
- Employer's Forum
- 3 Affinity Connect pre-retirement courses
- 3 In-house "Pensions Made Simple" presentations
- 2 Scheme employer Presentations
- Regular dedicated and ad hoc communications on Viva Engage
- 10 Active member LPPA newsletters
- 9 Deferred member LPPA newsletters
- 9 Pensioner LPPA newsletters

Value for money

Operational costs

The Fund's operational costs are monitored throughout the year by the Fund's management team and are reported in the Pension Fund Annual Accounts.

To provide assurance that the Fund's investments are being managed effectively and efficiently, investment performance is benchmarked annually against other local authority pension funds participating in the PIRC Local Authority Pension Performance Analytics Universe. The Fund also maintains a robust system of internal controls to support the accuracy and integrity of financial information and is subject to both internal and external audit scrutiny.

Value for money

We are committed to delivering value for money for all members and employers. To demonstrate the efficiency and effectiveness of the services provided, officers within the Pensions Team, working in partnership with the Fund's pensions administration provider, collect and monitor key service performance indicators and cost data. This information is used to assess performance over time and, where possible, to benchmark the Fund against other local authority pension funds.

Performance is reviewed regularly through monthly meetings with LPPA, providing oversight of service delivery and progress against agreed objectives. These meetings also

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cover key projects and operational matters, including year-end processing, member and employer enquiries, resourcing, reporting requirements, and other activities.

This strategic monitoring helps ensure that services continue to meet the needs of members and employers while delivering value for money.

Dispute resolution

Where a member is unsure of their benefit entitlement or experiences any issues relating to their pension benefits, they should contact the Local Pensions Partnership (LPP) in the first instance for assistance and guidance.

The LPPA has a dedicated Complaints Team that manages routine complaints. This approach enables less complex complaints to be investigated and resolved independently of its administration teams, ensuring a consistent and impartial approach to complaint handling.

A summary of the complaints received during 2025/26 is provided below.

Number of complaints received	38
Number of complaints categorised as Pension Ombudsman cases	0
Number of Internal Dispute Resolution Procedure cases (IDRP)	5

A summary of the complaints received in 2024/25 is set out below for comparison.

Number of complaints received	47
Number of complaints categorised as Pension Ombudsman cases	2
Number of Internal Dispute Resolution Procedure cases (IDRP)	4

If a member is dissatisfied with any decision affecting their pension benefits, whether arising from an action taken or a failure to act, they have the right to appeal through the Internal Dispute Resolution Procedure (IDRP).

The IDRP is formal procedure set out in regulations 72-78 of the Local Government Pension Scheme Regulations 2013. The procedure follows a prescribed format and includes statutory timescales for submitting and determining appeals. Full details of the IDRP, together with guidance on how to submit an appeal, are available on the Fund's website.

8. Actuarial Reports and Funds



Introduction:

CIPFA's Code of Practice on Local Authority Accounting 2025/26 requires Administering Authorities of LGPS funds that prepare pension fund accounts to disclose what IAS26 refers to as the actuarial present value of promised retirement benefits. I have been instructed by the Administering Authority to provide the necessary information for the London Borough of Brent Pension Fund. ("the Fund").

The actuarial present value of promised retirement benefits is to be calculated similarly to the Defined Benefit Obligation under IAS19.

There are three options for its disclosure in the pension fund accounts:

• showing the figure in the Net Assets Statement, in which case it requires the statement to disclose the resulting surplus or deficit;

• as a note to the accounts; or

• by reference to this information in an accompanying actuarial report.

If an actuarial valuation has not been prepared at the date of the financial statements, IAS26 requires the most recent valuation to be used as a base and the date of the valuation disclosed. The valuation should be carried out using assumptions in line with IAS19 and not the Fund's funding assumptions.

Year ended	31 March 2026	31 March 2025
Active members (£m)	381	406
Deferred members (£m)	321	317
Pensioners (£m)	619	497
Total (£m)	1321	1220

The promised retirement benefits at 31 March 2026 have been projected using a roll forward approximation from the latest formal funding valuation as at 31 March 2025. The approximation involved in the roll forward model means that the split of benefits between the three classes of member may not be reliable. However, I am satisfied that the total figure is a reasonable estimate of the actuarial present value of benefit promises.

The figures include both vested and non-vested benefits, although the latter is assumed to have a negligible value. Further, I have not made any allowance for unfunded benefits.

It should be noted the above figures are appropriate for the Administering Authority only for preparation of the pension fund accounts. They should not be used for any other

purpose (i.e. comparing against liability measures on a funding basis or a cessation basis).

Assumption:

The assumptions used are those adopted for the Administering Authority's IAS19 report and are different as at 31 March 2026 and 31 March 2025. I estimate that the impact of the change in financial assumptions to 31 March 2026 is to decrease the actuarial present value by £40m. I estimate that the impact of the change in demographic assumptions is to decrease the actuarial present value by £33m.

Year ended	31 March 2026	31 March 2025
	% p.a.	% p.a.
Pension Increase Rate	3.00%	2.80%
Deferred members (£m)	3.30%	3.10%
Pensioners (£m)	6.20%	5.80%

Demographic assumptions:

The longevity assumptions have changed since the previous IAS26 disclosure for the Fund. 5.80% Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a.. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

Year ended	Males	Females
Current Pensioners	22.4 years	24.9 years
Future pensioners (assumed to be aged 45 at the latest valuation date)	23.2 years	26.1 years

All other demographic assumptions have been updated since last year and are as per the latest funding valuation of the Fund.

Sensitivity Analysis:

CIPFA guidance requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the obligations are set out below:

Change in assumption at 31 March 2026	Approximate % increase to promised retirement benefits	Approximate monetary amount (£m)
0.1% p.a. decrease in the Discount Rate	**2%**	**20**
1 year increase in member life expectancy	**4%**	**53**
0.1% p.a. increase in the Salary Increase Rate	**0%**	**1**
0.1% p.a. increase in the Rate of CPI Inflation	**2%**	**20**

This paper accompanies the 'Accounting Covering Report – 31 March 2026' which identifies the appropriate reliance's and limitations for the use of the figures in this paper, together with further details regarding the professional requirements and assumptions.

Prepared by:- Craig Alexander FFA

20 May 2026

For and on behalf of Hymans Robertson LLP

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9. External audit opinion



External audit opinion

To Follow

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9. Additional Information



Glossary

Accounting Policies

The rules and practices adopted by the authority that determine how the transactions and events are reflected in the accounts.

Accruals

Amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at 31 March.

Active Management

Active management or active fund management is where the fund manager makes specific investments with the aim of outperforming an investment benchmark.

Active Member

Fund members employed by one of the employers in the fund who are currently paying contributions into the fund.

Actuarial Assumptions

The combined set of assumptions made by the actuary, regarding the future, to calculate the value of liabilities. The main assumptions will relate to the discount rate, salary growth, pension increases and longevity. More prudent assumptions will give a higher liability value, whereas more optimistic assumptions will give a lower value. The lower the discount rate, the higher the liabilities and vice versa.

Actuary

An independent professional who advises the council on the financial position of the Fund. Every three years the actuary values the assets and liabilities of the Fund and determines the funding level and the employers' contribution rates.

Administering Authority

A local authority with statutory responsibility for running a pension fund under LGPS regulations, in effect the Fund's "trustees". Within the geographical boundary of the London Borough of Brent this is Brent Council.

Admitted Bodies

An organisation, whose staff can become members of the Fund by virtue of an admission agreement made between the Pension Fund and the organisation. It enables contractors who take on an employer's services with employees transferring to offer those staff continued membership of the Fund.

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Asset Allocation / Asset Mix

The apportionment of the Fund's assets between different types of investments (or asset classes). The long-term strategic asset allocation of a Fund will reflect the Fund's investment objectives.

Auditor

An independent qualified accountant who is required to verify and agree the Pension Fund Accounts and issue an opinion on their accuracy.

AVCs (Additional Voluntary Contributions)

An option available to active scheme members to secure additional pension benefits by making regular contributions to separately held investment funds managed by the Fund's AVC provider.

Benchmark

A measure against which the investment policy or performance of an investment manager can be compared. e.g., for a global equity fund the benchmark against which it will be measured could be the MSCI World index, for a UK equity fund the benchmark could be the FTSE All-Share Index. A target return is generally expressed as some margin over the benchmark.

Bond

Investments, mainly in government debt which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date, but which can be traded on a recognised stock exchange in the meantime.

Bulk Transfer

A transfer of a group of members agreed by and taking place between two pension schemes.

Capital Called

This is the proportion of the overall capital demanded by a private equity manager, which was promised to it by an investor. It is also known as a draw down or a capital commitment.

Cessation Valuation

A calculation carried out by the Actuary when an employer leaves the Fund, which may result in a final deficit payment becoming due to the Fund.

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CIPFA (Chartered Institute of Public Finance and Accounting)

CIPFA is the professional institute for accountants working in the public services. CIPFA publishes the code.

Common contribution rate

The Fund-wide future service rate plus past service adjustment. It should be noted that this will differ from the actual contributions payable by individual employers.

Commutation

The conversion of an annual pension entitlement into a lump sum on retirement.

Contingent Liability

A possible loss, subject to confirmation by an event after the Balance Sheet date, where the outcome is uncertain in terms of cost.

Covenant

The assessed financial strength of the employer. A strong covenant indicates a greater ability (and willingness) to pay for pension obligations in the long run. A weaker covenant means that it appears that the employer may have difficulties meeting its pension obligations in full over the longer term.

Creditors

Amounts owed by the Fund for goods and services received but not paid for as at 31 March.

Custodian

The custodian keeps a record of clients' investments and may also be responsible for trade settlements, collecting income, processing tax reclaims and providing other services.

Debtors

Amounts owed to the Fund for goods and services provided but where the associated income was not received as at 31 March.

Deferred Members

Scheme members, who have left employment or ceased to be active members of the scheme whilst remaining in employment but retain an entitlement to a pension from the scheme.

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Defined Benefit Scheme

A type of pension scheme, where the pension that will ultimately be paid to the employee is fixed in advance and not impacted by investment returns. It is the responsibility of the sponsoring organisation to ensure that sufficient assets are set to meet the pensions promised.

Deficit

The shortfall between the assets value and the liabilities value. This relates to assets and liabilities built up to date and ignores the future build-up of pension (which in effect is assumed to be met by future contributions).

Derivative

A derivative is a financial instrument which derives its value from the change in price (e.g. foreign exchange, rate, commodity price or interest rate) of an underlying investment (e.g. equities, bonds, commodities, interest rates, exchange rates and stock market indices), which no net initial investment or minimal initial investment and is settled at a future date.

Discount rate

The annual rate at which future assumed cash flows (in and out of the Fund) are discounted to the present day. This is necessary to provide a liabilities value which is consistent with the present-day value of the assets, to calculate the deficit. A lower discount rate gives a higher liabilities value, and vice versa. It is similarly used in the calculation of the future service rate and the common contribution rate.

Dividends

A dividend is a distribution of a portion of a company's earnings, decided by the board of directors, to a class of its shareholders. Dividends can be issued as cash payments, as shares of stock, or other property.

Emerging Markets

An emerging market economy is a nation's economy that is progressing toward becoming advanced. Emerging markets generally do not have the level of market efficiency and strict standards in accounting and securities regulation to be on par with advanced economies (such as the United States and Europe) but emerging markets will typically have a physical financial infrastructure including banks, a stock exchange and a unified currency.

Employee Contribution Rate

The percentage of the pensionable pay of employees which the fund pays as a contribution into the Pension Fund.

Employer Contribution Rates

The percentage of the pensionable pay of employees that employers pay as a contribution towards the employees' pension.

Equities

Ordinary share in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at shareholders' meetings.

ESG

ESG stands for Environmental, Social, and Governance. ESG covers a wide range of issues that may have a direct or indirect impact on how an organization is managing risks and opportunities related to environmental, social, and governance criteria (sometimes called ESG factors).

Financial Assets

Financial assets are contractual obligations to deliver cash or another financial asset (e.g. creditors) or exchange financial assets or financial liabilities under potentially unfavourable conditions (e.g. derivatives)

Final Pay

This is the figure used to calculate most of a member's pension benefits and is normally their pay in the last year before they retire, or one of the previous two years' pay if that amount is higher. For a part-time employee, the figure used is normally the pay they would have received had they worked whole time.

Fixed Interest Securities

Investments in stocks mainly issued by governments, which guarantee a fixed rate of interest.

FTSE

A company that specialises in index calculation. They are best known for the FTSE 100, an index of the top 100 UK companies (ranked by size).

Fund Manager

A firm of professionals appointed by the Pension Fund Sub-Committee to carry out day to day investment decisions for the Fund within the terms of their Investment Management Agreement.

Funding Level

The ratio of assets value to liabilities value.

Funding Target

The amount of assets which the Fund needs to hold at any point in time to meet all benefits promised.

Future service rate

The actuarially calculated cost of each year's build-up of pension by the current active members, excluding members' contributions but including Fund administrative expenses. This is calculated using a chosen set of actuarial assumptions.

Gilts

Fixed-interest bonds issued by the British government, i.e., a promise by the Government to pay interest and capital as per the terms of that particular gilt, in return for an initial payment of capital by the purchaser. Gilts can be "fixed interest", where the interest payments are level throughout the gilt's term, or "index-linked" where the interest payments vary each year in line with a specified index (usually RPI). Gilts can be bought as assets by the Fund, but their main use in funding is as an objective measure of solvency. They are the equivalent of U.S. Treasury securities.

Guarantor

A body which guarantees to pay for an Admitted Body's liabilities in case of default. For any new Admitted Body wishing to join the Fund, the Administering Authority will require a Guarantor. The presence of a Guarantor will mean, for instance, that the Fund can consider the employer's covenant to be as strong as its Guarantor's.

Income Yield

Annual income on an investment divided by its price and expressed as a percentage.

Index Tracking Funds

Funds that are constructed to match closely the performance of a market index (e.g. FTSE All Share Index and the MSCI World Index). This can either be achieved by full replication (buying every single index constituent) or sampling (buying a representative cross-section).

Investment Adviser

A professionally qualified individual or company whose main livelihood is derived from providing objective, impartial investment advice to companies, pension funds or individuals.

Letting employer

An employer which outsources or transfers a part of its services and workforce to another employer (usually a contractor). The contractor will pay towards the LGPS benefits

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accrued by the transferring members, but ultimately the obligation to pay for these benefits will revert to the letting employer. A letting employer will usually be a local authority but can sometimes be another type of employer such as an Academy.

LGPS

Local Government Pension Scheme – a nationwide scheme for employees working in local government or working for other employers participating in the scheme. Government Regulations dictate eligibility (particularly for Scheduled Bodies), members' contribution rates, benefit calculations and certain governance requirements. The LGPS is divided into funds which map the UK. Each LGPS Fund is autonomous to the extent not dictated by Regulations, e.g., regarding investment strategy, employer contributions and choice of advisers.

Liabilities

The actuarially calculated present value of all pension entitlements of all members of the Fund, built up to date. This is compared with the present market value of Fund assets to derive the deficit. It is calculated on a chosen set of actuarial assumptions.

Mandate

A set of instructions given to the fund manager by the client as to how a fund is to be managed (e.g., targets for performance against a benchmark may be set or the manager may be prohibited from investing in certain stocks or sectors).

Market Value

The "on paper" value of a security at a specific point in time. It is calculated by multiplying the number of shares held by market price of that share in sterling terms.

Maturity

A general term to describe a Fund (or an employer's position within a Fund) where the members are closer to retirement (or more of them already retired) and the investment time horizon is shorter. This has implications for investment strategy and, consequently, funding strategy.

Members

The individuals who have built up (and may still be building up) entitlement in the Fund. They are divided into actives (current employee members), deferreds (ex-employees who have not yet retired) and pensioners (ex-employees who have now retired, and dependants of deceased ex-employees).

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Multi-Asset

A multi-asset class is a combination of asset classes (such as cash, equity or bonds) used as an investment. A multi-asset class investment would contain more than one asset class, thus creating a group or portfolio of assets. The weights and types of classes will vary according to the mandate.

Outperformance / underperformance

The difference in returns gained by a particular fund against the "average" fund or a benchmark over a specified time period, i.e., a target for a fund may be outperformance of a given benchmark over a three-year period.

Passive Management

A style of investment management where no active fund management is undertaken – investments are made in line with a designated benchmark or index.

Past service adjustment

The part of the employer's annual contribution which relates to past service deficit repair.

Pensioner Member

Members who are drawing benefits from the fund. They include former active members drawing their pension along with widows, widowers and other dependants of former active members.

Performance

A measure, usually expressed in percentage terms, of how well a fund has done over a particular time period – either in absolute terms or as measured against the "average" fund of a particular benchmark.

Pooled Investment Fund

A collective investment scheme that works by pooling money from different individual investors.

Pooling

Employers may be grouped together for the purpose of calculating contribution rates, so that their combined membership and asset shares are used to calculate a single contribution rate applicable to all employers in the pool. A pool may still require each individual employer to ultimately pay for its own share of deficit, or (if formally agreed) it may allow deficits to be passed from one employer to another.

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Pooled Investment Vehicles

Funds which manage the investment of more than one investor on a collective basis. Each investor is allocated units which are revalued at regular intervals. Income from these investments is normally returned to the pooled fund and increases the value of the units.

Portfolio

Term used to describe all investments held.

Private Equity

Mainly specialist pooled partnerships that invest in private companies not normally traded on public stock markets – these are often illiquid (i.e., not easily turned into cash) and higher-risk investments that should provide high returns over the long term.

Profile

The profile of an employer's membership or liability reflects various measurements of that employer's members, i.e., current and former employees. This includes: the proportions which are active, deferred or pensioner; the average ages of each category; the varying salary or pension levels; the lengths of service of active members vs their salary levels, etc.

A membership (or liability) profile might be measured for its maturity also.

Rates and Adjustments Certificate

A formal document required by the LGPS Regulations, which must be updated at least every three years at the conclusion of the formal valuation. This is completed by the actuary and confirms the contributions to be paid by each employer (or pool of employers) in the Fund for the three-year period until the next valuation is completed.

Recovery Period

Timescale allowed over which surpluses or deficiencies to the Fund can be eliminated.

Related Parties

Two or more parties are related parties when at any time during the financial period:

- One party has direct or indirect control of the other party: or
- The parties are subject to common control from the same source; or
- One party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests: or

- The parties, in entering a transaction are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Related Parties Transaction

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples: of related party transaction include:

The purchase, sale, lease, rental or hire of assets between related parties;

- The provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund
- The provision of services to a related party, including the provision of pension fund administration services and
- Transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payment of benefits.

Recovery Period

Timescale allowed over which surpluses or deficiencies to the Fund can be eliminated.

Regulations

The Scheme is governed by Regulation approved by Parliament. Necessary amendments are made to these Regulations by means of Statutory Instruments.

Return

The total gain from holding an investment over a given period, including income and increase or decrease in market value.

Risk

Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more “stable” investments before investors will buy them.

Scheduled Bodies

Types of employer explicitly defined in the LGPS Regulations, whose employers must be offered membership of their local LGPS Fund. These include Councils, colleges, universities, academies, police and fire authorities etc., other than employees who have entitlement to a different public sector pension scheme (e.g. teachers, health, and police and fire officers).

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Securities

The general name for stocks, shares and bonds issued by the company to investors.

Solvency

When the Fund's assets are greater than or equal to 100% of the Funding Target, which is the liabilities value.

SONIA

Sterling Overnight Index Average – the average of the interest rates that financial institutions charge banks to borrow sterling overnight. It is often used as a benchmark to set other interest rates or to measure returns on investments.

Stabilisation

Any method used to smooth out changes in employer contributions from one year to the next. This is very broadly required by the LGPS Regulations, but in practice is particularly employed for large stable employers in the Fund. Different methods may involve probability-based modelling of future market movements; longer deficit recovery periods; higher discount rates; or some combination of these.

The Code

The Code incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting standards. It sets out the proper accounting practice to be adopted for the statement of Accounts to ensure they 'present fairly' the financial position of the Council. The code has statutory status via the provision of the Local Government Act 2003.

Transfer Value

Capital value transferred to or from a scheme in respect of a contributor's previous periods of pensionable employment.

Uncalled Capital

This is the proportion of the overall capital that the investor has agreed to invest in the Scheme, but which has not been collected by the investment manager.

Unit Trust

A method which allows investors' money to be pooled and used by fund managers to buy a variety of securities.

Unrealised Gain/Losses

The increase or decrease in the market value of investments held by the fund since the date of their purchase.

Valuation

An actuarial investigation to calculate the liabilities, future service contribution rate and common contribution rate for a Fund, and usually individual employers too. This is normally carried out in full every three years (last done as at 31 March 2025) but can be approximately updated at other times. The assets value is based on market values at the valuation date, and the liabilities value and contribution rates are based on long term bond market yields at that date also.

Volatility

This is the tendency of a share to move up and down. A very volatile security is one that has moved up or down more sharply than is normally the case in the market concerned. Volatility is very frequently used as a measure of risk on the grounds that a share which moves more sharply than others can be regarded as being much riskier. A steady share has less risk.

Weight

Weight is the percentage composition of a particular holding in a portfolio. The weights of the portfolio can simply be calculated using different approaches: the most basic type of weight is determined by dividing the value of a security by the total value of the portfolio. Another approach would be to divide the number of units of a given security by the total number of shares held in the portfolio.

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APPENDIX 1 – KEY PERFORMANCE INDICATORS

Table A - Total number of casework

Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths recorded of active, deferred, pensioner and dependent members	257	374	481	76.2%	356	58.2%
Deferred member retirements	14	311	317	97.5%	370	96.4%
Active member retirements	12	174	176	94.6%	168	93.3%
Deferred benefits	314	909	976	79.8%	628	82.4%
Transfers in (including interfunds in, club transfers)	243	572	469	57.5%	398	62.5%
Transfers out (including interfunds out, club transfers)	282	789	778	72.6%	622	68.8%
Refunds	89	682	682	88.5%	700	88.7%
Divorce quotations issued	2	19	17	81.0%	21	91.3%
Actual divorce cases	2	0	1	50.0%	2	50.0%
New joiner notifications	7	40	47	100.0%	233	100.0%

DRAFT

Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Aggregation cases	192	601	712	89.8%	397	67.4%

Table B - Time taken to process casework

Casework KPI	Suggested fund target*	% completed within fund target in year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	94.2%
Communication issued to deferred member with pension and lump sum options (quotation)	15 days	99.1%
Communication issued to active member with pension and lump sum options (quotation)	5 days	98.6%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	5 days	98.6%
Communication issued to active member with confirmation of pension and lump sum options (actual)	5 days	97.9%

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Communication issued to scheme member with completion of transfer in	10 days	99.7%
Communication issued to scheme member with completion of transfer out	10 days	97.4%
Payment of refund	5 days	99.1%
Divorce quotation	45 days	100.0%
Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	15 days	100.0%
Communication issued to new starters	10 days	100.0%
Member estimates requested by scheme member and employer	10 days	99.5%

*Days in this column are a suggested fund target for completion and not the statutory timescale.

Table C - Communications and engagement

Engagement with online portals	**Percentage as at 31 March**
% of active members registered	44.9%
% of deferred member registered	20.1%
% of pensioner and survivor members	48.5%
% total of all scheme members registered for self-service	35.6%
% of all registered users that have logged onto the service in the last 12 months	40.8%
Communication	
Total number of telephone calls received in year	5,340

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Total number of email and online channel queries received	1,652
Number of scheme member events held in year (total of in-person and online)	24
Number of employer engagement events held in year (in-person and online)	59
Number of active members who received a one-to-one (in-person and online)	0
Number of times a communication (i.e. newsletter) issued to:	0
a) Active members	10
b) Deferred members	9
c) Pensioners	9

Members registered for member self-service by age

Age Bracket	Total Registered
Under 21	11
21-25	94
26-30	215
31-35	263
36-40	400
41-45	548
46-50	623
51-55	795
56-60	1291
61-65	1630
66-70	1284
71-75	760
Over 75	900

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Administration KPI table D – Resources

Resources	
Total number of all administration staff (FTE)	7.6
Average service length of all administration staff	6.3 years
Staff vacancy rate as %	3.0%
Ratio of all administration staff to total number of scheme members (all staff including management)	2,963.8
Ratio of administration staff (excluding management) to total number of scheme members	3,612.5

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Table E - Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August	96.8%
Short commentary if less than 100%	Not material
Data category	
Common data score	96.6%
Scheme specific data score	87.6%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	Not reported
Percentage of active, deferred and pensioner members with an email address held on file	57.7%
Employer performance	
Percentage of employers set up to make monthly data submissions	100.0%
Percentage of employers who submitted monthly data on time during the reporting year	70.6%

DRAFT

Audit Findings (ISA 260) Report for the London Borough of Brent Pension Fund

Year ended 31 March 2026

23 September 2026

London Borough of Brent Pension Fund
Brent Civic Centre
Engineers Way
Wembley
HA9 0FJ

Grant Thornton UK LLP
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London,
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Dear Audit and Standards Committee and Chair Cllr Saqlain Choudry

Audit Findings Report for the London Borough of Brent Pension Fund for the 31 March 2026

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent.

Chartered Accountants

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We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at grant-thornton-transparency-report-2025.pdf.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Matthew Dean

Key Audit Partner

For Grant Thornton UK LLP

Chartered Accountants

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Appendices

Appendix A – Management Letter of representation	See separate agenda item
Appendix B– Audit Opinion	See separate agenda item

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Headlines

This page and the following summarises the key findings and other matters arising from the statutory audit of the London Borough of Brent Pension Fund (the 'Pension Fund') and the preparation of the Pension Fund's financial statements for the year ended 31 March 2026 for the attention of those charged with governance.

Financial statements

Under International Standards of Audit (UK) (ISAs) and the National Audit Office (NAO) Code of Audit Practice (the 'Code'), we are required to report whether, in our opinion, the Pension Fund's financial statements:

- give a true and fair view of the financial transactions of the Pension Fund year ended 31 March 2026 and of the amount and disposition at that date of the fund's assets and liabilities;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

We are also required to report whether other information published together with the audited financial statements (including the Annual Governance Statement (AGS), the Narrative Report and the administering authority's financial statements), is materially consistent with the Pension Fund's financial statements and with our knowledge obtained during the audit, or otherwise whether this information appears to be materially misstated.

Our audit work was completed during June to September 2026, in line with the timelines set out in our Audit Plan. Our findings are summarised on pages 11 to 17.

We identified no adjustments to the financial statements, that have resulted in an adjustment to the Pension Fund's reported financial position. The only non-trivial matters identified during the audit were disclosure amendments. Audit findings are detailed on page 22 to 25.

We have also raised recommendations for management, set out on page 26, and reported our follow up of prior year recommendation on pages 27 to 30.

Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion, subject to the following outstanding matters:

- completion of senior audit team review
- completion of audit work in respect of Other information
- receipt and review of the Pension Fund Annual Report
- receipt of management representation letter; and
- review of the final set of financial statements.

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Headlines (continued)

Financial statements

We have not yet concluded that the other information to be published with the financial statements, is consistent with our knowledge of your organisation and the audited financial statements, as our work remains ongoing at this time.

Our anticipated financial statements audit report opinion will be unmodified.

Whilst our work on the Pension Fund financial statements is complete, we will be unable to issue our final audit opinion on the Pension Fund financial statements until the audit of the Administering Authority is complete.

We are required to give a separate opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited financial statements.

Due to statutory deadlines the Pension Fund Annual Report is not required to be published until 1 December 2026 and therefore this report has not yet been produced. We have therefore not given this separate statement at this time.

We are unable to certify completion of the audit of the administering authority until this work has been completed, (and the work on WGA/any other reasons for a delay in the certification of the closure of the audit).

Significant Matters

We did not encounter any significant difficulties or identify any significant matters arising during our audit.

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Our approach to materiality

As communicated in our Audit Plan dated 16 June 2026, we determined headline materiality at the planning stage as **£26 million** based on 2% of Gross Investment Assets as at 31 March 2025. At year-end, we have reconsidered planning materiality based on the 2025/26 figures in the draft financial statements. As a result the audit team have deemed it appropriate to revise materiality from **£26 million** to **£29.6 million**, reflecting the increase in gross investment assets, which is the benchmark used to determine materiality. This update ensures that materiality remains appropriate and proportionate to the size of the Fund based on the most current financial information available. No other factors were identified that would require a change to our audit strategy.

A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at **£29.6 million** based on professional judgement in the context of our knowledge of the Fund, including consideration of factors such as the nature of the Fund's investment activities, the expectations of scheme members and other stakeholders, the level of audit differences identified in prior years, and the relatively low complexity of the Fund's transactions and balances.
- We have used 2% of gross investment assets as at 31 March 2026 as the benchmark for our materiality.
- Gross investment assets are considered the most appropriate benchmark because they represent the principal measure of the Fund's size and are the key focus of users of the financial statements. The Fund's primary objective is the stewardship and management of investment assets on behalf of members, and investment asset values are therefore the most relevant indicator of financial significance. We have applied 2%, which is consistent with sector practice for local government this basis is consistent with the prior year. The increase in monetary materiality compared to the prior year reflects growth in the value of the Fund's investment assets at the year end rather than any change in the audit risk assessment or benchmark applied.

Performance materiality

- We have determined performance materiality at **£22.2 million**, this is based on 70% of headline materiality. We have revised the performance materiality to ensure that performance materiality remains appropriate and proportionate to the size of the Fund based on the most current financial information available.

Specific materialities for Benefits Payable and Contributions

- We have determined lower specific materialities for benefits payable and contributions, they are based on 10% of the corresponding figure as at 31 March 2026. We have revised the
  - benefits payable from the planned level of **£5.9 million** to **£6.1 million**; and
  - contributions from the planned level of **£8 million** to **£6.9 million**
- following receipt of the draft financial statements. These changes reflect movements in the underlying benefits payable and contributions balances used to determine these thresholds.

Reporting threshold

- We will report to you all misstatements identified in excess of **£1.48 million**, in addition to any matters considered to be qualitatively material.

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Our approach to materiality (continued)

A summary of our approach to determining materiality is set out below.

Description	Amount (£)	Qualitative factors considered
Materiality for the financial statements	29,600,000	• Key users of the financial statements and performance measures that key stakeholders are interested in • Business environment • Control environment (e.g., known issues, frauds that could make a misstatement more likely) • Other sensitivities (e.g., Changes in regulations).
Performance materiality	22,200,000	• The environment in which the pension fund operates • The size of the pension fund and functionalities • Whether there are material fraud risks that we have identified as being present.
Lower specific materiality for Benefits Payable	6,100,000	• Key users of the financial statements and which performance measures that key stakeholders for the entity are interested in.
Lower specific materiality for Contributions	6,900,000	• Key users of the financial statements and which performance measures that key stakeholders for the entity are interested in.
Trivial matters - reporting threshold	1,480,000	• Key users of the financial statements and audit methodology.

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Overview of audit risks

Significant risks are defined by ISAs (UK) as an identified risk of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum due to the degree to which risk factors affect the combination of the likelihood of a misstatement occurring and the magnitude of the potential misstatement if that misstatement occurs.

Significant classes of transactions, account balances, and disclosures, are associated with risks of material misstatement but are not always significant risks (SCOT+).

Material only are material financial statement line items not associated with risks of material misstatement.

Other audit risks are accounts that are not associated with any SCOT + or with a material only financial statement line item or disclosure.

Risk title	Risk level	Change in risk since Audit Plan	Fraud risk	Level of judgement or estimation uncertainty	Status of work
Management override of controls	Significant	↔	✓	Low	G
Valuation of Level 3 Investments	Significant	↔	✘	High	G
Actuarial present value of promised retirement benefits disclosure – IAS 26	Significant class of transactions (SCOT+)	↔	✘	Medium	G
Valuation of Level 2 Investments	Significant class of transactions (SCOT+)	↔	✘	Medium	G
Cash and cash equivalents / Level 1 Investments	Significant class of transactions (SCOT+)	↔	✘	Low	G

↑ Assessed risk increased since audit plan

↔ Assessed risk consistent with audit plan

↓ Assessed risk decrease since audit plan

G Not likely to result in material adjustment or change to disclosures within the financial statements

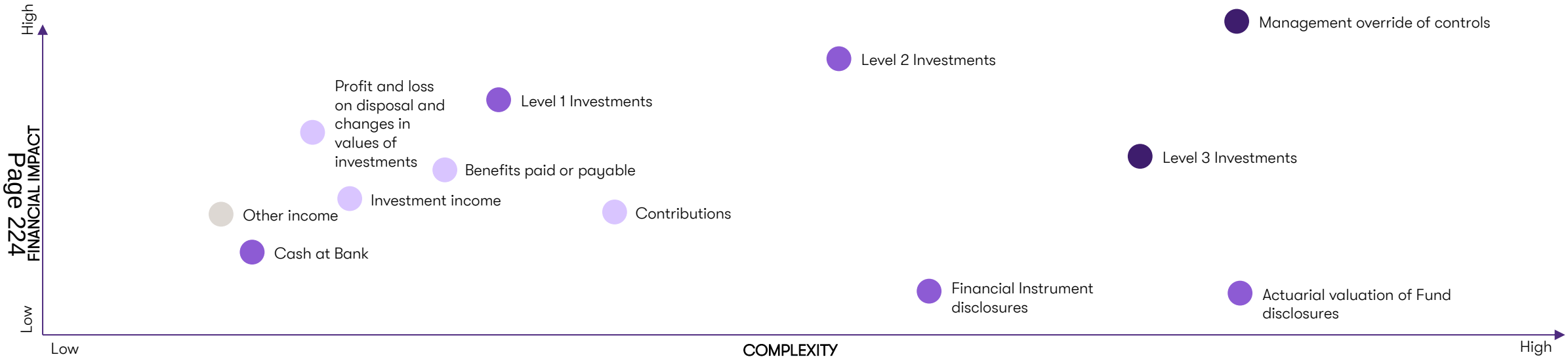
A Potential to result in material adjustment or significant change to disclosures within the financial statements

R Likely to result in material adjustment or significant changes to disclosures within the financial statements

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Overview of audit risks

In the graph overleaf, we have presented the, significant risks, SCOT+, and material only relevant to the audit.



Glossary

- Significant risk
- SCOT+
- Material only
- Other audit risks

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Significant risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
Management override of controls Significant Under ISA (UK) 240, there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.	As part of our audit procedures, we: • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determine the criteria for selecting high risk unusual journals; • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions; and • incorporate an element of unpredictability into our audit procedures by utilising Inflo Detect digital audit tool	We have noted no material adjustments or findings in relation to management override of controls. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology. Having assessed management's judgements and estimates individually and in aggregate we are satisfied that there is no material misstatement arising from management bias across the financial statements.

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Significant risks (continued)

Risk identified	Audit procedures performed	Key observations
Valuation of level 3 investments Significant The valuations of level 3 investments are a significant accounting estimate based on unobservable inputs and hence there is a risk of material misstatement due to error and/or fraud.	As part of our audit procedures, we: • documented and evaluated management's processes for valuing Level 3 investments; • obtained and reviewed the audited financial statements of the investment accounts, where these are at a different reporting date to the Fund's financial statements: o the valuations were be compared to the year end reporting date after accounting for cashflows; and o obtained and reviewed the corresponding investment manager report (capital statement) as at the investment accounts audit date with the audited accounts and follow up significant differences • independently obtained and reviewed the corresponding investment manager reports (capital statements) as at the reporting date and compare to the financial statements; • reviewed purchase and sale transactions of investments near the reporting date where appropriate; • reviewed the guidelines under which investments have been valued at the date of the investment accounts and the Fund accounts; • reviewed management's classification of the assets; and • obtained and reviewed investment manager service auditor report on design and operating effectiveness of relevant internal controls where appropriate.	We have noted no material adjustments or findings in relation to the valuation of level 3 investments. We are satisfied that judgements made by management are appropriate and the valuations have been determined using consistent methodology.

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Significant Classes of Transactions (continued)

Significant classes of transactions, account balances, and disclosures (SCOT+s), are associated with risks of material misstatement but are not linked to a significant risk. This section provides commentary on the SCOT+ risks communicated in the Audit Plan.

Risk identified	Audit procedures performed	Key observations
Significant class of transactions (SCOT+) **Valuation of Level 2 Investments** Level 2 investments do not carry the same level of inherent risks associated with level 3 investments, however there is still an element of judgement involved in their valuation as their very nature is such that they cannot be valued directly. These assets represent a class of transaction in the financial statements due to the size of the balance (**£1,294.6 million** as at 31 March 2026).	As part of our audit procedures, we have: • agreed the valuation to the confirmation received from the investment manager; • agreed the valuation back to quoted prices at year-end where available; • compared the valuation to purchase and sale transactions near the reporting date (where appropriate); • reviewed the guidelines under which the investment has been valued (where appropriate); • obtained and reviewed a service auditor's report on internal controls for the investment manager; • reviewed management's classification in the fair value hierarchy for level 2 investments; • carried out more detailed testing where the planned procedures did not provide sufficient assurance.	We have noted no material adjustments or findings in relation to the valuation of level 2 investments. We are satisfied that judgements made by management are appropriate and the valuations have been determined using consistent methodology.

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Significant Classes of Transactions

Risk identified	Audit procedures performed	Key observations
Significant class of transactions (SCOT+) **Actuarial present value of promised retirement benefits disclosure – IAS 26** The disclosure of the Fund's actuarial present value of promised retirement benefits is an accounting estimate (**£1,321 million** as at 31st March 2026) and is sensitive to changes in key assumptions. The Fund engage the services of a qualified actuary to develop an IAS 26 compliant estimate of the disclosure and 2026/27 will be the first year that the outcomes of the 2025 triennial valuation will be reflected.	As part of our audit procedures, we have: • updated our understanding of the processes and controls put in place by management to ensure that the Fund's actuarial present value of promised retirement benefits is not materially misstated; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the Fund's valuation; • assessed the accuracy and completeness of the information provided by the Fund to the actuary to estimate the liability; • tested the consistency of disclosures with the actuarial report from the actuary; and • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report.	We have noted no material adjustments or findings in relation to the actuarial present value of promised retirement benefits disclosure (IAS 26). We completed our review of the IAS 26 actuarial present value of promised retirement benefits disclosure and the underlying triennial valuation. No material issues were identified in respect of the actuarial assumptions, methodology or disclosures. Triennial valuation member data testing identified some limitations in the availability of historic documentation following changes in pension administrators. However, alternative evidence was obtained in all cases, and no material discrepancies were identified. We concluded that sufficient appropriate audit evidence was obtained to support the completeness and accuracy of the data used by the actuary and no material adjustments were required. We are satisfied that judgements made by management are appropriate and have been determined using consistent methodology.

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Significant Classes of Transactions (continued)

Risk identified	Audit procedures performed	Key observations
Significant class of transactions (SCOT+) Cash and Cash Equivalents The receipt and payment of cash represents a significant class of transactions occurring throughout the year, culminating in the yearend balance for cash and cash equivalents reported on the Net Asset Statement (**£53.9 million** as at 31 March 2026).	As part of our audit procedures, we have: • obtained direct confirmations for all bank accounts and Money Market Funds • obtained monthly bank reconciliations as at the year-end and for one month post year-end, and • where material, reconciling items were tested to confirm clearance through the bank account after the year-end	We have noted no material adjustments or findings in relation to Cash and Cash Equivalents.

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Other areas impacting the audit

This section provides commentary on other issues and risks which were identified during the course of the audit and were previously communicated in the Audit Plan.

Issue	Commentary
2025 Triennial Valuation (England Only) Under Regulation 62 of the Local Government Pension Scheme Regulations 2013 the Fund must obtain an actuarial valuation of its assets and liabilities every three years. The latest valuation is as at 31 March 2025 (published in March/April 2026). The purpose of the valuation is to set employer contribution rates for the period from 1 April 2026 to 31 March 2029. The underlying demographic data will also be rolled forward and utilised in the 2025/26 estimate of the actuarial present value of promised retirement benefits disclosure calculations made under IAS 26 (on an IAS 19 basis as required by IAS 26 and 6.5. 2.9 of the CIPFA Code).	The data used by actuaries to produce IAS 19 liabilities and assets can be broadly split into two categories: 1) Individual member data used to calculate the triennial valuation liabilities and assets which the IAS 19 liabilities and assets are based on. 2) Data used to carry out the roll-forward calculation from the triennial valuation liabilities and assets to the IAS 19 liabilities and assets. This data is provided by administering authorities and the relevant employers. As auditors, we therefore needed to test the individual member data used by the actuaries in their triennial valuation calculations (Item 1) against independent records every three years. Item 2 testing is carried out annually. **Auditor view** We completed testing of a sample of 26 individual member records (6 active members, 12 deferred members and 8 pensioners) included within the membership data submitted to the actuary for the purpose of the 2025 Triennial Valuation. During testing, we identified limitations in the availability of certain historical member records, primarily due to legacy pension administration arrangements and changes in pension administrators over time. In a number of cases, original joining documentation was not available. However, alternative evidence, including pension administration records, payroll and contribution histories, enrolment documentation, leaving notifications and pension payment records, was obtained and used to substantiate the relevant member data attributes. No material discrepancies were identified from our testing and alternative evidence was available in all instances where original documentation could not be provided. Based on the procedures performed, we concluded that sufficient appropriate audit evidence was obtained to support the completeness and accuracy of the member data used by the actuary in the 2025 Triennial Valuation. **Management response** Our pension administration has been outsourced to several providers over time, with paper records replaced by electronic files and data transferred between administrators. Unfortunately, this has led to some data degradation where original records are unavailable however alternative evidence was provided in relation to the cases tested. Although regular data-cleansing exercises have helped mitigate the impact, this remains a common issue across many pension schemes in the UK.

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Other findings – Information Technology

This section provides an overview of results from our assessment of the Information Technology (IT) environment and controls therein which included identifying risks from IT related business process controls relevant to the financial audit. This table below includes an overall IT General Control (ITGC) rating per IT application and details of the ratings assigned to individual control areas. For further detail of the IT audit scope and findings please see separate 'IT Audit Findings' report.

IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks	
			Security management	Change management	Batch scheduling		
Oracle Cloud (Financial reporting)	ITGC assessment (design, implementation and operating effectiveness) Application controls assessment	[Amber]	[Amber]	[Green]	[Green]	Management override of controls	The ITGC review identified user access control weaknesses were identified within Oracle Cloud Fusion, including privileged HCM access, delayed removal of access and self-assigned roles. The affected access primarily related to Council payroll, procurement and support functions rather than Pension Fund financial reporting. Management override and journal testing identified no evidence of inappropriate postings or impact on the Pension Fund financial statements. Management have agreed remediation actions to strengthen access governance and reduce the risk of inappropriate access.
Civica (Pension Administration system)	ITGC assessment (design and implementation effectiveness only)	[Amber]	[Amber]	[Green]	[Green]	Contributions receivable, Benefits payable and the actuarial valuation	The ITGC review identified delays in removing access for a departed user were identified within Civica. No inappropriate activity was identified, and audit testing did not identify any impact on Pension Fund financial reporting. Management has agreed actions to strengthen leaver and access review controls.

Assessment:

- [Red] Significant deficiencies identified in IT controls relevant to the audit of financial statements
- [Amber] Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
- [Green] IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
- [Black] Not in scope for assessment

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Other communication requirements

Issue	Commentary
Matters in relation to fraud	• We have previously discussed the risk of fraud with the Audit and Standards Advisory Committee. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures
Matters in relation to related parties	• We are not aware of any related parties or related party transactions which have not been disclosed
Matters in relation to laws and regulations	• You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Written representations	• A letter of representation has been requested from the Pension Fund. This will be shared with management and the Audit and Standards Advisory Committee informed at its meeting that there were no specific representations requested beyond those normally sought. We draw your attention to the draft Letter of Representation which is appended on the Agenda. • This will be signed alongside the final draft of the financial statements in advance of the conclusion of the audit.
Confirmation requests from third parties	• We requested from management permission to send confirmation requests to their custodian and investment managers. This permission was granted and the requests were sent. All requests were returned with positive confirmation and no alternative procedures were required. • We requested management to send letters to those internal legal counsel who worked with the Pension Fund during the year. All responses have been received with no issues noted.
Disclosures	• Our review found no material omissions in the financial statements • Significant disclosures in the 2025/26 statutory financial statements include the Fair Value Hierarchy, Actuarial Present Value of Promised Retirement Benefits, Uncertainty and risk disclosures
Audit evidence and explanations	• All information and explanations requested from management was provided.
Significant difficulties	• No significant difficulties were encountered in the delivery of the audit.

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Other responsibilities

Issue	Commentary
Going concern	In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2024). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies. Practice Note 10 sets out the following key principles for the consideration of going concern for public sector entities: • the use of the going concern basis of accounting is not a matter of significant focus of the auditor's time and resources because the applicable financial reporting frameworks envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist, and so a straightforward and standardised approach for the consideration of going concern will often be appropriate for public sector entities • for many public sector entities, the financial sustainability of the reporting entity and the services it provides is more likely to be of significant public interest than the application of the going concern basis of accounting. – Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. *continued overleaf*

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Other responsibilities

Issue	Commentary
Going concern	The financial reporting framework adopted by the Pension Fund meets this criteria, and so we have applied the continued provision of service approach. In doing so, we have considered and evaluated: • the nature of the Pension Fund and the environment in which it operates • the Pension Fund's financial reporting framework • the Pension Fund's system of internal control for identifying events or conditions relevant to going concern • management's going concern assessment. On the basis of this work, we have obtained sufficient appropriate audit evidence to enable us to conclude that: • a material uncertainty related to going concern has not been identified • management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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Other responsibilities

Issue	Commentary
Other information	The Pension Fund is administered by the London Borough of Brent (the 'Council'), and the Pension Fund's accounts form part of the Council's financial statements. We are required to read any other information published alongside the Council's financial statements (including the Annual Governance Statement (AGS), the Narrative Report and Council's financial statements) and report whether it is materially consistent with the Pension Fund financial statements and our knowledge obtained during the audit. Our work to review Other Information remains ongoing at this time.
Matters on which we report by exception	We are required to give a separate consistency opinion for the Pension Fund Annual Report on whether the financial statements included therein are consistent with the audited pension fund financial statements within the administering authority's accounts. Due to statutory deadlines the Pension Fund Annual Report is not required to be published until 1 December 2026 and therefore this report has not yet been produced. We have therefore not given this separate opinion at this time and are unable to certify completion of the audit of the administering authority until this work has been completed. We are required to report if we have applied any of our statutory powers or duties as outlined in the Code. We have nothing to report on these matters.

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Adjusted misstatements

This is a summary of adjusted misstatements identified during the audit. We are required to report all non-trivial misstatements to those charged with governance.

We have noted no adjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

Disclosure misstatement	Detail	Response	Amended?
Note 14 Purchases and Sales of Investments	Audit testing of the amounts disclosed within Note 14 identified that sales of investments were understated by **£321.7 million**. As a result, the reported movement in the market value of investments was misstated. Based on the audited figures, the market value of investments increased by **£148.5 million** during the year, compared with a decrease of **£173.2 million** reported in the draft Statement of Accounts. Subsequent to our audit testing, management also amended a small number of additional individually trivial items within the disclosure that were not subject to audit testing. This amendment relates solely to the presentation of the movement within Note 14 and has no impact on the overall value of the Fund, net assets, or the financial statements as a whole.	The disclosure in Note 14 has been amended to reflect the audited sales transactions and the corresponding movement in the market value of investments.	✓
Note 14 Investments Exceeding 5% of Net Assets	Audit procedures identified an inconsistency within Note 14. The analysis by fund manager disclosed an investment balance of **£2.2 million** for LCIV Baillie Gifford, while the table showing investments representing more than 5% of net assets included "LCIV - Baillie Gifford DGF" at **£103.5 million**. Subsequent audit testing and review of the underlying investment schedules confirmed that the **£103.5 million** holding relates to LCIV Ruffer DGF rather than LCIV Baillie Gifford. As a result, the investments over 5% disclosure was misstated through the inclusion of an incorrect fund name.	The disclosure has been updated to reflect the correct fund names and balances in the investments exceeding 5% of net assets table.	✓

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Adjusted disclosure misstatements

Disclosure misstatement	Detail	Response	Amended?
Note 16 Financial Instruments Classification Disclosure	Audit procedures identified an inconsistency in the disclosure of cash balances within Note 16. The prior-year cash balance of **£63.6 million** was disclosed as an asset measured at amortised cost, whereas the current-year balance of **£53.9 million** was presented as fair value through profit and loss. The note also stated that no financial assets had been reclassified during the year. Review of the underlying financial instrument classifications confirmed that the cash balances remained cash deposits and had not been reclassified between accounting categories. As such, the disclosure did not accurately reflect the classification applied within the financial statements.	The disclosure has been updated to accurately reflect the classification applied within the financial statements.	✓
Note 24 Capital Commitments	Audit testing of Note 24 identified that the disclosed capital commitment for LCIV Private Debt Fund II was understated by **£2.261 million**. The draft accounts disclosed an outstanding commitment of **£31.6 million**, whereas the underlying fund manager confirmation and supporting capital call records showed an outstanding commitment of **£33.861 million**, resulting in an understatement of **£2.261 million**.	The disclosure in Note 24 has been amended to reflect the correct capital commitment balance.	✓
Accounting Policy: Recognition of Contribution Income	During the audit review of the Fund's accounting policies, the audit team identified that the wording of the Contribution Income accounting policy implied that both employee and employer contribution rates are determined by the Fund actuary. Under the LGPS framework, employee contribution rates are prescribed by LGPS regulations and are not actuarially determined. Only employer contribution rates are set having regard to actuarial advice.	The accounting policy disclosure has been amended to provide greater clarity to reflect this distinction.	✓

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Adjusted disclosure misstatements

Disclosure misstatement	Detail	Response	Amended?
Note 9 Benefits Payable Disclosure	Audit procedures identified that the Benefits Payable disclosure within Note 9 did not comply with CIPFA Code requirements, as balances for the Administering Authority and Scheduled Bodies were presented within a single combined line item rather than being disclosed separately. Following discussions during the audit, management reviewed the underlying payroll information and confirmed that Benefits Payable balances could be separately identified for the Administering Authority, Scheduled Bodies and Admitted Bodies. The draft disclosure presented a combined balance of **£58.9 million** (2024/25: **£57.8 million**) for the Administering Authority and Scheduled Bodies. The disclosure was subsequently amended to separately present balances of **£57.0 million** (2024/25: **£54.7 million**) for the Administering Authority and **£1.8 million** (2024/25: **£3.1 million**) for Scheduled Bodies.	The disclosure has been amended to separately present Benefits Payable balances for the Administering Authority and Scheduled Bodies in accordance with CIPFA Code requirements.	✓
Note 6 Events after the Reporting Date	The fund had not disclosed the introduction of the Pension Schemes Bill as a non-adjusting event occurring after the reporting date. Given the potential implications of the legislation for the fund's future pension arrangements and associated financial obligations, the financial statements should include disclosure of the Bill within the Events after the Reporting Date note, together with an explanation of its potential impact where this can be reasonably assessed.	The disclosure has been amended to include the introduction of the Pension Schemes Bill	✓
Note 14a: Private Equity, Infrastructure and Private Debt Investments	The financial statements aggregate private equity, infrastructure and private debt investments into a single disclosure category. Whilst this approach is consistent with the minimum requirements of the Code, separate disclosure of these asset classes would be more closely aligned with CIPFA LGPS best practice guidance.	The disclosure has been amended to separately present Private Equity, Infrastructure and Private Debt Investments	✓

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Unadjusted misstatements

We are required to report all non-trivial misstatements to those charged with governance.

We have noted no unadjusted misstatements which impact upon the balances reported in Net Assets Statements and Fund Account.

Impact of unadjusted misstatements in the prior year

There were no unadjusted misstatements identified in 2024/25 which required reporting as they would not result in changes to the reported figures in the key financial statements and the reported net assets of the Fund for the year ending 31 March 2026.

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Action plan

We have identified one recommendation for the Pension Fund as a result of issues identified during the course of our audit. We have agreed our recommendations with management and we will report on progress on these recommendations during the course of the 2026/27 audit. The matters reported here are limited to those deficiencies that we have identified during the course of our audit and that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards.

Assessment	Issue and risk	Recommendations
Amber	**Closing pensioner membership figure reconciliation** We noted that the closing pensioner membership figure disclosed in Note 1 is derived from the pension administration system report as at 31 March 2026. Management performs a reconciliation between the pensioner membership records held within the pension administration system and the Month 12 pensioner payroll report at the financial year-end. However, the current reconciliation identified a difference of approximately 248 pensioner members between these two data sources. We understand that management has raised this discrepancy with the pension administrator and is awaiting further clarification regarding the underlying cause of the variance. Whilst our audit procedures did not identify any material misstatement in the pensioner membership disclosures, the existence of an unexplained reconciliation difference reduces the level of assurance available over the completeness and accuracy of the pensioner membership data reported in the financial statements. Timely investigation and resolution of reconciliation differences is an important control in ensuring that membership data remains accurate and complete. **Risk** Where reconciliation differences are not fully investigated, understood and resolved, there is an increased risk that errors, omissions or inconsistencies within pensioner membership records may not be identified and corrected on a timely basis. This could result in inaccurate pensioner membership information being reported within the financial statements and reduce management's assurance over the completeness and accuracy of the underlying data.	Management should continue to work with their pensions administrator to investigate and document the cause of the member reconciliation difference identified between the pension administration records and the Month 12 pensioner payroll report and, where necessary, take appropriate corrective action. This will provide greater assurance over the accuracy and completeness of pensioner membership data reported in the financial statements. **Management response** We understand that the original discrepancy of 248 was largely due to Teachers' Added Years pensions being incorrectly identified as Local Government pensions. Subsequent investigation has reduced the discrepancy to 70 and we will continue to work with LPPA to improve our data and integrate our systems.

Assessment key:

- [Red] High – Significant effect on financial statements
- [Amber] Medium – Limited effect on financial statements
- [Green] Low – Best practice

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Follow up of prior year recommendations

This is a summary of where we identified recommendations for the Pension Fund because of issues identified during the prior year audit, and an update on actions taken by management as a result.

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	**Excessive System Administrative Permissions Assigned to Business Users:** During the prior year audit, our ITGC review identified that certain business users, primarily within the HR and Payroll teams, had been assigned roles containing elevated system administration permissions, including access to functionality such as Manage Menu Customisations and Functional Setup Manager. Management was unable to demonstrate that these permissions were required for the users' day-to-day responsibilities. **Risk** The assignment of administrative privileges to business users beyond those necessary for their roles increases the risk of unauthorised or unintended changes being made to system configurations. This could compromise the integrity of system controls, impact processing accuracy, and weaken segregation of duties. **Recommendation** Management should review administrative permissions assigned to business users and remove any access that is not required for operational responsibilities. In addition, the quarterly logical access review should be enhanced to include consideration of the detailed permissions contained within user roles, rather than solely reviewing role assignments.	The finding relating to excessive administrative permissions assigned to business users specifically concerned the Council's HCM Application Administrator role and did not extend to the Pension Fund finance system or Pension Fund financial processing. Consequently, no impact on Pension Fund financial controls was identified. Management has commenced a review of user roles and permissions to ensure access rights remain appropriate to business responsibilities and that elevated access is restricted to users with a legitimate operational requirement. In addition, management has agreed a programme of remediation actions to strengthen access governance, improve the timeliness of access amendments, and enhance the approval and review processes for user access. These actions remain in progress at the time of our follow-up review.

Assessment:

✓ Action completed

→ Work in progress/Partially addressed

✖ Not yet addressed

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Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
✓	**Benefits Payable Note 9:** During the prior year audit, we identified that Benefits Payable disclosures were not presented separately for the Administering Authority, Scheduled Bodies and Admitted Bodies as required by the CIPFA Code. **Risk** Failure to disclose benefits payable balances in accordance with CIPFA requirements may result in incomplete or non-compliant financial statement disclosures and reduce transparency for users of the accounts. **Recommendation** Management should ensure that Benefits Payable balances are separately identified and disclosed within Note 9 for the Administering Authority, Scheduled Bodies and Admitted Bodies in line with CIPFA Code requirements.	Management previously confirmed that, following the migration to the LPPA payroll system, it would now be possible to separately identify Benefits Payable balances relating to the Administering Authority, Scheduled Bodies and Admitted Bodies. For 2025/26, the audit team identified that the draft disclosure did not separately present Benefits Payable balances for the Administering Authority, Scheduled Bodies and Admitted Bodies as required by the CIPFA Code. Following discussions during the audit, management reviewed the available payroll information and confirmed that the underlying data could be separately identified following migration to the LPPA payroll system. The disclosure was subsequently amended to present the required categories separately. The audit team reviewed the revised disclosure and confirmed that it was consistent with the supporting information provided.

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Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
→	**Cash Balances Note 20:** Previous the auditors had identified that a long-standing cash-in-transit balance of approximately **£3.2 million** remained unreconciled following the migration from Oracle R12 to Oracle Cloud. While transactions had been netted against the General Bank Account to achieve a reconciled position, underlying unreconciled items remained outstanding. **Risk** Unreconciled cash balances increase the risk that errors, omissions or irregular transactions remain undetected. This may result in inaccuracies within the accounting records and financial statements and limits management's ability to demonstrate the completeness and accuracy of cash balances. **Recommendation** Management should investigate and clear outstanding legacy reconciliation items, strengthen monthly bank reconciliation and review procedures, and ensure all cash balances are fully supported and appropriately disclosed in accordance with CIPFA requirements.	Management has continued to investigate the historic cash-in-transit balance arising from the Oracle migration and has been performing detailed analysis of outstanding reconciling items. Work is ongoing to identify the underlying transactions, determine the validity of aged balances and clear legacy items where appropriate. Management has also strengthened its reconciliation procedures to provide enhanced oversight of unresolved differences and support the timely identification of reconciling items. However, as the historic balance remains unresolved at the time of our review, the recommendation remains in progress.

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Follow up of prior year recommendations

Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
→	**School Employer Contribution Rates:** Previous testing of employer contribution arrangements identified that a number of schools had continued to apply incorrect employer contribution rates during 2023/24 because contribution schedules had not been updated to reflect revised rates. **Risk** The use of incorrect employer contribution rates may result in employer contributions being underpaid or overpaid, leading to inaccurate pension fund records and the potential need for retrospective corrections and recoveries. **Recommendation** Management should strengthen the process for communicating and validating annual contribution rates by performing a timely review at the start of each financial year to confirm that all employers have implemented the correct rates. This review should be evidenced and any exceptions promptly followed up.	In the course of our contributions testing for 2025/26, we have not encountered any discrepancies in the employer contribution rate applied. However, we identified a weakness relating to the Fund's inability to reconcile contribution income to the trial balance at a detailed contribution category level. Due to limitations in the general ledger mapping, management is unable to directly verify the completeness and accuracy of individual contribution streams and instead relies on high-level analytical reviews and actuarial calculations. Although our testing did not identify any material misstatements, the lack of a detailed reconciliation increases the risk that errors or misclassifications in contribution income may not be detected in a timely manner.

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Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, we disclose the following to you:

Matter	Conclusion
Our firm provides audit services to some of the funds in London Collective Investment Vehicle (LCIV). The LCIV are a LGPS asset pool for which the London Borough of Brent Pension Fund are one of the 32 Shareholders.	We have concluded that these services would not have an impact on our independence, on the basis that these entities are legally and operationally independent from this pension scheme. In addition, these services are being provided by a team which is separate and independent from our audit team. The result of their work would not have any impact in the financial statements that are subject to our audit. We have considered that an objective reasonable and informed third party would concur with this conclusion.

We are required to report to you details of any breaches of the requirements of the FRC Ethical Standard, and of any safeguards applied and actions we have taken to address any threats to independence. In this context, we disclose that there are no matters that we are required to report.

We confirm that we have implemented policies and procedures to meet the requirement of the Financial Reporting Council's Ethical Standard.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in February 2025 which sets out supplementary guidance on ethical requirements for auditors of local public bodies and the Terms of Appointment and further guidance issued by the Public Sector Audit Appointments (PSAA).

We confirm that the fees from non-audit services to the audited entity and its controlled entities do not exceed 70% of the total audit fee for the year.

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Independence considerations (continued)

As part of our assessment of our independence we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Fund that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Fund or investments in the Fund held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Fund as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Fund.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Fund's committees, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements. In making the above judgement, we have also been mindful of the quantum of non-audit fees compared to audit fees disclosed in the financial statements and estimated for the current year.

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Fees and non-audit services

We confirm below are our final fees charged for the audit. There were no fees for the provision of non-audit services.

Audit fees	Proposed fee for 2025/26 (£)	Final fee for 2025/26 (£)
Audit of Pension Fund	99,507	99,507
2025 triennial valuation data testing	5,000	10,000
Total	104,507	109,507

The above fees are exclusive of VAT and out of pocket expenses.

The fees reconcile to the financial statements as follows:

- fees per financial statements = £97k
- reconciling item - additional fees = £10k
- reconciling item – trivial difference = £2k
- total fees per above = £109k

Our firm also provides audit and non-audit services to the Council. The fees in relation to these services and the related ethical considerations are reported in the Audit Findings Report issued to TCWG for that entity. Consequently, such fees are disclosed in the Council's financial statements rather than the Pension Fund's.

This covers all services provided by us and our network to the Fund and senior management, that may reasonably be thought to bear on our integrity, objectivity or independence.

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Additional fee analysis – fee variation for in year work

The following table sets out further information on additional fees in respect of in year work.

	2024/25	2025/26
2025 triennial valuation data testing	N/A	£10,000
Total	N/A	£10,000
Audit Scale Fee	£97,945	£99,507
Total audit fees	£97,945	£109,507

The above is subject to review by PSAA who will make a final determination.

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Brent	**Brent Pension Fund Sub-Committee** 7 October 2026
	Report from the Corporate Director of Finance and Resources

Investment Strategy Statement

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
List of Appendices:	One Appendix 1: Investment Strategy Statement
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk Manish Shah, Senior Finance Analyst 020 8937 1444 manish.shah@brent.gov.uk

1.0 Executive Summary

1.1 This report presents the Fund's revised Investment Strategy Statement ("ISS") (Appendix 1) for approval by the Committee. The ISS has been updated following completion of the 2025 actuarial valuation and subsequent investment strategy review and has been prepared to reflect the Government's Fit for the Future reforms and the updated statutory guidance.

1.2 Prior to presentation to the Committee, the draft ISS was issued for consultation with participating employers, member representative groups and London CIV.

2.0 Recommendations

2.1 The Committee is recommended to approve the revised Investment Strategy Statement (Appendix 1)

3.0 Detail

3.1 Background & Strategic Context

3.2 Regulation 10(2) of the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations requires administering authorities to maintain and publish an Investment Strategy Statement setting out the Fund's investment objectives, strategic asset allocation, approach to risk management, responsible investment arrangements and other matters prescribed by the legislation.

3.3 The Fund carried out an actuarial valuation as at 31 March 2025. The valuation assessed the Fund's funding position, employer contribution requirements, cashflow profile and long-term funding needs, providing an updated assessment of the investment returns required to meet the Fund's liabilities over the longer term.

3.4 Following completion of the valuation, the Committee undertook a comprehensive review of the Fund's investment strategy. The review considered the findings of the actuarial valuation alongside expected long-term investment returns, funding and investment risks, liquidity requirements, changes in market conditions and the evolving LGPS regulatory framework.

3.5 The ISS, prepared by the Fund’s investment advisers Hymans Robertson LLP, reflects the conclusions of that investment strategy review and establishes the framework through which the Fund will seek to achieve its long-term investment objectives whilst ensuring pension benefits can be paid as they fall due.

4.0 Investment Strategy and Objectives

4.1 The ISS reflects the investment strategy agreed by the Committee in February 2026 following the investment strategy review.

In accordance with the new regulatory framework, the ISS establishes clear investment objectives across four key areas:

4.2 Return
The Fund's return objective is to generate sufficient long-term investment returns to support the Funding Strategy Statement and maintain the long-term solvency of the Fund.

4.3 Risk

The Fund's risk objective is to manage investment risk in a manner consistent with achieving its return objectives while maintaining an appropriate probability of meeting funding targets. This includes maintaining diversification across asset classes and ensuring investment risk remains appropriate for the Fund's funding position and covenant strength.

4.4 Cashflow

The Fund's cashflow objective is to ensure sufficient liquidity is available to meet pension payments, transfer values, operational expenditure and investment commitments as they fall due, whilst maintaining an efficient long-term investment strategy.

4.5 Local Investment

The Fund's local investment objective sets out the Fund's approach to investing in opportunities that support local and regional economic growth where such investments are consistent with fiduciary duty and are expected to deliver suitable risk-adjusted returns. Given the evolving nature of the local investment framework for Funds Pools and Strategic Authorities, the Fund's approach will continue to be refined and updated through future reviews of Investment Strategy.

5. Strategic asset allocation

5.1 The strategic asset allocation is expressed through nine broad asset buckets, as prescribed in the statutory guidance. This structure is intended to provide a clear framework for implementation by the Pool while retaining flexibility to adapt portfolios over time in response to market opportunities, evolving investment beliefs and regulatory requirements.

The nine-bucket framework is also intended to enhance transparency, support effective risk management and improve accountability between the Fund and the Pool.

5.2 The revised Investment Strategy Statement gives effect to the conclusions of the investment strategy review undertaken following completion of the 2025 actuarial valuation. It reflects the requirements of the new LGPS regulatory framework, clarifies the respective responsibilities of the Fund and the Pool, establishes investment objectives covering return, risk, cashflow and local investment, and sets out the Fund's strategic asset allocation through nine asset buckets.

6 Stakeholder and ward member consultation and engagement

6.1 The draft ISS was circulated to participating employers, recognised member representative groups and London CIV for consultation. Any comments received have been considered in finalising the document. No material changes to the proposed investment strategy were required as a result of the consultation process.

7 Financial Considerations

7.1 There are no direct financial considerations arising out of this report.

8 Legal Considerations

8.1 The Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026, now governs the management of the pension fund and the investment of fund money. Under the new laws, an administering authority must formulate an investment strategy in accordance with guidance and is legally required to keep the Investment Strategy Statement (ISS) under regular review; with strategic investment strategy reviews must occur within 18 months of the actuarial valuation date. Whilst ongoing monitoring, the statement must be updated and reviewed without delay following any significant change in the fund's investment policy.

9 Equality, Diversity & Inclusion (EDI) Considerations

9.1 There are no equality considerations arising out of this report.

10 Climate Change and Environmental Considerations

10.1 There are no climate change or environmental considerations arising out of this report.

11 Human Resources/Property Considerations (if appropriate)

11.1 There are no HR or property considerations arising out this report

12 Communication Considerations

12.1 There are no communication considerations arising out of this report.

Related document(s) for reference:

Brent Pension Fund Sub Committee Report - Investment Strategy Review (18 February 2026)

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

London Borough of Brent Pension Fund - Investment Strategy Statement

This is the Investment Strategy Statement ("ISS") of the London Borough of Brent Pension Fund ("the Fund"), which is administered by Brent Council ("the Administering Authority"). This Statement has been made in accordance with Part 4 of the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 ('the Regulations').

The Statement has been prepared by the Fund's Pension Committee ('the Committee') having taken advice from the Fund's investment adviser, Hymans Robertson LLP. The Committee acts on the delegated authority of the Administering Authority.

This Statement was approved by the Committee on [2026 approval date]. It is subject to review within 18 months from any triennial valuation and without delay after any significant change in investment policy. The Committee has consulted on the contents of the Fund's investment strategy with such persons it considers appropriate.

The Committee seeks to invest in accordance with the Fund's Investment Strategy Statement any Fund money that is not needed immediately to make payments from the Fund. This Statement should be read in conjunction with the Fund's Funding Strategy Statement dated April 2026.

Fund objective

The primary objective of the Fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependants, on a defined benefit basis. The funding position will be reviewed at each triennial actuarial valuation, or more frequently as required.

Funding principles

The Committee aims to fund the Fund in such a manner that in normal market conditions, all accrued benefits are fully covered by the value of the Fund's assets, that investment risk and return are targeted at an adequate level, and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing. For employee members, benefits will be based on service completed but will take account of future salary and/or inflation increases.

The Fund's funding level is being reviewed at least at each triennial actuarial valuation, or more frequently as required.

Investment beliefs

The Committee has defined a set of investment beliefs which reflect the way the Fund's objective and funding principles inform its investment strategy and are to be translated into actual investment arrangements by the London Collective Investment Vehicle ("London CIV"), the Fund's investment pool. These investment beliefs are set out in the appendix.

The Committee has translated its objectives into a suitable strategic asset allocation benchmark for the Fund. This benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk and the nature of the Fund's liabilities.

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1. Suitability of investments

Investment strategy

The Fund's investment strategy is subject to review within 18 months from any triennial valuation and without delay after any significant change in investment policy. The approach that the Fund has taken to setting an appropriate investment strategy is set out below.

In 2025, the Fund carried out an asset-liability modelling exercise in conjunction with the 2025 actuarial valuation. The Fund's liability data from the valuation was used in the modelling, and the implications of adopting a range of alternative investment strategies were assessed. The implications for the future evolution of the Fund were considered under a wide range of different scenarios.

This approach helps to ensure that the investment strategy takes due account of the maturity profile of the Fund (in terms of the relative proportions of liabilities in respect of pensioners, deferred and active members), together with the level of disclosed surplus or deficit (relative to the funding bases used).

The Committee assessed the likelihood of achieving its long-term funding objective using asset-liability modelling carried out as part of the 2025 investment strategy review. Based on the Fund's strategic asset allocation, the Committee aims to maintain at least a 70% likelihood of the Fund being fully funded in 20 years' time.

A summary of the expected returns and volatility for each asset class is included later in this statement. In addition, the Committee monitors investment strategy on an ongoing basis, focusing on factors including, but not limited to:

- Suitability given the Fund's level of funding and liability profile
- The level of expected risk
- Outlook for asset returns
- Environmental, Social and Governance (ESG) factors

Strategic asset allocation

The Committee has translated its objectives into a suitable strategic asset allocation benchmark for the Fund. This benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk and the nature of the Fund's liabilities.

The tolerance ranges support the ongoing monitoring and management of deviations from the strategic allocation. The maximum allocations set out below operate as additional risk limits and should not be interpreted as alternative strategic targets.

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Asset class	Strategic asset allocation (%)	Tolerance range (+/-%)
Listed equities	45.0	+/- 3.0%
Private equity	2.5	n/a
Private credit	5.0	n/a
Property/real estate	10.0	+/- 3.0%
Infrastructure	10.0	n/a
Other alternatives[1]	7.5	n/a
Credit[2]	10.0	+/- 3.0%
UK government bonds	10.0	+/- 3.0%
Cash	-	+/- 3.0%
Total	100.0	

[1] Other alternatives are investments that do not fit in any other asset classes and currently comprise multi-asset (5%) and natural capital (2.5%).

[2] Credit comprises credit instruments of investment grade quality, including (but not limited to) corporate bonds and non-UK government bonds.

The tolerance ranges have been set by the Committee following advice from Hymans Robertson LLP and consultation with London CIV regarding their implementation and ongoing monitoring.

Factors taken into account by the Committee in its decision-making process include:

- The materiality of under- and overweight positions
- Any asset transitions that have already been scheduled
- Market views on the relative attractiveness of different asset classes
- Liquidity and transaction costs
- The Committee's confidence in the managers' ability to meet performance targets

The Committee reviews the asset allocation and tolerance ranges at each regular Committee meeting. The review is based on the latest available investment performance reporting provided by the London CIV, supported by more up to date information where available. The Committee expects to be notified by the London CIV if the tolerance range for any asset class should be breached.

Interim position

The Fund is transitioning towards its strategic asset allocation as existing commitments to private equity, private credit, property and infrastructure are drawn and invested. During this period, the actual allocation may fall outside the stated tolerance ranges, resulting principally in temporary overweight positions in listed equities, bonds and cash. These positions will be monitored by the Committee and London CIV against the agreed transition plan.

Local investment

The Committee aims to invest between 0% and 5% of the total value of the Fund's assets in investments that have a quantifiable benefit to the local area in terms of economic growth, social impact and environmental outcomes, where consistent with the Fund's fiduciary duty.

The Fund defines the local area as London and the areas served by London CIV partner authorities.

In identifying local investment opportunities, the Committee will work with London CIV and relevant strategic authorities to consider opportunities that support local economic priorities and deliver measurable benefits to communities within the local area.

The Fund may seek opportunities in a range of local investment opportunities where these are consistent with the Fund's long-term investment strategy and objectives.

The Fund targets returns from local investments that are in line with the rest of the Fund's assets, taking account of the risks involved. The Committee will consider the expected risk and return characteristics of local investments alongside their potential economic, social and environmental benefits. The Fund will seek to ensure that local investments are consistent with its overall investment objectives and long-term funding requirements.

Further detail on the Fund's approach to local investment will be set out in a separate Local Investment Policy.

Expected returns

The Fund may invest in a broad range of asset classes including quoted and unquoted equities, fixed interest and index-linked bonds, credit, property, infrastructure, private equity, natural capital, cash and other alternative investments, primarily through pooled vehicles. The Fund may also make use of derivatives where appropriate for efficient portfolio management, risk management or investment purposes.

The Committee aims to achieve a long-term return materially in excess of 6% per annum (the discount rate set as part of the 2025 actuarial valuation), in order to:

- Sustain a funding level above 100%; and
- Mitigate future volatility in employer contribution rates.

The long-term asset class returns assumed within the asset-liability modelling exercise were as follows. These returns reflect financial conditions as at 31 March 2025.

Asset class	Median expected return[3] over 20 years (% p.a.)
UK equities	8.4%
Global equities	8.6%
Emerging markets equities	8.5%
Property	7.3%
Infrastructure	8.3%
Private debt	8.8%
Diversified growth funds	7.1%

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Multi-asset credit	7.6%
Government gilts	6.1%
Total Fund	8.6%

At 31 March 2025, the expected volatility[4] of the investment strategy was 11.9% p.a. This includes an assumed diversification benefit. In the absence of this diversification, the expected volatility would have been 15.4% p.a.

[3] This indicates that over a 20 year period, there is a 50% chance that the actual annualised return will be higher, and a 50% chance that the actual annualised return will be lower, than the median expected return.
[4] A volatility of 11.9% indicates that over 1 year there is approximately a two-thirds likelihood that the actual return over this period will be within +/- 11.9% of the expected return assessed over the same 1 year period.

2. Statement on diversification

Asset Classes

London CIV may invest on behalf of the Fund in quoted and unquoted securities of UK and overseas markets including equities and fixed interest and index linked bonds, cash, property and commodities either directly or through pooled funds. London CIV may also make use of contracts for differences and other derivatives either directly or in pooled funds investing in these products for the purpose of efficient portfolio management or to hedge specific risks.

The Committee reviews the nature of Fund investments on a regular basis, with particular reference to suitability and diversification. The Committee seeks and considers written advice from a suitably qualified person in undertaking such a review. If, at any time, investment in a security or product not previously known to the Committee is proposed, appropriate advice is sought and considered to ensure its suitability and diversification.

The table below includes the maximum percentage of total Fund value that the Fund aims to invest in each asset class.

Asset class	Target (%)	Maximum invested (%)
Listed equities	45.0	48.0
Private equity	2.5	2.5
Private credit	5.0	5.0
Property/real estate	10.0	13.0
Infrastructure	10.0	10.0
Other alternatives	7.5	7.5
Credit	10.0	13.0
UK government bonds	10.0	13.0
Cash	0.0	3.0
Total	100.0	n/a

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The Fund's assets are invested across a range of asset classes covering both regulated and unregulated markets. The majority of exposure to unregulated markets relates to private market investments, including private equity, private credit, infrastructure and property. These investments are expected to provide diversification benefits and enable the Fund to capture the additional return associated with holding less liquid assets over the long term.

As described above, the Fund is transitioning towards its strategic asset allocation and temporary deviations from the stated tolerance ranges may arise while private market commitments are drawn and invested.

Managers

By law, London CIV must be authorised by the Financial Conduct Authority to undertake regulated investment activities on behalf of the Fund. The Committee expects any investment managers appointed by London CIV to be appropriately authorised and regulated under the Financial Services and Markets Act 2000.

The Committee expects London CIV to appoint investment managers and agree benchmarks and performance objectives with each manager so that, in aggregate, they are consistent with the Fund's investment strategy and strategic asset allocation. The Fund's investment managers will be expected to hold a mix of investments which reflects their views relative to their respective benchmarks. Within each major market and asset class, the managers will be expected to maintain appropriately diversified portfolios, either through direct investments or pooled vehicles, within the mandates delegated to them. Where the Fund invests in index-tracking strategies, the relevant managers are expected to maintain a portfolio of investments that broadly reflects the composition of the relevant benchmark index.

The Committee monitors the performance of London CIV and the underlying investment managers through regular reporting, including quarterly monitoring reports and updates provided to the Committee. The Committee also monitors London CIV's implementation of the Fund's investment strategy and other delegated activities through its governance and oversight arrangements.

Restrictions on investment

In line with legislation, the Fund is prohibited from investing more than 5% of the total value of Fund assets in entities connected with its Administering Authority within the meaning of Section 212 of the Local Government and Public Involvement in Health Act 2007.

3. Risks

The Committee is aware that the Fund has a need to take risk (e.g. investing in growth assets) to help it achieve its funding objectives. It has an active risk management programme in place that aims to help it identify the risks being taken and put in place processes to manage, measure, monitor and (where possible) mitigate the risks being taken. One of the Committee's overarching beliefs is to only take as much investment risk as is necessary.

The Committee assessed the likelihood of achieving its long-term funding objective using asset-liability modelling carried out as part of the 2025 investment strategy review. Based on the Fund's strategic asset allocation, the Committee aims to maintain at least a 70% likelihood of the Fund being fully funded in 20 years' time.

The principal risks affecting the Fund are set out below, together with the Fund's approach to managing these risks and the contingency plans that are in place, as applicable.

A separate schedule of the risks the Fund actively monitors is set out in the Fund's Funding Strategy Statement.

Funding risks

Key funding risks considered include:

- Financial mismatch – The risk that Fund assets fail to grow in line with the developing cost of meeting the liabilities.
- Changing demographics – The risk that longevity improves and other demographic factors change, increasing the cost of Fund benefits.
- Systemic risk – The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting the Fund's liabilities.

The Committee manages financial mismatch in two ways. The strategic benchmark for the Fund was set taking into account asset liability modelling which focused on probability of success and level of downside risk. The results from the 2025 valuation investment strategy review highlighted that the Fund has a greater than 70% probability of being fully funded in 20 years' time. This analysis reflects the current investment strategy and level of agreed contributions and is based on financial conditions as at 31 March 2025. The analysis will be revisited as part of future funding and investment strategy reviews. The Committee assesses risk relative to the benchmark by monitoring asset allocation and investment performance and assesses risk relative to liabilities through ongoing funding monitoring.

The Committee keeps mortality and other demographic assumptions which could influence the cost of benefits under review. These assumptions are considered formally at triennial valuations.

The Committee seeks to mitigate systemic risk through a diversified portfolio. However, the Committee recognises that it is not possible to make specific provisions for all possible eventualities that may arise.

Asset risks

- Market risk – The risk that the market value of the Fund's assets falls.
- Concentration – The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
- Illiquidity – The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.
- Currency risk – The risk that the currency of the Fund's assets underperforms relative to Sterling (i.e. the currency of the liabilities).
- Manager performance risk – The failure by London CIV, or asset managers appointed by London CIV to achieve the rate of investment return assumed in setting their mandate.
- Environmental, social and governance ("ESG") – The risk that ESG related factors reduce the Fund's ability to generate long-term returns.
- Climate change – The extent to which climate change causes a material deterioration in the value of the Fund's assets as a consequence of factors including, but not limited to, transition policy changes and physical impacts.
- Geopolitical risk – The risk of underperformance driven by unexpected changes or events involving political, military or trade factors.

The Fund's strategic asset allocation benchmark targets investment in a diversified range of asset classes. Tolerance ranges set by the Committee aim to ensure the Fund's "actual allocation" does not deviate substantially from its target. The Fund aims its assets to be invested in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help reduce the Fund's asset concentration risk.

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By considering more liquid assets such as quoted equities and bonds, the Committee recognises the need and ensures the Fund's ability to access sufficient level of funds in the short term to pay out benefits.

The Committee assesses the Fund's currency risk as part of its risk analysis processes. The Committee aims to invest in a range of overseas markets in order to provide a diversified approach to currency markets.

The Committee attempts to reduce the risk of underperformance by any single manager by aiming for the Fund's assets to be invested with a range of managers. The Committee also assesses the managers' performance on a regular basis, and will take adequate steps, including requesting managers be replaced in the case of persistent underperformance.

The Committee addresses ESG and climate change-related risks through an investment strategy that takes account of relevant policy developments, data and research.

Other provider risks

- Transition risk – The risk of incurring unexpected costs in relation to the transition of assets among managers. When carrying out significant transitions, the Committee seeks suitable professional advice.
- Custody risk – The risk of losing economic rights to Fund assets, when held in custody or when being traded.
- Credit default – The possibility of default of a counterparty in meeting its obligations.
- Stock-lending – The possibility of default and loss of economic rights to Fund assets.

The Committee monitors and manages risks in these areas through a process of regular scrutiny of its providers, including London CIV, and audit of the operations it conducts for the Fund, or has delegated such monitoring and management of risk to the appointed investment managers as appropriate (e.g. custody risk in relation to pooled funds). The Committee has the power to replace a provider should serious concerns exist.

A separate schedule of risks that the Fund monitors is set out in the Fund's Funding Strategy Statement.

4. Cashflow

The Committee seeks to ensure that the Fund maintains sufficient liquidity and portfolio cashflows to meet benefit payments, investment commitments and other obligations as they fall due.

The Fund aims to maintain an appropriate liquidity buffer, informed by projected benefit payments, contribution income, investment income and expected and potential capital calls.

The Fund keeps London CIV appraised of its liquidity requirements so that London CIV can take these into account when implementing the investment strategy and make the necessary amounts of cash available when required.

5. Responsible investment

The Committee recognises that Environmental, Social and Governance ("ESG") factors can influence long-term investment performance and the ability to achieve long-term sustainable returns. The Committee considers climate change to be a financially material risk which has the potential to impact the Fund's investments over the long term.

The Committee considers the Fund's approach to responsible investment in two key areas:

- **Sustainability** – Ensuring the financial impact of ESG factors on investments is being considered

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- **Stewardship and governance** – Ensuring the London CIV acts as a responsible and active investor and/or asset owner through considered voting of shares and engagement with investee company management and service providers as part of the investment process, and that it is being held to account by the Committee for its actions in these areas

The Committee maintains a Responsible Investment Policy setting out the objective and priorities of the Fund on ESG matters, and how it expects London CIV to incorporate ESG factors in the selection and ongoing management of investments and their respective underlying managers as well as in the Fund's ownership practices. The Policy can be found on the Fund's website at here.

London CIV maintains its own Responsible Investment Policy. London CIV is expected to report on activities in this area as part of the Fund's annual ESG review.

The Committee conducts regular reviews of the Fund's ESG-related policies and the approach taken by London CIV and the underlying investment managers.

Voting

The Committee expects the London CIV to act as an active and responsible investor by commissioning considered voting on behalf of the Fund in its capacity as manager of the Fund's assets. The Committee regularly assesses the voting policies and guidelines issued by the managers with whom the Fund's assets are being invested as well as the voting policy and guidelines issued by the London CIV to ensure that these are in line with the Committee's objectives in ESG matters. The managers and the London CIV are strongly encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies under Regulation 7(2)(f). The Committee monitors the voting decisions made on its behalf on a regular basis.

Engagement

The Fund endorses and endeavours to comply with the principles outlined in the Financial Reporting Council's UK Stewardship Code which seeks to improve the quality of engagement between institutional investors and investee companies. The Committee expects the London CIV and any directly appointed fund managers to be signatories to the Code.

The Fund believes in collective engagement and is a member of the Local Authority Pension Fund Forum (LAPFF), through which it collectively exercises a voice across a range of corporate governance issues.

The Committee supports engagement activity (including engagement activity by London CIV) that seeks to:

- Achieve greater disclosure of information on the ESG-related risks that could affect the value of an investment
- Achieve transparency of an investment's carbon exposure and how such companies are preparing for the transition to a low carbon economy
- Encourage its asset managers to actively participate in collaborative engagements with other investors where this is deemed to be in the best interests of the Fund.

Further details are set out in the Fund's Responsible Investment Policy which can be found here.

Investments made via the London CIV are subject to its Responsible Investment Policy, which is developed in consultation with all of the London CIV's partner funds.

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Appendix – Investment beliefs

Core investment beliefs

Clear and well defined objectives are essential to achieve future success - the Committee is aware that there is a need to generate a sufficient level of return from the Fund's assets, while at the same time having a clear understanding of the potential risks and ensuring there is sufficient liquidity available to pay members' benefits as they fall due.

Strategic asset allocation is a key determinant of risk and return, and thus is typically more important than manager or stock selection - the Committee understands that having the appropriate strategy in place is a key driver of the Fund's future success. As a result, priority is given to more strategic investment matters. The Committee is aware that there is a need to take investment risk in order to generate a sufficient level of return.

Return and risk should be considered relative to the Fund's liabilities, funding position and contribution strategy – the Committee believes that as the funding position of the Fund improves, the level of risk taken by the Fund should reduce as appropriate i.e. only take as much risk as necessary. The Committee believes that there exists a relationship between the level of investment risk taken and the rate of expected investment return. In reducing risk, the Fund's expected return would typically also reduce.

Long term investing provides opportunities for enhancing returns - As a long-term investor it is important that the Fund acts as an asset owner. As a long-term investor, the Fund may choose to gain additional compensation by investing in assets that are illiquid or may be subject to higher levels of volatility (a premium return is required for any such investments).

Equities are expected to generate superior long-term returns - the Committee believes that, over the longer term, equities are expected to outperform other liquid assets, in particular government bonds. However the Committee also recognise that equities can be highly volatile over the short-term.

Diversification reduces the overall volatility of the Fund's asset returns - the Committee believes that diversification across asset classes can help reduce the volatility of the Fund's overall asset value and improve its risk-return characteristics. However, the Committee also recognise that there is scope to over diversify and that any desire to diversify needs to be aligned to the Fund's governance arrangements.

Passive management has a role to play in the Fund's structure - The Committee recognises that passive management allows the Fund to access certain asset classes (e.g. equities) on a low cost basis and when combined with active management can help reduce the relative volatility of the Fund's performance. There is a belief that passive management is most suitable for markets that are deemed as being more efficient such as developed market equities.

Active management can add value but is not guaranteed – the Committee recognises that certain asset classes can only be accessed via active management. The Committee also recognises that active managers may be able to generate higher returns for the Fund (net of fees), or similar returns but at lower volatility, than equivalent passive exposure. There is a belief that active management is most suitable for markets that are deemed as being less efficient e.g. emerging market equities, specialist markets e.g. infrastructure or where views on the relative value of different asset classes are a targeted source of value e.g. DGF mandates.

Private markets can offer opportunities - Private markets can offer opportunities and give higher return due to higher illiquidity premia. However it is recognised that private markets can be more expensive, less transparent (e.g. fees and drivers of return), increase the Fund's governance burden and require ongoing maintenance to achieve target exposure. Such factors must be taken into account when considering such an allocation.

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The choice of benchmark index matters – whilst active managers are expected to take ESG issues in their individual stock selection decisions, it is acknowledged that index-tracking managers will invest in line with the index set out in their mandate. The Committee recognises that, for each asset class, there is a range of benchmark indices that they could use. As a result, the Committee focus on the benchmark's underlying characteristics and consider how they may be appropriate for the Fund.

Rebalancing policies are important – the Committee recognises that rebalancing the Fund's assets towards the strategic asset allocation is important in achieving the Fund's longer term objectives, in particular following a period of strong or weak market performance.

Fees and transaction costs matter - The Committee considers the fees and costs of its investment arrangements to ensure the Fund is getting value for money and to minimise, as far as possible, any cost leakages from its investment process. It also does not seek to move in and out of investments regularly due to the cost drag. The Committee also seek to have transparency on the fees that it is paying to its providers.

Governance "budget" matters – The Committee recognises that the resources (and time) involved in deciding upon (and implementing) an investment strategy and structure play a part in any investment decisions made. A low governance approach to accessing markets is likely to be preferred if it can offer similar risk adjusted returns to alternative approaches.

The London CIV is the Fund's preferred approach to implementation – the Committee recognises the potential benefits of LGPS pooling. The preferred route is to implement their investment strategy via the London CIV, subject to carrying out suitable due diligence on the London CIV's investment offering.

ESG-specific beliefs

Environmental, social and corporate governance ('ESG') issues can have a material impact on the long term performance of its investments - the Committee recognises that ESG issues can impact the Fund's returns. The Committee commits to an ongoing development of its ESG policy to ensure it reflects latest industry developments and regulations and ESG is integrated into strategic considerations.

Climate change and the expected transition to a low carbon economy is a long term financial risk to Fund outcomes - the Committee recognises that environmental issues can impact the Fund's returns. The Committee aims to be aware of, and monitor, financially material environmental-related risks and issues through the Fund's investment managers and advisers.

Ongoing engagement is preferable to divestment – The Committee believes that, in relation to ESG risks, ongoing engagement with investee companies is preferable to divestment. This engagement may be via our managers or alongside other investors (e.g. LAPFF). Where, over a considered period however, there is no evidence of a company making visible progress towards carbon reduction, we believe that divestment should be actively considered.

We must act as responsible owners – As asset owners in the 21st century, we believe it is our responsibility to support the transition to a low carbon global economy, consistent with the aims of the Paris 2016 Climate Change agreement to limit temperature increases by 2050 to a maximum of 2°C.

It is important for the Committee to integrate ESG issues when identifying investment opportunities – we will consider opportunities to make investments with a positive social or environmental impact subject to the risk and return characteristics being acceptable. Investments expected to have a "positive impact" can be considered if they are consistent with the overall objectives of the Fund's investment strategy.

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The Fund's investment managers should embed the consideration of ESG factors into their investment process and decision-making – Investment managers are responsible for implementing the Fund's strategy. In this role, the managers should reflect the Fund's desire for achieving long-term sustainable returns and improve corporate behaviour.

We will generally avoid investing in the most harmful companies and sectors – we believe we have a duty to consider the wider environmental and social impacts of investments. We believe that we should generally avoid investing in the most harmful companies and sectors.

Disclosure is important – we will encourage companies and investment managers to improve disclosure of their activity in relation to ESG issues. This will be addressed directly with managers, through involvement in the London CIV and also through membership of the LAPFF. We will also disclose the actions we are taking, including publishing this policy and incorporating our RI policies and approach into the way that we engage and communicate with members.

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Brent	**Brent Pension Fund Sub-Committee** 7 October 2026
	Report from the Corporate Director, Finance and Resources

Appointment of an Independent Person and LGPS Senior Officer for the Brent Pension Fund

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	None
Background Papers:	None
Contact Officer(s):	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk

1.0 Executive Summary

1.1 The purpose of this report is to outline the proposals to appoint an independent person to support the discharge of the Council's pensions functions in accordance with Regulation 53A of the LGPS Regulations 2013 and the relevant statutory guidance, and to provide an update on the requirement to appoint a LGPS Senior Officer.

2.0 Recommendation(s)

2.1 The Committee is asked to:

- Note the requirement under Regulation 53A of the Local Government Pension Scheme Regulations 2013 for administering authorities to appoint an Independent Person.

- To delegate authority to the Corporate Director, Finance and Resources, following consultation with the Chair of the Pension Fund Sub-Committee, to undertake the recruitment and selection process and appoint an Independent Person, in accordance with regulation 53A.

- To note the requirement under Regulation 53A of the Local Government Pension Scheme Regulations 2013 for the Council, as administering authority, to appoint an LGPS Senior Officer and that the appointment will be made in accordance with the Council's standing orders relating to staff and other constitutional and officer appointment arrangements.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.1.1 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background

4.1 At the last meeting, the committee received an update on the Government's Fit for the Future reforms to the Local Government Pension Scheme (LGPS), following the laying of final regulations before Parliament on 21 May 2026, which came into force on 30 June 2026. Accompanying guidance on pooling, the investment strategy statement, and fund governance was published before the end of June.

4.2 Regulation 53A of the LGPS Regulations 2013 requires every administering authority to appoint an independent person to support the Pension Fund Sub-committee and LGPS senior officer by providing independent professional expertise and challenge across the Fund's investment, governance and administration functions.

The Role

4.3 The role covers all functions of the Pension Fund Sub-committee, including decisions on investment strategy, governance, administration and the role of the administering authority as a shareholder or client with its asset pool company.

4.4 The Independent Person's duties include but are not limited to:

- supporting and contributing to the development of all strategies for which the Pension Fund Sub-committee is responsible.

- scrutinising any advice given to the committee, whether from the pool or any other organisation or individual.

- monitoring and assessing performance against targets set in LGPS strategies, including administrative performance and the pool's implementation of the investment strategy, and helping monitor whether the collective pool oversight process is meeting the requirements of the administering authority.

- reviewing the committee's governance arrangements, including any action plans arising from Independent Governance Reviews.

- support the Committee's oversight of the Fund's risk management framework and provide challenge on the identification, management and reporting of key risks.

- provide independent support and advice to the LGPS Senior Officer and wider pensions team where functions have been delegated by the administering authority.

- contributing in any other way appropriate to the authority's LGPS functions

4.5 The Independent Person complements, and does not replace, the responsibilities of the Pension Fund Sub-Committee, Pension Board, Senior LGPS Officer or other governance functions.

4.6 In line with the statutory guidance, the Independent Person is expected to have one or more of the following qualifications or experience:

- Qualification from Pensions Management Institute (PMI) – the award in pension trusteeship, diploma in professional trusteeship, certificate in professional trusteeship, accreditation for professional trustees.

- Member of, and accredited by, the Association of Professional Pension Trustees (APPT).

- Significant experience of pensions.

4.7 The successful candidate will be appointed for an initial term of three years with the appointment reviewed after 1 year. To comply with Regulation 53A, the Fund is required to appoint an Independent Person by 31 December 2026. Officers propose to commence recruitment imminently and to ensure that an appointment is made within the required timescales, it is recommended to delegate authority to the Corporate Director, Finance and Resources, following consultation with the Chair of the Pension Fund Sub-Committee to appoint an Independent Person.

4.8 Failure to appoint an independent person by 31 December 2026 would constitute a breach of the LGPS Regulations 2013. These proposals are intended to mitigate governance and regulatory risks.

Senior LGPS Officer

4.9 Regulation 53A also requires the Council, as administering authority, to appoint a LGPS Senior Officer with senior responsibility across all pension functions of the authority. The appointment must be made by 31 December 2026.

4.10 The appointment of the Senior LGPS Officer is not a matter for determination by the Pension Fund Sub-Committee and will be progressed separately through the Council's appropriate constitutional and officer appointment arrangements. The approach to the appointment will be determined following consultation with the relevant officers to ensure that the arrangements reflect the requirements of the regulations and statutory guidance.

5.0 Stakeholder and ward member consultation and engagement

5.1 Not applicable.

6.0 Financial Considerations

6.1 The appointment of an Independent Person and LGPS Senior Officer are new statutory requirement arising from the Government's Fit for the Future reforms.

6.2 All costs associated with the appointments will be met from the Pension Fund. For the Independent Person, remuneration will be set contractually and be proportionate to the responsibilities and experience of the successful candidate.

7.0 Legal Considerations

7.1 As explained in the report, the Council has a statutory duty to appoint an Independent Person and LGPS Senior Officer in accordance with LGPS Regulations and statutory guidance by 31 December 2026.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

8.1 Not applicable.

9.0 Climate Change and Environmental Considerations

9.1 Not applicable.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 Not applicable.

11.0 Communication Considerations

11.1 Not applicable.

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

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Brent	**Brent Pension Fund Sub-Committee** 7 October 2026
	Report from the Corporate Director of Finance and Resources

Training Update - Members' Learning and Development

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	Four: Appendix 1: Training Strategy Appendix 2: LGPS Online Learning Academy 3.0 What's New Appendix 3: LGPS Online Learning Academy How to user guide v3.1 Appendix 4: LGPS Online Learning Academy Learning Schedule
Background Papers:	None
Contact Officers:	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk Manish Shah, Senior Finance Analyst 020 8937 1444 manish.shah@brent.gov.uk

1.0 Executive Summary

1.1 The purpose of this report is to inform members of the committee and provide an update on the provision of the LGPS online learning facility.

2.0 Recommendation(s)

2.1 The Pension Fund Sub-Committee is recommended to note the report and continue the learning programme as outlined in the training timetable.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background

4.0 Following the November 2024 "Fit for the Future" consultation, the Ministry of Housing, Communities and Local Government (MHCLG) issued final statutory guidance on LGPS Fund Governance on 29 June 2026. This guidance requires administering authorities to formalise and strengthen training, ensuring Committee and Board members maintain an appropriate level of individually assessed knowledge.

4.1 Preparing and maintaining a Training Strategy (Appendix 1) is now a formal requirement under Regulation 55A of the Local Government Pension Scheme Regulations.

4.2 The regulations state that committee and board members must:

- be conversant with the rules of the Scheme, and
- be conversant with any document recording policy relating to the administration of the Scheme which is for the time being adopted in relation to the Scheme;
- have knowledge and understanding of the law relating to pensions.

4.3 At the last meeting, the Committee approved an updated Training Strategy establishes a comprehensive framework to support these requirements.

4.4 Members of the Pension Fund Sub-Committee and Pension Board are required to acquire and maintain the appropriate level of expertise, knowledge and skills in the core areas, following the Fund’s Training Strategy, in order to remain members of the Pension Fund Sub-committee and Pension Board.

Training Needs Assessment

4.5 In accordance with the Fund's Training Strategy, all members of the Pension Sub-committee and Local Pension Board are required to develop and maintain their knowledge and understanding in nine core areas:

- pensions legislation and guidance

- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications
- pensions financial strategy, management, accounting, reporting and audit standards
- investment objectives, strategic asset allocation, pooling, and pooling performance management
- risk management
- pension services procurement, contract management and relationship management
- key skills and behaviours

4.6 To meet these requirements all members are required complete an annual Training Needs Assessment. The assessment is designed to evaluate members' current knowledge and understanding across the key areas and consists of a self-assessment questionnaire.

4.7 The assessment enables the Fund to identify the key areas and gaps in which training is required and to develop a training programme that supports members in carrying out their respective roles and responsibilities effectively. The results will be used to inform the Fund's implementation of its training strategy and, together with the current priorities for the Fund, are used to ensure that training resources are focused on areas where further development is required.

4.8 Members have been asked to complete the 2026 assessment by 11 October 2026.

LGPS Online Learning Academy (LOLA)

4.9 To support committee and board member in acquiring knowledge and skills, the Fund has subscribed to the LGPS Online Learning Academy (LOLA) which is a service launched by our actuaries, Hymans Robertson. This is an online platform designed to support the training needs of Pension Fund Sub-committee, Board and other responsible officers in the Council.

4.10 The course includes several training modules outlining the specific training areas each committee member needs to complete and covers all the key areas to successfully manage the running of the Fund (Appendix 2), including:

- Introduction to the LGPS and national level stakeholders
- Pension legislation and guidance
- Governance & Regulators and the role of Pension Committee and members
- LGPS administration, including policies and procedures, accounting and audit
- LGPS valuations, funding strategy and LGPS employers
- Investment Strategy, pooling, responsible investment, and performance monitoring
- Risk Management

4.11 All current Pension Sub-Committee members are enrolled on the portal.

A user guide on how to access the LOLA portal (Appendix 3) is attached. To access the site, you simply type in your email address into the following link: https://aspire.hymanslearning.co.uk/learn

4.12 As well as delivering training support, The LOLA platform tracks user progress and maintains activity records alongside providing training support. The Fund requires that completion of modules should be accomplished at the pace of one module per calendar month beginning October 2026, in line with the schedule in Appendix 4. It is expected that all members will continue progressing through the learning programme to ensure alignment with the Fund's governance and training strategy.

4.13 Officers will bring a record of training undertaken on the platform by members of the committee and board to each meeting.

5.0 Stakeholder and ward member consultation and engagement

5.1 This is not applicable for this report.

6.0 Financial Considerations

6.1 All direct costs and associated reasonable expenses will be met by the Fund.

7.0 Legal Considerations

7.1 There are no legal considerations arising directly from this report.

8.0 Equity, Diversity & Inclusion (EDI) Considerations

8.1 There are none arising directly from this report.

9.0 Climate Change and Environmental Considerations

9.1 There are none arising directly from this report.

10.0 Human Resources/Property Considerations (if appropriate)

10.1 There are none arising directly from this report.

11.0 Communication Considerations

11.1 There are none arising directly from this report.

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources

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Brent pension fund

Brent Pension Fund

Training Strategy

July 2026

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Introduction

This document sets out the training strategy of the Brent Pension Fund (the "Fund"). It is intended to support Members of the Pension Committee, the Pension Board and Officers in developing and maintaining the knowledge and understanding required to fulfil their respective roles.

Effective governance and decision-making relies on those involved having an appropriate level of knowledge and skills, enabling them to properly exercise their responsibilities and to challenge advice where appropriate.

This Strategy has been prepared in accordance with the Local Government Pension Scheme Regulations 2013 (as amended), including the requirement for administering authorities to maintain a training strategy, together with the statutory guidance on LGPS fund governance, and the CIPFA Code of Practice on LGPS Knowledge and Skills (2021).

Scope

This Strategy applies to all individuals ('relevant persons') with responsibilities relating to the Fund, including:

- Pension Sub-committee members
- Pension Board members
- The Independent Person/adviser
- The Senior LGPS Officer
- Officers with delegated authority for pension functions
- Other officers involved in the management and administration of the Fund

Objectives

The Funds' objectives relating to knowledge and understanding are to:

- Ensure the Fund is appropriately managed and those individuals responsible for its management and administration have the appropriate knowledge and expertise;
- Ensures that there is the appropriate level of internal challenge and scrutiny on decisions and performance of the Fund
- Ensure the effective governance and administration of the Fund; and

- Provide clear, structured and accessible learning that equips individuals with the competence required to make informed and effective decisions.

Knowledge and skills requirements

To achieve these objectives, the Fund adopts and will aim for full compliance with the CIPFA Knowledge and Skills Framework (KSF). Attention will also be given to any guidance issued by the Scheme Advisory board (SAB), the Pensions Regulator and the Secretary of State.

Statutory guidance on Fund Governance and CIPFA Knowledge and Skills Framework

The statutory guidance, introduced in 2026 and the CIPFA framework, that was introduced in 2010 and updated in 2021, covers nine core technical areas where appropriate knowledge and skills should be achieved and maintained they are:

- **pensions legislation and guidance -** A knowledge of the framework of legislation and guidance and the way in which it affects the management and operational aspects of the Local Government Pension Scheme.
- **pensions governance -** Understanding the requirements of the current and evolving governance framework for the LGPS as well as wider pensions industry frameworks that apply and impact the governance of the LGPS.
- **funding strategy and actuarial methods -** To understand the work of the Actuary and the way in which actuarial information impacts both the finances of the Scheme and the Scheme Employers.
- **pensions administration and communications -** To understand the complex nature of administering scheme benefits and contributions and the industry wide requirements of disclosure and data quality, to ensure decisions made are in compliance with the regulations.
- **pensions financial strategy, management, accounting, reporting and audit standards -** To understand the way LGPS pension funds are resourced, budgeted, and accounted for and the role internal and external auditors play in assuring the administering authority complies with statutory requirements.
- **investment objectives, strategic asset allocation, pooling, and pooling performance management -** To gain an understanding of investment risks (including emerging risks), asset allocation and its impact on investment performance, investment pooling arrangements.

- **risk management -** developing the strategies, processes, and reporting procedures necessary to identify, evaluate, monitor, and manage risks.
- **pension services procurement, contract management and relationship management -** An understanding of procurement requirements, including the availability of LGPS specific frameworks, to enable the appointment of third-party providers that facilitate efficient and effective pensions operations.
- **key skills and behaviours -** developing the necessary skills and behaviours, including the ability to influence, challenge and contribute to support effective governance and decision-making

Under each of the above heading the Knowledge and Skills Framework sets the skills and knowledge required by those individuals responsible for Fund's financial management and decision making.

Approach

The Fund seeks to provide a structured but flexible approach to training, recognising that individuals will have different levels of experience and may have different learning needs.

Induction training

New Members of the Pension Committee and Pension Board will receive induction training cover the role of the Fund, Pension Board and understand the duties and obligations Brent Council as the Administering Authority, including funding and investment matters. This will normally be delivered within three months of appointment or before attendance at their first meeting, whichever is sooner, ensuring that individuals are able to engage effectively from the outset of their role.

Individual Training Needs

The individuals to whom this policy applies will be required to complete an annual knowledge and skills evaluation which will identify the key areas and gaps in which training is required. Training on the identified areas will be provided as necessary alongside training in relation to new relevant areas not previously considered. The degree of knowledge and skills required should be appropriate to enable individuals to carry out their roles, responsibilities and duties.

Degree of knowledge and understanding required

In developing the annual training plan, consideration will be given as to the level of knowledge needed for each group of individuals. For example, Committee and Board members may require only an 'awareness' or 'general understanding' of some of the

areas, whereas Senior Officers/Managers may require 'detailed' or 'expert' knowledge of the same topic.

All relevant persons must:

1. be conversant with:
    a. the rules of the LGPS, and
    b. any document recording policy about the funding, investment, administration, communications, or governance which is for the time being adopted in relation to the scheme.
2. have a knowledge and understanding of the law relating to pensions such other matters as may be prescribed in legislation and guidance.

The level of knowledge required for each individual will be in line with the CIPFA Framework:

For committee and board members:

- an awareness, ie recognition that the subject matter exists
- a general understanding, ie understanding the basics in relation to the subject matter
- a strong understanding, ie a good level of knowledge in relation to the subject matter (but not necessary at a detailed level).

For senior officers/managers:

- a strong understanding, ie a good level of knowledge in relation to the subject matter (but not necessary at a detailed level)
- a detailed level of knowledge in relation to the subject matter
- an expert level of knowledge in relation to the subject matter

The Pensions Regulator's E-learning toolkit

The Pensions Regulator has developed an online toolkit to help those running public service schemes understand the governance and administration requirements set out in its general code of practice The toolkit covers 7 short modules, which are:

- Conflicts of Interests;
- Managing Risk and Internal Controls;
- Maintaining Accurate Member Data;
- Maintaining Member Contributions;

- Providing Information to Members and Others;
- Resolving Internal Disputes;
- Reporting Breaches of the Law.

The modules of the Regulator's toolkit are generic, having to cater for all public service pension schemes, therefore they do not cater for the specific requirements of the LGPS such as Scheme regulations, the Fund's specific policies and the more general pension's legislation. Therefore, this toolkit is used as part of the Fund's wider training plan.

Members must complete all modules of the toolkit within 2 months of appointment.

Ongoing Training

Ongoing training will be provided throughout the year and will, where possible, be aligned with the Fund's business plan and upcoming decision-making requirements. This may include training sessions linked to specific agenda items, as well as more general sessions covering key aspects of funding, investment, governance and administration. In general, joint training activities for both pension committee and board members is preferred.

A range of delivery methods will be used to support learning including but not restricted to:

- In-house training provided by Officers or external trainers;
- Training as part of a formal meeting;
- External training events (such as those run by the Local Government Association or advisors);
- Circulation of reading material such as LGA bulletins and Scheme Advisory Board updates;
- Shared training with other Funds or investment pool (London CIV);
- The Pension Regulator's e-learning toolkit;
- Hymans Robertson LGPS Online Learning Academy (LOLA) E-learning Portal;
- Attending seminars and conferences such as those organised by the LGA, CIPFA, Local Authority Pension Fund Forum, Pensions UK etc.;
- Regular updates from officers and/or advisers.

Members are also encouraged to supplement formal training by reviewing papers, guidance and industry updates as part of their ongoing development.

Flexibility

When considering training for members of the Pension Fund Sub-committee and Pension Board it is recognised that individuals may have different learning styles. The Fund will seek, where possible, to ensure flexibility in the manner in which training is provided to support these different learning styles.

Maintaining knowledge

In addition to undertaking ongoing training to achieve the requirements of the CIPFA knowledge and skills framework Pension Committee and Pension Board members are expected to maintain their knowledge and understanding of topical issues through attendance at internal/external events and seminars where appropriate. We recommend that members sign up to the various industry communications such as those produced by the SAB, LGA, CIPFA and the Fund Actuary.

Substitute Members

Substitute members of the Committee should have sufficient knowledge and skills to fulfil the role effectively and be provided with access to training as required.

Risk Management

The effective delivery of this Training Strategy may be affected by:

- Frequent changes in membership of the Committee or Board reducing knowledge and understanding
- Poor individual attendance / a lack of engagement at training
- Resources not being available
- Poor standards of training
- Substitute members not having the same level of knowledge and skills
- Inappropriate training plans

These risks will be monitored within the scope of the training strategy to be reported to the Senior LGPS Officer or s.151 officer where appropriate. Where engagement with training is limited, this will be raised with the individual concerned and, where appropriate, with the relevant Chair. Further action may be taken where appropriate.

Reporting and Compliance

The Fund is required by regulation to monitor and report on the training of Officers and Committee and Board members. The Fund will:

- Maintain individual training records;
- Record total training hours, knowledge areas covered and meeting attendance;
- Report training activity regularly to the Committee and Board;
- Publish training records in the Fund's annual report;
- Take action where poor attendance is identified.

Members **must** notify officers of any training they have completed independently so that the training log can be kept up to date; for online training courses, copies of training logs should be downloaded and sent to officers as evidence of completed training.

Budget and costs

A training budget will be agreed and costs fully scoped.

All direct costs and associated reasonable expenses for attendance of external courses and conferences will be met by the fund, provided that the Scheme Manager's prior approval is sought before incurring any such expenses (other than routine costs associated with travelling to and from Pensions Board/Committee meetings) and appropriate receipts are sent to the Scheme Manager evidencing the expenses being claimed for.

Effective date

This strategy comes into effect from 09 July 2026.

Review

This strategy will be reviewed every 3 years, and if necessary, more frequently to ensure it remains accurate and relevant.

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LOLA 3.0: What's new?

Exploring the differences between the current and forthcoming versions

April 2026

Michael Burton & Claire McDines

For and on behalf of Hymans Robertson LLP



Contents

LOLA 3.0: What's new?	Page
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What is covered?	4
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What is LOLA?

The LGPS Online Learning Academy, or LOLA, is an online platform designed to support funds provide training to Pension Committee and Local Pension Board members both when they take up their role and an ongoing basis.

As it stands, LOLA provides a video on-demand service. This allows learners to engage with the material at a time which suits them. It can be used for both individual or group learning, so learners can be asked to go through the material in their own time, or officers can take a group through a module – for example, just before the start of a formal meeting.

Interaction with the system is recorded, with monthly reports sent to officers demonstrating how learners have progressed with their training. This allows funds to maintain individual training records for their Board and Committee members, providing evidence that training is being provided and helping to inform learning plans for the future.

The LOLA platform is made up of several parts. The first is the core learning material. This is aligned with the guidance produced by the Chartered Institute Public Finance and Accountancy (CIPFA) and takes into account guidance produced by other relevant bodies, such as The Pensions Regulator (TPR). Additionally, LOLA includes videos on current issues, a series of short videos discussing emerging challenges and opportunities, and LOLA Live, training sessions exclusively available to LOLA licence holders.

Why change?

Since the current version of LOLA was launched, we have been regularly considering feedback from users and seeking to make improvements to the platform. As mandatory knowledge and understanding requirements are set to take effect following the Pension Schemes Act 2026, we want to ensure LOLA is as engaging as possible to encourage participation in training. Instead of purely providing video content for the core material, we are using various formats to present information to better support a wider range of learning styles.

As part of the wider changes to the LGPS in England and Wales, new training requirements have been introduced. For Scottish funds, these are considered best practice. New guidance is also being produced by the Scheme Advisory Board, which is structured differently to the CIPFA guidance we therefore think it is important to reflect this in a revised version of LOLA.

Below, you will find details on the changes we have made.

What has changed?

New module	What is covered?	How is this different?
Introduction	• An introduction to the learning plan • What is the LGPS • National level stakeholders	Broadly similar
Pension legislation and guidance	• General pensions framework • Key legislation • Sources and value of guidance • Mandatory polices	• This module no longer covers the role of the pension committee and board, now part of the pension governance module • Provides information about guidance supporting legislation • Detail about mandatory policies included
Pension governance	• LGPS governance structure • Role of Pension Committee and the Local Pension Board • Role of the LGPS Senior Officer • Knowledge and understanding requirements	• Material on pension legislation now covered by module 1 • Details of changes introduced by the Government for the English & Welsh funds – eg LGPS Senior Officer

	• Conflicts of interest • The internal dispute resolution procedure • TPR, the General Code of Practice and breaches of law • The role of the Responsible Authority and GAD • Business planning • McCloud	• Increased detail on General Code of Practice • Increased detail on TPR • Discussion of impact of McCloud • This module no longer covers risk management, now covered by the risk management module.
Funding strategy and actuarial methods	• Introduction to the funding strategy and the role of the actuary • Risks affecting the valuation • Financial Strategy Statement • Types of participating employer • Employers joining and leaving the fund • Actuarial valuation process • Technical aspects of the actuarial valuation ○ Assumptions ○ Cash flows	This module is broadly similar in content but has been updated to reflect current trends, for example funds tend to be in a surplus position rather than a deficit.

	○ Investment returns	
Pension administration and communications	• Role of the administrator • Benefits offered by the LGPS • Member data • The member journey – joining, contributing, leaving, retiring and death • Pension transfers • Pension tax • Administration policies and procedures	Increased detail on data requirements and data protection Introduction of the member journey including more technical detail on each stage.
Pension financial strategy, management, accounting, reporting and audit standards	• Annual report and accounts • Requirement for financial controls • Financial disclosures • Knowledge and understanding disclosure requirements	This module is broadly similar but has been updated to reflect the additional information to be included in the annual report and accounts.
Investment objectives, strategic asset allocation, pooling and pooling performance management	• Introduction to investment strategy • Investment pooling	• Updates on roles and responsibilities regarding pools, including requirement to pool all assets

	○ Background ○ Roles and responsibilities • Responsible investment • Performance monitoring • Risk v return • Investment structures and characteristics • MiFID II	• Updated to reflect the changed numbers of pools • Increased detail on Myners' principles • Increased detail on MiFID II • Increased detail on asset type characteristics
Risk management	• Risk management policy • Types and causes of risk • Risk management process • Recording risk • Outsourcing	This is a new module which consolidates the core risk management material from other modules in LOLA 2.0. It contains increased detail on outsourcing
Pension services procurement, contract management and relationship management	• The procurement cycle • Relevant legislation	• Contains additional information on the LGPS frameworks

- The LGPS National Framework
- Procurement risk

What next?

As part of the transition to the new version of LOLA, we will not carry forward learning records for users unless this has been specifically requested. Information about use of the current version of LOLA will be available upon request.

If, based on the information about the changes we have provided, you would like individual member records to reflect they have completed one or more modules please let us know. However, whilst we appreciate people who have recently completed a module in the current version of LOLA may prefer not to repeat it, we do recommend all users complete the core learning plan.

Hymans Robertson LLP (HR) has relied upon or used third parties and may use internally generated estimates for the provision of data quoted, or used, in the preparation of this report. Whilst reasonable efforts have been made to ensure the accuracy of such estimates or data, these estimates are not guaranteed, and HR is not liable for any loss arising from their use.

This report does not constitute legal or tax advice. Hymans Robertson LLP (HR) is not qualified to provide such advice, which should be sought independently.

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LGPS Online Learning Academy

How to Guide

Hymans Robertson LLP® is a limited liability partnership registered in England and Wales with registered number OC310282. Authorised and regulated by the Financial Conduct Authority and licensed by the Institute and Faculty of Actuaries for a range of investment business activities.

Introduction

The aim of this guide is to help you navigate your way through your learning plan, it covers:

- How to sign on
- Menu options
- Home Page
- Courses and Learning Plan
- Changing a password
- Resetting a user's end of knowledge check
- Mobile App
- How to get help

Signing in

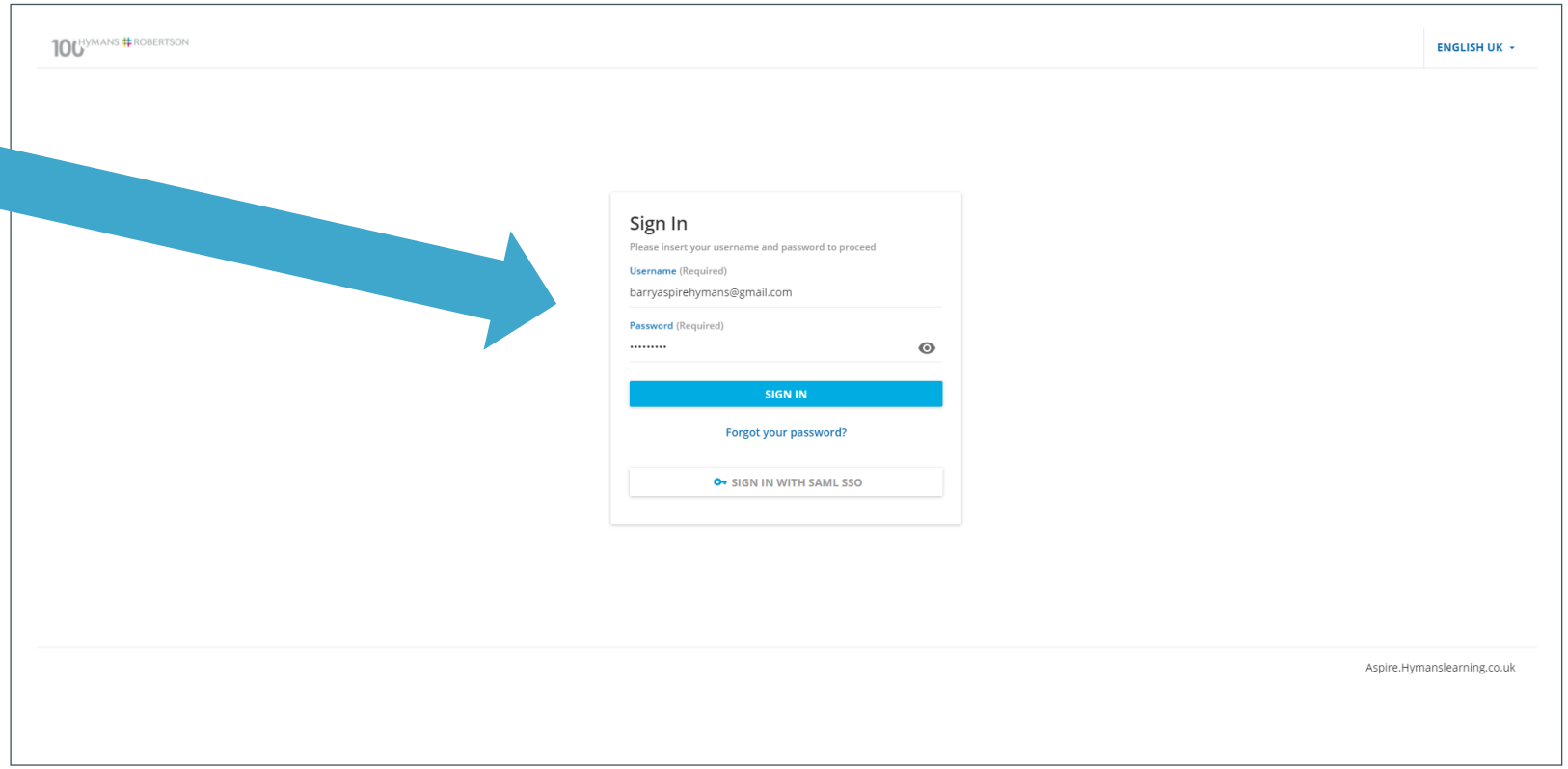
Website

https://aspire.hymanslearning.co.uk

Please note this may need to be listed by your IT department as a “safe site” to allow access.
Please use Google Chrome or Microsoft Edge as your internet browser.

Type in your username and password and select “sign in”

Username (your email address) and password will be provided to you by email.



The log in timeout is 1 hour.

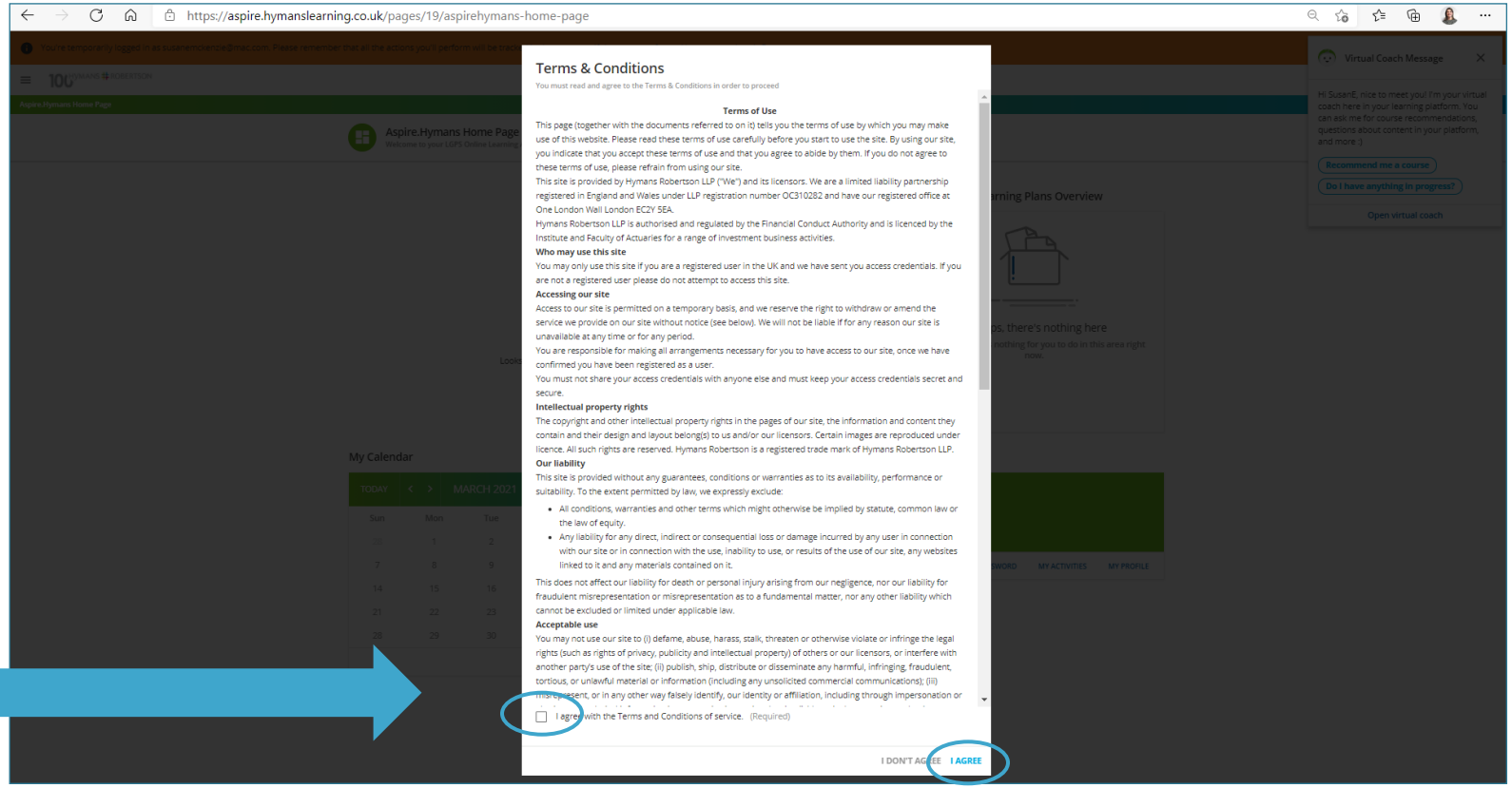
This means if you are logged on but not actively working you will need to log back on with username and password after 1 hour.

Signing in

Accepting Terms and Conditions

On your first visit to the learning academy, you will be asked to accept the Terms and Conditions

Tick the box and then click on “I Agree” to accept Terms and Conditions to start your learning.



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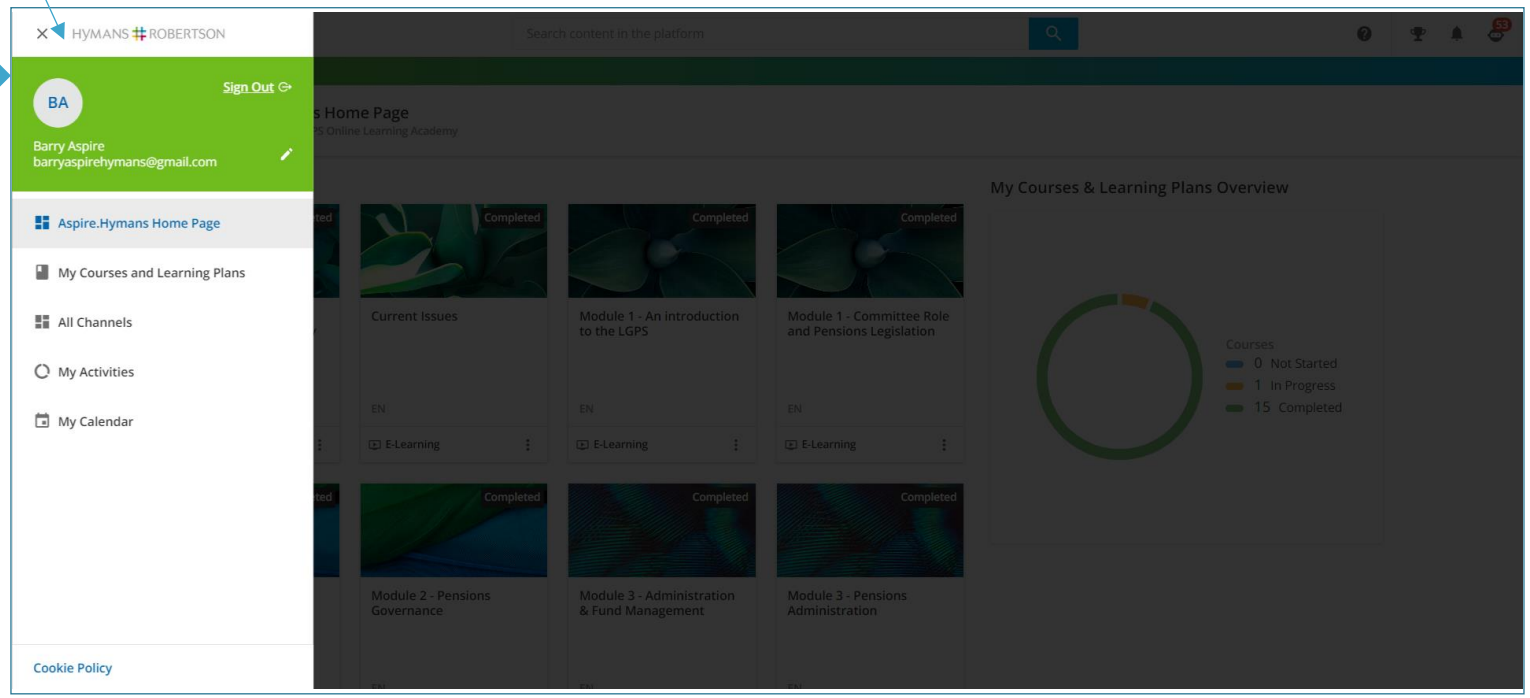
Menu Options

Click here



From the user menu, you can access:

1. Home Page
2. My Courses and Learning Plan – this shows the learning plan and associated courses you are enrolled in (see slide 7)
3. My activities
4. My calendar

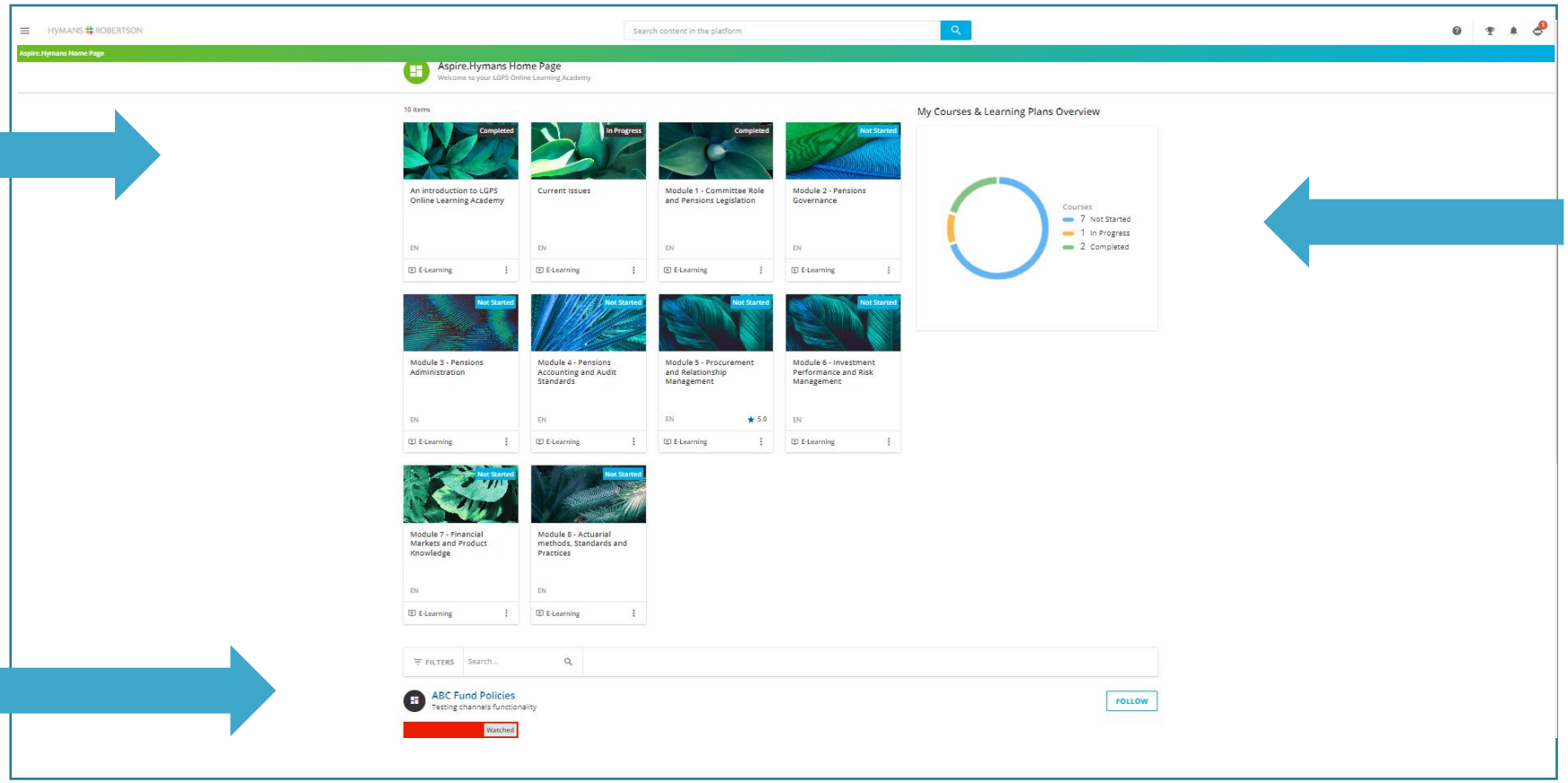


Home Page

This is the first page you will see when you have signed in. This is the “Home Page”

Access your learning modules

Access your Fund Policies – please note these are uploaded at the Fund’s discretion



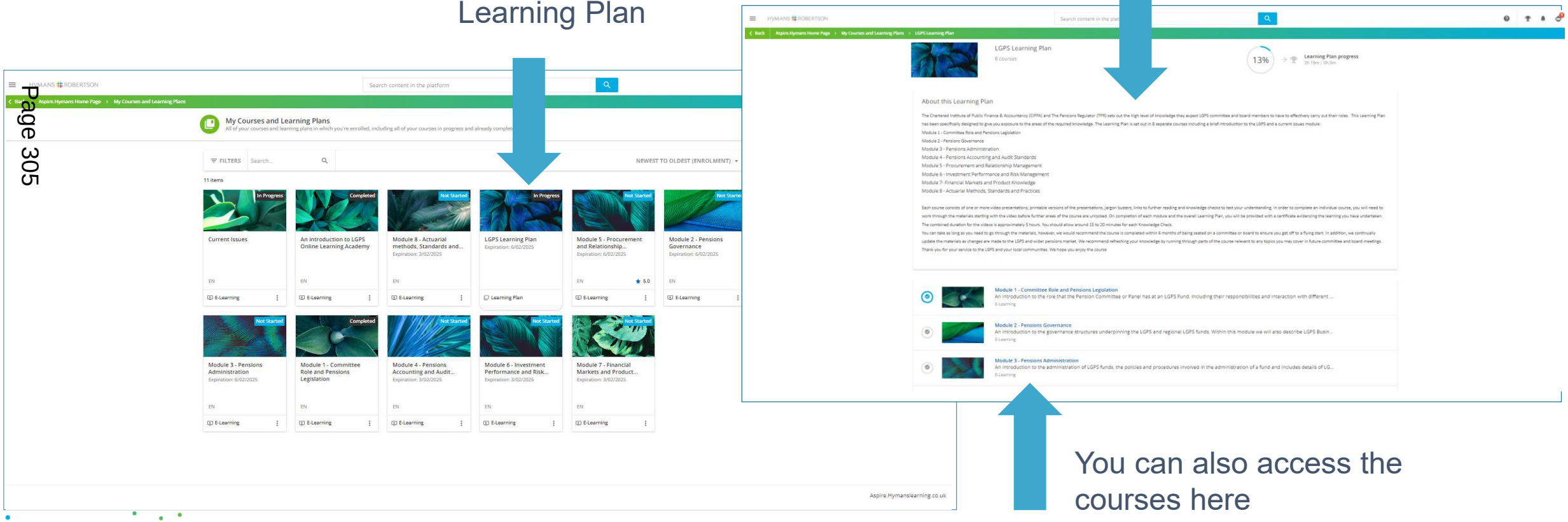
Track your progress at a glance

My Courses and Learning Plan

From the Menu Options (see slide 5) you can click on “My Courses and Learning Plan”

Click on the Learning Plan

You can view the Learning Plan Summary and what to expect in the course content

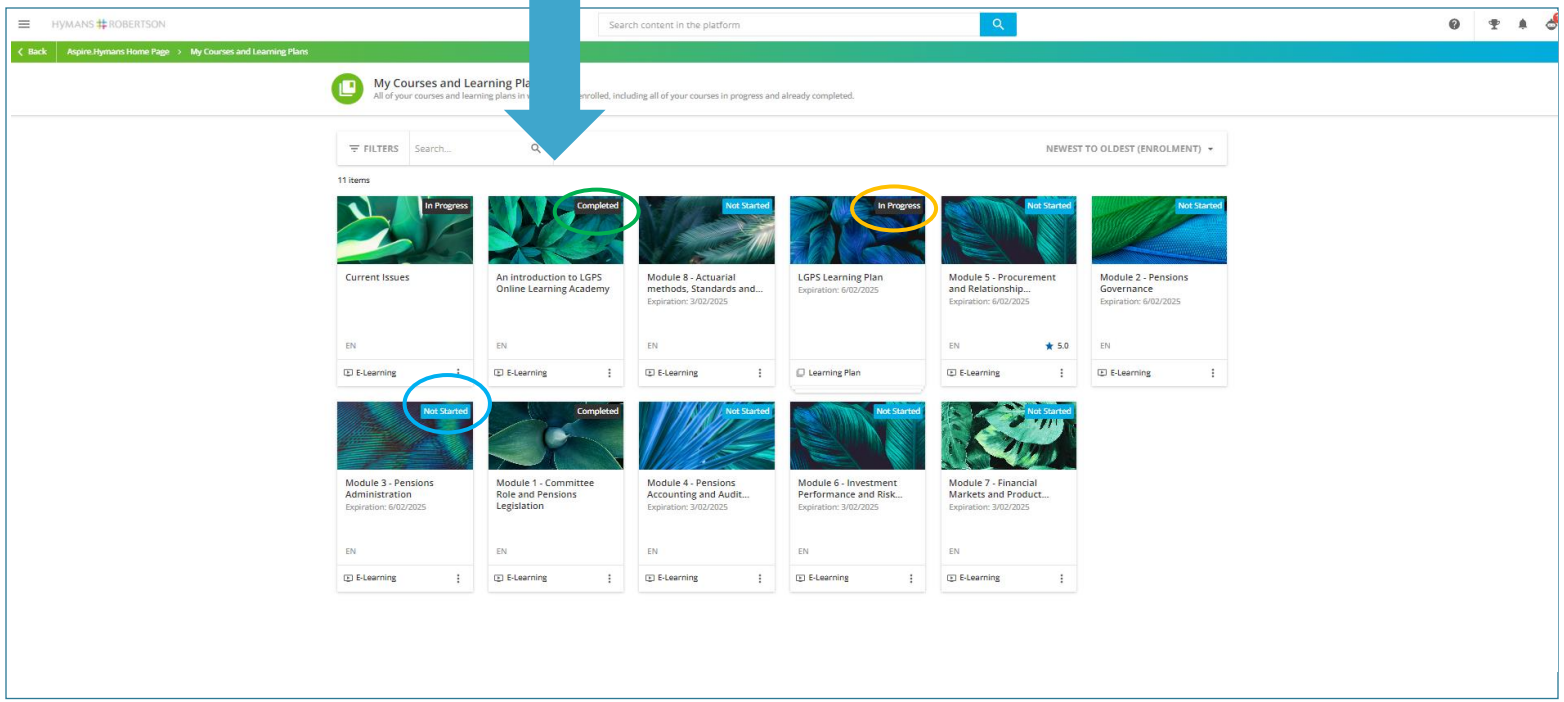


You can also access the courses here

My Courses and Learning Plan

Click on Introduction to LGPS Learning Academy to begin your learning

View your learning plan and associated modules you are enrolled in



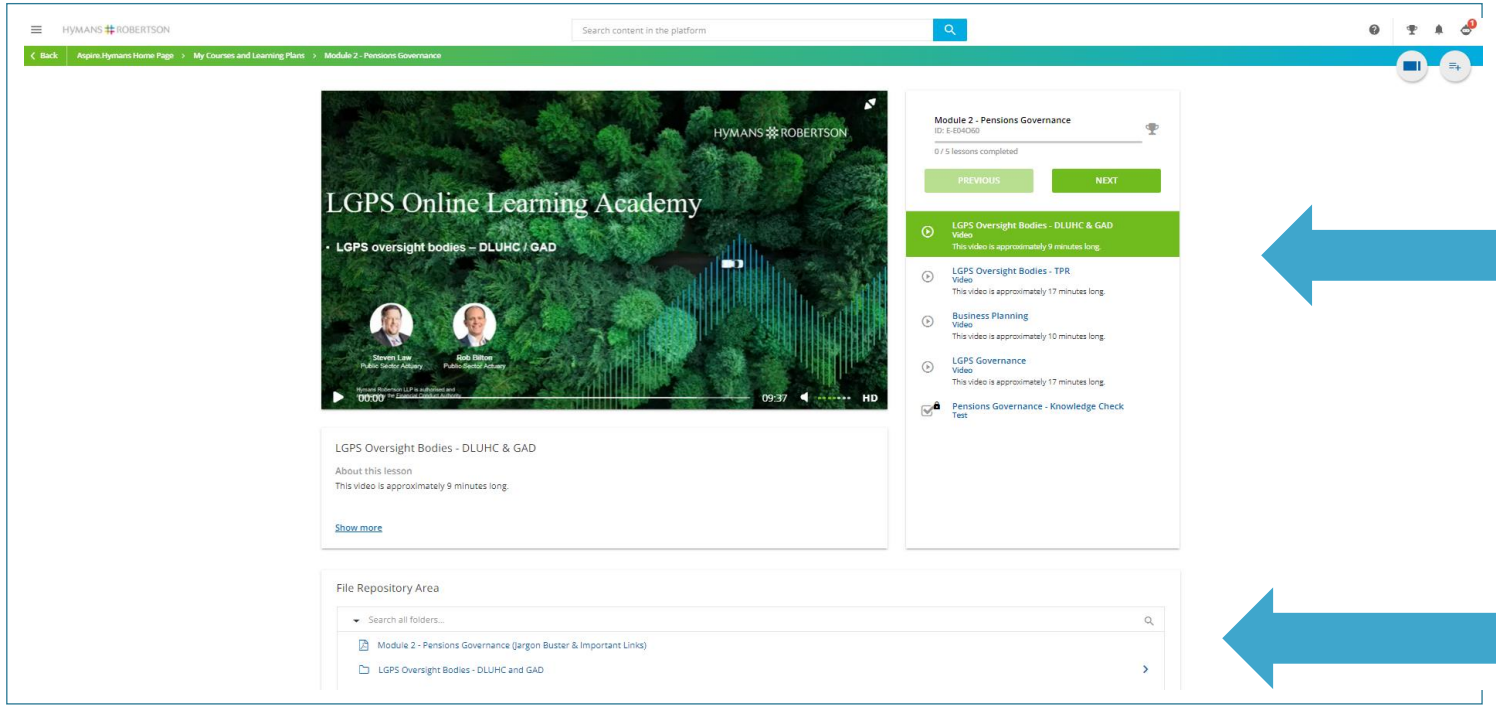
Track your progress at a glance :

- Not Started
- In Progress
- Completed

This version of the Learning Platform contains Modules 1-8 which make up the Learning Plan and an Introduction and Current issues Module.

My Courses and Learning Plan

How to Navigate



Click on each video to progress your learning

The Knowledge check is locked until all the videos have been watched.

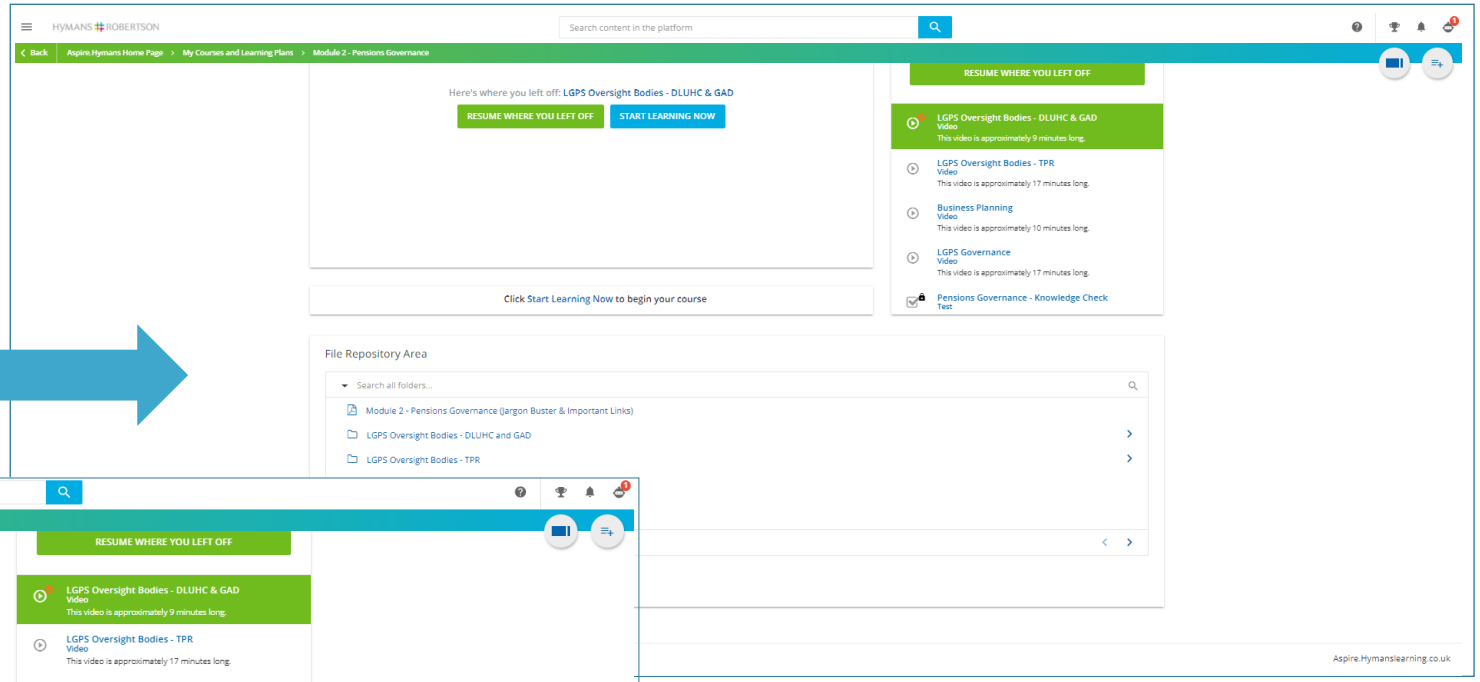
The relevant accessible slides and printable versions for each video are saved in the File Repository Area below the video

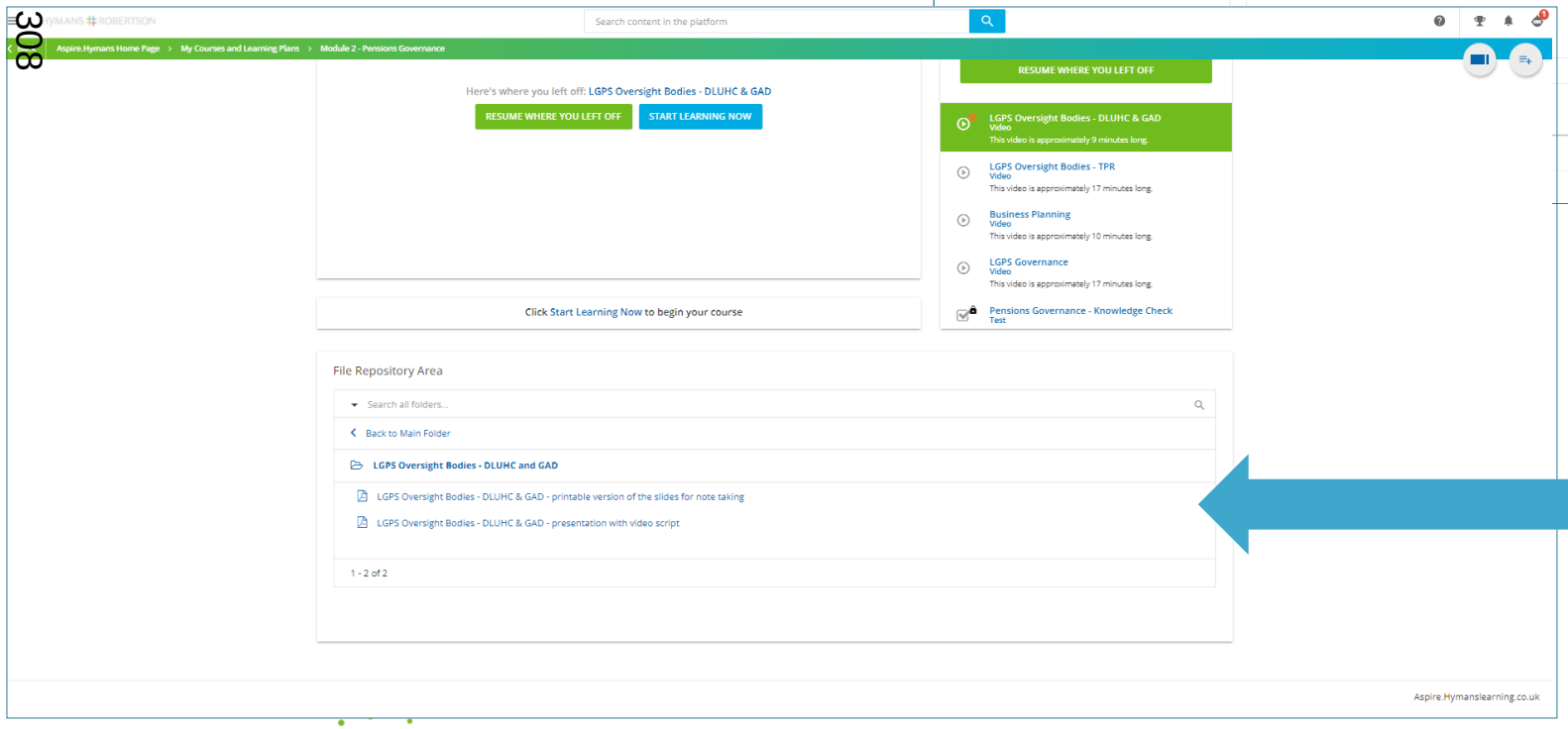
Please note, there may be several pages of learning material so you may have to click through to find the correct one

My Courses and Learning Plan

Accessibility and Printable pack

In the file repository area, there are folders with the same name as the videos





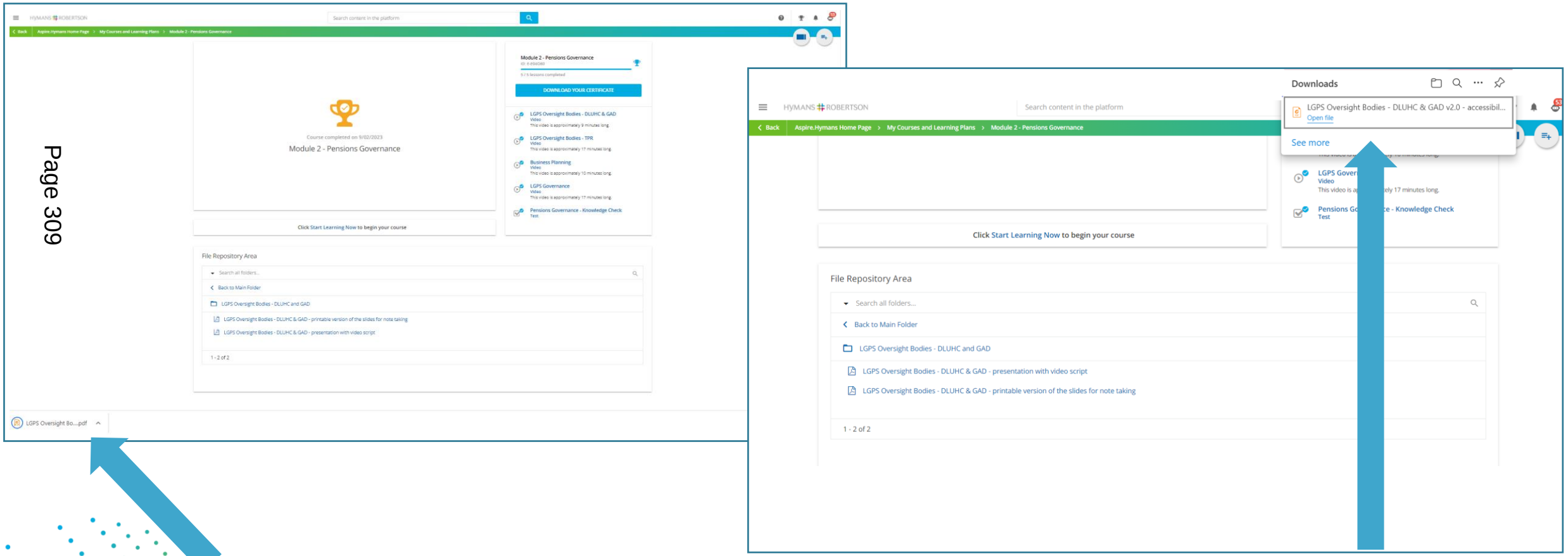
Clicking into the relevant folder will bring up a printable version and presentation with video script

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My Courses and Learning Plan

Accessibility and Printable pack

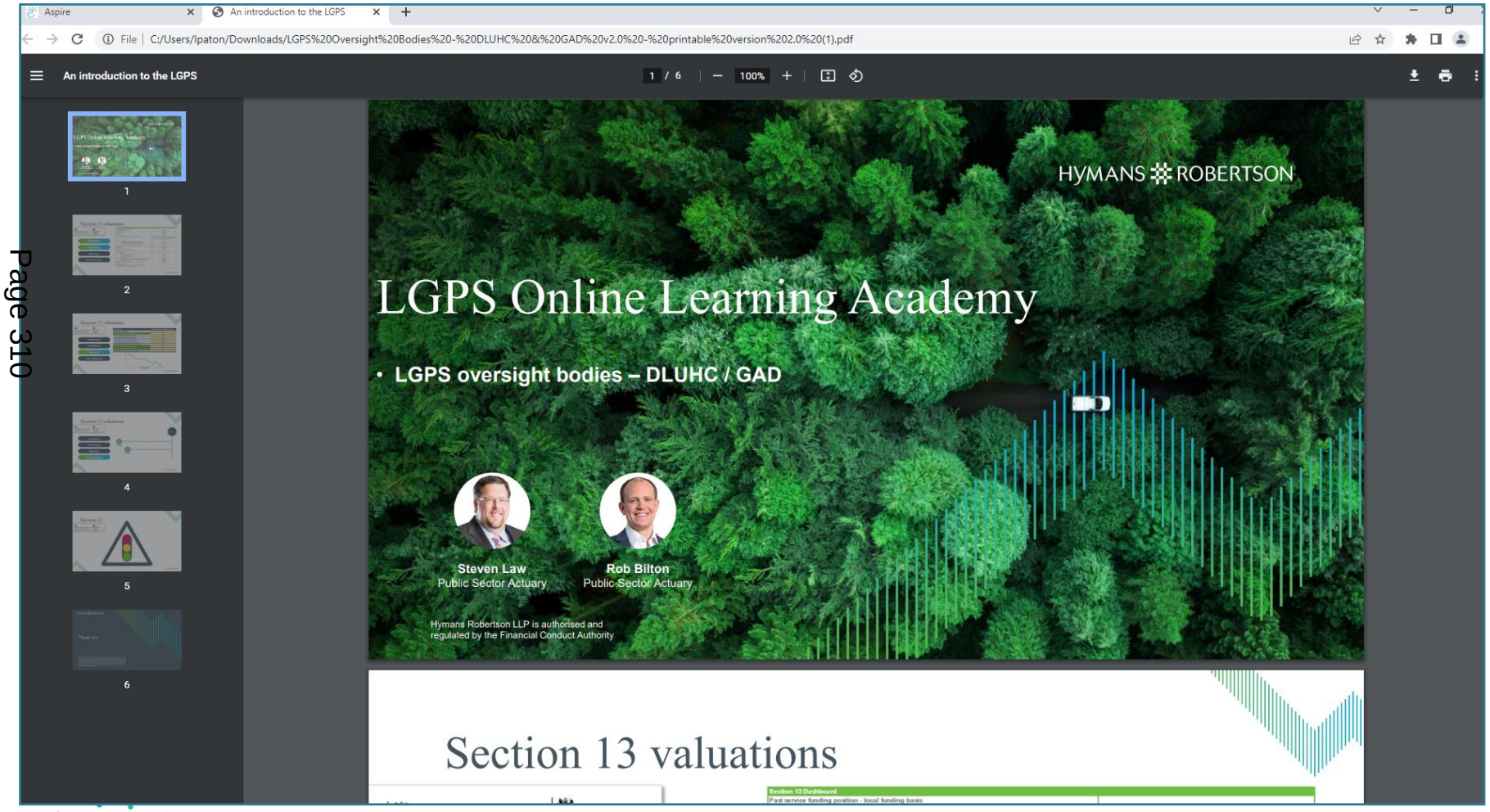
Once you select the additional training material you want to view, it will download and you can open it by selecting the downloaded slide. This will open in a new page



Depending on your browser it will either download in the bottom left corner or the top right

My Courses and Learning Plan

Accessibility and Printable pack

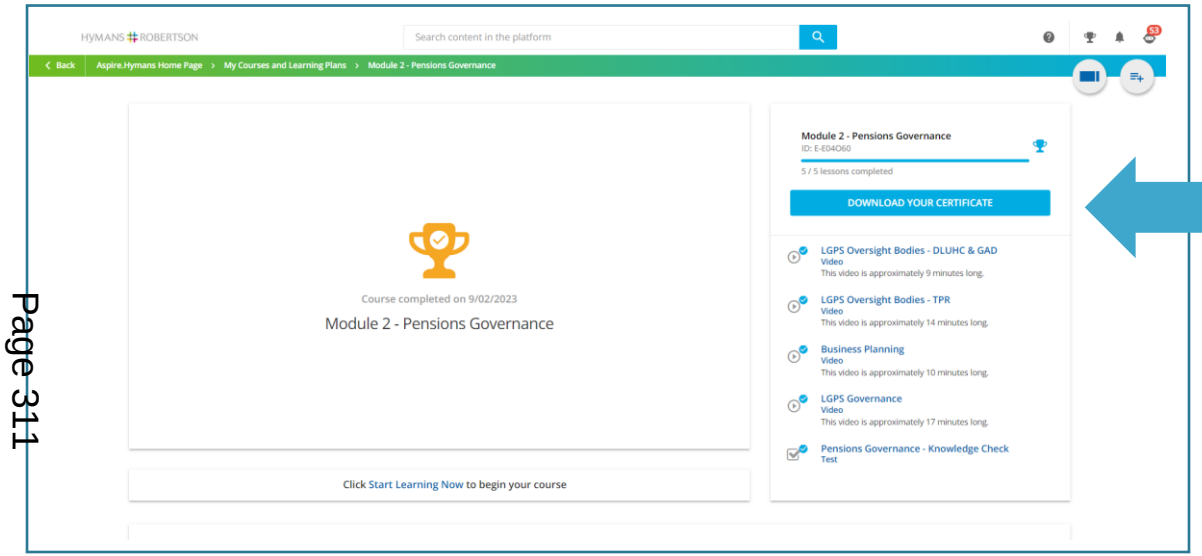


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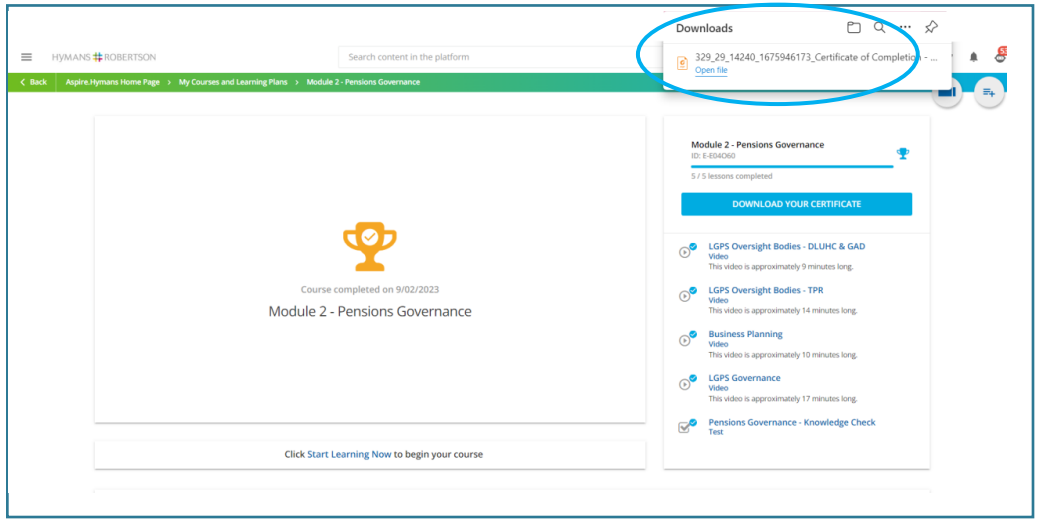
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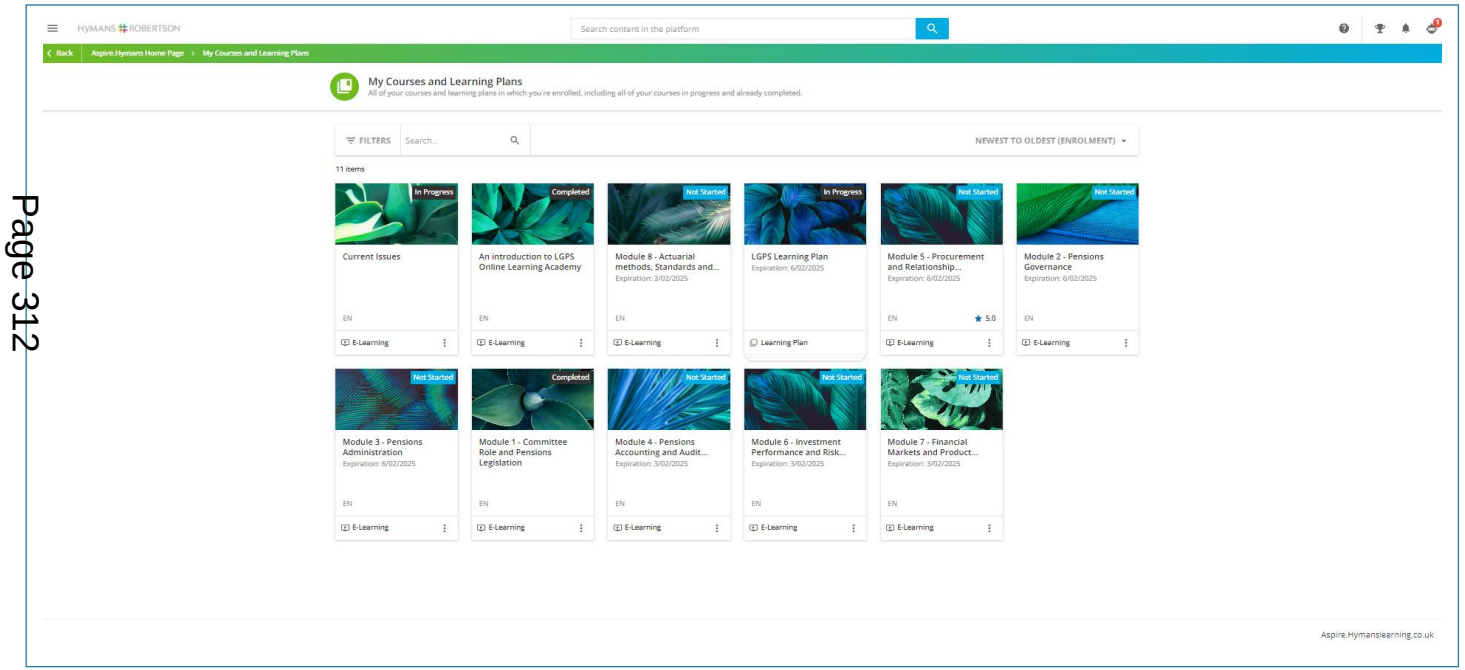
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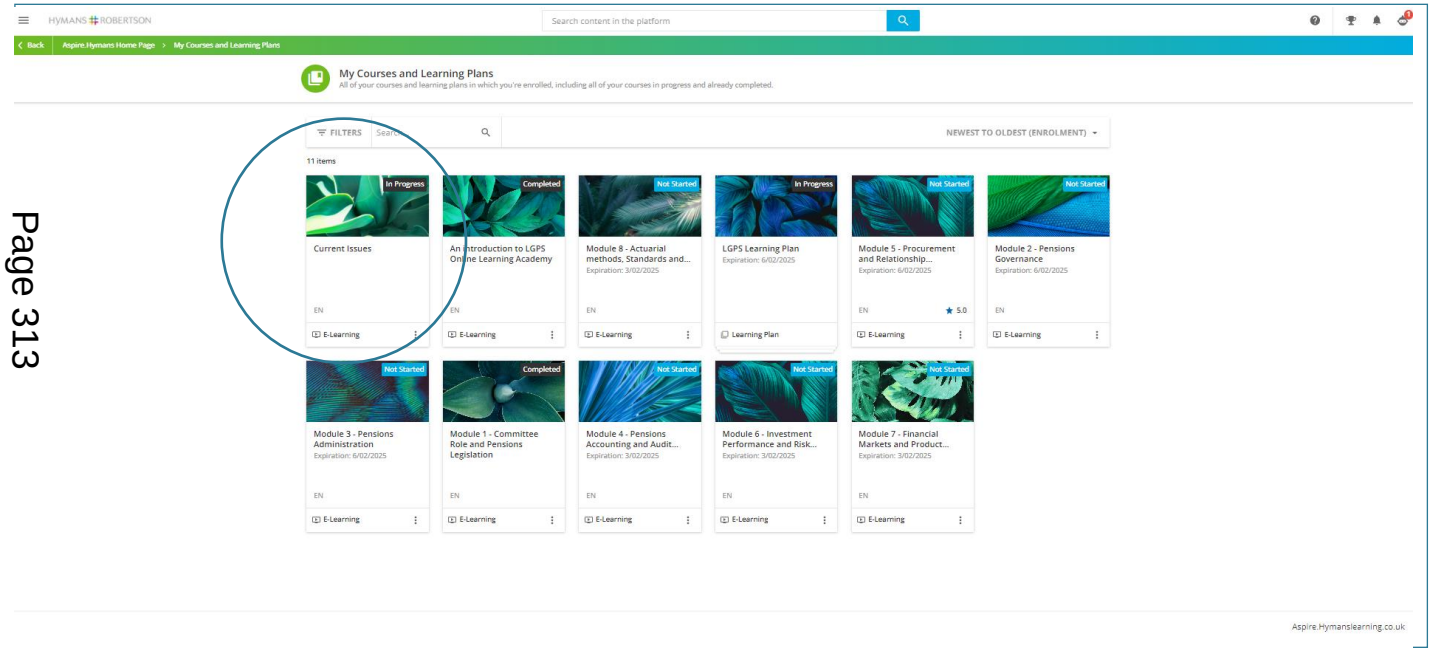
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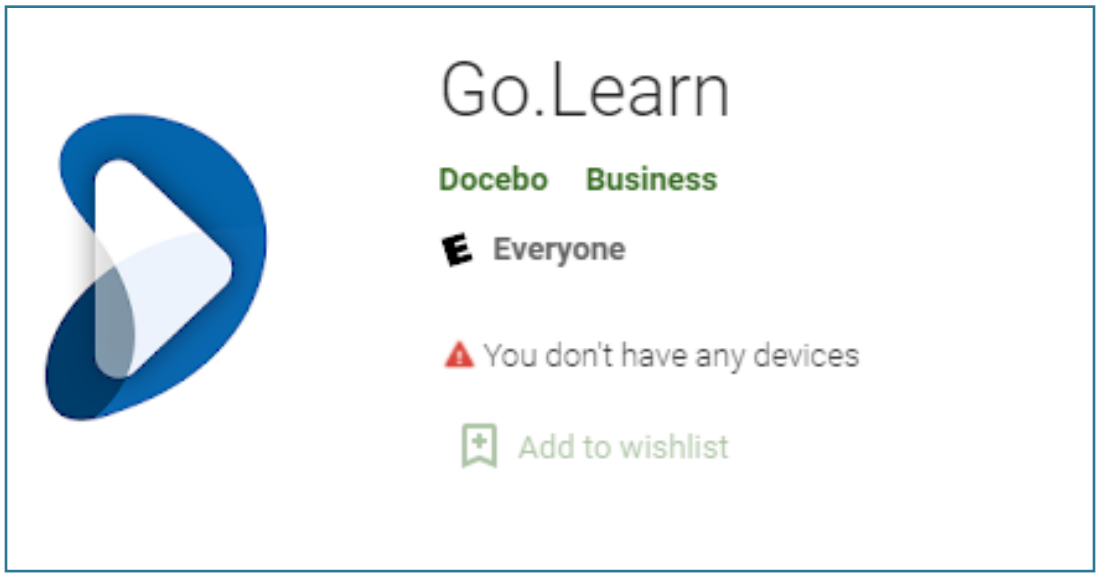


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Appendix 4 – LOLA Learning Schedule

Title of Module	Module Content	Date to be completed
Introduction	• An introduction to the learning plan • What is the LGPS • National level stakeholders	Oct-26
Module 1 – Pension legislation and guidance	• General pensions framework • Key legislation • Sources and value of guidance • Mandatory polices	Oct-26
Module 2 - Pension governance	• LGPS governance structure • Role of Pension Committee and the Local Pension Board • Role of the LGPS Senior Officer • Knowledge and understanding requirements • Conflicts of interest • The internal dispute resolution procedure • TPR, the General Code of Practice and breaches of law • The role of the Responsible Authority and GAD • Business planning • McCloud	Nov-26
Module 3 - Funding strategy and actuarial methods	• Introduction to the funding strategy and the role of the actuary • Risks affecting the valuation • Financial Strategy Statement • Types of participating employer • Employers joining and leaving the fund • Actuarial valuation process • Technical aspects of the actuarial valuation ○ Assumptions ○ Cash flows ○ Investment returns	Dec-26
Module 4 - Pension administration and communications	• Role of the administrator • Benefits offered by the LGPS • Member data • The member journey – joining, contributing, leaving, retiring and death • Pension transfers • Pension tax • Administration policies and procedures	Jan-27
Module 5 - Pension financial strategy, management, accounting, reporting and audit standards	• Annual report and accounts • Requirement for financial controls • Financial disclosures • Knowledge and understanding disclosure requirements	Feb-27

Module 6 - Investment objectives, strategic asset allocation, pooling and pooling performance management	• Introduction to investment strategy • Investment pooling ○ Background ○ Roles and responsibilities • Responsible investment • Performance monitoring • Risk v return • Investment structures and characteristics • MiFID II	Mar-27
Module 7- Risk management	• Risk management policy • Types and causes of risk • Risk management process • Recording risk • Outsourcing	Apr-27
Module 8 - Pension services procurement, contract management and relationship management	• The procurement cycle • Relevant legislation • The LGPS National Framework • Procurement risk	May-27

Brent	**Brent Pension Fund Sub-Committee** 7 October 2026
	Report from the Corporate Director of Finance and Resources

LAPFF Engagement Report

Wards Affected:	All
Key or Non-Key Decision:	Not Applicable
Open or Part/Fully Exempt:	Open
List of Appendices:	One Appendix 1: LAPPF Engagement Report Q2 2026
Background Papers:	N/A
Contact Officers:	Minesh Patel, Corporate Director, Finance and Resources 020 8937 4043 minesh.patel@brent.gov.uk Amanda Healy, Deputy Director of Finance 020 8937 5912 amanda.healy@brent.gov.uk Sawan Shah, Head of Finance 020 8937 1955 sawan.shah@brent.gov.uk Manish Shah, Senior Finance Analyst 020 8937 1444 manish.shah@brent.gov.uk

1.0 Executive Summary

1.1 This report is for noting and presents members with an update on engagement activity undertaken by LAPFF (the Local Authority Pension Fund Forum) on behalf of the Fund. The Fund's commitment with LAPFF and its work demonstrates its commitment to Responsible Investment and engagement to achieve its objectives.

2.0 Recommendation(s)

2.1 The Committee is recommended to note this report.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

3.2 The work of the Pension Fund is critical in ensuring that it undertakes statutory functions on behalf of the Local Government Pension Scheme and complying with legislation and best practice. Efficient and effective performance and service delivery of the Pension Fund underpins all Borough Plan priorities.

4.0 Background to LAPFF

4.1 LAPFF (the Local Authority Pension Fund Forum) represents 87 members and 7 pools with combined assets exceeding £425bn. With investments widespread in many sectors, LAPFF's aim is to act together with the majority of the UK's local authority pension funds and pool companies to promote the highest standards of corporate governance in order to protect the long-term value of local authority pension funds.

4.2 Leading the way on issues such as campaigns against excessive executive pay, environmental and human rights campaign, reliable accounting and a just transition to a net zero economy, the Forum engages directly with company chairs and boards to affect change at investee companies. LAPFF engages with companies and its stakeholders, such as employees and local communities, to understand their views on a company's behaviour and risks. Some issues extend beyond the behaviour of individual companies to the way markets function. The engagement is member led and on behalf of the Brent Pension Fund and other local authorities, LAPFF are able to challenge regulators and deliver reforms that advance corporate responsibility and responsible investment.

4.3 In October 2019, the Pension Fund Sub-committee approved Brent Pension Fund's membership into LAPFF. Members of the Pension Sub-committee are welcome to attend meetings of the Forum. As a member of LAPFF, Brent Pension Fund are entitled to contribute to and participate in the work plan organised by the Forum around issues of common concern.

4.4 Collaboration with other investors has the potential to strengthening the voice of Pension Funds, influence major companies on key ESG issues and help drive real-world change. Examples of the work carried out by LAPFF are provided below and in previous engagement reports to the committee. Individual funds, like Brent, engaging with companies on their own are unlikely to much of an impact and the Fund would require significant resources to do so effectively. Therefore, membership of collaboration groups such as LAPFF is considered to be more efficient whilst also likely to have greater impact.

5.0 Engagements Conducted by LAPFF

5.1 The LAPFF policy on confidentiality requires that all company correspondence (letters and meeting notes) remain confidential; however, LAPFF produce a Quarterly Engagement report to give an overview of the work undertaken. A

summary of key engagement work has been provided in this report. The full report is attached in Appendix 1 (as of September 2026) and highlights the achievements during the relevant period (April – June).

Climate Change Mitigation: BP & Drax

5.2 LAPFF has maintained longstanding engagement with companies in the energy sector regarding climate transition risk, governance, and long-term resilience. LAPFF engaged with BP regarding concerns relating to its revised strategy of increased reliance on hydrocarbons and shareholder oversight of capital allocation. LAPFF supported the co-filing of a shareholder resolution seeking enhanced disclosure on how BP applies capital discipline to upstream oil and gas investments, including project competitiveness, execution risk and exploration expenditure, to enable shareholders to assess whether capital allocation decisions are aligned with long-term value creation. This aligns with the "managed decline model" promoted by the LAPFF. The resolution received 28% support, therefore requiring formal response from BP.

5.3 Concerns around governance matters at BP extended to proposals related to shareholders rights and climate disclosures, presented at their AGM. Subsequently, proposals attempting to revoke climate disclosure, remove shareholder oversight, and move to virtual-AGMs were defeated (by over 50%). Considering the broad governance issues, LAPFF issued a voting alert recommending members withdraw support for newly appointed Chair BP plc's Albert Manifold. At the AGM, Mr Manifold received more than 18% opposition from shareholders. He subsequently left the role, marking a further period of governance instability at the company following several Chair and CEO changes within a five-year period.

5.4 LAPFF met with the Senior Independent Director of Drax Group plc to discuss governance and internal controls following regulatory scrutiny, the credibility and transparency of biomass sourcing practices, the resilience of the company's business model under reduced government support, and the extent to which its transition strategy relies on Carbon Capture and Storage (CCS) and Bioenergy with Carbon Capture and Storage (BECCS). Drax stated that it maintains robust traceability and compliance processes across its supply chain and confirmed that it intends to cease using Canadian wood pellets at its UK power station, with biomass expected to be sourced exclusively from the United States by around 2027.

5.5 LAPFF continues to have concerns regarding supply chain transparency, dependence on public subsidies and the extent to which Drax's net zero strategy relies on carbon capture technologies that remain commercially and technically uncertain at scale. Engagement with the company will continue throughout 2026.

Climate Change Commitments: NatWest and HSBC

5.6 LAPFF engaged with NatWest Group PLC and HSBC Holdings PLC following revisions to their climate and environmental risk policies. LAPFF's engagement

focused on whether the changes remained consistent with the banks' stated net zero commitments and their management of climate-related financial risks.

5.7 During discussions, NatWest confirmed that it had moved away from its previous 1.5°C alignment framework and amended restrictions on fossil fuel financing. The bank stated that the changes would provide greater flexibility in financing opportunities while continuing to support its sustainable finance objectives. LAPFF challenged whether these changes weakened climate ambition and increased exposure to transition risk

5.8 HSBC outlined amendments to its sustainability risk framework, including changes to restrictions on oil and gas financing and revised expectations for thermal coal clients. LAPFF raised concerns regarding how these changes align with the bank's decarbonisation targets and long-term climate commitments.

5.9 As part of its stewardship activities, LAPFF issued voting alerts recommending that investors consider withholding support from the Chairs of both banks due to concerns regarding climate governance and policy rollbacks. Both companies experienced increased shareholder opposition at their respective Annual General Meetings. LAPFF will continue engaging with the banks to encourage stronger climate governance, disclosure and oversight of climate-related risks.

Climate Change Adaptation and Environment: Tesco

5.10 LAPFF engaged with Tesco on how it is managing physical climate risks across its food supply chains. The engagement focused on risks associated with extreme weather, drought, water stress and broader supply chain resilience. Tesco identified climate and nature-related risks as principal business risks and highlighted initiatives including agricultural innovation programmes, supplier partnerships and investment in supply chain risk mapping technology.

5.11 LAPFF will continue engagement with Tesco to better understand how climate adaptation measures are being implemented at commodity and farm level, particularly for higher-risk products. Future discussions will focus on traceability, resilience planning and how climate risk information informs operational and capital allocation decisions.

Modern Slavery: CCLA Benchmark

5.12 LAPFF engaged with companies identified within the lower tiers of the CCLA Modern Slavery Global Benchmark, including Philip Morris International, Salesforce and Amgen. The engagement assessed how companies identify, manage and remediate modern slavery risks within their operations and supply chains, with particular focus on governance, due diligence and supply chain transparency.

5.13 Whilst some companies demonstrated established supplier monitoring and oversight practices, LAPFF identified opportunities for stronger disclosure,

greater visibility beyond tier-one suppliers and improved evidence that modern slavery risks are being effectively managed in practice. LAPFF will continue to engage companies using the benchmark as a tool to assess progress and encourage improvements.

Mining: Vale

5.14 LAPFF continued engagement on human rights, environmental risk and climate resilience within the mining sector. During the quarter, LAPFF met with Earthworks to discuss concerns regarding tailings dam safety and the growing impact of climate-related physical risks within Vale's operations in Brazil. Attention was given to recent flooding events and the implications for operational resilience and affected communities.

5.15 As part of the PRI Advance initiative, LAPFF also sought further engagement with Vale on stakeholder engagement, community grievance mechanisms, climate resilience and board oversight of environmental and social risks. LAPFF will continue monitoring the company's progress and engagement with affected communities.

Conflict-Affected and High-Risk Areas (CAHRAs)

5.16 LAPFF continued its programme of engagement on conflict-affected and high-risk areas, focusing on how companies identify and manage heightened human rights risks associated with operations, supply chains and business relationships linked to conflict-affected regions. During the quarter, LAPFF reviewed company responses covering governance arrangements, due diligence processes and risk management frameworks.

5.17 LAPFF also raised these issues through AGM participation and investor engagement where disclosure was considered insufficient. Whilst some companies demonstrated structured approaches to managing conflict-related risks, LAPFF identified gaps relating to board oversight, accountability and transparency. Ongoing engagement and, where necessary, escalation will continue to encourage stronger implementation of human rights due diligence practices.

6.0 Stakeholder and ward member consultation and engagement

6.1 There are no direct considerations arising out of this report.

7.0 Financial Considerations

7.1 There are no direct financial considerations arising out of this report.

8.0 Legal Considerations

8.1 There are no legal considerations arising out of this report.

9.0 Equity, Diversity & Inclusion (EDI) Considerations

9.1 There are no equity considerations arising out of this report.

10.0 Climate Change and Environmental Considerations

10.1 The Brent 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 which is delivered through the LAPFF.

11.0 Human Resources/Property Considerations (if appropriate)

11.1 There are no HR or property considerations arising out this report.

12.0 Communication Considerations

12.1 There are no communication considerations arising out of this report.

Report sign off:

Minesh Patel
Corporate Director of Finance and Resources



Quarterly Engagement Report

April-June 2026

- **Energy Supply**
- **Modern Slavery**
- **CAHRAs**

Local Authority Pension Fund Forum

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CLIMATE CHANGE MITIGATION: BP AND DRAX

BP

Objective: LAPFF's approach to stewardship with oil and gas companies is grounded in the view that climate transition risk is fundamentally a financial risk, and therefore centres on engaging companies to align their business models to be Paris-aligned. A core element of LAPFF's approach is challenging the prevailing industry model of production growth, which LAPFF argues risks over-investment in high-cost projects and potential value destruction. Instead, LAPFF advocates a "managed decline" model focused on capital discipline, prioritising low-cost assets, reducing overall capital expenditure, and returning cash to shareholders. The rationale for this approach is set out in a report LAPFF published over ten years ago. Although some of the assumptions in this report are now dated, the prevailing argument that oil and gas companies should be able to demonstrate that capital allocation to oil and gas projects is disciplined and capable of generating acceptable long-term shareholder returns remains as relevant as ever.

The notion remains particularly relevant in the case of BP, a company LAPFF has maintained a multi-decade engagement with because of concerns regarding the credibility and consistency of the company's climate strategy, capital allocation, and board accountability. These concerns were brought to the fore as a result of the company's strategy reversal in 2025, in which it committed to refocusing its business on hydrocarbons. While BP had previously been regarded by some investors as relatively forward-thinking in acknowledging climate risks and investing in renewable energy, LAPFF became increasingly concerned following the company's "reset", which involved scaling back renewable investment and increasing spending on oil and gas. In response to these concerns, LAPFF issued a voting alert ahead of the company's 2025 AGM recommending the withdrawal of support for the then Chair, Helge Lund. Mr Lund received over 24% opposition to his re-election, having already announced his intention to stand down from the board.

Achieved: Based on these concerns, LAPFF supported the co-filing of a shareholder proposal ahead of the company's 2026 AGM. Resolution 24 sought to enhance shareholder understanding of BP's capital allocation by requesting improved disclosure on how the company applies capital discipline to its upstream oil and gas investments. Specifically,

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the proposal focused on three core areas: the assessment of project cost-competitiveness (to understand exposure to high-cost, higher-risk assets), the incorporation of realistic assumptions around project execution risks such as cost overruns and delays, and the value creation of ongoing exploration expenditure.

Overall, the proposal called for greater transparency to enable shareholders to evaluate whether BP's capital allocation decisions are disciplined and aligned with long-term value creation. The resolution was well supported, receiving over 28% in favour. This level of support triggers a formal response requirement under the UK Corporate Governance Code. In practice, this means the company will explain what actions it intends to take to understand shareholder concerns, undertake a shareholder consultation and report publicly on the outcome of that process within 6 months to remain compliant with this provision of the Code.

In Progress: During 2026, LAPFF's engagement with BP extended beyond the topic of capital discipline, with governance issues at the company taking centre stage in the build up to the AGM. In April, LAPFF raised concerns about governance decisions at BP that LAPFF viewed as impinging on the rights of shareholders. These included proposals to allow virtual-only AGMs, efforts to revoke binding shareholder-approved climate disclosure resolutions, and the exclusion of a shareholder proposal from the AGM agenda. In response to these concerns, LAPFF issued a voting alert, urging members to withdraw support for the Chair, who was seeking election to the board for the first time, as well as recommending voting against proposals regarding amending articles and virtual-only AGMs.

The company's attempts to revoke climate disclosure resolutions and to allow virtual-only AGMs were defeated, with over 50% of shareholders opposing the proposals. The newly appointed Chair, Albert Manifold, received over 18% in opposition. Mr Manifold has since been sacked by the Board of BP, arguably putting the company into another governance crisis. The company has had three CEOs and, by the time a successor to Albert Manifold is named, three Chairs over a five-year period. Following the news of the Chair's departure, LAPFF met with BP in April.

Drax

Objective: LAPFF has a longstanding engagement with UK energy company Drax plc regarding the credibility of its biomass-based business model. The Forum's core concern is that Drax's claim of carbon neutrality, based on the concept of "dynamic carbon sinks" (i.e. that burned wood is offset by regrowth), is not supported by robust evidence. LAPFF has previously highlighted that available data does not demonstrate that forest regrowth is sufficient to offset emissions in the short term, raising the risk that Drax is contributing to a net increase in atmospheric carbon. The Forum has also questioned the overall efficiency of biomass, noting that wood burning can produce more emissions per unit of energy than coal, alongside wider environmental and community impacts linked to forestry practices in the US and Canada. Additional concerns include data integrity and disclosure, evidenced by regulatory action by Ofgem and the FCA, and ongoing scrutiny of biomass sourcing practices.

LAPFF also has concerns around the technological and policy assumptions underpinning Drax's strategy, particularly its reliance on bioenergy with carbon capture and storage (BECCS). The Forum notes that CCS remains unproven at scale, highly dependent on subsidies, and may be operationally incompatible with Drax's evolving role as a dispatchable, rather than baseload, power provider.

Accordingly, LAPFF's objective is to ensure that Drax's strategy is grounded in credible, evidence-based decarbonisation, ensuring full transparency on emissions, sourcing, and ecological impacts and scrutinising reliance on unproven technologies such as CCS.

Achieved: In June, LAPFF met with the senior independent director at Drax to discuss four key areas: governance and internal controls following recent regulatory scrutiny; the credibility and transparency of its biomass sourcing practices; the resilience of its business model under reduced government support and tighter operational constraints; and the extent to which its transition strategy depends on CCS and BECCS.

LAPFF sought reassurance that Drax had strengthened board oversight of internal controls following an investigation from Ofwat, and an ongoing investigation by the FCA, over data accuracy. The company assured LAPFF it has robust traceability and compliance in its supply chain. The company also stated it is ending the use of Canadian wood pellets at its UK power station and that by around 2027, its UK plant will burn biomass sourced only from the United States. This decision follows sustained criticism, including from LAPFF, over allegations of the use of wood from old-growth or primary forest in its Canadian operation. The decision is also likely linked to the new UK subsidy regime starting in 2027, which comes with a requirement to ensure biomass meets stricter sustainability criteria.

In Progress: Drax remains a focus for LAPFF engagement into 2026. Concerns remain regarding the transparency and integrity of Drax's biomass supply chain, including traceability to forest level and exposure to old-growth or environmentally sensitive forests. LAPFF will monitor the ongoing FCA investigation as it relates to the accuracy and adequacy of what the company told investors about its biomass sourcing. Beyond this, LAPFF will continue to engage the company on whether Drax's business model remains resilient given its heavy reliance on public support and the tighter constraints under the new Low Carbon Dispatchable CfD, and the extent to which the company's pathway to net zero is overly dependent on BECCS and other CCS technologies that remain technically and commercially uncertain at scale.

UK banks materially backtracking on climate commitments

LAPFF has long recognised the imperative to address climate change as a systemic, long-term investment risk given the material financial risks it poses across all asset classes and its potential to erode shareholder value. The Forum expects companies to identify and address climate-related risks and opportunities, align their business models with a

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Image: Alamy

1.5C scenario, and support an orderly transition to net-zero.

Climate change and the energy transition remain financially material for banks. The transition to a cleaner economy increases the risk of stranded assets, and evidence suggests credit risks could also rise significantly. The UK's Climate Change Committee (CCC) cited evidence that "Banks who participated in the BoE's climate scenario exercise estimated potential credit losses on lending could be 50% higher than in a future with no climate change". In parallel, physical climate risks are intensifying, with extreme weather events - including storms, flooding, heatwaves, drought, and wildfires - becoming more frequent and severe. These risks carry significant macroeconomic implications. The CCC also cites estimates that physical climate impacts globally could adversely affect up to 6% of the value of physical assets in S&P international stock indices. This is particularly relevant to the UK, given the global exposure of its financial sector and its significant role in GDP, exports, and price stability. The CCC further estimates that "aggregate climate damages could cost 4-10% of UK GDP each year by the end of the century". Climate change also presents a chronic risk to workforce productivity and economic output. High temperatures affect productivity, leading to a loss in earnings for those in the workforce, and lost learning days for children.

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It is widely recognised that the banking sector sits at the heart of the climate-energy nexus; banks can manage and mitigate climate-related risks by curtailing fossil fuel financing and leverage their position to accelerate the energy transition. The growing demand for sustainable finance presents significant commercial opportunities for banks, as investment in renewables continues to break records and energy security concerns strengthen the case for cleaner alternatives. The twin fossil crises of the 2020s, Russia's 2022 invasion of Ukraine and the 2026 US-Israel war on Iran, has exposed the dependency and volatility of fossil fuel markets. In contrast, renewable energy sources are increasingly cheaper and, once deployed, are increasingly viewed as offering greater price stability and energy security.

Policies that restrict fossil fuel finance and reduce financed emissions signal alignment with the transition and the Paris Agreement. However, banks backtracking on such policies undermines the credibility of its climate strategy and increases exposure to climate and transition-related risks. It also erodes investor confidence, particularly for banks like NatWest, where over 93% of shareholders approved its climate strategy in 2022, which has since been materially weakened. Where credibility is undermined, investor confidence has declined, and board oversight of climate and transition-related risks is deemed inadequate, the chair should be held accountable.

Objective: Against this backdrop, NatWest updated its Environmental and Social Risk policy in February 2026, which has occurred in tandem with the dissolution of the board-level Group Sustainable Banking Committee (SBC). The bank has removed its restrictions on financing upstream oil and gas companies, including those without credible transition plans and those operating outside the UK. Restrictions on unconventional energy activities, including fracking and oil sands, have been diluted, with blanket exclusions replaced by thresholds and the removal of the specific ban on expansion. Concurrently, HSBC updated its Sustainability Risk Policies Framework in November 2025. The bank has diluted its oil and gas policy by weakening restrictions on new oil and gas fields, exploration capex, ultra-deepwater exposure, and altered its definition of oil and gas infrastructure to exclude regasification facilities used to import Liquefied Natural Gas (LNG). It has changed the standards it uses to engage with non-EU/OECD thermal coal clients in ways that make them less clear. Most crucially, HSBC has extended its discretion to accept clients and transactions that contravene the terms of its policy. The bank has also diluted the ambition of its decarbonisation targets by basing them on the IEA's 1.5C-aligned NZE scenario from 2024 (updated from 2021) and introducing a range of target values. Together, these changes increase the scope for financing activities with limited prospects of alignment with its stated climate commitments.

During Q2, LAPFF engaged both NatWest and HSBC to assess how these policy updates align with their stated climate commitments, including commitments to be net zero across their financed emissions, own operations and supply chain by 2050. The Forum sought to understand and evaluate the updates to both banks' risk frameworks, while maintaining constructive dialogue on climate-related issues and promoting transparency and accountability in each bank's approach.

Achieved:

NatWest

NatWest affirmed that it would continue to prioritise renewables and transition finance, including through its £200 billion sustainable finance target. The bank acknowledged moving away from 1.5C temperature alignment, arguing that its previous framework constrained its ability to pursue ambitious climate-related financing opportunities. NatWest considers this a shift towards flexibility, enabling it to build a better risk-return profile, creating value while reducing emissions.

LAPFF challenged the bank's position, maintaining that these changes weaken fossil fuel guardrails and climate ambition, ultimately misaligning its business model with a 1.5C scenario. Concerns regarding governance were raised, particularly the disbanding of the SBC. NatWest justified this on the grounds that oversight is now embedded across the board and its committees as part of a broader effort to simplify governance and integrate sustainability into its core business strategy.

HSBC

HSBC framed the policy update as part of an annual review informed by client engagement and latest scientific scenarios. It positioned its approach to fossil fuel financing as focused on supporting clients' transition, particularly in emerging markets, through enhanced due diligence, internal risk controls, and shorter loan tenors to manage exposure.

LAPFF challenged how continued support for hydrocarbon expansion, including unconventional and LNG projects, can credibly align with the Paris Agreement. The Forum also raised concerns on the decision to replace the requirement of coal clients in non-EU/OCED markets to demonstrate phase down plans with a discretionary assessment of transition plans.

In Progress: The engagement with NatWest provided a broader context for the policy changes but cemented concerns that these changes risk increasing NatWest's exposure to transition risk. LAPFF also emphasised that it does not negate the value of a dedicated committee with clear oversight and accountability.

For HSBC, the engagement clarified its rationale for these changes, but beyond general references to governance and monitoring processes, the company was unable to demonstrate how its updated policies align with its decarbonisation targets or the Paris Agreement. This culminated in the call for independent assurance on the bank's climate strategy. The Forum also requested improved transparency on how financing decisions align with its climate commitments and clearer disclosure on the methodology for assessing transition plans for its clients in non-EU/OECD markets. Once published, LAPFF will use these enhanced disclosures as the basis for further engagement.

In response to the dilution of their climate policies, LAPFF issued a voting alert recommending members withdraw support for HSBC's Chair Brendan Nelson and Chair of the Group Risk Committee James Forese, and NatWest's Chair Rick Haythornthwaite. Both banks faced elevated shareholder dissent at their

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Annual General Meetings. At HSBC, 7.7% of votes were cast against Chair Brendan Nelson and 8.1% opposed the re-election of James Forese, Chair of the Group Risk Committee, compared with near-unanimous support previously. At NatWest, 7.9% opposed the re-election of Chair Rick Haythornthwaite, a sharp increase from 2.4% last year. Given that Chairs are routinely waved through with over 98% support, outcomes close to 92% send a clear signal of investor concern over the policy rollbacks.

While the AGM season has concluded, continued engagement with both NatWest and HSBC will focus on restoring undiluted policies, strengthening board oversight of climate-related risks, and rebuilding investor confidence in banks' climate strategies.

CLIMATE CHANGE ADAPTATION AND ENVIRONMENT

Climate adaptation has continued to be a focus for LAPFF during Q2, building on the Climate Adaptation: Food Producers and Distributors report which set out what the Forum should be asking investee companies with exposure to high-risk commodities, including dairy, fresh fruit and vegetables, coffee and cocoa. Adaptation concerns how companies anticipate and prepare for climate-related changes already occurring and expected to intensify, complementing LAPFF's continued focus on climate mitigation.

The financial implications of insufficient adaptation are significant. A 2024 report by the World Economic Forum estimates that climate hazards could drive annual fixed asset losses of $560–610 billion across listed companies by 2035, which equates to a fall in average company earnings of 6.6% to 7.3% each year by 2035 in the absence of adaptation strategies.

Within the food sector, adaptation risks are particularly acute. The UK government has identified climate change as one of the greatest risks to long-term global food security. Food producers and distributors face material impacts from extreme heat, drought and water stress. Exposure varies considerably by geography and commodity, reinforcing the need for location-specific and commodity-specific adaptation approaches.

This urgency has been echoed by the industry itself. Inside Track's April 2025 memo from food industry executives stressed that yield, security and supply predictability will become increasingly unreliable due to physical climate risks. The memo cautioned that the food sector is ill-equipped to deal with the magnitude of these risks and called on investors to lead a pragmatic dialogue with companies to strengthen supply chain resilience. Against this backdrop, strengthening supply chain transparency, traceability, and risk management has become a key priority for LAPFF.

Objective: Building on Q1 engagement with food retailers, LAPFF sought this quarter to engage with Tesco on how it is managing material physical climate risks across its supply chains. The engagement also aimed to encourage improved disclosure of material physical climate risks and adaptation responses. LAPFF emphasised the importance of ensuring that adaptation strategies are grounded in a range of plausible climate scenarios, rather than a single preferred outcome, and that these strategies reflect the specific characteristics of different sourcing regions. In addition, LAPFF sought to reinforce expectations around governance and accountability. This includes regular disclosure of progress, clear assessment of key sourcing geographies, and demonstrable board-level oversight of adaptation planning, with responsibility anchored to a named director to ensure clear accountability.

To conclude these engagements, LAPFF participated in an Investor Roundtable focused on protecting UK food security and investor returns by strengthening food supply chain resilience. Bringing together investors, NGOs and academics, the session discussed industry research by ShareAction, WWF, and Anglia Ruskin University, alongside key insights from engagements, to inform a shared view on priorities and next steps.

Engagement: Tesco stated the themes raised in the memo are core to board discussions. It identified security of supply and climate - which has been expanded to include nature-related risks, as principal risks - with cross-functional teams working more closely.

Tesco highlighted several initiatives aimed at strengthening resilience. These include investment in agricultural innovation through its low-carbon concept farm in Lincolnshire, as well as long-term partnerships with suppliers designed to support farmer investment in regenerative agricultural practices.

On policy engagement, Tesco noted its advocacy for a more coherent UK food strategy through the British Retail Consortium. The company also reported progress in developing a proprietary, AI-enabled risk mapping tool intended to support real-time supplier engagement and enhance visibility across its supply chain.

In Progress: Given the engagement took place with representatives from Tesco's Investor Relations teams, LAPFF is seeking a follow-up meeting with relevant subject matter experts to address remaining gaps in understanding. Further clarity is required on the company's progress in mapping and tracing specific high-risk commodity supply chains, including coffee and cocoa.

Next steps will focus on assessing how Tesco is advancing traceability to the farm level and how this information informs broader risk management and climate adaptation strategies. LAPFF will also seek to understand how insights generated at the farm and supplier level are translated into operational decision-making, prioritisation and capital allocation. This continued engagement will aim to ensure that Tesco's approach to climate adaptation is sufficiently granular, decision-useful and aligned with the scale and immediacy of physical climate risks facing the food sector.

A key outcome of the roundtable was the call to develop a clear set of investor expectations of companies. Participants also highlighted the need to expand the discussion to include trade associations representing UK farmers, recognising the critical need to support farm-level resilience and adaptation. This will form the foundation for the next stage of engagement, supporting a more coordinated and effective approach to addressing systemic risks to the UK food system.

ENGAGEMENTS



Image: Alamy

CCLA MODERN SLAVERY BENCHMARK

Modern slavery encompasses forced labour, debt bondage, human trafficking and other forms of severe labour exploitation. With an estimated 50 million people affected worldwide and 28 million in forced labour, it represents a serious human rights crisis and carries direct implications for companies operating complex, multi-geography supply chains. According to the International Labour Organisation (ILO), a majority of all forced labour cases are linked to global supply chains, with risks particularly concentrated in lower tier suppliers. Modern slavery remains a significant global business risk, with the International Labour Organisation estimating that forced labour generates US$236 billion in illegal profits each year, up 37% since 2014.

During Q2, LAPFF engaged companies listed in the lower tiers of CCLA's Modern Slavery Global Benchmark. The Benchmark provides an investor-focused framework for assessing how major listed companies disclose and manage modern slavery risks in their operations and supply chains. Developed in the context of a growing concern that corporate reporting often emphasises policy commitments above and beyond demonstrable, the Benchmark highlights a persistent gap between disclosure and implementation.

CCLA evaluates the public disclosures of large companies operating in the UK and places them across performance tiers ranging from leading practice to unsatisfactory. Its purpose is not only to assess the quality of disclosure, but also to encourage stronger due diligence, better transparency, and more effective management of modern slavery risks in practice. For investors, the benchmark serves as a useful tool to identify gaps between policy and implementation, support engagement with companies, and promote more credible action on human rights risks across global supply chains.

For companies and investors, modern slavery creates clear financial materiality: exposure can lead to supply chain disruption, import restrictions, regulatory investigation, legal liability, remediation costs and reputational damage, while also signalling broader weaknesses in governance and risk management. Recent and emerging regulations, including the EU Forced Labour Regulation and the Corporate Sustainability Due Diligence Directive, are increasing expectations on companies to demonstrate credible, risk-based due diligence rather than relying on high-level policy commitments alone.

Against this backdrop, LAPFF engaged companies which scored in the lower-tiers of the benchmark to encourage focus companies to move beyond compliance-led disclosure towards more robust management of modern slavery risk. The aim was to assess how companies are strengthening supply chain mapping, improving the quality of risk identification, embedding effective remedy and building the governance needed to prevent recurrence.

ENGAGEMENT

Objective: The objectives for these engagements were aligned with the CCLA's Modern Slavery Global Benchmark, which served as the basis for each meeting and provided a consistent framework for assessing company practice. The overarching objective was to understand how far companies are moving beyond policy commitments towards more credible and effective management of modern slavery risk. LAPFF sought evidence of stronger due diligence, including better identification of higher-risk operations and supply chains, deeper supply chain mapping beyond tier 1, clearer disclosure of salient risks, and more robust approaches to monitoring, remedy and governance.

More specifically, the engagement objectives were designed to encourage companies to use the benchmark as a gap-analysis tool, improve the quality and timeliness of their modern slavery disclosures, and demonstrate how risks are identified, prioritised and mitigated in practice. This included seeking greater transparency on sub-tier suppliers and indirect risk exposure, clearer reporting on the effectiveness of controls and grievance mechanisms, and stronger evidence that companies can identify harms, support affected workers and prevent recurrence. Taken together, these objectives reflect the benchmark's core emphasis on closing the gap between policy and practice and strengthening investor confidence in companies' management of modern slavery risk.

Achieved

Philip Morris International (PMI)

Philip Morris International (PMI) disclosed a comparatively developed approach to managing modern slavery risk, particularly within its agricultural supply chain. It pointed to direct supplier relationships, farm-level monitoring, external verification and an emphasis on corrective action over time. PMI also described steps taken to address labour standards in contracted workforces and acknowledged the need to improve the visibility of its UK modern slavery statement. Overall, the discussion suggested stronger traceability and oversight in tobacco sourcing than seen in some peers, although there remains scope for clearer external reporting on outcomes, non-conformances and remediation.

Salesforce

Salesforce acknowledged that the benchmark had not previously been a major point of focus but engaged constructively on its approach to modern slavery risk. It described a largely compliance-led framework supported by supplier risk assessment, onboarding controls, grievance channels and internal governance processes. Salesforce recognised that a lower-risk business model does not remove exposure, particularly through indirect supply chains and higher-risk service categories. The discussion nevertheless suggested that its external disclosure remains at an earlier stage, with further work needed to provide clearer evidence on risk prioritisation, due diligence and measurable outcomes. Planned publication of its human rights saliency assessment may help strengthen that picture over time.

Amgen

Amgen highlighted its broader compliance culture, supplier standards, audit processes and speak-up mechanisms as the basis of its approach to modern slavery risk. It also pointed to board-level oversight of compliance matters and described these structures as supporting risk management across its operations and supply chain. However, the discussion indicated that the attendees were not best placed to address several of the more detailed questions on supply chain due diligence and modern slavery risk management. As a result, follow-up questions were shared after the meeting so that the relevant internal teams could provide a more informed response. Overall, the engagement suggested an underlying governance framework, but also a need for more specific evidence on how risks are identified, managed and remediated in practice, particularly beyond tier 1 suppliers.

In Progress: Across all three engagements, several themes remain under active follow-up. Further work will focus on how companies are moving beyond policy commitments and compliance-led processes towards more demonstrable management of modern slavery risk in practice. In particular, ongoing engagement will examine the extent to which companies can strengthen sub-tier supply chain mapping, improve the clarity and accessibility of disclosure, and provide more robust evidence on how risks are identified, prioritised, escalated and remediated, including through grievance mechanisms and worker support processes.

For Amgen, follow-up will centre on the written responses to questions that could not be fully addressed during the initial discussion, particularly in relation to supply chain due diligence, risk identification beyond tier 1, and the operation of remedy and escalation processes in practice. For PMI, continued dialogue will focus on improvements to the visibility and quality of its UK modern slavery disclosure, alongside clearer external reporting on outcomes, non-conformances and remediation. For Salesforce, further engagement will examine how the company translates internal governance and compliance processes into more decision-useful evidence on risk prioritisation, due diligence effectiveness and measurable outcomes, including through planned publication of its human rights saliency assessment.

More broadly, LAPFF will continue to use the CCLA Global Modern Slavery Benchmark as a reference point for assessing whether investee companies are closing the gap between policy and practice. Engagement will test whether companies can demonstrate credible progress against the objectives set out for these calls, including stronger due diligence, clearer disclosure of salient risks, and more persuasive evidence that governance, monitoring and remedy processes are operating effectively. This will remain important as investor expectations rise and regulatory scrutiny of forced labour and supply chain due diligence continues to intensify.

ENGAGEMENT



Image: Alamy

MINING: PRI AND EARTHWORKS

Earthworks

In Q2, LAPFF met with US-based NGO Earthworks to discuss recent events within Vale's Brazilian mining operations and ongoing concerns regarding the company's preparedness for climate-related physical risks, particularly in relation to tailings facilities.

The discussion built on LAPFF's ongoing engagement with affected communities in Brazil and highlighted that more than seven years on from the 2019 Brumadinho tailings damn disaster (which caused 272 fatalities) and over a decade from Samarco tailing dam disaster in 2015 (which killed 19 people and left untold social and environmental devastation), significant concerns remain regarding tailings safety and accountability within the company's operations.

Evidence and analysis from Earthworks and civil society point to continuing vulnerabilities in Vale's facilities in Minas Gerais, especially under increasing climate stress and extreme weather events, including flooding at Mina de Fábrica and Mina de Viga in January 2026. This flooding demonstrates how physical climate risks are already impacting communities, ecosystems and operations.

The ongoing and lasting impacts of these events reinforce LAPFF's calls for effective board oversight, integration of climate adaptation into operational risk management, and ongoing engagement with affected communities in line with human rights due diligence expectations.

Earthworks subsequently published a blog featuring LAPFF commentary, reinforcing investor expectations in this area.

Vale

As part of the PRI Advance initiative investor group, in Q2 LAPFF wrote to Vale's Chief Sustainability Officer to request a follow up meeting to progress engagement on human rights governance, community impacts and climate resilience. The letter focused on:

- How community and stakeholder feedback is escalated and integrated into operational decision making and board oversight,
- The effectiveness of grievance mechanisms and access to remedy for affected communities, and
- Progress on Indigenous engagement and regulatory compliance, including legacy issues and infrastructure such as the Carajás Railway.

Investors also requested greater clarity on how extreme weather and water risks are incorporated into project approval, asset management and long-term strategy, and how these risks are overseen at Board level.

The group is using recent events to ground this discussion, including the 2026 flooding at Vale's Fábrica and Viga sites in Minas Gerais, as well as controversy surrounding the Carajás Railway (part of Vale's core Northern System iron ore logistics network linking its Amazon mining operations in Pará to the Ponta da Madeira maritime terminal in São

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Image: Alamy

Luís, Maranhão). The controversy here has focused on whether licensing and permitting processes have adequately assessed the railway's environmental, social and climate-related impacts, including risks to Indigenous and traditional communities along the corridor. These examples will be used to press for demonstrable evidence of strengthened accountability, governance oversight, and implementation of climate adaptation measures in practice, rather than policy commitments alone.

In progress: Across the quarter, LAPFF strengthened its engagement on human rights, water and climate risk in the mining sector. Stakeholder engagement remained central to this work, supporting LAPFF's efforts to advance UNGP-aligned human rights due diligence, strengthen governance oversight, and promote the integration of physical climate risks into corporate strategy and operational decision making.

CONFLICT-AFFECTED AND HIGH RISK AREAS (CAHRAS)

Objective: LAPFF's engagement on conflict-affected and high-risk areas (CAHRAs) has continued to develop in response to the growing relevance of conflict-related human rights risks to LAPFF members. Companies with operations, supply chains, customers, investments, financing relationships, products, services or other business relationships linked to CAHRAs may face heightened legal, regulatory, operational, reputational and financial risks. These risks can arise where companies contribute to, are directly linked to, or exacerbate adverse impacts on people and conflict dynamics.

LAPFF's expectations are grounded in the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UNDP Guide for Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts. These frameworks make clear that companies linked to conflict-affected contexts should apply heightened human rights due diligence, including analysis of human rights impacts, conflict impacts, and the intersection between the two. LAPFF therefore expects companies to have policies, governance arrangements, due diligence processes, grievance mechanisms and decision-making criteria that are capable of identifying, preventing, mitigating and accounting for CAHRA-related risks.

Building on previous engagement and LAPFF's published Engagement Expectations of Companies, LAPFF wrote to 31 companies in February 2026 identified as having operations, business relationships or other activities potentially linked to the Occupied Palestinian Territories. While the Israel-Gaza conflict and business activities linked to the Occupied Palestinian Territories remain important issues, LAPFF's CAHRA work is broader than one conflict or geography. The outreach formed part of a wider engagement programme focused on how companies manage heightened human rights and conflict-related risks across high-risk contexts.

The objective of the outreach was to establish a clearer and more comparable understanding of company practice. Companies were asked to respond to a

ENGAGEMENT

12-part questionnaire covering: policy commitments; international standards; identification of CAHRA exposure; impact and risk assessment; methodology and verification; prevention, mitigation and remediation; enter, remain, suspend or exit decision-making; monitoring and oversight; grievance mechanisms and remedy; transparency; continuous application of heightened due diligence; and financial decision-making. LAPFF sought responses that were specific, evidenced and, where possible, linked to relevant policies, procedures, governance mechanisms, internal controls, KPIs or public disclosures.

Achieved: The responses received demonstrate a wide range of approaches to managing CAHRA-related risk. Some companies provided detailed responses setting out governance structures, risk assessment methodologies, escalation routes and examples of heightened due diligence. Others provided only high-level references to existing human rights, sanctions, export control or sustainability disclosures, without directly responding to the questionnaire.

A number of companies recognised CAHRAs, conflict-affected contexts or high-risk markets as requiring enhanced scrutiny. However, relatively few disclosed a dedicated CAHRA policy or a clearly articulated heightened human rights due diligence framework. In several cases, CAHRA-related risk was embedded within broader human rights, compliance, enterprise risk management, trade compliance, sanctions, procurement or sustainability processes, rather than addressed through a standalone framework. While this may indicate that some controls exist, it also makes it harder for investors to assess whether companies are applying due diligence that is genuinely heightened, continuous and conflict-sensitive.

The strongest responses tended to provide detail on how CAHRA exposure is identified and assessed. This included use of country risk tools, external data sources, human rights risk assessments, third-party input, sanctions screening, supplier or business partner due diligence and escalation processes.

However, important gaps remain. Many companies did not clearly explain the scope of exposure assessed, particularly in relation to downstream customers, end-users, distributors, platform users, financing relationships, joint ventures or other business partners. Consideration of international humanitarian law was also uneven. A small number of companies explicitly stated that international humanitarian law or the law of armed conflict is considered in CAHRA-related assessments, while others referred more generally to the UNGPs, OECD Guidelines, ILO standards or sanctions compliance without explaining whether conflict analysis forms part of their methodology.

Governance disclosure varied considerably. Some companies identified board-level committees, executive-level committees, human rights steering groups, compliance functions or risk committees with responsibility for oversight. Others provided only general references to board approval of human rights policies or did not explain how CAHRA-related risks are escalated to senior management or the board. Across responses, there was limited disclosure on what information boards receive, how often they receive it, and what decisions are reserved for board-level oversight.

Decision-making on whether to enter, remain in, suspend or exit CAHRA-linked activities was one of the weaker areas of disclosure. A small number of companies described country-entry controls, traffic-light systems, escalation processes, case-by-case review or formal approval routes. However, most responses did not disclose clear decision criteria, thresholds, examples of outcomes, or how stakeholder input and human rights impacts are weighed against legal, commercial or operational considerations.

Where companies failed to respond, declined to complete the questionnaire, or relied only on generic public disclosures, LAPFF began escalating through AGM attendance and voting alerts. LAPFF issued voting alerts at relevant companies, including Palantir, Meta, PayPal, Amazon and Motorola Solutions.

At Palantir's AGM, LAPFF asked how the company ensures human rights due diligence is effective beyond initial customer screening, and what specific triggers lead to escalation, including termination of customer relationships. Palantir did not respond to the question. At Meta's AGM, LAPFF asked how the board oversees risks associated with the company's services and technologies in CAHRAs, including escalation to the board and assessment of effectiveness. Meta did not answer. At PayPal's AGM, LAPFF asked the board to explain the framework used to assess the human rights impacts of providing, restricting or withholding services in CAHRAs. PayPal did not respond.

At Amazon's AGM, LAPFF raised concerns about downstream human rights risks linked to cloud infrastructure, AI, logistics and other technologies, and asked for greater disclosure on board-level oversight. Amazon did not answer. LAPFF also attended Alphabet's AGM and asked what criteria the company uses to determine when heightened due diligence is required, when risks are escalated to the board or relevant committee, and when it will restrict, suspend or terminate customer relationships. Alphabet did not respond.

In Progress: LAPFF will continue to review the responses received and identify where further engagement is warranted. For companies that provided more detailed responses, LAPFF will consider follow-up engagement where risks appear higher or where disclosure gaps remain. This may include seeking greater clarity on how CAHRA exposure is mapped, how downstream risks are assessed, whether international humanitarian law is incorporated into due diligence, how affected stakeholders are consulted, and what criteria guide decisions to enter, remain in, suspend or exit high-risk activities.

For companies that declined to respond, failed to respond, or relied only on generic public disclosures, LAPFF will consider further escalation. This could include targeted voting alerts during the remainder of the 2026 AGM season and into 2027, further AGM attendance, and opposition to relevant directors where board oversight appears insufficient.

The AGM season has also highlighted a broader concern regarding virtual AGM accountability. In several cases, LAPFF submitted questions on CAHRA-related risks, but companies did not answer them during the meeting. The lack of responses limits shareholders' ability to assess board accountability, follow up in real time, or understand whether similar concerns were raised by other investors. LAPFF will therefore continue to consider how AGM attendance, voting alerts and direct engagement can be used together to press for stronger transparency, clearer board oversight and more robust application of heightened human rights due diligence in conflict-affected and high-risk areas.

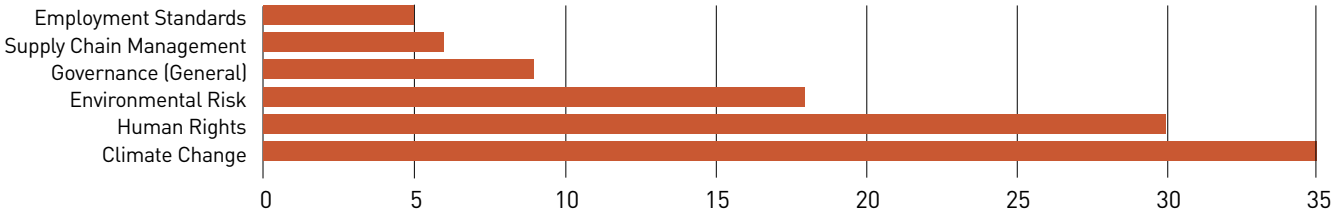
COMPANY PROGRESS REPORT

LAPFF engaged 73 companies engaged over the quarter
The table below represents data taken from 'Meetings', 'AGMs' and 'Received Correspondence' only.

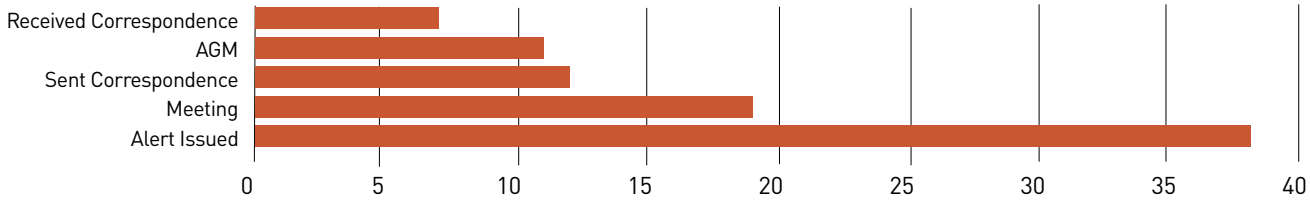
Company/Index	Activity	Topic	Outcome
ALPHABET INC	AGM	Human Rights	No Improvement
AMAZON.COM INC.	AGM	Human Rights	No Improvement
AMGEN INC.	Meeting	Human Rights	Dialogue
ANGLO AMERICAN PLC	Meeting	Human Rights	Dialogue
ASTRAZENECA PLC	AGM	Governance (General)	Dialogue
BP PLC	Meeting	Governance (General)	Change in Process
BUNGE GLOBAL SA	Meeting	Supply Chain Management	Dialogue
CATERPILLAR INC.	AGM	Human Rights	No Improvement
CISCO SYSTEMS INC.	Received Correspondence	Human Rights	Moderate Improvement
COMPAGNIE FINANCIERE RICHEMONT SA	Received Correspondence	Human Rights	No Improvement
DRAX GROUP PLC	Meeting	Climate Change	Dialogue
ELECTRIC POWER DEVELOPMENT CO	Meeting	Climate Change	Dialogue
GENERAL MOTORS COMPANY	AGM	Governance (General)	No Improvement
HEIDELBERG MATERIALS AG	Received Correspondence	Human Rights	Moderate Improvement
HONEYWELL INTERNATIONAL INC.	AGM	Human Rights	Awaiting Response
HSBC HOLDINGS PLC	Meeting	Environmental Risk	Dialogue
KERING SA	Meeting	Human Rights	Small Improvement
KINGFISHER PLC	Meeting	Employment Standards	Dialogue
LUNDIN MINING CORP	Meeting	Climate Change	Dialogue
META PLATFORMS INC	AGM	Human Rights	No Improvement
META PLATFORMS INC	Received Correspondence	Human Rights	Moderate Improvement
MICROSOFT CORPORATION	Meeting	Human Rights	Moderate Improvement
NATWEST GROUP PLC	Meeting	Climate Change	No Improvement
OCADO GROUP PLC	Received Correspondence	Environmental Risk	Satisfactory Response
PALANTIR TECHNOLOGIES INC	AGM	Human Rights	No Improvement
PAYPAL HOLDINGS INC	AGM	Human Rights	No Improvement
PHILIP MORRIS INTERNATIONAL INC.	Meeting	Human Rights	Dialogue
PRIMO WATER CORP	Received Correspondence	Human Rights	Dialogue
ROLLS-ROYCE HOLDINGS PLC	Received Correspondence	Human Rights	No Improvement
SALESFORCE INC	Meeting	Employment Standards	Dialogue
SEMBCORP INDUSTRIES LTD	Meeting	Climate Change	No Improvement
SHELL PLC	AGM	Environmental Risk	Dialogue
TESCO PLC	Meeting	Environmental Risk	Dialogue
THALES	AGM	Human Rights	Dialogue
THE PROCTER & GAMBLE COMPANY	Meeting	Environmental Risk	Small Improvement
TOTALENERGIES SE	Meeting	Climate Change	Dialogue
VALE SA	Meeting	Environmental Risk	Dialogue

ENGAGEMENT DATA

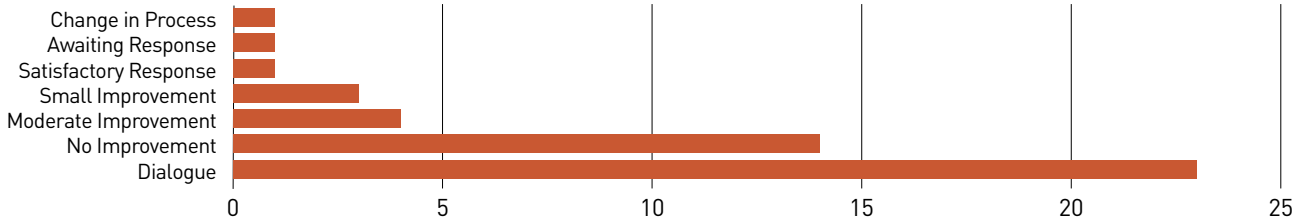
ENGAGEMENT TOPICS



ACTIVITY

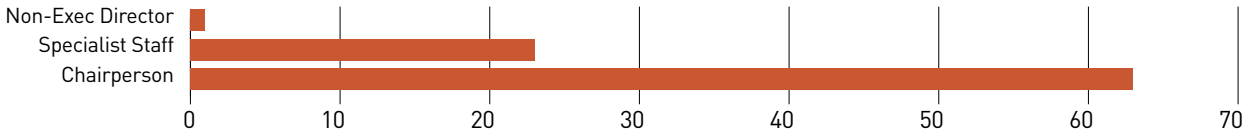


ENGAGEMENT OUTCOMES*

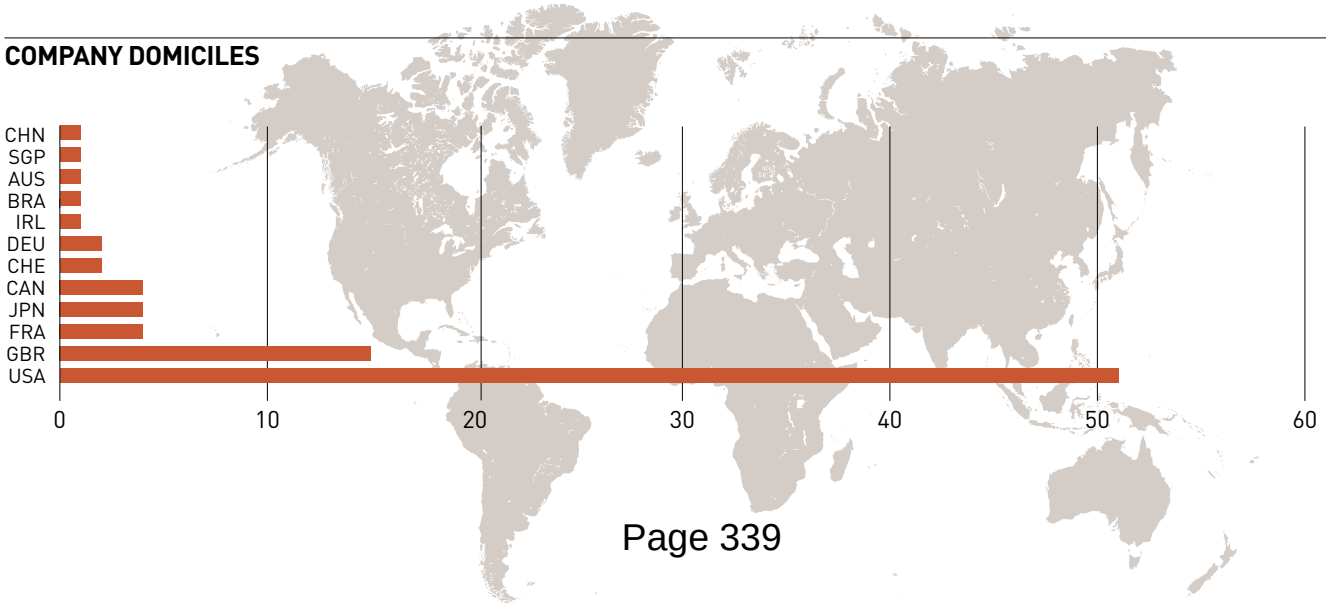


*Outcomes data is taken from 'Meetings', 'AGMs' and 'Received Correspondence' only

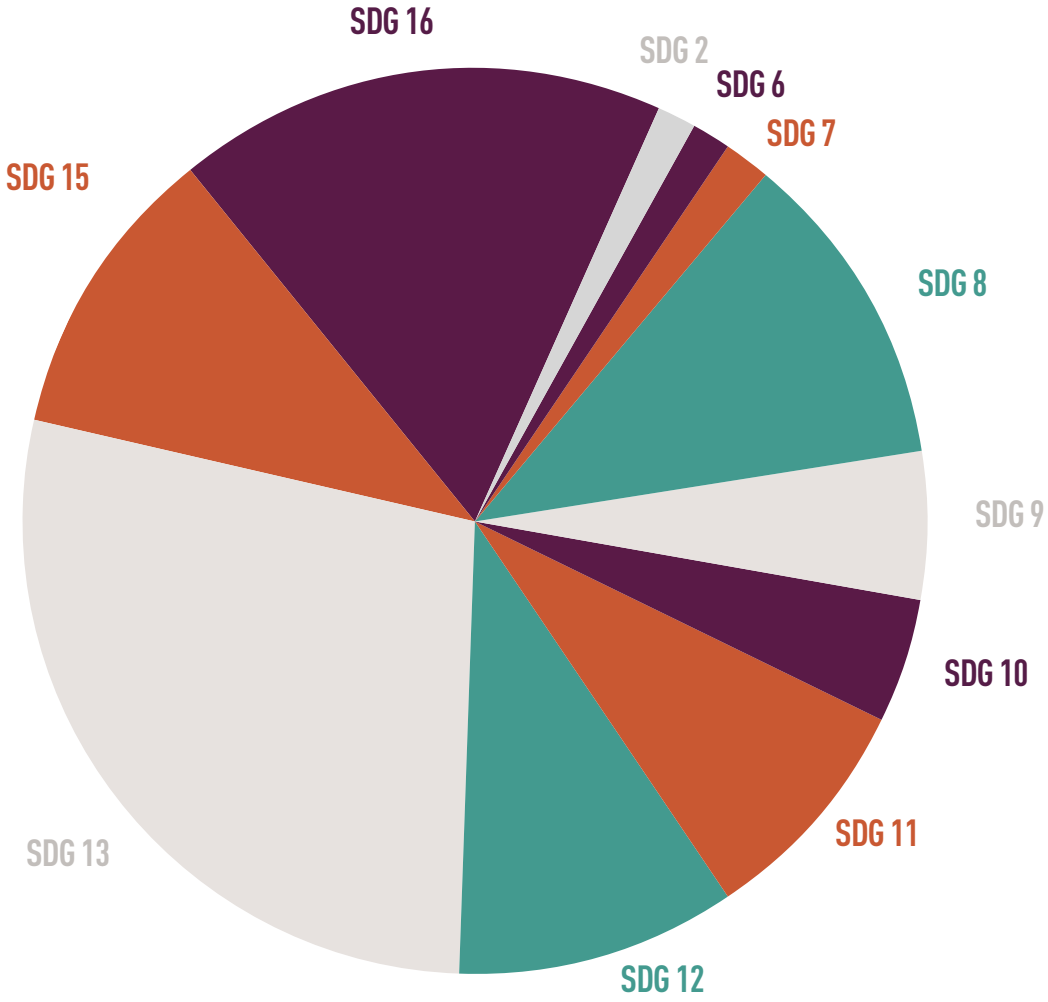
POSITION ENGAGED



COMPANY DOMICILES



ENGAGEMENT DATA



LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	0
SDG 2: Zero Hunger	2
SDG 3: Good Health and Well-Being	0
SDG 4: Quality Education	0
SDG 5: Gender Equality	0
SDG 6: Clean Water and Sanitation	2
SDG 7: Affordable and Clean Energy	2
SDG 8: Decent Work and Economic Growth	15
SDG 9: Industry, Innovation, and Infrastructure	7
SDG 10: Reduced Inequalities	6
SDG 11: Sustainable Cities and Communities	11
SDG12: Responsible Production and Consumption	13
SDG 13: Climate Action	37
SDG 14: Life Below Water	0
SDG 15: Life on Land	14
SDG 16: Peace, Justice, and Strong Institutions	23
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund
Barking and Dagenham Pension Fund
Barnet Pension Fund
Bedfordshire Pension Fund
Berkshire Pension Fund
Bexley (London Borough of)
Brent (London Borough of)
Cambridgeshire Pension Fund
Camden Pension Fund
Cardiff & Glamorgan Pension Fund
Cheshire Pension Fund
City of London Corporation Pension Fund
Clwyd Pension Fund (Flintshire CC)
Cornwall Pension Fund
Croydon Pension Fund
Cumbria Pension Fund
Derbyshire Pension Fund
Devon Pension Fund
Dorset Pension Fund
Durham Pension Fund
Dyfed Pension Fund
Ealing Pension Fund
East Riding Pension Fund
East Sussex Pension Fund
Enfield Pension Fund
Environment Agency Pension Fund
Essex Pension Fund
Falkirk Pension Fund
Gloucestershire Pension Fund
Greater Gwent Pension Fund
Greater Manchester Pension Fund
Greenwich Pension Fund
Gwynedd Pension Fund
Hackney Pension Fund
Hammersmith and Fulham Pension Fund
Haringey Pension Fund
Harrow Pension Fund
Havering Pension Fund
Hertfordshire Pension Fund
Hillingdon Pension Fund
Hounslow Pension Fund
Isle of Wight Pension Fund
Islington Pension Fund
Kensington and Chelsea (Royal Borough of)
Kent Pension Fund
Kingston upon Thames Pension Fund
Lambeth Pension Fund
Lancashire County Pension Fund
Leicestershire Pension Fund
Lewisham Pension Fund
Lincolnshire Pension Fund
London Pension Fund Authority
Lothian Pension Fund
Merseyside Pension Fund
Merton Pension Fund
Newham Pension Fund
Norfolk Pension Fund
North East Scotland Pension Fund
North Yorkshire Pension Fund
Northamptonshire Pension Fund
Nottinghamshire Pension Fund
Oxfordshire Pension Fund
Powys Pension Fund
Redbridge Pension Fund
Rhondda Cynon Taf Pension Fund
Scottish Borders Pension Fund
Shropshire Pension Fund
Somerset Pension Fund
South Yorkshire Pension Authority
Southwark Pension Fund
Staffordshire Pension Fund
Strathclyde Pension Fund
Suffolk Pension Fund
Surrey Pension Fund
Sutton Pension Fund
Swansea Pension Fund
Teesside Pension Fund
Tower Hamlets Pension Fund
Tyne and Wear Pension Fund
Waltham Forest Pension Fund
Wandsworth Borough Council Pension Fund
Warwickshire Pension Fund
West Midlands Pension Fund
West Yorkshire Pension Fund
Westminster Pension Fund
Wiltshire Pension Fund
Worcestershire Pension Fund

Pool Company Members
Border to Coast Pensions Partnership
LGPS Central
Local Pensions Partnership
London CIV
Northern LGPS
Wales Pension Partnership

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MINUTES OF THE PENSION BOARD

Held as an Online Meeting on Tuesday 21 July 2026 at 6.00pm

PRESENT: (In remote attendance) David Ewart (Independent Chair), Councillor S. Butt (Brent Employer Representative), Chris Bala (Pension Scheme Member Representative) and Bola George (Pension Scheme Member Representative – Unison).

Also Present: Councillor Grahl (Deputy Leader and Cabinet Member for Finance & Resources, Brent Council), Chris Batts (Head of Client Services, Local Pensions Partnership Administration LPPA) and Emily Booth (Client Relationship Manager, - LPPA).

As this was the first meeting of the Board following the local borough election in May 2026 the Chair invited all attendees to introduce themselves before the formal business of the meeting began. In briefly outlining the role of the Board the Chair advised members of the function and structure of the Pension Board, which he advised was a statutory body established to provide oversight on governance and review the performance and administration of the Pension Fund and was made up of an equal number of employer and Pension Scheme member representatives.

1. **Apologies for Absence**

Moving on to the formal business on the agenda, apologies for absence were received from Robert Wheeler (Pension Scheme Member Representative GMB) with Councillor Dar (Brent Employer Representative) recorded as absent.

2. **Declarations of Interest**

David Ewart (as Independent Chair) declared a personal interest as a member of CIPFA.

No further declarations were made during the meeting.

3. **Minutes of the Previous Meeting**

The Chair noted that the previous meeting had not been quorate, but that the Board had agreed to proceed on the basis that any decisions made would be subject to ratification at the subsequent meeting.

Having reviewed the issues raised during the meeting previous it was **AGREED** to approve and confirm the minutes of the previous meeting held on Monday 23rd March 2026 as an accurate record and to ratify the decisions, as set out in the minutes.

4. **Matters Arising**

None.

5. **Pension Administration Update**

John Smith (Pensions Manager, Brent Council) introduced the report from the Corporate Director Finance & Resources outlining the performance of the Local Pensions Partnership Administration (LPPA) against the Service Level Agreement's (SLA's) during the period 1 January 2026 to 31 March 2026. In introducing the report, he highlighted the following key points before inviting Chris Batts (Head of Client Services, LPPA) to provide a more detailed update:

- As of 31 March 2026, Brent's Pension Fund consisted of 24,742 members, 6,579 of whom were active, 10,373 deferred and 7,790 pensioner & dependant members

- The average percentage of cases processed on time during the quarter was reported as 98.9%. The Fund's perception was that the service had stabilised, with none of the case types falling below the 95% SLA threshold. The fund remained aware, however, of the number of overdue 1995 scheme retirements and delayed death grants with the Council working with the LPPA to address the anomalies identified and the overview of LPPA's casework performance set out in section 3.3.4 of the report.

- Overall, administration performance was reported to have continued to improve incrementally.

Following introduction of the report, the Chair welcomed Chris Batts (Head of Client Services, LPPA) accompanied by Emily Booth (Client Relationship Manager at LPPA) as the Council's administration service provider, who provided further detailed updates regarding recent pensions administration performance, summarised below:

- Employer retirement notifications (received at least 30 days in advance of a member's retirement, enabling prompt payment) had dropped in Q4 to just under 34%, down from 59% in Q3 and 40% in Q2. This was considered consistent with a seasonal dip across all LPPA clients, particularly over December and January, and would continue to be monitored.

- Payments made within 30 days of retirement had also dipped slightly in Q4, though officers noted that the underlying case numbers were low, meaning percentage changes should be treated with caution and this had not translated into notable dissatisfaction or complaints.

- Contact centre performance: against a target average wait time of four minutes, Q4 performance was three minutes thirty seconds, which remained within target. Average call duration was, however, noted to have risen (by a factor of around 1.3 in the most recent quarter), which was being monitored and would be the subject of further analysis to be shared with the Board in due course.

- Customer satisfaction remained positive, with around 80% of respondents satisfied overall and no dissatisfied responses recorded for active or deferred retirements specifically.

- The deadline for the issue of Annual Benefit Statements (ABS) had been extended to 31 August to allow inclusion of McCloud underpin data. Good

progress was reported, with just under half of active statements and almost two-thirds of deferred statements already issued.

- A significant volume of regulatory change was in progress across the LGPS including Access and Fairness reforms; LGPS access for elected members; Scheme Advisory Board (SCAPE) factor changes; the McCloud remedy; Pensions Dashboard, and (for some larger LPPA clients) local government reorganisation. This sat alongside LPPA's own efficiency and service improvement programme. Chris Batts confirmed this work was being formally governed and reported through LPPA's internal change portfolio and executive leadership team, and that despite the volume of project work, casework performance against SLA had been maintained.

John Smith then moved on to complete the update, highlighting the following issues:

- In terms of complaints, there had been eight new complaint cases since the last Board with eight having been determined (albeit four cases had been carried forward from the previous quarter) with the number and nature of complaints received during the quarter analysed by case within section 3.3.7 of the report.

- Common data quality remained constant at 96.6%, while conditional data quality had continued to improve incrementally to 87.6%.

- On the McCloud remedy, LPPA was expected to be able to provide Annual Benefit Statements, including the McCloud underpin, and was in the process of completing a review of its retrospective cases that would enable remedy payments to be made.

- On the Pensions Dashboard, LPPA had held a roundtable dashboard discussion with its clients on 7 July 2026 and was continuing to assess it business readiness for the Dashboard Available Point (member go live). Members from the LPPA Member Panel had been invited to support the Money and Pensions Service (MaPS) testing of their Dashboard, with a dedicated Pensions Dashboard page now also available on the LPPA website.

Following the update, the Chair invited comments from Board members, with questions and responses summarised below:

- In response to a question on when the Pensions Dashboard would be available to users, Chris Batts advised that testing was underway and the current estimate for go-live was summer 2027, with a minimum of six months' notice to be given once a date had been confirmed. Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) added that different schemes were connecting to the dashboard ecosystem at different times. For larger public sector Funds, including Brent, the initial connection deadline had been the end of 2025, but a staged connection process meant smaller schemes were continuing to connect throughout 2026, ahead of a phased overall launch.

- Following on, Members sought clarification on the difference between LPPA's own member portal and the national Pensions Dashboard, and whether this

meant members would need to log in to two separate systems. Chris Batts explained that LPPA's secure portal, Pensions Point, had been designed to allow members to view their Brent Council pension and carry out administrative tasks (such as updating contact details or death grant nominations), whereas the national Pensions Dashboard was a government-led initiative intended to bring together a member's full pension picture (including the State Pension and any other pension pots) all in one place, to support retirement planning. It was noted the dashboard was expected to be particularly useful for members with multiple past employment trace pension pots.

- A further query was raised about the backlog of delayed death grants relating to 1995-scheme retirements, how many cases remained outstanding, when these were likely to be resolved, and whether excluding such delayed cases from SLA calculations meant the reported 98.9% performance figure reflected genuine member experience. John Smith explained that 1995-scheme cases related to members who left the service before the 1st April 1998, and whose pension must come into payment at age 60 with some of the historic data issues predating LPPA's appointment (the fund previously being administered by Capita).

  Clarifying the context to the backlog, members were advised of the discretion now available in cases that are over two years old to the Fund. Chris Batts highlighted the positive trend in terms of casework performance but acknowledged the issues, especially in relation to the delayed payment of death grants which he assured members the Council was continuing to work with LPPA on in order to address the concerns identified.

- As a final issue, details were also sought on the Fund's residual financial exposure under the McCloud remedy and whether there were any delivery risks to meeting the 31st August 2026 deadline for provision of Annual Benefit Statements. John Smith advised that the additional benefit cost was minimal, as relatively few members qualified for the underpin, though the administrative cost of delivering the remedy was more significant. Chris Batts then confirmed there is risk to achieving delivery of statements in any given year, owing to an ever-present small number of outstanding data queries but highlighted that LPPA had achieved almost 98% of benefit statements being issued within target date during the previous year, with a similar figure anticipated (around 97–98%) for the current year, including the McCloud underpin.

With no further questions raised the Chair thanked Chris Batt, Emily Booth and John Smith for the update and it was **RESOLVED** that the report be noted.

6. **Pension Fund Annual Report**

David Ewart (as Chair) introduced the Annual Report to the Pension Board, providing an update on the Board's work during 2025-26.

In introducing the report, the Chair highlighted the work of the Board as it related firstly to the review of investment activity and secondly to the performance of the pension administration function with additional roles in relation to risk management and the use of other discretionary powers. Reflecting on the improvement in performance of the

Fund over recent years it was recognised, in terms of investment activities, whilst this had taken up a smaller part of the Board's time, given the remit of the Pension Fund Sub Committee in this respect, members had continued to receive regular investment updates and been in general agreement with the action being taken by the Sub Committee. Members were also reminded of the positive nature of the latest actuarial valuation, which had lead to a reduction in employer contribution rates with it noted that the Fund remained cash flow positive. The Board remained mindful, however of their duty to effectively scrutinise the investment activity of the fund and of the increasing level of risk and ongoing nature of the pressures faced with 2026-27 also identified as significant in terms of the changes being introduced as a result of the Fit for the Future requirements, particularly in relation to governance arrangements.

In terms of Pension Administration, the Board had taken the lead in scrutinising the performance of the Fund's pensions administration partner Local Pensions Partnership Administration (LPPA), with the Board continuing to monitor those areas identified as not meeting SLA targets as well as general levels of performance and a focus on some of the most sensitive activity such as dealing with retirement from active membership and death in service, the level of service to Fund members and the quality of data held, although the need to maintain ongoing and continuous improvements had been recognised.

Whilst 2025-26 year had been a busy year and the Board remained aware of the areas for improvement highlighted it was also felt to have been an encouraging year for the Fund, despite the increasing risks and pressures identified, with the funding level continuing to improve and investment returns remaining strong, on an absolute basis, although slightly underperforming relative to the Fund's benchmark and a general improvement in the performance of the pension administration function (with some areas of challenges remaining).

In concluding the presentation of the Annual Report, the Chair also took the opportunity to thank all the Board members and supporting officers for their efforts and ongoing support.

Following the update provided by the Chair members were invited to raise any comments with the following issues highlighted:

- In beginning the discussion, details were sought on how the Fund in Brent compared with other authorities, noting that the performance remained below many other LGPS funds despite reaching 113% funding. The Chair explained that, owing to the Fund's historically low starting position, it remained in the lower quartile nationally. Sawan Shah added that funding levels tend to move in the same direction for most funds during a given period, and that compounding effects mean well-funded funds tend to grow faster while less well-funded funds grow more slowly. He confirmed the Fund's funding level had improved from around 60% some years ago, to 87% at the 2022 valuation, and to 113% at the valuation just completed.

- Following on, it was asked which administration indicators remained concerning despite recent improvements, and what preparations had been made for the forthcoming Fit for the Future governance reforms. The Chair identified complaint

volumes and contact centre wait times as areas of ongoing concern, observing that in some months over 10% of callers wait more than ten minutes to be answered.

On the subject of the Board's membership, it was noted the report stated the Board comprised of seven members, Members asked whether co-opted members were reflected in that figure. The Chair confirmed the seven comprised of three Pension Scheme member representatives (including trade unions) (Chris Bala, Robert Wheeler and Bola George), two councillor Brent Employer Representatives (Councillor S. Butt and Councillor Dar), one Non Brent Employer Representative position, with currently remained vacant alongside the Independent Chair. Officers confirmed that the vacant Non Brent Employer representative position continued to prove difficult to fill, despite repeated recruitment attempts and promotion at employer forums with a further recruitment exercise planned at the start of the September 2026 school term. This would need to be undertaken alongside consideration of the pending appointments of the Senior LGPS Officer and Independent Person also required under the Fit for the Future arrangements.

With no further questions, the Chair thanked the members and officers for their work and the Board **RESOLVED** to note and endorse the Annual Report.

7. **Local Government Pension Scheme Update**

John Smith (Pensions Manager, Brent Council) introduced the report from the Corporate Director Finance & Resources, providing an update on the latest developments within the LGPS regulatory environment listing during the quarter. The following key matters were highlighted:

- An update was provided on introduction of the Qualified Absence Purchase Arrangement (QAPA) which had been designed to enable members to purchase pension lost during periods of authorised absence exceeding 14 days. For periods of authorised absence of 14 days or less, it was noted that both the member and employer would need to continue to pay pension contributions at the normal rates with details also provided on the principal differences between QAPAs and Additional Pension Contributions (APCs).

- The Bereaved Partner’s Paternity Leave Regulations 2026, made on 10 March 2026, had introduced a new statutory entitlement for eligible employees to take leave to care for a child. Members were advised this would apply within the first year following a child’s birth, placement for adoption, or (in the case of overseas adoption) the child’s entry into Great Britain, where the child’s primary carer dies on or after 6 April 2026. For pension purposes, it was reported that any period of bereaved partner’s paternity leave would be treated as pensionable with Assumed Pensionable Pay (APP) to be applied throughout the entire period of leave, regardless of whether the leave was paid or unpaid.

- Councillors' pensions had been reintroduced with effect from the 11th of May 2026, with a broader definition of pensionable pay than under the previous scheme. In outlining the key elements of the scheme, members were advised that elected membership in the Local Government Pension Scheme (LGPS)

could not be aggregated with any non-elected LGPS membership and of the transfer process with the pensions of councillors who chose to retire before their state pension age (SPA) being subject to actuarial reduction for early payment. It was also confirmed that provision for early access to benefits would not be available in relation to flexible retirement, redundancy, retirement on the grounds of business efficiency, retirement by mutual consent on business efficiency grounds with there being no discretion to waive actuarial reductions. It was also confirmed that Council's would not be able to contribute towards additional contributions contracts (APCs) or additional voluntary contributions (AVCs), except for salary sacrifice shared cost AVCs, or awarded additional pension under Regulation 31.

- On the Pensions Dashboard, the default public-facing dashboard was stated to be the Money and Pensions Service (MoneyHelper) dashboard, though a range of new services, including private sector options, were now expected following recent consultations.

- Both the LGPS (Fit for the Future) reform and Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026 had taken effect from the 30th June 2026. These had introduced the requirement for an updated Investment Strategy Statement, new statutory guidance on the knowledge and understanding of those involved in LGPS governance, a new "LGPS Senior Officer" and independent person role and requirements for periodic independent governance reviews and asset pooling.

- As a final update, attention was drawn to the increase, introduced by HM Treasury in May 2026, to the superannuation contributions adjusted for past experience (SCAPE) discount rate used by the Government Actuary's Department. Members were advised the SCAPE discount rate was used in the valuation of unfunded public service pension schemes and played a key role in determining employer contribution rates and actuarial factors used across public service pension schemes with the rate having increased from CPI plus 1.7% to CPI plus 2%.

Following the update, the Chair invited questions, with points raised and responses summarised below:

- Details were sought on the changes Brent would need to make to comply with the Fit for the Future guidance. John Smith explained that governance requirements were tightening across the sector generally; Brent would need to appoint a new, "LGPS Senior Officer" role, alongside an independent person to oversee governance at Sub-Committee (and potentially Board) level. Brent would also be subject to independent governance reviews and asset pooling requirements. It was then asked if Brent had assessed the resource implications and opportunity cost of appointing a Senior LGPS Officer and an independent person. Amanda Healy (Deputy Director of Finance) advised that sector-wide discussions were underway, particularly across London, to agree a consistent approach to the independent person role and fee levels, to avoid funds competing on cost for candidates in order to minimise any additional costs, which it was confirmed would need to be met by the Pension Fund rather than the

Council's General Fund, and the Ministry of Housing, Communities and Local Government not having indicated any additional resource would be provided to meet these costs.

- Details were sought on the number of councillors who had opted into the LGPS since May 2026 and the impact on cost. In response, members were advised that the position was mixed with details on the overall % who had opted-in to be provided as part of the next update.

The Chair thanked John Smith for a comprehensive and informative report and with no further questions or comments raised by members it was **RESOLVED** to note the report and the recent developments outlined in relation to the LGPS.

8. **Risk Register**

John Smith (Pensions Manager, Brent Council) introduced a report from the Corporate Director Finance & Resources presenting the updated Risk Register for the Brent Pension Fund Pensions Administration Service. The Board was reminded that the regulator expected the fund's risk register to be regularly reviewed alongside the Risk Strategy (attached as Appendix 2 to the report). In noting the updated Risk Register detailed within Appendix 1 of the report, the Board was advised of the following key changes since the previous update:

- The score for risk 4.11 (Pension events planning projects) had been amended to reflect the substantial volume of new legislation and change discussed elsewhere on the agenda.

- The score for risk 4.21 (Annual Benefit Statements) relating to the McCloud remedy, had been lowered, reflecting that LPPA now had a good handle on delivery of the underpin following earlier difficulties.

- The score for risk 4.51 relating to admission agreements (a long-standing issue for Brent) had been lowered following the identification of additional legal support to draft initial agreements.

- The risk relating to Pension Board training (risk 5.2) had been revised to reflect the departure of experienced members and the need for new members to begin their training journey.

- Geopolitical risk (risk 6.2) had been reviewed with a comment added to reflect geopolitical uncertainty having increased market volatility and risk but no change being identified in the scoring as the risk was deemed to be cyclical in nature.

- In terms of pension plan accounting (risk 6.5) additional comment had been added to reflect the value of the Pension Fund's investments having increased during 2025-26 with the Fund in a positive cash-flow position

The Chair thanked John Smith for addressing a point raised at a previous meeting regarding the risk heat map. Following this, the Chair invited questions from the Board, with the key highlights summarised below:

- Beginning with the Fund's residual risk, members wished to know the highest threat by score, and whether cybersecurity risks had increased following the Pensions Dashboard implementation. John Smith explained that the Risk Register reflected officers' collective assessment of risk based on regular review. On cybersecurity, he confirmed that significant resource was being invested in making the Pensions Dashboard as resilient as possible, though a residual risk remained, in part due to external private dashboard providers also requiring access to Fund data ungoverned by Brent.

- In relation to risk recategorization, Members enquired over what evidence would be required before the inflation risk score could be downgraded. In response, Sawan Shah highlighted examples of recent fluctuations in the inflation rate triggered by a range of external factors which made tracking more complex. It was advised that a sustained reduction in the frequency of such external shocks would likely be needed before the risk score could reasonably be downgraded, and, as such, no clear timescale could currently be provided.

The Chair thanked those who had prepared the register and commended both its quality and the clarity of the presentation. With no further questions raised, the Chair noted that the risk scores around inflation and market volatility reflected the difficult environment in which the fund was currently operating.

As a result, the Board **RESOLVED** to note updated Risk Register, including the key changes set out in section 3.2.4 of the report.

9. **Training Strategy Update**

Sawan Shah (Head of Finance, Pensions and Housing Companies, Brent Council) introduced the report from the Corporate Director Finance & Resources which set out the Fund's updated training strategy for Pension Fund Sub Committee members, Board members and officers. In introducing the report, members were advised that the update had been driven primarily by the Government's Fit for the Future reforms and new LGPS governance guidance published at the end of June 2026, which had strengthened requirements around knowledge, skills and understanding, including a requirement for funds to maintain a formal training strategy.

As additional background to the review, it was noted that the updated version of the Training Strategy (detailed within Appendix 1 of the report) had been designed to reflect the requirement on Board members to be conversant with the rules of the Scheme and any document recording policy relating to the administration of the Scheme as well as ensuring they had relevant knowledge and understanding of the law relating to pensions. Having reviewed and updated the Training Strategy to ensure provision of a comprehensive framework to support these requirements, members were advised key elements included:

- compliance with the updated LGPS regulations and statutory guidance published following the Fit for the Future consultation.

- adoption of nine core knowledge areas where appropriate knowledge and skills should be achieved.

- clearly defined expectations on the level of knowledge required for each role.

- A requirement for induction training within three months of appointment or before attending a first meeting.

- completion of an annual Training Needs Analysis, to assess levels of knowledge and identify the key areas and gaps in which training was required.

- enhanced monitoring and reporting requirements, including disclosures in the Fund's Annual Report and updates to the Pension Fund Sub Committee & Board.

- a commitment on resources, including an annual training budget and procurement of appropriate learning tools.

- Formalisation of the requirement for members to complete the Pensions Regulator's online training toolkit.

Following the update, the Chair invited questions, with points raised and responses summarised below:

- Regarding new Member training requirements, details were sought as to whether attendance at conferences, as well as formal training, should be recorded as part of the training records for individual members. Sawan Shah confirmed that any training or conference attendance (for example, LGC pensions training) should be reported. He then asked that members share supporting materials such as agendas or booklets where possible, to help officers assess relevance. It was also confirmed officers would be happy to advise on the usefulness of any external events members were considering, and that the strategy deliberately provided for a range of learning approaches. This included pre-meeting training sessions, e-learning, conferences and seminars, reading materials, and regular LGA bulletins. These options were made available in recognition that members learnt in different ways.

The Chair thanked Sawan Shah for the update and with no further questions raised the Board **RESOLVED** to note and endorse the updated training strategy (detailed within Appendix 1 of the report) along with the requirement for members to acquire and maintain the appropriate level of expertise, knowledge and skills and continued commitment to support the learning programme.

Before moving on to the remaining items on the agenda the Chair reminded Board members that agenda items 10, 11, 12, 13, 14 and 18 were reports referred to the Pension Board for information following their consideration at the Brent Pension Fund Sub Committee on 9 July 2026.

10. **Investment Monitoring Report – Q1 2026**

The Board received the Investment Monitoring Report covering Q1 (1st January to 31st March 2026), noting it had been presented in detail to the Pension Fund Sub-Committee. Key highlights from the report were summarised as follows:

- The Fund had posted positive returns over the quarter, ending with a valuation of £1.48 billion, down slightly from £1.49 billion in December 2025.

- Reviewing the year as a whole, global equity markets had been volatile following the announcement of US tariffs in April 2025 but rebounded strongly shortly afterwards. A further pullback from market highs had occurred in February/March 2026 following the escalation of conflict in the Middle East. Overall, equities delivered strong returns over the year, driven by robust corporate earnings, while other asset classes (government and corporate bonds, property and cash) were more muted but generally positive.

- The Fund returned -0.9% in the final quarter of the year but a strong 12.1%–12.7% over the 12-month period, reflecting the Fund's significant allocation to growth assets, which stood at around 58% of the portfolio. This was higher than the new long-term strategic allocation agreed as part of the Investment Strategy Review, given that the shift towards income and protection assets were planned to take place gradually over a number of years.

No questions were raised by members. In noting that the report had been subject to detailed review at the Brent Pension Fund Sub Committee, the Board **RESOLVED** to note the contents of the report.

11. **London CIV Update**

The Board received an update from Manish Shah (Senior Finance Analyst, Pension Fund, Brent Council) on the presentation provided by representatives of the London CIV at the Pension Fund Sub Committee on developments relating to the Fit for the Future reforms (recent national government reforms to the UK's pensions sector) following sign off of the Investment Management Agreement in June 2026. Key points from the presentation and update provided were highlighted as follows:

- The London CIV currently managed around £60 billion of LGPS assets, of which £38 billion was pooled and actively managed by the London CIV directly, with the remainder passively managed by LGIM and BlackRock.

- The London CIV currently offered around 18 public market funds and 8 private market funds, with further funds in both categories, as well as local investment options, in development.

- Going forward, the London CIV's focus would include implementation of investment strategy and responsible investment at pool level, strategic asset allocation advice to partner funds, governance, and delivery of local investment.

- A further meeting with the London CIV was scheduled for the last week of July 2026 to discuss quarterly performance reporting in more detail.

In noting that the presentation had been subject to detailed review at the Brent Pension Fund Sub Committee, and with no questions or comments raised, the Board **RESOLVED** to note the update provided.

12. **Draft Statement of Accounts 2025-26**

Manish Shah (Senior Finance Analyst) introduced the report from the Corporate Director Finance and Resources, presenting the draft Pension Fund Annual Accounts for the year ending 31st March 2026 the following main issues were highlighted for members:

- During 2025/26, the value of the Pension Fund's investments increased to £1,482m (2024/25 £1,310m). Growth assets continued to be main driver of positive returns both in absolute and in relative terms over the past 12 months, with investments held within the Emerging Markets equities being the main performer and the overweight position in this asset class having benefited fund performance. The UK housing market had for the quarter remained flat but underperformed the bench over the same period as rising gilts yields triggered by the war in Iran continued to impact demand.

- Total contributions received from employers and employees were £70m for the year, a decrease on the previous year's £73m reflecting the reduction in the main employer contribution rate from 30.5% to 23% as the Fund's funding position had improved

- Total benefits paid to scheme beneficiaries, in the form of pensions or other benefits, were £62m, an increase on the previous year's £60m.

- As in 2024/25, the pension fund remained in a positive cash-flow position as its contributions exceeded outgoings to members.

The Chair congratulated officers on publishing the accounts on time and commended their quality. Following this the Chair opened the floor to any questions or recommendations from the Board, with the following issues highlighted:

- A large increase in the number of pensioners recorded under "other employers" was noted, rising from 932 to 1,437. Members enquired as to what had caused this which officers advised they would need to investigate and provide further detail on following the meeting.

- Moving on, a member asked whether there were any audit risks or areas of significant accounting judgement the Board should be aware of. Officers confirmed that nothing specific had been raised by the auditors and that the audit was progressing cleanly. The Chair, speaking in his separate capacity as Independent Chair of the Audit and Standards Advisory Committee, noted that the pension fund accounts have historically been one of the more straightforward areas of the Council's audit.

With no further issues raised officers were commended for their work to complete the draft accounts and in noting that the report had been subject to detailed review at the

Brent Pension Fund Sub Committee the Board **RESOLVED** to note the Draft Pension Find Statement of Accounts and Audit Plan 2025-26.

13. **Fit for the Future Update**

Sawan Shah (Head of Finance, Pensions and Housing Companies) introduced a report from the Corporate Director Finance & Resources presenting an update on the Government's Fit for the Future reforms, following publication of the final regulations, which had been laid before Parliament and came into force on 30 June 2026, alongside final guidance which had also been published.

In presenting the report, members were reminded that the Pension Schemes Act 2026 had received Royal Assent at the end of April 2026, enabling the subsequent regulations, and that the reforms covered three key areas: asset pooling, local investment, and governance arrangements across the Local Government Pension Scheme.

The most significant change for the Fund was that Brent, as administering authority, would continue to be responsible for setting funding and investment strategy, however, there would be a much greater focus on oversight and scrutiny of the asset pool with the London CIV, responsible for implementation of the strategy and investments. Members were advised that the Fund was already well advanced in this respect, with 93% of assets managed directly or indirectly by the London CIV, and that the Investment Management Agreement signed with the London CIV on 11 June 2026 now provided for management of the Fund's remaining off-pool assets.

Members were further advised that an updated Investment Strategy Statement was required to be published by March 2027, with officers planning to bring this to the Pension Fund Sub-Committee in October 2026. In terms of governance requirements, these now included the appointment of a Senior Responsible Officer and an Independent Person by the end of 2026; and that an independent governance review would be required by March 2028, and every three years thereafter. Updated requirements in relation to governance training and conflicts of interest documentation were also outlined and noted.

In concluding the report, Members were advised that the Fund already operated within a robust governance environment, and that these requirements largely added to, rather than fundamentally changed, that existing environment.

With no questions or comments raised and in noting that the report had been subject to detailed review and approval at the Brent Pension Fund Sub Committee, the Chair thanked officers for the update and **RESOLVED** to note the report.

14. **LAPFF Engagement Report**

The Board noted the report providing an update on the engagement activity undertaken by the Local Authority Pension Fund Forum (LAPFF) on behalf of the Fund A along with the summary of key engagements made by LAPFF as reported in Appendix 1 of the report. In noting that the report had been subject to detailed review

at the Brent Pension Fund Sub Committee the Board **RESOLVED** to note the report and update on LAPFF engagement activity, without further comment.

15. **Date of Next Meeting**

The Board noted the dates identified for the meetings in the 2026–27 municipal year, as follows:

- Thursday 5 November 2026 to be held at 6pm as an online meeting.
- Monday 22 March 2027 to be held at 6pm as an online meeting.

16. **Any Other Urgent Business**

No items of urgent business were identified for consideration at the meeting.

17. **Exclusion of the Press and Public**

At this stage in the proceedings, the Pension Board was asked to consider whether they wished to exclude the press and public for consideration in the final report on the agenda. Given that the following item had been submitted for information and could be considered without the need to disclose any information classified as exempt, it was **RESOLVED** not to exclude the press and public from the remainder of the meeting.

The meeting then continued in open session.

18. **London CIV update**

The Board received a brief update on the London CIV, providing the latest information on Brent Pension Fund investments held within the London CIV and recent developments in light of the Government's Fit for the Future plans.

In noting that the report had been subject to review at the Brent Pension Fund Sub Committee, the Board **RESOLVED** to update without further comment.

With no further business on the agenda, the Chair closed the meeting by thanking all members and officers for their input.

The meeting closed at: 7:43pm

DAVID EWART
Independent Chair