

# PENSIONS COMMITTEE

12 June 2019

<b>Title:</b> Pension Fund Accounts 2018/19	
<b>Report of the Chief Operating Officer</b>	
Public Report	<b>For Information</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> David Dickinson, Investment Fund Manager	<b>Contact Details:</b> Tel: 020 8227 2722 E-mail: <a href="mailto:david.dickinson@lbbd.gov.uk">david.dickinson@lbbd.gov.uk</a>
<b>Accountable Director:</b> Helen Seechurn, Interim Director of Finance	
<b>Accountable Strategic Leadership Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary:</b>  This report presents the Pension Panel with the Draft Pension Fund Accounts for 2018/19.	
<b>Recommendations</b>  The Panel is asked to consider and note the Draft Pension Fund Accounts for 2018/19.	

## 1 Introduction

- 1.1 This report introduces the annual accounts of the London Borough of Barking and Dagenham Pension Fund for the year ended 31 March 2019, which are included as appendix 1.
- 1.2 The Pension Fund Accounts sets out the financial position of the Pension Fund as at 31 March 2019 and as such acts as the basis for understanding the financial well-being of the Pension Fund. It also enables Members to manage and monitor the Scheme effectively and be able to take decisions understanding the financial implication of those decisions.

## 2 Key Highlights

- 2.1 Overall 2018/19 was another good year for the Fund with a positive investment return, net of fund manager fees and custodian costs, of 5.2%, 2.7% lower than

its benchmark of 7.9%. Taking net pension contributions into account, the Fund increased in size by 7.7%. Over three years the Fund has returned an annualised return of 9.4%, which 0.5% below the Fund's benchmark return of 9.9%.

- 2.2 Equities were the main driver of outperformance, with Baillie Gifford and Kempen providing a good return of 8.8% and 7.9% for the year and Aberdeen Asset Management providing a return of 4.8%, outperforming its benchmark by 0.2%. Global credit and infrastructure managers were the worst performers, both underperforming their benchmarks and providing negative actual returns for the year.
- 2.3 A number of new employers joined the scheme as admitted bodies including, B&D Trading Partnership, BD Together, BD Corporate Cleaning, BD SIP, Lewis and Graves and Town and Country. The total number of active and closed employers within the Fund was 42 as at year end.
- 2.4 The Fund increased in value by £74.3m from £967.4m as at 31 March 2018 to £1,041.7m as at 31 March 2019.
- 2.5 Audit fees remained at £16k for the year