



ROYAL BOROUGH OF GREENWICH PENSION FUND

Annual Report - 2024/25



STEWARDSHIP
CODE



ROYAL borough of
GREENWICH

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Introduction



ROYAL BOROUGH OF GREENWICH
PENSION FUND

Message from Chair of the Pension Fund Investment and Administration Panel

As chair of the Royal Borough of Greenwich pension Fund Investment and administration Panel, I am pleased to introduce the Fund's annual Report and Accounts for 2024/25. This report provides a comprehensive overview of the Fund's financial activities throughout the year, highlighting key developments, investment performance, and governance initiatives.

For the year ending 31 March 2025, the overall value of the Fund increased by £63.86m to £1.75bn, representing approximately 4% growth. Over the past year, the global financial market landscape was shaped by fluctuating bond yields, mixed inflation signals, and cautious central bank policies amid geopolitical uncertainties.

We anticipate that our fund managers will continue to monitor market trends closely and make necessary adjustments to our portfolio to optimise returns while effectively managing risk.

In the 2024/25 financial year, the Fund achieved signatory status to the Financial Reporting Council's UK Stewardship Code 2020. This Code sets rigorous standards for those investing on behalf of savers and pensioners, promoting transparency and accountability. This achievement underscores the Fund's dedication to long-term, sustainable, and responsible investment.

At our February meeting, the Panel approved a £45m allocation to the London CIV Nature Capital Fund, alongside an additional £115m investment in the London CIV Private Debt Fund. This reflects our ongoing commitment to aligning with the government's directive on transitioning assets into the London CIV.

The Nature Capital Fund is a forward-thinking investment initiative aimed at enhancing the environmental and financial sustainability of our portfolio. By investing in projects that restore ecosystems, promote biodiversity, and support carbon capture, the Fund helps drive positive climate action while delivering long-term value.

As we move through 2025/26, the Fund will continue to seek opportunities to pool our assets into the London CIV to maximise savings. Currently, the Fund has over £896m invested in the Lond CIV, with plans in place to transition the remaining assets into the London CIV.

Looking ahead, the Fund anticipates a busy period with the "Fit for the Future" consultation focusing on reforms to the Local Government Pension Scheme, particularly in areas such as asset pooling, governance, and local investment. The government has published its response to the consultation, confirming that most proposals will proceed as

planned. LGPS funds and pools must now prepare for implementation, ensuring compliance with new regulations while balancing fiduciary responsibilities.

I would like to take this moment to extend my heartfelt thanks to my colleagues, our advisors, employer organisations and our officers for their unwavering dedication and support throughout the past year. Additionally, I wish to express my sincere appreciation to our fund members for their continued support of the Pension Scheme.



Councillor Olu Babatola
Chair, Pension Panel

Message from Chair of the Pension Board

Welcome to the annual message from the Local Pension Board. Our role is to support the Administering Authority in adhering to the LGPS regulations, meeting the requirements of the Pensions Regulator, and ensuring efficient and effective management of the Fund.

The Board continues to consist of two member representatives and two employer representatives, each holding voting rights. Additionally, Board members attend meetings of the Pension Fund Investment and Administration Panel in an observer capacity, strengthening the link between the Board and the Panel

Now in my third year as Chair, our primary focus has been on reviewing key governance documents. This has included the Governance Compliance Statement, which outlines the delegation arrangements for Fund-related decisions, and the Statement of Compliance with the UK Stewardship Code, which sets out fundamental principles of effective stewardship for institutional investors.

Looking ahead, the Board remains committed to staying informed about regulatory developments and closely monitoring the Fund's performance, particularly in relation to its administrative functions.

As Chair, I will continue to assess areas for development to ensure the Pension Fund remains aligned with best practices and fosters active engagement from stakeholders.

The Board is satisfied that the Royal Borough of Greenwich Pension Fund has operated in full compliance with statutory regulations and relevant legislation over the past year.

I would like to extend my sincere appreciation to my colleagues on the Pension Board for their dedication and contributions. Their commitment to governance and oversight has been invaluable in ensuring the continued effectiveness of the Fund. Additionally, I wish to express my gratitude to all staff involved in managing the Fund. Their professionalism and hard work has been instrumental in delivering high-quality pension services, supporting scheme members and employers alike.

Lastly, it is with great sadness that we acknowledge the passing of Alastair Kidd, who served on the Board as a member representative since 2022. His dedication, expertise and invaluable contributions to the Fund have left a lasting impact.

Alastair's commitment to the governance and oversight of the Fund was deeply appreciated and his presence will be sorely missed. On behalf of the Fund, we extend our heartfelt condolences to his family, friends, and colleagues.



Councillor Nick Williams
Chair, Pension Board

Message from the Director of Resources

The Royal Borough of Greenwich Pension Fund is administered by the Council, which is responsible for overseeing its effective management and ensuring financial stability. This includes the collection of contributions from employers and scheme members, as well as the strategic allocation of investments in line with the Fund's Investment Strategy Statement.

I am pleased to report that the Fund has delivered strong financial performance over the past year, achieving a £64m increase in value to £1.75bn. This growth is a testament to the Fund's robust investment strategy, sound governance, and disciplined financial management, ensuring long-term sustainability for members.

However, this progress has occurred against the backdrop of prolonged higher inflation, which has placed pressure on the Fund's liabilities and broader economic conditions.

The 2024/25 financial year has been shaped by shifting market conditions, including fluctuating bond yields and ongoing geopolitical uncertainties. Equity markets have experienced periods of volatility, while fixed-income investments have seen adjustments in yields due to central bank policies. Additionally, the UK economy has faced inflationary pressures, affecting real returns on pension assets. Despite these challenges, the Fund has continued to adapt its

investment strategy, focusing on diversification, risk management and sustainable investment principles.

The end of the 2024/25 financial year also marked the beginning of the Triennial Valuation, a crucial milestone for the Fund. This process will provide an updated assessment of funding levels, employer contributions and long-term sustainability. The previous valuation in 2022 set the funding level at 103%, and we are looking to improve on this position.

Last year, the Fund actively engaged on the government's Fit for the Future consultation, which sought views on proposed reforms to asset pooling, governance, and investment strategy. The government's response confirmed its intention to proceed with these proposals, despite concerns raised by stakeholders. Notably, only 5% of respondents supported the March 2026 deadline, underscoring the challenges of transitioning assets within the proposed timeframe.

With the consultation period now concluded, the Fund is preparing for implementation, ensuring compliance with new regulatory requirements. However, we continue to await the progression of the Pension Schemes Bill 2025 through Parliament, which will formalise the government's response and provide further clarity on the next steps

Alongside these significant developments, we have remained dedicated to delivering high-quality pension services to scheme members while supporting employers in fulfilling their obligations. As of now, the fund has 26,842 members and 63 active employers.

I would like to express my appreciation for the dedication and professionalism of all staff involved in administering the Pension Fund. Their hard work is instrumental in ensuring the continued delivery of essential services for the benefit of our scheme members and employers. The Fund remains committed to innovation, striving to provide an outstanding service to pension fund members while delivering value for money for employers and local taxpayers alike.

Damon Cook
Director of Resources

Scheme overview

The Royal Borough of Greenwich Pension Fund is part of the LGPS which is governed by various regulations. Its benefits are therefore defined and guaranteed in law. The LGPS was contracted-out of the State Second Pension (S2P) for 2015/16. The scheme changed to be 'contracted in' during April 2016. The Pension Fund fulfils the requirements of the Public Services Pensions Act 2013, which requires Councils to maintain a Pension Fund for its own employees and employees admitted to the Fund under an admission agreement.

The Royal Borough of Greenwich is the Administering Authority and the Director of Finance is responsible for the day to day administration of the Fund.

The Royal Borough of Greenwich Pension Fund is a funded pension scheme which means that contributions into the Fund are made by employers and employees which are then used to make investments upon which a return is anticipated.

Benefits are paid using the Fund's cash flow.

Employee contribution rates are set by regulations and are dependent upon each member's actual pensionable pay. Employee contributions attract tax relief at the time they are deducted from pay.

Employers participating in the Fund pay different rates of contributions depending on their history, their staff profile and any deficit recovery period agreed with the Fund. Employer contribution rates are reviewed as part of the triennial actuarial valuation. The last formal triennial valuation took place as at 31 March 2022 and showed that the Fund was 103% funded. Each underlying employer will have a different funding rate. Where there are deficits, these are spread and recovered over a maximum 20-year period from 01 April 2023. Deficits and surpluses are factored into the secondary/deficit recovery rate.

The investment objective of the Pension Fund is to ensure that the Fund has sufficient assets to pay pensions and other benefits by maximising investment returns within acceptable risk tolerances.

Some key points about contributions and benefits:

- From 1 April 2014 scheme contributions and benefits relating to service earned from that date changed and have moved to inflation linked Career Average Revalued Earnings (compared to final salary prior to the date of change). The higher accrual rate of 1/49th (rate pension is earned) was introduced

- There is flexibility for members to pay 50% contributions, in return for half of the normal benefits.
- The average contribution rate for employees has remained at 6.5%, but higher earners will pay more.
- The option to convert pension to lump sum has remained.
- Benefits from 1 April 2008 to 31 March 2014 are calculated using the accrual rate of 1/60 for pension and based on final salary. The accrual rate Pre April 2008 was 1/80.
- Employees are given a facility to enhance their pension arrangements through the use of Additional Voluntary Contributions (AVCs), as a requirement of the LGPS.
- The Royal Borough of Greenwich Pension Fund uses Clerical Medical as its current AVC provider. Members' funds held in accounts with our previous AVC provider (Equitable Life) were transferred to Utmost Life and Pensions during 2019/20.

Fund Highlights

£1.8bn

Pension fund value
(£1.7bn 23/24)

63

Active employers
(67 23/24)

£67m

Contributions received
(£63m 23/24)

£81m

Benefits paid
(£73m 23/24)

27,431

Total members
(26,842 23/24)

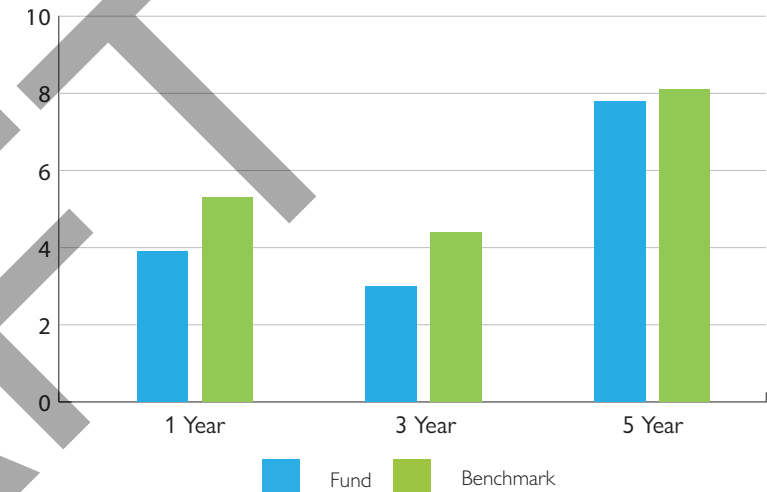
103%

Funding Level (2022)
(97% 2019)

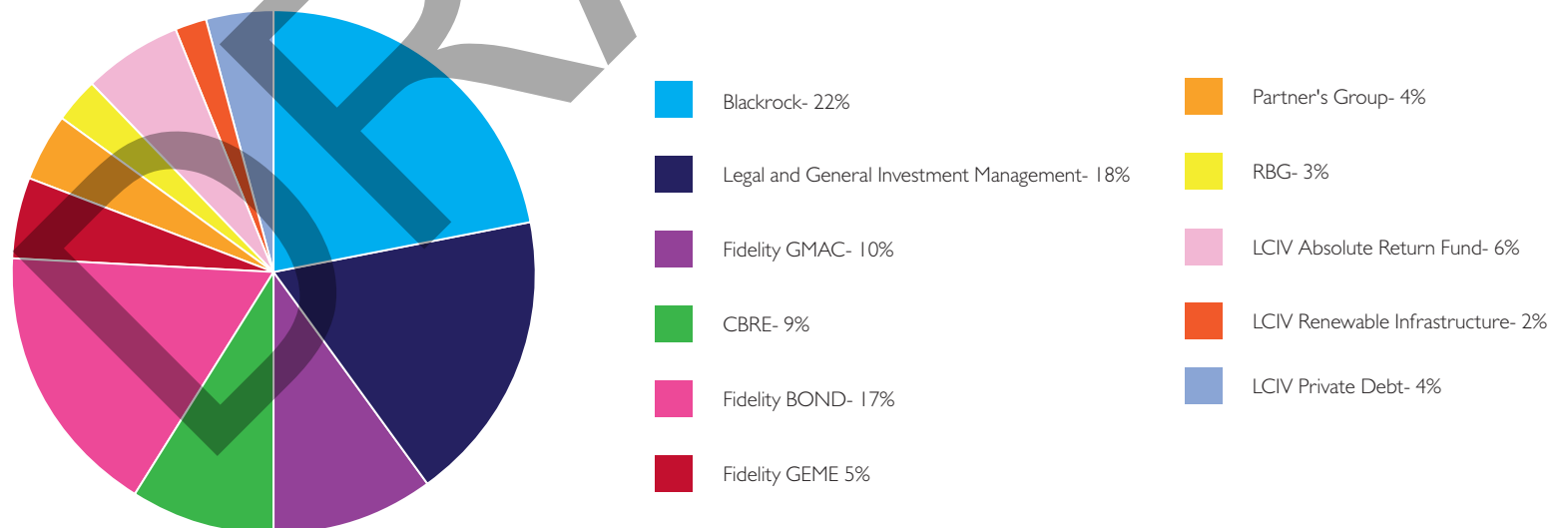
Fund Key Highlights of 2024/25:

1. On 22 July 2024 the Fund successfully became a signatory to the FRC Stewardship Code for its Stewardship report for the year ending 31 December 2023
2. The fund value increased by 3.8% in 2024/25
3. Transfer of £237.5m global equities into low carbon global equities
4. Benefits continued to outweigh contributions, causing a negative net cashflow position. The Fund continues to work alongside its investment advisors to manage this via utilisation of its assets.

Fund Performance



Breakdown of Scheme assets by manager as at 31 March 2025



Overall Fund Management



ROYAL BOROUGH OF GREENWICH
PENSION FUND

Scheme management and advisors

Administering Authority

Royal Borough of Greenwich

royalgreenwich.gov.uk

Officers

Damon Cook Director of Resources

Panel Member

Cllr Olu Babatola Chair of the Pension Fund Investment and Administration Panel

Cllr Jo van den Broek

Cllr Simon Peirce

Cllr David Gardner

Panel Observers

Unite

GMB

Unison

Board Member

Cllr Nick Williams Employer Representative and Chair of Pension Board

Cllr Ann-Marie Cousins Employer Representative

Simon Steptoe Member Representative

Alastair Kidd Member Representative

Actuary

Barnett Waddingham

barnett-waddingham.co.uk

Investment Consultant

Hymans Robertson

hymans.co.uk

Legal Advisor

Freeths LLP

freeths.co.uk

Investment Managers

BlackRock Advisors (UK) Limited

blackrock.com/uk

Fidelity

fidelity.co.uk

Legal and General Investment Management

lgim.com

CBRE Global Investment Partners LTD

cbreim.com

Wilshire Associates

wilshire.com

Partners Group (Guernsey) Limited

partnersgroup.com

AVC Providers

Clerical Medical

clericalmedical.co.uk

Utmost Life and Pensions

utmost.co.uk

Custodian

Northern Trust

northerntrust.com

External Auditor

Forvis Mazars

forvismazars.com/uk

Bankers to the Fund

Natwest

natwest.com

Asset Pool Operator - (including investment manager for 3 funds)

London CIV

londonciv.org.uk

RISK MANAGEMENT

Risk Management within the Governance Structure

Risk management is integrated into the governance structure of the Fund. Officers operate within the financial procedures and control environment of the Administering Authority which are regularly audited by internal and external audit. Overall oversight of risk management falls to the Panel which is responsible for the prudent and effective stewardship of the Royal Borough of Greenwich Pension Fund.

The risk management process involves:

- Risk identification
- Risk analysis
- Risk control
- Monitoring risk

Both the Local Pension Board and Panel receive information on risk via various forms including (but not limited to):

- Review of the Funds key policies and procedures which incorporate risk.
- Regular review of the Funds Risk Register

- Review of quarterly investment and manager performance (which provides insight on market trends and potential risk areas).
- Training

The Risk Register

A key tool for the management of risk is the risk register. The register incorporates an assessment of likelihood and impact of risk events as well as control measures in place and an overall risk score.

The following table shows categories of risk that are identified by the risk register:

Key Risks
Administrative risk
Compliance/regulatory risk
Employer risk
Investment risk
Liability (and other) risk
Reputational risk
Skill risk

Within each category a series of risks are identified and upon each review an update of the status and any changes in relevant controls are made. Each risk is assigned an 'owner' - a responsible officer who reviews and updates the risk details at least annually. The Director of Finance has responsibility to keep the risk register under review. The register is reviewed by Panel annually and split into four sections which are reviewed by Board each quarter on a rolling basis. The Funds current risk register can be found in Appendix A.

How Risks Are Identified, Managed and Reviewed

A scoring matrix is used to identify and assess risks. The scoring matrix (Appendix B Scoring Matrix) assesses two elements of a risk:

- the chance of it happening
- the impact if it did happen

Each element is independently assessed on a scale of 1-5. These scores are then combined to give an overall score. The higher the score the more chance a risk will occur and the more significant the impact will be. The risk register lists the risks identified, the consequence of each risk occurring, and the score

assigned to each risk. Procedures and controls are then considered, the risk is reassessed, and a second score applied considering these.

This process identifies the risks with the highest scores, which are then prioritised for review by

Senior Management. The Panel and officers are mindful of risk in carrying out their duties on a day-to-day basis and any significant risks identified are reviewed and managed through processes and controls accordingly.

Mitigating Risk

Detailed controls to mitigate risk are specified in the Funds risk register. However, the following table contains examples of the controls in place to mitigate key risks across investment, governance, and administration:

Notes 14 and 15 of the pension fund Statement of Accounts also contain disclosures regarding the use of Financial instruments. This can be found on the website: royalgreenwich.gov.uk and searching statement of accounts.

Area	Risk	Controls
Administration	Failure to collect or inaccurate record-keeping leading to potential loss of income and liquidity.	<ul style="list-style-type: none"> Employers monitored against requirements of relevant legislation. Employers monitored against requirements of Fund KPIs. Overdue contributions actively chased from employers Persistent, significant or negligent failure reported to the Pensions Regulator Cashflow forecast monitored.
	Data Protection (GDPR) Data is lost or misused leading to service disruption and / or breach of Data Protection legislation.	<ul style="list-style-type: none"> Data is backed up on a daily basis in a secure manner for 30 days. Files containing member information are encrypted/ password protected prior to transmission. Staff are trained on the data they can and cannot provide. Use of secure email portals.
	Incorrect calculations leading to payment errors.	<ul style="list-style-type: none"> The auditor reviews the peer review process. Benefit calculations are double checked before they come into payment with appropriate sign off levels in place. For any changes to pension entitlements under legislations or guidance or changes to the pension system calculations a test environment is used for user acceptance testing before going live, to ensure payment calculations are correct. Staff are trained and updated checklists provided. Rec done quarterly

Area	Risk	Controls
Governance	Conflicts of Interest Failure to recognise conflicts of interests that are likely to prejudice an individual's ability to perform their role on either the Panel or LPB.	<ul style="list-style-type: none"> • Conflicts policy. • Members Code of Conduct. • Registers of personal and financial interests. • Governance training. • Member declarations formally recorded at each Panel meeting and as part of the published accounts. • Material Related Party Transactions published in accounts.
	Provision of Information Failure to administer scheme appropriately leading to incorrect decisions being made by members and the Fund that could adversely financially affect various stakeholders.	<ul style="list-style-type: none"> • Specific post with responsibility for technical updates. • Receiving appropriate training in all current and new technical areas. • Various members of staff including the Head of Pensions and Pensions Operations Manager attend seminars, training sessions, receive updates from professional advisors and circulations from the regulatory bodies.
	Succession Planning Failure to plan for turnover in Panel / Board members leading to vacant posts on panel and/ or shortfall in knowledge and skills of Panel/ Board members	<ul style="list-style-type: none"> • Awareness of known future events with potential to impact on Panel membership e.g. local elections. • Rolling training programme for Panel Members including induction for new Members. • Induction training process for new members.

Area	Risk	Controls
Investments	<p>Manager Performance</p> <p>Fund manager underperforms benchmark.</p>	<ul style="list-style-type: none"> • Manager selection and monitoring. • Appropriate benchmarks. • Quarterly monitoring reports are made to Panel and action undertaken in respect of poorly performing managers. • Manager performances have been in line with their respective benchmarks in the medium term.
	<p>Asset / Liability mismatch</p> <p>Asset mix insufficient to generate funds to meet liabilities resulting in lower funding level, inappropriate deficit recovery period and increased employer contributions.</p>	<ul style="list-style-type: none"> • Asset/Liability studies held. Modelling of various contribution rates and investment strategies and their implications assessed. • Fund holds a diversified portfolio of investments with a suitable strategic asset allocation benchmark for the Fund, which sets an appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk. • Consideration is also given to diversification across asset types, geographies, and managers. • Diversification. • Frequent monitoring.
	<p>Illiquidity</p> <p>Assets sold at depressed valuation / investment opportunity missed.</p> <p>Inability to realise investments to pay benefits.</p>	<ul style="list-style-type: none"> • Property and Private Equity represent a relatively small part of the portfolio. • The Fund is now cashflow negative. This is monitored weekly and forecast for two years. • Strategic asset allocation to make sure there is sufficient investment income being return to the Fund to meet benefits payment. • Regular review
	<p>Pooling</p> <p>London CIV has inadequate resources to monitor the implementation of investment strategy and as a consequence are unable to address underachieving fund managers</p>	<ul style="list-style-type: none"> • Attendance to regular business updates by officers. • Regular meetings with LCIV to discuss workloads. • Regular review of key LCIV documents/reports. • Manager performance included in quarterly performance report to Panel and Board.

Cyber Security

This continues to be the only area at high risk and under management review. It continues to be reviewed regularly after receiving a presentation from the Infrastructure Manager of the Digital and Customer Services Department at their December 2023 meeting to further understand the risks to the Fund in relation to the complex area of cyber security. All RBG officers have received mandatory on-line training in this area this year.

Collaboration

The Fund recognises that partnership is a vital tool to understand and reduce risks. Collaboration with other counterparties provides valuable information to help identify potential risks and share insight as to how to mitigate these risks. Throughout the year the Fund has continued to engage with various counterparties including other LGPS colleagues, its investment advisors, actuary, and investment managers and through its membership of the Local Authority Pension Fund Forum (LAPFF). Throughout 2024/25 officers have attended business updates alongside the mid-year and annual conferences of the LAPFF to keep abreast of the work undertaken by the forum.

Training

Panel, Board, and officers receive regular training on various topics which incorporate risk. In December 2024 both Panel and Board received training on Accounting and audit standards and Financial markets and product knowledge in line with the CIPFA Knowledge and Skills Framework. This was provided by the Funds Investment Advisors, Hymans Robertson and Barnett Waddingham.

Management of Third Party Risk

The Fund's investment managers and its custodian issue annual internal control documents. These documents identify internal processes and procedures and details of the audit testing performed during the year. These provide comfort to the Fund that risk management and control policies and procedures are in place within these organisations.

Officers analyse and reconcile information provided by the custodian to that of the investment manager. Each quarter, the Panel receives a draft set of quarterly accounts. In preparing these, the assets held by each manager are reviewed and reconciled. The Panel also receives quarterly performance reports in which manager performance is reviewed. Any issues arising out of these reviews are raised at the Panel meeting.

The Fund's Investment Adviser monitors the market and the activities of investment managers and informs officers if there are any concerns such as key changes of staff.

The table below shows the latest agreed CIPFA prescribed frequency of internal audit testing of the Pension Fund, and testing carried out during 24/25 as part of internal audit testing of the Fund.

INTERNAL AUDIT TESTING			
Operational Risk Area	CIPFA prescribed frequency	Testing conducted 24/25	Level of control assurance
Benefit payments and lump sums	Annual testing	Yes	High
Employee contributions	Annual testing	Yes	High
Employer contributions	Annual testing	Yes	High
Membership records	Annual testing	Yes	Moderate
Administration and Governance costs	Every 5 years	No*	
Investment management costs	Every 3 years	No**	High

*Due 27/28

**Due 26/27

Fund Manager	Type of Report	Assurance Obtained	Reporting Accountant
Blackrock	SSAE 18/ISAE3402	Reasonable Assurance	Deloitte & Touche LLP
CBRE	AAF 01/20 and ISAE 3402 Type II	Reasonable Assurance	KPMG
Fidelity	AAF01/20 and ISAE 3402	Reasonable Assurance	PWC
Partners Group	ISAE 3402	Reasonable Assurance	PWC
Northern Trust	SSAE 18/ISAE 3402/ SOC I	Reasonable Assurance	KPMG
LGIM	AAF 01/20 and ISAE 3402	Reasonable Assurance	KPMG
LCIV	ISAs (UK)	Reasonable Assurance	Grant Thornton UK LLP

The Fund has been advised by Wilshire Private Markets, that their internal control structure does not receive an assurance report however; their controls environment are reviewed as part of their annual financial audit process.

Governance and Training

ROYAL BOROUGH OF GREENWICH
PENSION FUND

Governance

Delegated Powers and Responsibilities

The Royal Borough of Greenwich is the Administering Authority for the Pension Fund. The Authority has delegated to the Pension Fund Investment and Administration Panel various powers and duties in respect of its administration of the fund. The Panel is the formal decision making body of the Fund. It should convene a minimum of four times a year and in 2024/25 comprised four Councillors with full voting rights. Representatives from admitted bodies and the trades unions are able to participate as members of the Panel but do not have voting rights.

The general terms of reference of the Pension Fund Investment and Administration Panel are:

- To exercise all relevant functions conferred by regulations made under the Public Service Pensions Act 2013
- To consider and decide all matters regarding the management of the pension fund's investments and to determine the delegation of powers of management of the fund and to set boundaries for the managers' discretion.
- To decide all matters relating to policy and target setting for and monitoring the investment performance of the pension fund
- At least once every three months, to review the investments made by the investment managers and consider the desirability of continuing or terminating the appointment of the investment managers.
- To consider and make recommendations on policy and staff related issues which have an impact on the pension fund directly or indirectly through changes in employer pension contribution rates and through Fund employers' early retirement policies.

- To consider triennial valuation reports prepared by the Fund's actuaries, with recommended employer contributions.
- To receive monitoring reports from the Director of Finance on all matters relevant to the Pension Fund and the Administering Authority's statutory requirements.
- To receive reports as appropriate from the Pension Board

Day to day running of the Fund in respect of administering the membership through collecting contributions, paying benefits / pensions and maintaining all necessary records, is undertaken by the Director of Finance.

Further details on the delegation of functions are in the Fund's Governance Compliance Statement (Appendix C).

The Pension Fund Investment and Administration Panel

Panel Attendance in Municipal Year 2024/25

The table below shows the meeting attendance of Panel members over the course of the year. The Panel formally met on six occasions during the year. All Panel members have full voting rights.

	2024				2025	
Training	Audit and accounting standards		Investments		Away day	
Councillor	22-Jul	16-Sep	09-Dec	27-Jan	14-Feb	17-Mar
Olu Babatola (Chair)	A	A	A	A	A	A
Jo van den Broek	*	A	A	A	A	A
David Gardner	A	A	A	A	*	A
Simon Peirce	*	A	*	A	A	A

A = Attended

* = Absent

The Royal Borough of Greenwich Pension Board

The Royal Borough of Greenwich Pension Board met on five occasions during 2024/25. The purpose of the Board is to assist the administering authority of the Fund (the Royal Borough of Greenwich) in its role as scheme manager. The Board enhances scrutiny and governance within the Fund, helping to ensure that it complies with legislation and the law relating to pensions. A copy of the Pension Board Annual Report can be found in Appendix G. All Board members have full voting rights. Two Board members represent scheme members and two members represent employers in the Fund.

Pension Board Attendance in Municipal Year 2024/25

	2024			2025	
	Training	Audit and accounting standards	Investments	Away Day	
Attendee	22-Jul	16-Sep	09-Dec	14-Feb	17-Mar
Councillor Nick Williams (Chair)	A	A	A	*	*
Councillor Ann-Marie Cousins	*	A	A	A	A
Alastair Kidd	A	A	A	A	A
Simon Steptoe	A	A	A	A	A

A = Attended

* = Absent

Member Training

The first Myner's Principle (see Investment Strategy Statement Appendix E) states:

Administering authorities should ensure that:

- Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effective and monitor their implementation
- Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.

The Fund has a Knowledge and Understanding Policy and Framework (Appendix F) which states that:

“The Royal Borough of Greenwich recognises that effective financial administration and decision-making can only be achieved where those involved have the requisite knowledge and skills.”

In 2024/25 training was provided to members on Audit and accounting standards and Investments. A questionnaire was provided after each session to complete, which was a new introduction this year. A commentary on the work undertaken during the year by both the pensions panel and the pension board can be found in Appendices L & M.

Policy and Process of Managing Conflicts of Interest

Committee members and officers directly involved with the administration of the Fund are required to declare any conflicts of interests at the commencement of all meetings. Where a conflict is considered material, the member or officer may be asked to either; refrain from participating, or exclude themselves from the meeting for the discussion and consideration of the agenda item.

Publication of Information

The dates of the Pension Fund Investment and Administration Panel meetings, along with meeting agendas, reports and minutes are available on the Royal Borough of Greenwich website.

Also available on the website are all reports and statements relating to the Pension Fund.

Oversight and Governance of Asset Pool

The Fund maintains oversight of the work undertaken by its asset pool, the London Collective Investment Vehicle (LCIV) through various means including:

- Regular relationship meetings to discuss current workstreams and priorities.
- Regular attendance at monthly Business Updates provided by the Funds pool through which officers can ask questions and raise queries.

- Attendance at the annual LCIV conference. This two day event provides a more detailed, up to date breakdown of the pools operations and performance.
- Annual review of the pools internal audit assurance report which is examined as part of the annual audit.
- Quarterly review of LCIV Fund performance by Panel and Board.
- Participation in relevant seed Investor groups when new Funds are being designed to help shape the Fund, 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.

Financial Performance



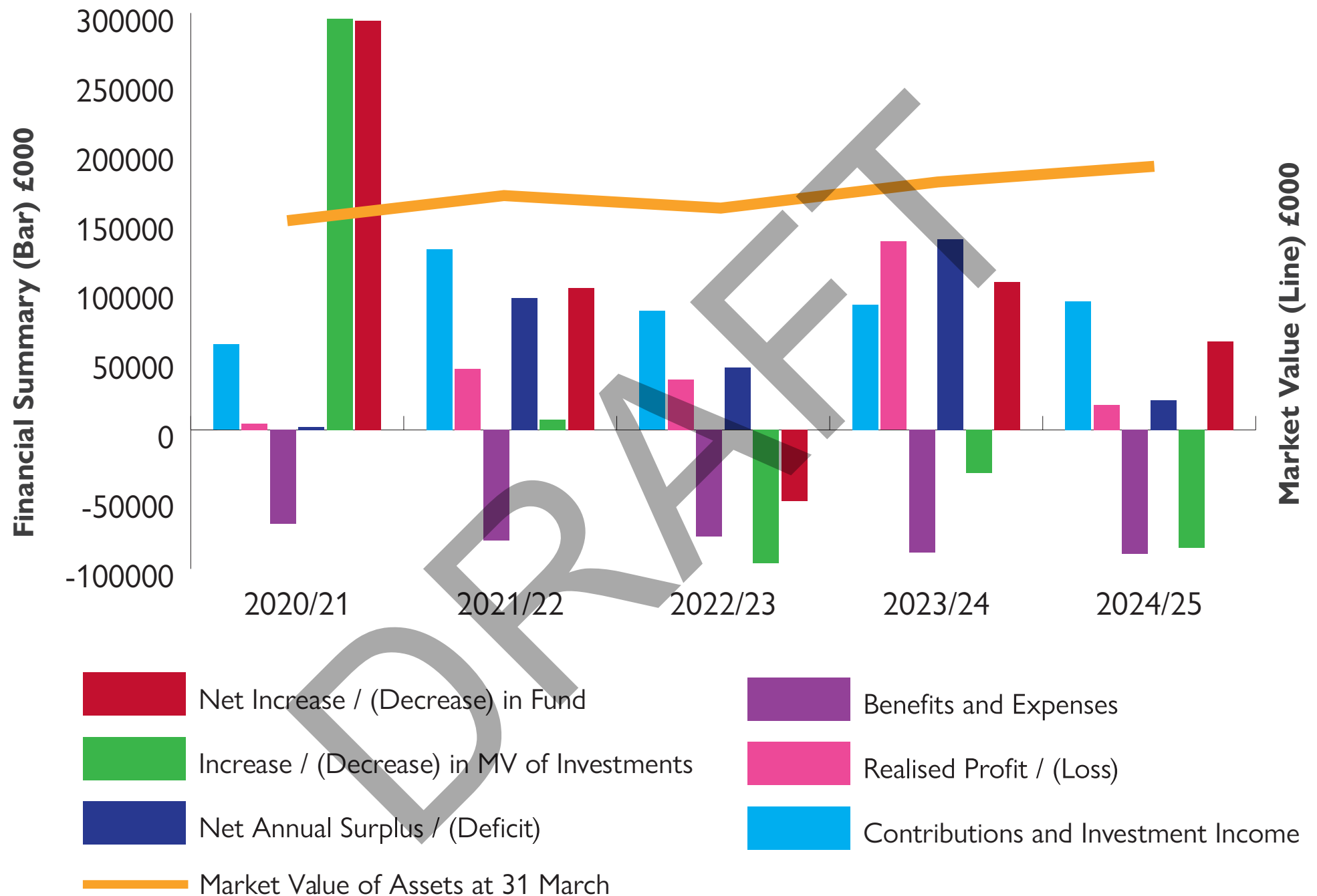
ROYAL BOROUGH OF GREENWICH
PENSION FUND

FINANCIAL PERFORMANCE

Below is a five-year financial summary of the Fund. The Fund increased in value by £295m in 2020/21 as it recovered well following a decrease in 2019/20 mainly due to Covid-19. The Fund recovered well in 20/21. The pace of growth slowed in 21/22, however, the Fund value was still up by 6.7%, growing by £102m. During 22/23, the Fund fell in value by 3.12% due to market conditions. The Fund increased in value by 6.72% in 23/24 and has increased by 3.78% in 2024-25. Comparisons between the year-on-year change in market value of the Fund, FTSE 100 and MSCI WORLD GD indexes are shown below. A more detailed performance review of the Fund comparing performance against the fund's specific benchmarks is available in the Investment Policy and Performance section of this report.

Five Year Financial Summary

Financial Summary	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
Contributions and Investment Income	61,486	130,104	85,534	90,103	92,349
Realised Profit / (Loss)	4,673	44,165	36,092	135,559	17,978
Benefits and Expenses	-67,426	-79,536	-76,925	-88,442	-89,161
Net Annual Surplus / (Deficit)	-1,267	94,733	44,701	137,220	21,166
Increase / (Decrease) in MV of Investments	295,834	7,604	-95,751	-30,835	-85,025
Net Increase / (Decrease) in Fund	294,567	102,337	-51,050	106,385	63,859
Market Value of Assets at 31 March	1,532,978	1,635,315	1,584,265	1,690,650	1,754,510
Change in Greenwich Fund Market Value	23.79%	6.68%	-3.12%	6.72%	3.78%
Change in FTSE 100	18.37%	11.95%	1.54%	4.20%	7.92%
MCSI WORLD GD	39.09%	15.90%	-0.48%	23.05%	5.21%



Budgeted Fund Account

The Fund cash flow estimate for 2025/26 summarises a number of trends. Namely, increasing pension payments to members with regards to inflation and new pensioners.

Expenditure for 2024/25 was lower than forecast due to less payments for leavers including transfers out and refunds.

Overall income was less than forecast, mainly due to investment income. However, Employers contributions were higher than forecast.

Increases from 2023/24 actuals to 2024/25 actuals were expected due to inflation, Increase in Fund value and increased contributions as a result of salary increases.

Budgeted Fund Account- Fund Cashflow	2023/24	2024/25	2024/25	2025/26
	Actuals	Budgeted	Actuals	Budgeted
	£m	£m	£m	£m
Pension(or annuities): retired employees and dependents	(58)	(59)	(64)	(65)
Lump sums on retirement (including deferred)	(13)	(14)	(15)	(16)
Lump sums on death	(2)	(2)	(2)	(3)
Administration costs	(1)	(1)	(2)	(2)
Fund management costs	(5)	(7)	(4)	(4)
Payments to leavers including transfers out and refunds	(10)	(8)	(3)	(6)
Total expenditure	(89)	(91)	(90)	(96)
Contributions (including those from other employing authorities): employees	17	18	18	19
Contributions (including those from other employing authorities): employers	46	48	49	51
Investment income	23	25	17	18
Transfer values including apportionments	4	7	8	6
Total income	90	98	92	94
Net inflow/ (outflow)	1	7	2	(2)

The table below shows the total contributions made in the financial year.

Classification	Administering	Admitted	Schedule	Total
	£000	£000	£000	£000
Employers	37,674	2,672	8,640	48,986
Employees	13,867	1,021	2,790	17,678
Total	51,541	3,693	11,430	66,664

The table below shows summary of total employer contributions made in the financial year, and the timing.

Number of Contributions	Number of Late Payments	Percentage Late
728	19	2.61%

Statute specifies that 'contributions must be paid into the Fund by the 19th day of the following month to that which they relate'. The Pensions Regulations allows interest to be levied on contributions that are not paid on time.

This power was not exercised during 2024/25.

The table below shows the summary of information about the level of contributions as a percentage of pensionable pay.

Contribution level	
Pensionable Pay	£262,285,004
Employee Contributions	£17,678,149
Percentage	6.74%
Contribution level	
Pensionable Pay	£262,285,004
Employee Contributions	£48,985,707
Percentage	18.68%

Overpayments

In 2024/25, we raised 25 invoices for overpayments of pension totalling £21,874.52 of which £11,009.33 was recovered and 1 invoice for £285.69 cancelled as it was raised in error. In 2024/25 the Fund wrote off 8 invoices totalling £1,772.90 for overpayment of pension, which was from the 2018/2019, 2020/2021 and 2021/2022 financial year. There were 17 invoices from previous years in relation to overpayments, which are outstanding – these total £14,519.22.

Over payments in pensions are identified in the following ways:

- Formal notification from the next of kin of the death of the Pensioner/Dependant
- We receive a weekly Death Report from the RBG Health Authority giving the details and content of the Death certificates issued in the borough in the past week. We check each name against our database for Pensioners/Dependents as well as active and deferred members.
- Tell Us Once - Tell Us Once is a service that lets next of kin report a death to most government organisations in one go. We log in regularly and can download the death information and next of kin details. The individuals we retrieve from Tell Us Once are all RBG Pension Fund Members
- BACS Return – We receive a list of pension payments returned with a reason for return supplied by their bank. Sometimes the reason is “Deceased”. In all cases for a BACS return the pension is suspended until contact is made, if the pensioner had not passed away.

- Any post returned by Royal Mail that was sent to a Pensioner/Dependant. Upon receipt of a returned letter the pension is suspended. In most cases the pensioner/dependant has moved but not informed us and by stopping their pension initiates their contact with RBG. In some cases, it can be due to the member being deceased.
- The National Fraud Initiative (see below)

The Royal Borough of Greenwich is part of the National Fraud Initiative, receiving monthly reports from the Audit Team to compare against pension records. This is another way of identifying overpayments.



Fund Account, Net Assets Statement and Notes

ROYAL BOROUGH OF GREENWICH
PENSION FUND

Fund Account and Net Asset Statement

Fund Account for the year ending 31 March 2025			
2023/24 £000	Fund Account	Notes	2024/25 £000
Dealings with Members, Employers and Others directly involved in the Scheme:			
	Contributions Receivable:		
-45,956	Employer Contributions	6	-48,986
-16,961	Member Contributions	6	-17,678
-4,345	Transfers in from Other Pension Funds	7	-8,484
	Benefits:		
57,894	Pensions	8	63,647
12,959	Lump Sums and Commutations	8	15,204
2,256	Lump Sum Death Benefits		1,786
9,531	Payments to and on account of Leavers	9	2,674
15,378	Subtotal: Net (additions) / withdrawals from Dealings with Members		8,163
5,767	Management Expenses	10a	5,849
21,145	Subtotal: Net (additions) / withdrawals from Dealings with Members		14,013
Returns on Investment			
-22,841	Investment Income	11	-17,200
-104,724	(Profit) and Losses on disposal of Investments and Changes in Value of Investments		-60,672
35	Taxes on Income		-
-127,530	Net Returns on Investment		-77,872
-106,385	Net (increase) / decrease in the Net Assets available for Benefits during the year		-63,860

The Funds Accounts were prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

The following are derived from the audited financial statements of the Royal Borough of Greenwich Pension Fund for the year ended 31 March 2025. The complete 2024/25 pension fund financial statements can be found in Appendix H.

Net Asset Statement as at 31st March 2025			
2023/24 £000		Notes	2024/25 £000
Investment assets			
Pooled Investment Vehicles:			
802,181	Equities	14	783,867
319,890	Fixed Income	14	476,274
133,483	Property Unit Trusts	14	150,437
199,000	Multi Asset	14	101,619
24,066	Infrastructure	14&22	29,736
67,733	Private Debt	14&22	71,220
Non-Pooled Investments:			
102,581	Diversified Alternative	14	80,447
838	Private Equity	14&22	747
5,945	Property – Freehold	3&14	6,560
6	Cash Deposits	19	38
25,218	Cash Equivalents	19	44,183
3,199	Other Investment Balances	18	3,058
Investment Liabilities			
-1,428	Other Investment Balances	18	-918
1,682,712	Net Investment Assets / (Liabilities)		1,747,268

Net Asset Statement			
2023/24 £000		Notes	2024/25 £000
Current Assets			
5,134	Contributions Due	18	5,523
645	Other Current Assets	18	724
4,007	Cash Balances	19	3,037
Current Liabilities			
-759	Unpaid Benefits	18	-579
-1,089	Other Current Liabilities	18	-1,463
7,938	Net Current Assets / (Liabilities)		7,242
1,690,650	Net Assets of the Scheme available to fund Benefits at the Period End		1,754,510

The financial statements of the Fund do not take account of liabilities to pay pensions and other benefits after 31 March 2025. The triennial actuarial valuation of the Fund does take into account the long term liabilities of the fund. The full valuation report can be viewed on our website.

Investments and Funding

ROYAL BOROUGH OF GREENWICH
PENSION FUND

Investment policy and performance

Investment Policy

The Royal Borough of Greenwich is the statutory body responsible for administering the Fund. It has delegated responsibility for the management of the Fund, including its investments, to The Panel. During 2024/25 the Panel comprised four Councillors from the Royal Borough of Greenwich, who have full voting rights. Trade Union representatives, staff from the Finance Directorate and professional advisors also attend Panel meetings but do not have voting rights.

The main objective of the Fund is to ensure that there are enough assets in the Fund to cover liabilities of promised retirement benefits; and to do this within acceptable risk parameters.

The Royal Borough of Greenwich Pension Fund is committed to managing investments efficiently and effectively. This means:

- Managing the performance of the investment managers to drive the delivery of returns they agreed to make.
- Negotiating fair fees with managers to ensure we are not paying excessive fees.
- Reviewing our investment structure and objectives in the light of economic changes using the asset/liability study tools.
- Choosing investments wisely and mitigating poor performing activities in real time.
- Training our Panel members and officers to ensure effective due diligence and focused and sound stewardship.

- Exploring opportunities for new ways of administering the Fund that deliver lower costs and improve returns.

The Fund's Investment Strategy Statement specifies that the Fund may invest in quoted and unquoted securities of UK and overseas markets, including equities, fixed interest and index linked bonds, cash, property and alternative products (e.g. private equity), either directly or through pooled funds.

The Fund may also make use of derivative type investments either directly or in pooled funds investing in these products, for the purpose of efficient portfolio management or to hedge specific risks.

The regs under which the FSS and ISS are prepared are

FSS – Regulation 58 of the Local Government Pension Scheme Regulations 2013

and

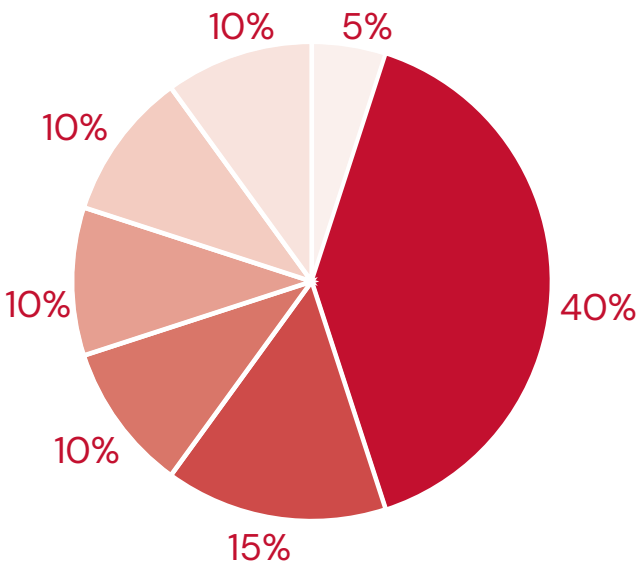
ISS – Regulation 7(1) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016

Below is a list of bodies that the Pension Fund is a member;

- Local Authority Pension Fund Forum (LAPFF)
- London Pension Fund Forum (LPFF).
- Pensions & Investment Research Consultants Ltd (PIRC)
- London Collective Investment Vehicle (LCIV).

Benchmark Asset Allocation

To support the Fund's objective of having enough assets to cover its liabilities and achieving this within acceptable risk parameters, the Panel, in conjunction with the Fund's investment advisor, has set the following benchmark asset allocation:



Multi Asset	5%
Global Equity	40%
Bonds	15%
Multi Asset Credit	10%
Property	10%
Private Debt	10%
Infrastructure	10%

Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to organisations goals, risk tolerance and investment horizon. Each asset class will behave differently over time, reducing the impact of poor performing assets on the Fund as a whole. Fund managers are set risk parameters to provide them with some flexibility in achieving the asset allocation to allow them to them make the most of market conditions. They must seek approval for any positions that go beyond the agreed risk parameters set for their strategies. The following tables compare the actual asset allocation as at 31 March 2025 to the benchmark, the level of pooled assets as at 31 March 2025 and the value of UK investments as at 31 March 2025.

	Value	Actual Allocation	Target Allocation
Asset Class Breakdown	31-Mar-25	2024/25	2024/25
	£m	%	%
Equities	787	45	40
Total Growth	787	45	40
Multi Asset Credit	175	10	10
Property	157	9	10
Private Equity	1	0	-
Diversified Alternative	80	5	-
Multi Asset Strategy	102	6	5
Infrastructure	30	2	10
Private Debt	71	4	10
Total Income	615	35	45
Bonds	301	17	15
Cash and Cash Equivalents	51	3	-
Total Protection	353	20	15
Total Scheme	1,691	100	100

Over the year, the scheme assets increased by £64m. The asset allocation is broadly in line with the benchmarks set in the latest investment strategy statement. The Fund continues to monitor asset allocations and re-balances where necessary. The Fund also continues to explore pooling its assets.

The following table shows the level of pooled assets as at 31 March 2025. The Fund is in active conversations with its pooling operator, the London CIV, regarding further opportunities to pool its assets. This includes further investment in Private Debt and potential investment in a new asset class, Natural Capital.

The Fund will continue to work with the London CIV to enable the Fund to access appropriate investment solutions offered by London CIV which meet its objectives as per its latest Investment Strategy Statement (appendix E). This will further increase the percentage of pooled assets in the Fund.

Asset Values as at 31 March 2025	Pooled	Under Pooled Management*	Not Pooled	Total
	£m	£m	£m	£m
Equities	0	693	91	784
Bonds	0	0	301	301
Property	0	0	157	157
Hedge funds	0	0	0	0
Diversified Growth Funds (including multi-asset funds)	102	0	255	357
Private equity	0	0	1	1
Private debt	71			71
Infrastructure	30			30
Derivatives	0	0	0	0
Cash and net current assets	0	0	54	54
Other				0
Total	203	693	859	1755

*The passive equity funds held with Blackrock and LGIM are included as “under pool management” on the framework agreed with London CIV partner funds in 2017 following a fee negotiation with LGIM and Blackrock. London CIV also includes passive fund holdings in the Climate Analytics reporting made available to all partner funds at nil charge across all investments whether pooled, under pool management or not pooled. In addition, a programme is in hand to extend London CIV’s due diligence service to facilitate period reviews of LGIM and Blackrock in respect of their passive offerings.

Asset Values as at 31 March 2025	Pooled	Under Pooled Management*	Not Pooled	Total
	£m	£m	£m	£m
UK Listed Equities	12.8	211.9	0	224.7
UK Government Bonds	14.6	0	141.6	156.2
UK Infrastructure	10.6	0	0.1	10.7
UK Private Equity	0	0	5.1	5.1
Total	38	211.9	146.8	396.7

*The passive equity funds held with Blackrock and LGIM are included as “under pool management” on the framework agreed with London CIV partner funds in 2017 following a fee negotiation with LGIM and Blackrock. London CIV also includes passive fund holdings in the Climate Analytics reporting made available to all partner funds at nil charge across all investments whether pooled, under pool management or not pooled. In addition, a programme is in hand to extend London CIV’s due diligence service to facilitate period reviews of LGIM and Blackrock in respect of their passive offerings

The following investment managers have managed mandates during the year:

Investment Managers 2024/25	
Passive Equity	Blackrock
Passive Equity	LGIM
UK Aggregate Bonds	Fidelity
Global Emerging Market Equity	Fidelity
Multi Asset Credit	Fidelity
Multi Asset	London CIV
Property	CBRE
Diversified Alternatives	Partners Group
Private Equity	Wilshire
Diversified Alternatives	Partners Group
Renewable Infrastructure	London CIV
Private Debt	London CIV
Custodian	Northern Trust

Pool Reporting

The table below shows pool setup and on-going costs paid to London Collective Investments Vehicle (LCIV). This includes three charging mechanisms.

1. Development funding charge (DFC), introduced to cover the cash flow imbalance between annual revenues and annual costs, until the LCIV generates sufficient management fee income to cover annual operating costs.
2. Annual service charge, the £25,000 annual service charge is akin to a membership fee providing access to the breadth of LCIV services.

The charge is invoiced at the start of each financial year.

3. LCIV management fees. The Fund has over £690m in passive equities, which sits outside of the ACS vehicle operated by the LCIV. The investment is merely under oversight by the LCIV, and as such, they charge the fund fees based on these holdings. The fund also pays management fees for those funds directly managed by LCIV.

Year	Gross Fee Savings	LCIV Management Fees	Development Funding Charge	Annual Service Charge	Net Saving/ (Cost)
£000	£000	£000	£000	£000	£000
2024/25	487	-96	-73	-25	293
2023/24	454	-92	-76	-25	261
2022/23	680	-141	-85	-25	429
2021/22	451	-75	-85	-25	266
2020/21	62	-30	-85	-25	-78
2019/20	61	-30	-65	-25	-59
2018/19	55	-29	-65	-25	-64
2017/18	49	-27	-75	-25	-78
2016/17	11	-6		-25	-20
Total to Date	2,310	-526	-609	-225	950

The Fund is a shareholder in the LCIV and holds £250k worth of regulatory capital.

Breakdown of Scheme Assets by Manager as at 31 March 2025

The market value of holdings and their individual benchmarks are shown in the table across:

Fund Values	2023/24 Market Value (£m)	Weight (%)	2024/25 Market Value (£m)	Weight (%)	Benchmark/Target
Pooled into the LCIV					
Blackrock - Passive Global Equities	385	23	388	22	Composite Benchmark
LGIM	282	17	308	18	Solactive L&G ESG Global Markets Net
London CIV Absolute Return	98	6	102	6	SONIA (30 day compounded) +3% (from 1 January 2022, previously 1m LIBOR +3%)
London CIV Real Return	101	6	0	0	SONIA (30 day compounded) + 3% (from 1 October 2021, previously 1m LIBOR +3%)
London CIV Private Debt	68	4	71	4	IRR (net of any fees) of 6 - 8% for the life of the Fund.
London CIV Renewable Infrastructure	24	1	30	2	IRR (net of fees) of 7 - 10%, with a target yield 3 - 5% per annum.
Yet to be pooled into the LCIV					
Fidelity BOND	153	9	301	17	50% iBoxx Sterling Non Gilt Index + 50% iBoxx Sterling Gilts Index
Fidelity GMAC	167	10	175	10	Absolute return of 3% p.a.
Fidelity GEME	137	8	90	5	MSCI Emerging Markets Index (Net United Kingdom tax)

Fund Values	2023/24 Market Value (£m)	Weight (%)	2024/25 Market Value (£m)	Weight (%)	Benchmark/Target
Yet to be pooled into the LCIV					
CBRE - Property	147	9	157	9	MSCI/AREF UK QPFI All Balanced Property Fund Index +0.4% per annum (including cash and net of fees) over rolling three-year periods.
Royal Borough of Greenwich	26	1	52	3	
Partner's Group	102	6	80	5	Absolute Return of 7-11% p.a.
Private Equity: Wilshire	1	0	1	0	
Total	1691	100	1755	100	

A review of the performance of each of the managers is provided later in this report.

Manager Performance

The following table shows the one-year, three-year, and five-year performance of the Fund's managers.

Performance to 31 March 2025			1 year (%)			3 years (% p.a.)			5 years (% p.a.)		
	Active/ Passive	Pooled?	Fund	Benchmark	Relative	Fund	Benchmark	Relative	Fund	Benchmark	Relative
Growth											
Fidelity - Global Emerging Equity	Active		-3.1	5.6	-8.3	-2	1.9	-3.8	4.7	6.9	-2
Blackrock - Global Equities	Passive	✓	6.4	5.9	0.5	8.9	8.4	0.5	16.3	15.8	0.4
Blackrock - UK Equities	Passive	✓	9.9	10	-0.1	6.9	6.8	0.1	12.3	12.1	0.1
LGIM-Future World Global Equity	Passive	✓	5.3	5	0.2	-	-	-	-	-	-
Income											
LCIV - Absolute Return	Active	✓	3.6	8.1	-4.2	-0.5	7.2	-7.2	-	-	-
CBRE - Property	Active		7.1	6.3	0.7	-3.4	-3.3	-0.1	1.7	2.7	-0.9
LCIV - Preivate Debt	Active	✓	3	6	-2.8	7.3	6	1.2	-	-	-
LCIV - Renewable Infrastructure	Active	✓	-3.4	7	-9.7	8.7	7	1.5	-	-	-
Partners Group - Private Markets	Active		3.5	7	-3.3	2	7	-4.6	8.8	7	1.7
Fidelity - Multi Asset Credit	Active		1.7	3	-1.3	1.3	3	-1.6	3.9	3	0.8
Protection											
Fidelity - Bonds	Active		0.3	0.2	0.1	-3.1	-3.9	0.8	-2.2	-3.3	1.1
Total Scheme			3.9	5.3	-1.3	3	4.4	-1.4	7.8	8.1	-0.2

- Benchmark return is based on interim target reflective of gradual move out of the Partners mandate and into infrastructure and private debt
- Overall, the Fund's nett assets performed below benchmark over 1, 3 and 5 years.
- Fund performance are net to the fees. Fees are linked to AUM. Higher the performance, higher the fees.

Blackrock

The funds have generally outperformed relative to their benchmarks over the period. The Aquila Life World (Ex UK) Equity Index Fund is a fund-of-fund structure that invests into tax efficient Aquila Life funds. Aquila Life funds tend to outperform their benchmark indices due to tax advantage with slight outperformance of 0.02%. The iShares UK Equity Index Fund (UK) delivered above benchmark by 0.37%. The Aquila Life Global 3000 Fundamental Weighted Index Fund also benefits from tax advantage which drove the outperformance relative to benchmark by 0.51% over the period.

LGIM

The Future World Global Equity Index Fund returned 5.28% for the year ending 31 March 2025, outperforming the index by 0.26% (index return of 5.02%). The fund's performance was driven by central bank rate cuts and the re-election of Donald Trump, which introduced significant trade tariff changes. Despite inflation worries and recession fears, global equity indices rose.

UK equities outperformed the global average, led by strong gains in financials and telecoms. US equities delivered robust returns, particularly in financials and technology sectors. European equities increased but lagged the global average, with banks and telecoms performing well. Asia Pacific ex Japan equities gained but underperformed globally, with Chinese equities showing notable improvement.

Fidelity Bond

The portfolio posted positive returns (gross of fees) 0.3% and outperformed the index by 0.1% over the review period. Overweight credit positioning, particularly in the banks and insurance sectors, contributed positively to excess returns. Banks benefitted from robust earnings and insulation from trade tariff concerns, while the underweight in the consumer sector added value. Overweight positions in securitised names like AA Bond and single-name credit selections such as Royal London, CPI Property, and Around town were key alpha drivers.

However, the underweight stance in utilities, especially Thames Water, detracted from performance. On the duration front, the overweight position in sterling duration held back gains due to rising Gilt yields, while the short position in Japanese Yen duration added to returns.

Fidelity GMAC

The Fidelity multi asset credit Fund achieved a 1.7% return net of fees, underperformed benchmark by 1.3%. The primary driver of positive returns was the credit strategy, as credit spreads tightened due to robust economic fundamentals, strong investor demand, and low default rates. Corporate bonds outperformed sovereign bonds, with high yield bonds performing better than investment grade bonds amid easing inflation and resilient growth. The fund's exposure to high yield bonds and US leveraged loans significantly contributed to returns. However, interest rate risk exposure slightly detracted from returns, primarily due to volatility in UK government bonds

(Gilts), though this was partially offset by gains in US treasuries.

Fidelity - Global Emerging Equity

Over the twelve months to 25 March, the fund returned -3.1%, underperforming the benchmark's 5.6% return by -8.3%. This underperformance was primarily due to exposure to China/Hong Kong and underweight positions in China. Stock selection in Kazakhstan and Brazil also detracted. However, positive contributions came from stock selection in India, Taiwan, and South Africa (notably Naspers). Sector-wise, financials and consumer discretionary stocks hampered performance, while materials and underweight energy positions enhanced gains. Underweight positions in Alibaba and Tencent were major detractors, though Tencent's impact was partly offset by Naspers. Lack of exposure to Xiaomi and weak demand for Samsonite also weighed on returns. Conversely, Brilliance China Automotive, MakeMyTrip, TSMC, Standard Bank, and Piraeus Financial performed well. The fund remains conservatively positioned, focusing on well-capitalised businesses with under-levered balance sheets.

Partners Group

In the year ending 31 March 2025, PG RBG IC Ltd (the fund) achieved a net performance of +3.5% in GBP terms. The portfolio showed resilience amid macroeconomic uncertainty and U.S. policy-driven volatility. Valuations began to recover in the second half of 2024 due to reduced interest rates, though the recovery pace has since slowed. Private equity, infrastructure, and private debt contributed

positively, while real estate detracted. A key driver was the private infrastructure asset, VSB Group, sold to TotalEnergies for EUR 1.57 billion. With the fund mandate in wind-down, Partners Group focused on efficient portfolio management, distributing GBP 25m to fund.

CBRE

Over the past 12 months, the portfolio achieved a total return of 7.1%, surpassing the benchmark return of 6.3%. Despite increased geopolitical uncertainty affecting consumer and market sentiment, the UK economy demonstrated resilience with a GDP growth of 1.3%, driven mainly by the services sector, which saw a 0.7% growth in Q1. However, the macroeconomic environment remains challenging due to global trade headwinds and domestic fiscal retrenchment.

Inflation decreased more than anticipated in March, dropping from 2.8% to 2.6%, primarily due to lower petrol and leisure costs. This led to a revised forecast, reducing the expected number of interest rate cuts by the Bank of England in 2025 from four to three, in response to ongoing price pressures.

Capital values showed signs of recovery in Q1, with the March MSCI UK monthly index indicating a 0.3% growth at the All-Property level, resulting in a Q1 total return of 0.6% and a 12-month return of 6.5%. Property yields stabilised, with all segments except offices experiencing positive capital value growth. UK commercial investment transactions

totalled £52.4 billion over the past year, according to CBRE Group, Inc.

The recent property market downturn has been unique, driven entirely by yield rather than pricing, unlike previous downturns that also saw declining rents. Since early 2021, rental growth at the UK All-Property level has been positive, averaging 3.9% per annum since the pricing downturn began in June 2022. The 5-year market outlook is primarily driven by rental growth, with expectations of greater asset-level differentiation compared to the previous cycle.

LCIV Absolute Return Fund

Over the past year, the LCIV Absolute Return Fund returned +3.6%, below its +8.1% target. The three-year annualised return is -0.5%, 7.7% under the target. Since inception, it has returned +4.4% per annum, slightly below the target by 0.4%.

The fund's defensive strategy, focusing on downside protection, led to large allocations in cash and short-dated bonds. This limited upside during positive market periods. The manager balances risks by identifying unique opportunities and trading tactically. The fund holds significant liquid assets, with Japanese government debt as a core component, and focuses on overlooked equity segments in China and Europe.

LCIV Private Debt Fund

The Fund return 3% against a 6% benchmark, the NAV of the LCIV Private Debt Fund rose to £526.9m, reflecting a gain of £106.8m since

inception. The fund achieved an inception-to-date IRR of 8.3%, surpassing its target of 6-8%. The investment period ended in March 2025, with £80m committed to the Churchill Middle Market Senior Loan Fund V. The outlook for 2025 is cautiously optimistic, anticipating increased M&A activity, stable interest rates, and improving inflation expectations. Private capital remains attractive due to its income generation, risk-adjusted returns, and insulation from public market volatility.

LCIV Renewable Infrastructure

The Fund return -3.4% return for the 12 month against a benchmark of 7%, latest data when writing, the London CIV Renewable Infrastructure Fund (LRIF) on a fund level increased to £620.1m, up £169.8m from the previous year and £43.2m above total contributed capital since inception. The Fund is 52% drawn and fully committed at £1.1bn after three new investments in 2024.

Currently, LRIF has minimal distribution activity as it ramps up, but it remains on track to deliver the expected yield by March 2025. Yield distributions are anticipated to begin in June 2025.

Private Equity

The Scheme invests in one portfolio

- **Wilshire** – invests in one fund:
 - Fund VII US

As of the 31 March 2025, the capital called and uncalled figures were:

Fund	Called Capital (m)	Uncalled Capital (m)
Wilshire Fund VII US- USD	16.38	0.32

The net internal rate of return and the total value to paid in of each portfolio can be seen below.

Fund	IRR p/a	TVPI
Wilshire Fund VII US	7.67%	1.68%

Largest holdings

The following table gives the top 10 pooled fund holdings at 31 March 2025.

Top 10 Global Holdings as at 31 March 2025	Market Value	Weight
	(£m)	(%)
1 - LGIM Future World Global Equity Funds	308	18
2 - Blackrock iShares UK	301	17
3 - Fidelity Global Multi Asset Credit	222	13
4 - Fidelity UK Aggregate Bond	175	10
5 - Blackrock Aquila Life 3000	163	9
6 - Fidelity Global Emerging Market Equities	102	6
7 - Partners Group RBG IC Ltd	90	5
8 - London CIV Real Return	80	5
9 - London CIV Absolute Return	68	4
10 - London CIV Private Debt	38	2

An asset liability study is utilised by the Fund as a modelling tool for assessing funding and investment strategies in order to generate the optimal investment strategy. The asset liability modelling output provides the framework for making decisions around long term strategic benchmarks appropriate to the Fund's liabilities; developing a funding strategy and identifying triggers for dynamic changes to the investment strategy.

Further details about the investment strategy can be found in the Investment Strategy Statement (Appendix E).

UK Stewardship Code

The Pension Fund issues a Stewardship Report in line with the UK Stewardship Code for Institutional Investors which is reviewed on an annual basis. The Stewardship Code sets out twelve principles of good practice on engagement with investee companies. The Stewardship Report is set out in Appendix D. The Fund's equity, bond and multi asset managers have also issued reports in line with the Stewardship Code.

Voting Policy

The Fund has delegated the exercise of voting rights to its investment managers and has set out Voting Intention Guidelines which it expects the manager to follow, where the fund is segregated. These guidelines are set out in appendix III of the Investment Strategy Statement (Appendix E).

ESG

The
Eltham
Centre



The
Eltham
Centre

ROYAL BOROUGH OF GREENWICH
PENSION FUND

Responsible Investment

Fund Key Highlights of 2024/25:

- 1 Continuation of presentations to the Local Pension Board from the Funds Investment managers – solely focused on ESG and engagement.
- 2 The Fund became a member of Pensions for Purpose, a B Certified Corporation which works with asset managers, pension funds and professional advisors to promote the flow of capital towards impact investment.
- 3 Review and update of the Funds Net Zero Roadmap to assess the work undertaken so far to reduce the Funds carbon footprint. The revised strategy sets out a workstream for the next 12-18 months.
- 4 Receipt of third year report detailing the Funds carbon footprint and providing year-on-year comparator.
- 5 The Fund made commitments of approximately £45m to the LCIV Nature-based Solution Fund and £115m to the LCIV Private Debt II Fund.
- 6 Pensions for Purpose, presented at the Funds ‘Annual Strategic Away Day’ on the importance of engagement with companies in high conflict areas.

The Fund recognises the importance of responsible investment, in particular climate risk, within the investment landscape and continues to undertake work to ensure that its governance procedures and investment strategy consider the opportunities and risks presented by climate change.

This section reports on the Funds activity in 2024/25 in line with the four core elements of the Taskforce on Climate-Related Financial Disclosures (TCFD) as follow:

Governance	Details the organisation’s governance around climate-related risks and opportunities.
Strategy	Focuses on the actual and potential impacts of climate-related risks and opportunities on the organisation’s business, strategy, and financial planning.
Risk Management	Outlines the processes for identifying, assessing, and managing climate-related risks.
Metrics and Target	Disclosure of specific metrics and targets to assess and manage climate-related risks and opportunities, including greenhouse gas emissions data.

Governance

¹FRC Stewardship Code Signatory



On 13 August 2025 the Royal Greenwich Pension Fund was listed as a signatory to the Financial Reporting Council (FRC) Stewardship Code for its Stewardship report for the year ending 31 December 2024. The report demonstrates how the Fund has applied the Codes 12 stewardship principles over the 2024 year, evaluating what has been successful and identifying areas for improvement. This is the second consecutive year that the Fund has been listed as a signatory.

¹ Please see glossary for more detail.

Pension for Purpose

In November 2024 the Fund became a member of Pensions for Purpose, which operates as a bridge between asset managers and pensions funds alongside their professional advisors to empower pension funds to make informed investment decisions through its member community, training and associated articles and Knowledge centre. This membership ensures that the Fund can keep abreast of the key risks and opportunities associated with sustainable investment.

Engagement

Monitoring the engagement undertaken by the Funds investment managers as part of their investment decisions, especially on ESG factors, is an integral part of the Funds governance to promote good practice in the investee companies and markets within which the Fund is invested and to act in the best interests of its members.

2023 saw the introduction of presentations to the Local Pension Board from Investment Managers solely focused of ESG. The introduction of these ESG specific presentations provided a platform through which the Board can engage with managers in relation to their environmental, social and governance activities and engagements and allows Board to identify and challenge any gaps in this area. As this was the second year within which managers made these presentations, the Board were able to receive updates on previous engagements and ESG activities alongside information on new engagements. This meant that the Board was able to evaluate and gain understanding on what had progressed/changed over the year and challenge where appropriate

A key example of engagement work undertaken this year can be seen through the work of Fidelity:

In November 2024 Fidelity engaged with Meta as part of their digital ethics thematic engagement focused on promoting ethical Artificial Intelligence

(AI). Meta principally derives its revenue from advertising and is leveraging AI to improve its capacity to decide which advertisements to present to users across its platforms, as well as the optimal timing for these advertisements. By improving monetisation efficiency, Meta can increase revenue and conversions without displaying more adverts and negatively impacting the user experience.

Fidelity have collaboratively engaged with Meta alongside approximately 50 other investors including the Collective Impact Coalition for Ethical AI, (led by Fidelity, Church Commissioners for England, and Mercy Investment Services), The Big Tech & Human Rights collaboration and representatives from the broader peer/ competitor group.

The aim of this engagement was to get Meta to implement, demonstrate and publicly disclose the following:

- A set of ethical principles that guide the company's development, deployment, and/or procurement of AI tools.
- Strong AI governance and oversight across the value chain of AI deployment and use
- How these principles are implemented via specific tools and programs of actions relevant to the company's business model, including on the product and service level

- Impact assessment processes applied to AI, emphasizing human rights impact assessments (HRIAs), especially in high-risk use cases.

Fidelity aim to follow up this introductory engagement to discuss their expectations and objectives for Meta in the coming months.

- On 13 August 2025, the Royal Greenwich Pension Fund was successful in its application to remain as a signatory to the Financial Reporting Council (FRC) Stewardship Code for its Stewardship report for the year ending 31 December 2024. The report demonstrates how the Fund has applied the Codes 12 stewardship principles over the 2024 year, evaluating what has been successful and identifying areas for improvement.

Training

Officers, Panel and Board members receive a rolling training programme in line with the 2021 CIPFA Code of Practice on LGPS Knowledge and Skills. As part of this training, officers, Panel and Board members are encouraged to complete The Pensions Regulator (TPR) online Toolkit. During the 2024/25 financial year Panel and Board received training in the following areas:

- Audit & Accounting Standards
- An overview of carbon footprint metrics
- Engagement vs Divestment
- Investments (Private Markets)

During 2023/24 the Fund completed a review of its training practices in line with the CIPFA Knowledge and Skills Framework with the aim of identifying gaps in knowledge and new ways through which the Fund can undertake training. During 2024/25 the Fund introduced quizzes to test the knowledge of its Board and Panel members. The Fund will report on the results of this during 2025/26.

During 2024/25 the Fund supported the Accountancy and Business Change Deputy Finance Manager undertake a postgraduate certification on Financial Climate Risk with Middlesex University.

Each year the Fund holds a strategic 'away day'. This day is an opportunity for Panel and Board members and officers to receive training, have round table discussions on key issues and reflect

on current and future priorities for the Fund. During this years away day the Fund Pensions for Purpose provided training on engagement practices, escalation techniques and the pros and cons of divestment. The Fund also undertook valuation and strategy review training, ahead of the 2025 triennial valuation.

LAPFF Membership

The Fund is a member of the London Pension Fund Forum – a member-led forum which aims to promote high standards of corporate governance through company engagement. The Fund monitors engagements undertaken by the LAPFF. Fund officers attend the forums quarterly business

meetings and bi-annual conferences.

London Collective Investment Vehicle (LCIV)

Fund officers have continued to attend virtual monthly update meetings held by the LCIV which provide a vital platform through which pooled Funds can engage on a variety of topics and through which the LCIV can provide information and updates. Officers from the Fund also attended the annual LCIV Strategy and Responsible Investment Conference which provides a further engagement platform for pooled Funds to openly discuss relevant topics.

In January 2025, the Panel approved commitments of £115m to the London CIV Private Debt Fund II and £45m to the London CIV Nature Based Solutions Fund. However, timing of investment was delegated to the Director of Resources. At the 31st March 2025, the Pension Fund had not committed any amounts to the two Funds. The commitments took place in the first quarter of 2025/26.

Strategy Policy

The Fund has a comprehensive Investment Strategy Statement (Appendix E) and a standalone Responsible Investment (RI) Policy (appendix K) which incorporate the Funds approach to climate related risks and opportunities. The Fund intends to re-review its RI Policy during 2025/26.

During 2024/25 the Fund delivered on his commitment to re-review its Net Zero Roadmap, reaffirming its aim to be carbon neutral by 2040 (with the commitment to explore options to meet this target sooner). Review of the carbon footprint data for the Fund further supports that the roadmap has been effective in setting workplan objectives and stewardship activities to reduce the Funds carbon emissions. The updated net-zero roadmap sets out workstreams for next 12-18 months to ensure that Fund continues on its net zero journey.

Asset/Liability Modelling

In June 2023, the Fund carried out an asset liability modelling exercise in conjunction with the 2022 actuarial valuation. As part of the exercise a number of contribution rates and investment strategies were modelled and the implications of adopting a range of alternative investment strategies were assessed. The Panel reviewed the Fund Investment Strategy and agreed a rebalancing exercise across the Fund.

The Funds investment strategy factors into account the long-term nature of the Funds liabilities in relation to the underlying investments. The structure of the Funds' assets is therefore split as follows to accommodate a long-term time horizon:

- Growth Assets – Investments which aim to provide capital appreciation. These return seeking investments aim to provide a positive return over time to grow the scheme assets in order to meet future liabilities.

- Income Assets – Investments which provide income to support the Funds cashflow and therefore ensure that benefits are paid when they fall due.
- Protection Assets – These assets provide further protection against market risks by providing diversification.

In July 2024 the Panel re-reviewed its asset allocations and agreed to reduce its multi-asset allocation, top up its protection assets and create a blended fund of equities, bonds and cash to create a liquidity buffer.

Nature based Solutions and Private Debt II Funds

On 27th January 2025, the Pension Fund Investment and Administration Panel approved commitments of £115m to the London CIV Private Debt Fund II and £45m to the London CIV Nature Based Solutions Fund. The commitments took place in the first quarter of 2025/26, with initial capital subsequently being called from the London CIV. Capital will continue to be called throughout the investment periods.

Risk Management

As we move towards our net zero target the Fund needs to assess and monitor the risks and opportunities associated with climate change.

Transitional Risk

Transitional risks are risks associated with societal and economic movement towards a low-carbon future. These risks are business related risks and can include policy and regulatory risks, technological risks, market risks and reputational and legal risks.

Physical Risk

Physical risks are those associated with climatic events. These can be classified into two categories - chronic physical risks which are associated with longer term changes in weather patterns (for example sustained higher temperatures or sea level rises) and acute physical risks which are event-driven (for example hurricanes and floods).

Officers, Panel and Board review climate related risks via the following processes:

- Review of the Funds key policies and procedures which incorporate climate related risk (including the Funds Investment Strategy Statement, Responsible Investment Policy and Net Zero Roadmap)
- Incorporation of ESG related risks into the Funds risk register which is reviewed quarterly by Board and annually by Panel.
- Review of quarterly investment and manager performance (which provides insight on market trends and potential risk areas).
- Training specific to ESG risk management

Metrics and Targets

This year is the Funds fourth year of reporting on its Carbon Metrics which now provides a broader vision of the Funds journey towards net zero.

Carbon Footprint as at 31 March 2025

The Funds carbon footprint data has been provided by the London Collective Investment Vehicle (LCIV) since the Fund began monitoring its data in 2022. In the current reporting year, LCIV introduced a streamlined Climate Analytics Dashboard, designed to simplify and clarify the presentation of carbon footprint metrics.

As a result, the Fund has transitioned from reporting under the Direct & First-Tier Indirect emissions framework to the more widely recognised Scopes 1 and 2 classifications. This change aligns the Fund's reporting with industry standards and improves comparability across investment portfolios.

Carbon Intensity Overview

The latest carbon footprint data is as at 31 March 2025. The chart below shows the carbon intensity of the Fund through the total carbon dioxide equivalents per million GBP invested (tCO₂e/mGBP).

	Direct + First Tier Indirect	Scopes 1-2-3
31 March 2024	96.5	754.2
	Scopes 1 and 2	Scopes 1-2-3
31 March 2025	61.9	651.5
Total Reduction	-	102.7

Definitions

- Direct and First-Tier Indirect: company emissions deriving from direct business activities or through the first tier of the companies supply chain.
- Scope 1: Direct emissions from owned or controlled sources.
- Scope 2: Emissions from consumption of purchased electricity and other sources generated upstream from the company.
- Scopes 1-2-3: direct operational emissions, emissions from consumption of purchased electricity, steam and other sources generated upstream from the company and emissions deriving from the in-use phase of a company's product or service.

Climate Alignment

On average, the Fund is consistent with a scenario where global temperatures are kept to well below 2 degrees Celsius, in line with the Paris agreement.

Fossil Fuel Exposure

As at 31 March 2024 the Funds revenue weighted fossil fuel exposure (the proportion of company revenues which came from fossil fuel extraction) was approximately 2.%, this has decreased to 1.92% as at 31 March 2025.

Data Coverage and Sources

The carbon footprint data is available across approximately 78% of Fund mandates, however the coverage across each mandate varies. Of the Fund's mandates for which data could be obtained, 75% of assets were within the scope of reporting and of this, 68% data coverage could be obtained.

This data is derived from a range of sources including reported data in company disclosures and estimations based on reported data and modelled data (estimated by S & P). It is also important to note that some data is unavailable, and some assets fall outside the scope of analysis (e.g. sovereign bonds). Data availability also varies dependent of scope type.

The main challenge facing the Fund with regards to carbon footprint reporting continues to be the amount of coverage available across different asset types, especially in relation to scope 3 emissions (emissions which are not directly produced by a company but are created indirectly within its value chain).

For example, on average, across RBGS's funds, 61% of Scope 1 emissions data is reported or based on reported data, with a further 10% being modelled. This is in sharp contrast to Scope 3 data for which only 3% is based on reported data and 68% is modelled.

The quality of data information is improving, and it is important to note that, the quality of the data available remains more relevant than achieving maximum coverage at this stage.

Next Steps

The Fund intends to make further progress in relation to climate risk and environmental, social and governance risks in 2025/26 including:

- Re-review and update of the Funds Responsible Investment Policy
- Re-review of the risk register process including further building of climate risks into the Pension Fund risk register.
- Initial reporting on voting activity and outcomes
- Design of an engagement reporting framework.

Administration



ROYAL BOROUGH OF GREENWICH
PENSION FUND

Membership Summary

The table and graph alongside show a summary of membership numbers over the last five years. The number of active members has increased by 2% over the last 5 years overall, with pensioners increasing by 19% and deferred members increasing by 4% over the same period.

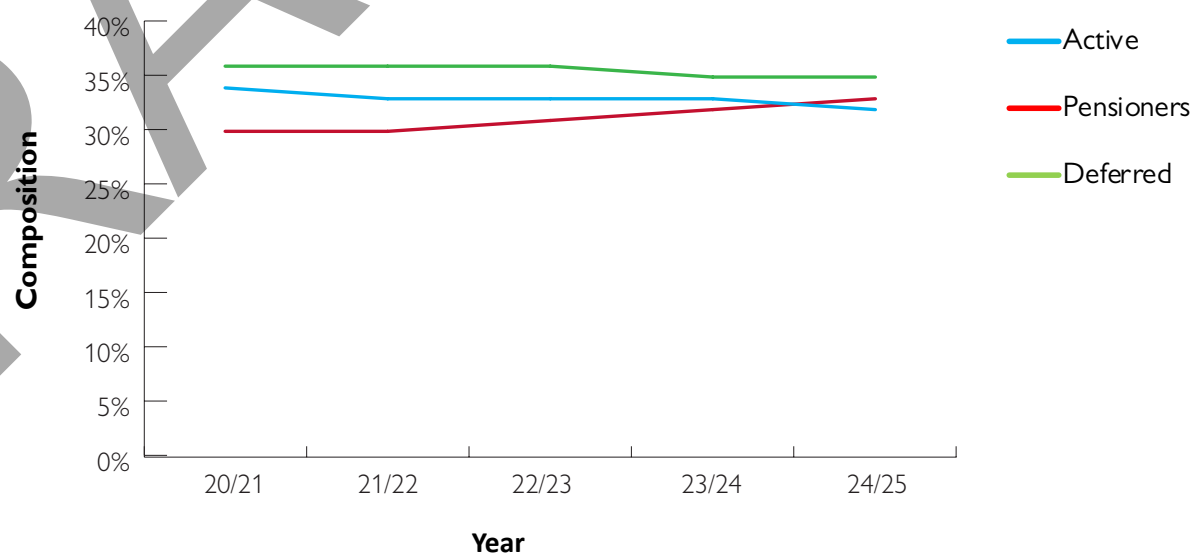
Membership	2020/21	2021/22	2022/23	2023/24	2024/25	Movement over 5 Yrs
Active	8,676	8,604	8,808	8,789	8,819	2%
Pensioners	7,602	7,856	8,194	8,538	9,031	19%
Deferred	9,204	9,433	9,560	9,515	9,581	4%
Total	25,482	25,893	26,562	26,842	27,431	8%

Deferred figures include leavers who had not taken a decision on their retirement benefit options

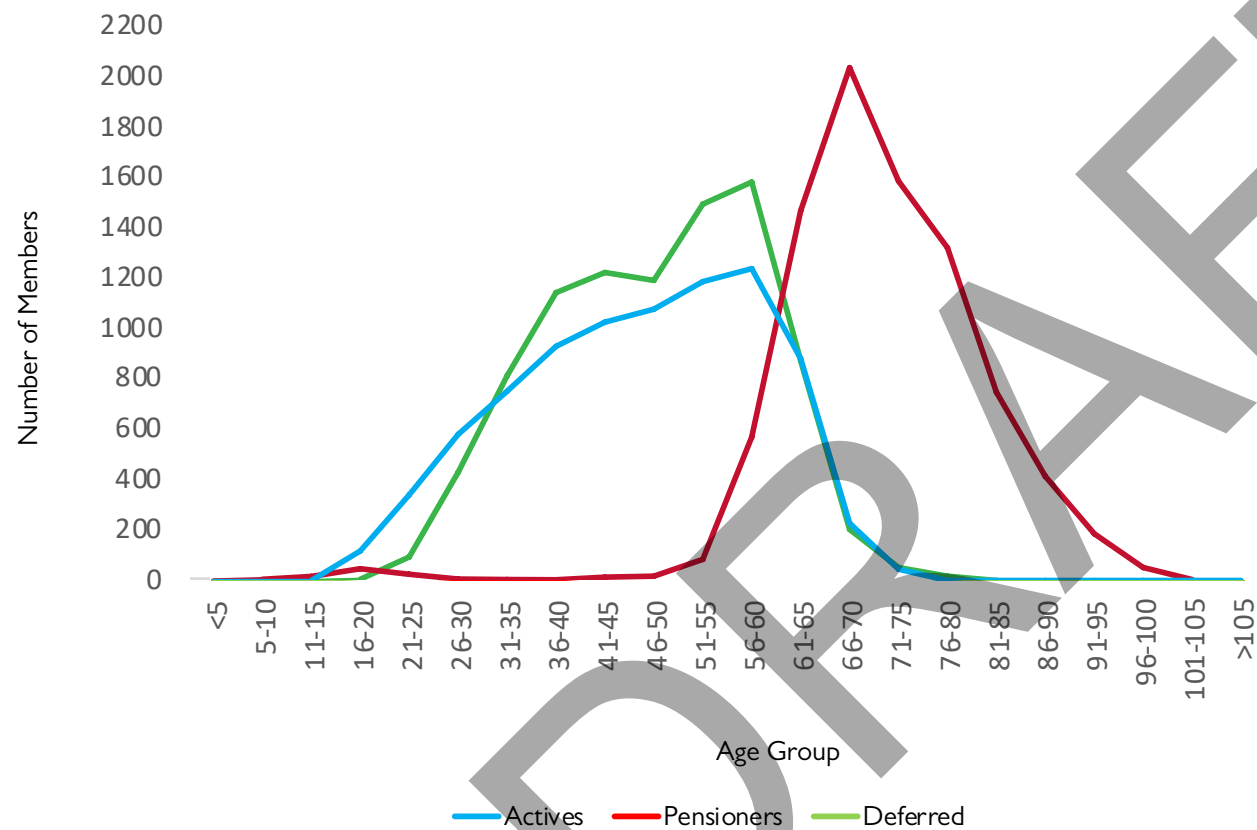
Change in Composition of Membership Numbers over 5 Years:

The following graph shows the change in the composition of membership over the last five years. In recent years, the proportion of active members has decreased in composition from a high of 34% in 2020/21 to 32% in 2024/25. The proportion of deferred members remained the same at 35% in 2023/24 and 2024/25, while the proportion of pensioners increased from 32% in 2023/24 to 33% in 2024/25.

The average age of an active pension fund member is 46. The average for pensioner members is 71, with the oldest being 99. The graph opposite is a depiction of the profile of the Fund's membership.



Profile of Fund Membership



Employers' Summary

Employers are split into 3 categories:

- The Administering Authority, which is The Royal Borough of Greenwich (the "Authority").
- Scheduled Bodies, which are Local authorities and similar 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. These include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

The Royal Borough of Greenwich has the largest share of active membership of the fund (70%). For 2024/25, 69 employers actively contributed to the fund. This includes the Administering Authority and the following Scheduled and Admitted bodies (all figures are in GBP):

Administering					
	Employers	Employees			
Royal Borough of Greenwich	37,673,864	13,867,390			
Scheduled			Admitted		
Contribution Values			Contribution Values		
	Employers	Employees		Employers	Employees
Charlton Park Academy	367,596	115,497	Avante	229,000	0
Compass	2,147,702	664,523	Birkin Cleaning Services	2,880	856
Corelli college	231,726	73,824	Brayborne Facilities Services	25,855	2,633
Crown Woods - Stationers	282,395	90,639	CACT Livewell	16,761	5,815
Eltham (Harris) Academy	234,882	75,680	Cater Link	51,156	15,718
Eltham Crematorium	33,141	12,146	Charlton Athletic Community Trust	30,481	12,090
Endeavour Partnership Trust	372,801	115,899	Chartwell (Charlton Park)	5,114	1,604
Greenwich Free School	119,934	42,256	Chartwell (LEA Framework)	168,347	50,678
Greenwich Service Plus	527,342	189,882	Compass (Compass)	23,045	7,108
Inspire	621,935	209,802	Compass (IPT Foxfield)	1,295	445
Leigh Academy Blackheath	182,291	59,385	Compass (Wingfield Contract)	9,453	2,930
Maritime	496,969	152,589	Cucina (Halley)	27,153	8,127
Shooters Hill	760,772	255,594	First Step Trust	23,063	12,342
St Paul's Academy	343,369	109,787	G4S	3,740	1,173
St Thomas More	201,942	63,900	GLL Children's Centre East	94,352	20,948
The Greenwich Catholic School Trust (St Mary's)	222,981	74,798	GII Childrens Centre South	49,196	21,053
ULT - John Roan	272,418	81,404	GLL Libraries	167,959	63,121

Scheduled			Admitted		
Contribution Values			Contribution Values		
	Employers	Employees		Employers	Employees
UTC	186,059	60,965	GLL Play Centre	7,786	2,921
Woolwich Polytechnic Academy	1,033,257	341,217	Glyndon Community Centre	24,668	7,912
			Greenwich Citizen Advocacy Project	19,827	6,562
			Greenwich Co-operative Development Agency	7,770	2,730
			Greenwich Leisure Ltd	1,290,909	672,533
			Greenwich Mencap	1,050	312
			Greenwich West Community & Arts Centre	8,700	3,997
			Heritage Trust	17,991	8,330
			Homestart	186,489	36,241
			KGB Cleaning South West Ltd	5,217	1,551
			Kindred (Polymat)	9,982	2,579
			Kindred (IPT)	4,450	1,323
			May Harris - Hawksmoor	6,521	1,939
			May Harris (Cardwell Contract)	5,858	1,742
			May Harris (Eglington Contract)	1,031	306
			Nourish Catering	3,602	1,018
			Oxleas NHS Trust	4,040	1,267
			Pacific (Our Lady of Grace Contract)	1,123	267
			Quaggy Development Trust Children's Centre	13,309	5,699
			Sanctuary Care Ltd	20,426	6,598
			Sherington	3,092	919
			Simba Housing Association	11,942	4,023

Scheduled		Admitted	
Contribution Values		Contribution Values	
Employers	Employees	Employers	Employees
	St Mary's (Eltham) Community Complex Association	32,444	10,629
	Taylor Shaw	428	127
	Taylor Shaw (John Roan Contract)	12,986	4,226
	Taylor Shaw (Our Lady of Grace)	3,899	1,195
	Taylor Shaw (St Peter's)	1,691	503
	Taylor Shaw (St Thomas A Beckett)	6,702	2,054
	Taylor Shaw Nightingale	673	200
	The Pantry	9,870	3,031
	Westgate Cleaning Services	1,356	403
	Wilson Jones Catering Ltd	17,652	1,192

To the right is a summary of the number of employers in the Fund analysed by scheduled bodies and admitted bodies which are active (with active members) and ceased (no active members but with some outstanding liabilities).

	Active	Ceased	Total
Scheduled Body	19	4	23
Admitted Body	43	26	69
Admin	1	0	1
Total	63	30	93

Scheme Administration Report

Staff and Duties

The pension service comprises of 15.6 full time equivalent (FTE) staff which includes 2 apprentices, however only 10.4 FTE are currently filled due to vacancies and staff secondments. A Senior Pensions Officer was recruited during the period from the Lincolnshire Pension Fund and they live outside the authority. Due to the challenges of recruitment and retention within all LGPS Funds, special measures had to be taken to employ the officer. The team covers both the employing and administration duties for the Local Government Pension scheme (LGPS) in the Royal Borough of Greenwich Pension fund and employer duties in respect of Greenwich employees who are members of the NHS Pension Scheme and the London Pension Fund Authority LGPS pension fund.

The services provided by the pension section consist of:

- The administration of the Local Government Pension Scheme (LGPS) in accordance with relevant legislation.
- The running and maintenance of the Pension Payroll to ensure accurate and timely payment of monthly pensions in excess of 8,500 pensioners and their dependants.
- The maintenance of accurate records for each member of the pension scheme (including the employing authority and every admitted body that contributes to the Royal Borough of Greenwich Pension Fund).
- The provision of key employee data to the NHS and London Pension Fund Authority.
- The provision of information and key data to scheme members and other bodies associated with the LGPS.
- The provision of guidance to the Pension Fund Investment and Administration Panel on pension legislation and the options available.

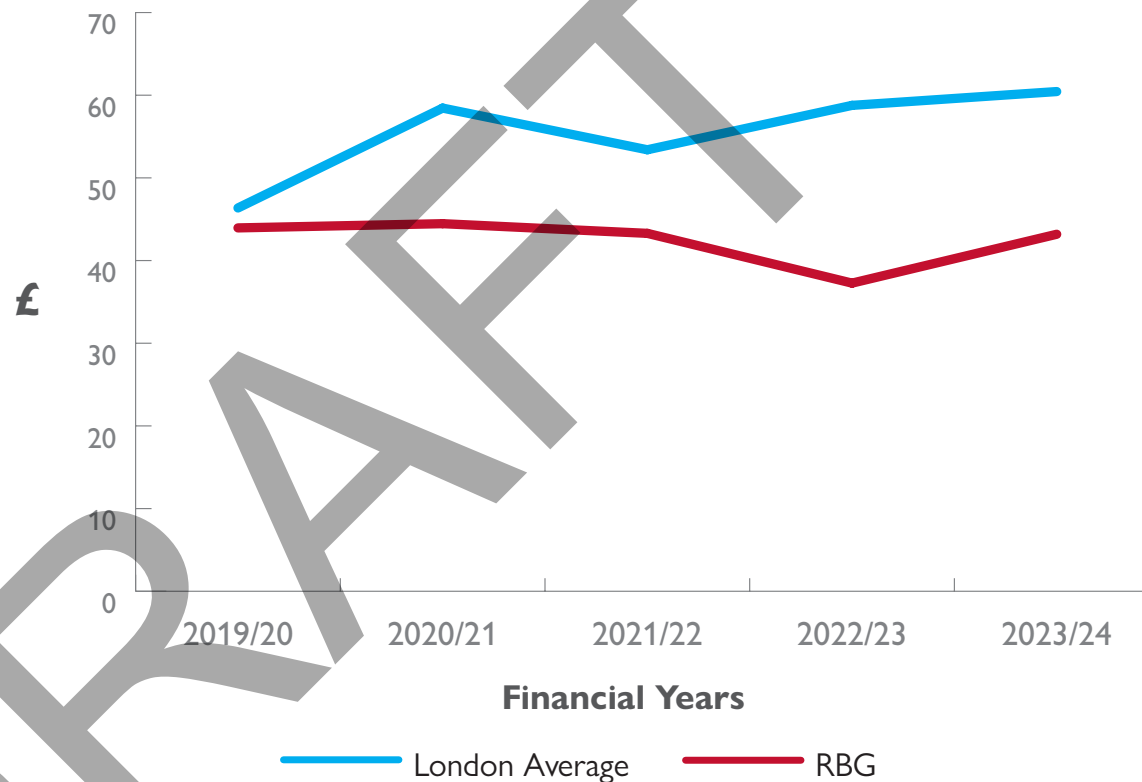
The pension service has the following aims at its core:

- The improvement of standards and efficiency and to keep costs under scrutiny.
- To develop plans to increase IT efficiency and give members more options with regards to accessing details of their pension benefits and other information.
- To train and develop staff in respect of any changes to legislation and to meet the service requirements.
- To achieve a high standard with regards to service delivery and customer service.

Value for Money

The scheme continues to offer value for money to employers and members, by making sure that both Pension Board and Panel have the right skill set and knowledge to ensure governance of the fund; whilst also making sure that the investment and administration teams are, appropriately and adequately resourced to meet the day-to-day challenge for running the Fund. The following table shows the average administration expense per member for the Royal Borough of Greenwich Pension Scheme and the average for London LGPS schemes.

Administration Expenses Per Member



The London average is made up of the average administration expenses per member of five neighbouring boroughs.

Please note, this information is only available up until 31st March 2024 as the 31st March 2025 accounts for the neighboring boroughs were not published at the time of calculation.

Review of the year 2024 – 2025

The pension service continues to successfully function within a hybrid working environment. The team work remotely with staff working in the office approximately 40% of their working week in line with the Authority's policy. The Senior Officer works primarily remotely but attends the office 2 or 3 days a month. Training and meetings are delivered either in person or remotely, using digital platforms such as Microsoft Teams which allows the Senior Officer to keep in touch with the team and perform regular supervision meetings. Once a month the whole team attends the office to keep in touch and a team meeting is held to review the previous month, plan for the coming month, raise any questions or concerns and give praise and recognition where due..

The two apprentices who joined the team in early 2023 successfully completed the Pension Administrator Apprenticeship both passing with Distinction. Both are now acting up into Pension Administrator and Pension Officer roles. The service is still actively trying to recruit Senior Pension Officers (SPO) At the end of the March 2025 the Head of Pensions retired and the recruitment process for a suitable replacement is underway.

The recruitment challenge is an industry wide problem, not solely for Greenwich, with only a small pool of experienced LGPS staff. A new LGPS specific Apprenticeship is being developed by the

Local Government Association to help increase the availability of LGPS experienced staff however this will not immediately improve the situation.

The team have continued to focus on developing staff in post and with the appointment of the Senior Officer, regular training and support is given to officers.. Targeted training has been provided both internally and externally to support staff in their development and transfer of skills, with courses being held online where available.

Management and staff have continued to cover key tasks and priorities where possible, however service delivery has been impacted by these continued vacancies.

The Pensions Manager has regularly attended pre-retirement courses, assisted the authority with the HR team in promoting the benefits of being in the LGPS and met with scheme employers and their staff to increase the understanding and awareness of the LGPS.

Members have access to a self-service portal where they can view their pension records, run estimates, amend certain personal data and contact the pensions team. Following the Pension System Upgrade reported last year, the Self-Service Portal will be upgraded to a superior site which will be going live in the summer of 2025. This is promoted via the telephone, email and written communications, at presentations and at every opportunity. This

has reduced the amount of estimates the team has needed to provide and improved member engagement.

The pension service priorities remain on delivering the service's core functions of retirement cases, deceased cases, provision of pension estimates and the setting up and timely payment of monthly pensions. We are continuing to address the backlog with planned focus days to concentrate on one particular task in the backlog to reduce the outstanding cases.

Scheme membership and associated workload

The total membership across actives, deferreds, pensioners and dependants slightly increased from 26,844 to 27,513 in 2024/2025. Retirements increased by nearly 10% in comparison to 2023/24 and 15% compared to 2022/23. The number of pensioners and dependants increased by a further 4.7% increasing pension payroll workloads in respect of the setting up and payment of monthly pension payments. The number of new starters being processed decreased by 27% compared to the previous year possibly due to the recruitment controls as part of the Authority's cost saving measures, however the overall active membership has increased by 1.6% since 2024. As anticipated, resource issues resulted in a reduction to the overall throughput of the team. The total number of cases processed increased by 1% from the previous year.

Annual Benefit Statements for both active and deferred members were provided. End of year information was also provided to the NHS and London Pension Fund Authority to enable benefits statements to be provided to members of those schemes by the statutory deadline.

The outsourcing of service contracts, in particular Catering and Cleaning services, resulting in changes to admission bodies continuing to impact both the workload of the data management staff and the management team, in supporting the new employers and the implementation of the admission agreements.

Over the course of the year, there have been no Ombudsman disputes. The number of service complaints has remained minimal which is a reflection of the continued hard work of the pensions team. During the period three cases progressed to the formal internal dispute procedure.

One was in respect of misquoted benefits due to an error when updating the members details following a pension transfer in 2009. The quoted benefits were overstated and the error was picked up before the pension went into payment, resulting in lower than expected benefits. The pension fund has no ability to award a person more pension than they are entitled to under the Regulations. The individual accepted £1,000.00 in compensation for the distress and disappointment.

The second was due to a delay in obtaining an Additional Voluntary Contribution (AVC) fund value from the providers. The issue was further exacerbated by missing AVC contributions that were correctly paid by the member not being received by the AVC Provider and suitable redress being calculated. The AVC fund value was paid to the member as part of her retirement benefits and did not lose out due to the missing contributions or delay in settlement.

The final case was in dispute of the decision of Occupation Health in respect of Ill Health Early retirement and the case which has been resolved.

Legislation

There were no new or significant changes to Legislation in the reporting period but the new Government has instigated a landmark review of the pensions industry including the LGPS. There was also a "Fit for the Future" consultation launched in November 2024 with an aim to form the LGPS a greater scale, consolidation and clear trajectory. This has had no immediate impact on the LGPS and therefore no direct effect on the pension service at this time.

The McCloud judgement and Pension Dashboard which were the major changes to legislation last year are still impacting on the pension service and a significant amount of work has been carried out to move these forward.

Abolition of the Lifetime Allowance

The Lifetime Allowance (LTA) was finally abolished on 6th April 2024 and there is now no limit to the amount of pension an individual can receive from UK pensions. The government did retain the limit of the amount of lump sum that an individual can receive cumulatively from all their pension schemes.

Projects

The McCloud project

Following extensive analysis of data and calculations in the Test environment, the same level of data analysis was carried out in the Live environment before the reports were run for Active members to establish who was in scope and from who was potentially affected. This was followed by the Deferreds and Pensioners. The impact to the LGPS has always been known to be lower than other Public Sector Schemes due to the more generous accrual rate when the scheme went to CARE. Following the initial reporting there were 21% of Active members in Scope and after further analysis there was less than 0.5% who may need remediation. Of the Deferreds, 12% were in scope and less than 1% may need remediation. There were 25% of Pensioners in scope and just under 1% may need remediation. Due to the complexity of the McCloud remedy and that this covers all Public Sector pension schemes, some members may not have been flagged as being in scope because we may not know information about any other Public

Sector pension service. Our reports were run on the information we hold. The LGPS has been working together to make sharing of unknown LGPS service within authorities and this is on going. There will be communications with Active and Deferred members, potentially in the 2025 Annual Benefit Statements, to declare any other Public Sector or LGPS service to ensure everyone is captured. The McCloud project has been a lot of work and has put a strain on resources. Next year we will be working toward including information about the McCloud Remedy for protected members.

iConnect Roll out

The pension team have continued to move towards greater monthly data collection and further increased the number of payrolls onboarded to the iConnect data interface. There are now 30 payroll reports being reviewed and processed each month. Whilst this has caused a significant increase in monthly data validation and upload, it has reduced the time spent on data cleansing at year end and negated data issues that are usually only identified at year end. This ensures more timely and accurate information to be available for members, the fund actuary and other fund stakeholders.

Pension administration and payroll contract

Following a review of the Pension System contract there were some additional modules added to improve processes, enhance our reporting abilities, procurement of an ISP to allow the Fund to connect to the Pensions Dashboard,

data cleanse and enrichment, being Hosted by the software providers ensuring that the service meet the required connectivity capability needed for the Pension Dashboard and finally an upgrade to a superior Member Self Service Portal. Each module will be implemented in the priority of its importance and impact. The first project started at the end of 2024 and is likely to continue to the 3rd quarter of 2025.

Hosting

One of the modules added to the new pension service contract was to have the Pension system Hosted by the software providers. The main decision to be hosted is due to the requirement for the Fund to be connected to the Pensions Dashboard environment for at least 99.5% of the time. Failure to meet this means the Fund could be automatically disconnected and this may have regulatory consequences for the Fund, being hosted removes the risk from the Authority's IT department which could not currently meet the strict condition. The project started in November with a secure data transfer facilitated by the RBG IT department and the software providers. This was built into a Test hosted environment and then in the middle of December the pension team started over a month of extensive testing. The new Hosted system went Live at the end of January 2025 and has made positive improvements in the quality of service and support needed, as well as the assurance that we are a step closer to being ready for the Pensions Dashboard. Another advantage of being Hosted is the regular Pension Systems

updates are quicker, mean no down time for the service and have reduced the amount of User Acceptance Testing. There are still 4 updates a year, but this has less impact on the service overall.

ISP for Pension Dashboard

With the connection date to the Dashboard for all LGPS Funds being the 31st October 2025 the importance of being able to connect securely and in line with the TPR's guidance. It was prudent to procure an ISP provider rather than taking on the risk of creating our own. As part of the review of the pension system contract we will be the system providers ISP service. With all the LGPS Pension Funds connecting on the same day it was important we had this in place and following some training and testing the Fund is scheduled to be connected in the summer of 2025 in advance of the Go Live date.

Data Cleansing

The team continue to cleanse data in readiness for the pension dashboard and McCloud. A data quality exercise took place in January 2024 to measure the fund's common and scheme spec.

The year to come

Recruitment

The team have successfully recruited one Senior Pensions Officer (SPO). There are still 2 SPO vacancies remaining. The new officer commenced employment in August 24 and is a long-distance worker, predominantly working from home with a requirement to work in the office as requested. Whilst the officer is an experienced officer,

they require training both on the system and in Greenwich processes.

The team continue to advertise the SPO vacancies but are having little success in attracting suitable candidates. The training of long-distance workers is proving to be a challenge and therefore it would not be an ideal scenario to recruit further predominantly home workers at present. However, this will be considered dependant on any successful candidate's requirements and circumstances.

McCloud

McCloud Data is being finalised and the underpin for impacted members calculated and reviewed. Initially, this will be for active scheme members to ensure that the necessary information is available for the 2025 Annual benefit statements in line with the legislative deadline and for any future calculations. Retrospective calculations will be looked at after this has been completed.

The complexity and workload, in respect of McCloud remedy is affecting the resources in the pensions administration team. Since the letter sent to all members in December 2023, the level of direct queries about McCloud has been minimal but as we start adding underpins to calculations and Benefit Statements and if members have other public service pensions, these queries will escalate.

The management team factored this into the reorganisation establishing a Project lead role to oversee this and other projects, however the

team will still need to be actively involved. The team have been given a high-level overview of the project and will be given further enhanced training when the calculations have been implemented to be able to communicate the changes to all scheme stakeholders.

Pensions Dashboard

Work will continue to cleanse the pension data to ensure quality and accuracy, and this will be impacted by the data cleanse and data changes required in McCloud project.

As part of the system review below, the fund has procured an ISP to enable connectivity to the dashboard and return of necessary pension information.

In addition, we will engage with the software provider for a Data Cleanse and Enrichment service which will ensure continued accuracy of the data for the Dashboard.

Pension Administration Pension Payroll System Review

The pension system contract with Heywoods has been reviewed and finalised, with a 5-year extension to contract being agreed.

As part of this extension the fund have procured an ISP for the Pension Dashboard and will be moving to a hosted environment with Heywood, this will ensure that the service meet the required connectivity

capability needed for the Pension Dashboard. The project to move to the hosted environment is currently underway.

We have also included additional enhancements to assist with data cleansing and reporting. These enhancements will be implemented following the move to the hosted environment.

Backlog Targeting

We will continue targeting backlogs with further focus days when resources allow.

Annual Allowance (AA) and Lifetime allowance (LTA)

Changes in the Finance Act 2024 have been interpreted and disseminated to the team. New member declaration forms, produced by the Local Government Association, are being sent to members who are claiming benefits to be paid on or after 6th April 2024. The pension system has been updated to remove LTA calculations although the functionality and some information is still produced on calculation outputs in case the LTA is re-introduced by the new government. Annual Allowance was not impacted by the Finance Act 2024 but remains to be an integral part of the LGPS and taxation. Members who have exceeded the 2024 AA have been sent their Annual Allowance statements.

New General Code of Practice

The Pensions Regulator has issued a new General Code of Practice. The pension management team will be working with finance colleagues to assess the changes and self-assess the fund against the new code.

Conclusion

Administration of the Fund is carried out by a dedicated, hard-working pension team. The complexity and range of work in LGPS administration was acknowledged in the restructure and reflected in increases to paygrades.

2024/25 has continued to test the team but collectively they have met that challenge. Productivity has remained constant considering the further reduction to staff resource.

Future proofing of the team is always a high priority for the pension management team, recruitment, retention and development of staff remains a key priority. It is hoped that the combination of the development of staff, apprenticeships and the restructuring of the team will future proof the service and aid in resolving long standing recruitment issues.

The KPI'S for the pension Fund for 24-25 can be found in Appendix J.

A photograph of a covered bridge over a canal in Greenwich, London. The bridge has a tiled roof and brick walls. The canal is filled with water and has some reeds in the center. The background shows trees with autumn foliage and a brick building. The right side of the image is overlaid with a solid pink color.

Actuarial Report on Funds

ROYAL BOROUGH OF GREENWICH
PENSION FUND

Actuarial Report on Funds

The Fund undergoes a full actuarial valuation every three years. This determines the Fund's funding level and the employer contribution rates required to restore the Fund to a 100% funding level (i.e. the Fund has enough assets to cover 100% of its liabilities). The last valuation was carried out as at 31 March 2022 and this came into effect in 23/24. Below is a statement from the Fund's actuary summarising the 2022 valuation. The full 2022 Actuarial Valuation report can be found on our website.

Statement by the Fund's Actuary

Introduction

The last full triennial valuation of the Royal Borough of Greenwich Pension Fund (the Fund) was carried out as at 31 March 2022 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2023.

Asset value and funding level

The results for the Fund at 31 March 2022 were as follows:

- The market value of the Fund's assets as at 31 March 2022 was £1,635m.
- The Fund had a funding level of 103% i.e. the value of assets for valuation purposes was 103% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a surplus of £43.8m.

Contribution rates

The employer contributions rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- The annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due;
- Plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 18.1% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2023.

In addition, each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer.

Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in Appendix 5 of the triennial valuation report.

Assumption	31 March 2022
Discount rate	4.8% p.a.
Pension increases (CPI)	2.9% p.a.
Long-term salary increases	3.9% p.a.
Pension increases on GMP	Funds will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that Funds will be required to pay the entire inflationary increases.
Mortality	The post retirement mortality assumptions adopted are the S3PA heavy series, making allowance for projected improvements with a long term rate of improvement of 1.25% p.a., a smoothing parameter of 7, no initial addition to improvements and a 2020/21 weighting parameter of 5%.
Retirement	Each member retires at a single age, weighted based on when each part of their pension is payable unreduced.
Commutation	Members will convert 50% of the maximum possible amount of pension into cash.

Further details of these assumptions can be found in the relevant actuarial valuation report which can be found on the Royal Borough of Greenwich website royalgreenwich.gov.uk/downloads/download/284/pension_fund_investments_documents

Updated position since the 2022 valuation

Assets

In the 12 months to 31 March 2025 the investment return on the Scheme's assets is estimated to have been 4.5% per annum. The Fund assets have a market value of £1.755m as at 31 March 2025. Overall, the asset value in market terms is less than where it was projected to be at the previous valuation.

Liabilities

Inflation over the three years to 31 March 2025 has been higher than the long-term average assumed at the 2022 valuation, which has increased the value of liabilities. However, this has been partially offset by changes in financial assumptions underlying the valuation funding model. The value of liabilities has also increased due to the accrual of interest.

The value of liabilities will also have increased due to the accrual of new benefits and interest on the liabilities. Therefore, overall we estimate that the liabilities have increased since the previous valuation as at 31 March 2022.

Overall position

Combining the movements in assets and liabilities, we estimate the overall funding position as at 31 March 2025 is broadly similar to the funding level at the previous valuation.

Barry McKay FFA

Partner, Barnett Waddingham LLP



External Audit Opinion

ROYAL BOROUGH OF GREENWICH
PENSION FUND

Independent Auditor's Report

Independent auditor's statement to the members of Royal Borough of Greenwich on the pension fund financial statements included within the Royal Borough of Greenwich pension fund annual report.

To be submitted on completion of audited accounts.

DRAFT

Additional Information



ROYAL BOROUGH OF GREENWICH
PENSION FUND

Economic Review

Global Market Overview

The global financial landscape over the past year was shaped by fluctuating bond yields, mixed inflation signals, and cautious central bank policies amid geopolitical uncertainties. A notable shift occurred in June when weaker-than-expected U.S. inflation data led to a dip in government bond yields, with similar moderation seen in Europe and Japan. Central banks largely held rates steady, except for the ECB, which cut rates while raising inflation forecasts. Political developments in France added volatility to European markets.

Rate cuts resumed in September, with the Fed reducing rates by 50bps and the ECB by 25bps, while the BoE and BoJ maintained their stances. Subsequent Fed and ECB cuts reflected diverging views on economic resilience and inflation trajectories. By March, the Fed paused further cuts amid tariff-driven inflation concerns, while the ECB continued easing to 2.50%. Inflation trends diverged globally, with the U.S. and Europe seeing downside surprises, while Japan's inflation exceeded expectations.

US Equities

US stock markets had a mixed year. The S&P 500 rose 8.14%, the Nasdaq gained 6.29%, but the Russell 2000 fell 4.14%. Gains were driven by strong earnings and interest rate cuts, but concerns about AI investments and trade tensions hurt confidence. Defensive sectors performed well, with Apple, Meta, NVIDIA, and Tesla leading among the top tech stocks.

UK Equities

UK shares started 2024 behind the US but gained momentum later. Takeover activity increased, and banks benefited from expectations of fewer rate cuts. The October Budget raised gilt yields, which weighed on rate-sensitive sectors. In early 2025, UK markets outperformed the US, led by value stocks and defensive sectors. The FTSE All Share rose 10.5%.

European Equities

European markets saw modest gains, with the MSCI Europe Index up 4.1%. Value stocks outperformed growth by a wide margin. Financials, utilities, and communication services led, while tech and luxury

goods lagged. Optimism in early 2025, driven by German stimulus and hopes for peace in Ukraine, was tempered by US policy uncertainty. Long-term prospects remain positive due to structural reforms and fiscal support.

Emerging Markets

Emerging markets outperformed developed ones, with the MSCI EM Index up 8.1%. China surged 40.4% thanks to stimulus and AI enthusiasm. Central and Eastern Europe, the Middle East, and Africa (CEEMEA) also performed well, especially the Czech Republic, Hungary, and Poland. Latin America struggled, with Mexico and Brazil hit by political uncertainty.

Japanese Equities

Japan's stock market was volatile, ending the year down 4%. Early gains from a weaker yen and strong earnings were offset by concerns over US interest rates and Middle East tensions. The Bank of Japan raised rates and reduced bond buying, causing a sharp correction. Later, the market recovered somewhat, but yen strength and US tariffs created a mixed outlook.

Fixed Income Markets

Bond markets were turbulent, reacting to inflation data, central bank decisions, and global events. Early 2024 saw rising yields due to strong inflation, but sentiment improved mid-year as inflation eased and rate cuts began. By Q3, weak economic data supported further cuts. In Q4, concerns over fiscal policy and geopolitical risks returned. In early 2025, markets were unsettled by US tariffs and inflation surprises, though central banks continued to ease policy. Japanese yields rose steadily, with inflation ending higher.

UK Property Market

UK property remains supported by strong fundamentals: limited supply, steady demand, and a ~25% price correction since 2022. Despite global uncertainty, the UK economy is relatively stable, with falling inflation and limited exposure to US tariffs. Logistics and residential sectors are attracting investment, while offices face challenges due to sustainability standards. Retail is mixed, but well-located assets are holding up. Looking ahead, constrained supply and supportive policy could drive rental growth and support the next phase of the property cycle.

Looking ahead, the global outlook remains mixed. While disinflation and rate cuts offer support, the path forward is clouded by political uncertainty, trade disputes, and diverging economic conditions across regions. Investors are likely to remain cautious, with a focus on central bank guidance, inflation trends, and geopolitical developments.

OTHER STATEMENTS AND PUBLICATIONS

Funding Strategy Statement

The Funding Strategy Statement (FSS) details the Fund's approach to meeting its defined benefit obligation. The FSS is reviewed in detail at least every three years in line with the triennial valuation. The latest statement is included as Appendix I to this report.

The FSS has been developed along with the Fund's actuary Barnett Waddingham, using data from the triennial valuation.. The FSS is fully compliant with statutory guidance..

The FSS links to the Investment Strategy Statement, as it forms the basis for our investment strategy.

The production of a Funding Strategy Statement is important, as the Fund must take a prudent, long-term view of how it will meet its defined benefit obligation, whilst maintaining stable contribution rates for employers.

Investment Strategy Statement (ISS)

Regulation 7(1) of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the Regulations requires an administering authority to formulate an investment strategy which must be in accordance with guidance issued by the Secretary of State. The Council is required to take proper advice when making decisions in connection with the investment strategy of the Fund, as taken from Hymans Robertson LLP.

This is in addition to the expertise of the members of the Pension Fund Panel and Council officers. As a result, the ISS is fully compliant with statutory guidance..

The Pension Fund Panel seeks to invest in accordance with the ISS, utilising any Fund money that is not needed immediately to make payments from the Fund. The ISS should be read in conjunction with the Fund's Funding Strategy Statement. Appendix E sets out the Investment Strategy Statement.

Communications Policy Statement

The Local Government Pension Scheme (Administration) Regulations 2013 require all administering authorities to produce a Communications Policy Statement. This statement sets out the Fund's policies for communicating with members, members' representatives, prospective members and employing authorities. It also aims to promote the scheme to all interested parties.

The Communications Policy Statement is reviewed at least annually. The latest statement can be found in Appendix J.

Knowledge and Understanding Policy and Framework

In 2021, CIPFA issued an updated Code of Practice on LGPS Knowledge and Skills. An updated Knowledge and Skills Policy and Framework has been published to demonstrate that the Fund has adopted

the revised Code of Practice. The current version can be found in appendix F.

Stewardship report in line with the UK Stewardship Code

The Financial Reporting Council (FRC) published the UK Stewardship code, setting out twelve principles of good practice on engagement with investee companies, to which the FRC believes institutional investors should aspire. The aims of the code align closely with the fifth Myners' principle. The Fund's compliance with the Myners principles is detailed in the Fund's Investment Strategy Statement and this statement contributes to that compliance. The Stewardship Report is set out in Appendix D.



Contacts and Glossary

ROYAL BOROUGH OF GREENWICH
PENSION FUND

GLOSSARY

Active Fund Management

A style of investment management where the Fund Manager is seeking to 'add value' by outperforming the benchmark through actively buying / selling stocks / bonds.

Active Equities / Active Manager

A style of investment management where the Fund Manager is seeking to 'add value' by outperforming a benchmark index

Active Members

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

Actuarial Assumptions / Basis

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 assumptions that are prudent 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.

Administering Authority

The council with statutory responsibility for running the Fund, in effect the Fund's "trustees".

Admitted Bodies

Employers which voluntarily participate in the Fund, so that their employees and ex-employees are members. There will be an Admission Agreement setting out the employer's obligations.

Asset Allocation

An investor has to decide which type of asset to buy – ordinary shares, bonds, domestic or foreign, property – or indeed simply to hold cash. Deciding what sort of mix of assets to have is termed asset allocation.

Asset Liability Modelling

Of increasing importance in pension fund management, particularly at the larger end of the market, the structure of the fund is analysed (usually by Consulting Actuaries) to assess how the fund's assets should be invested in order to best meet the fund's liabilities, age profile of the members etc.

AVCs (Additional Voluntary Contributions)

Additional Voluntary Contributions are contributions made by a member of an Occupational Pension Scheme, to that Scheme, over and above the normal contribution level, to purchase additional retirement benefits.

Balanced

Where the asset allocation of a fund is spread (balanced) across a range of asset types.

Balanced Fund Management

Balanced Fund Management is the term used for the traditional approach to investment. It involves coming up with an appropriate balanced list of shares and securities by taking all the assets in a portfolio and balancing the various economic and stock exchange arguments against the investor's needs/appetite. A different approach, which has evolved in recent years, is to divide a portfolio into sections each of which is managed with a specific aim. This is particularly relevant to large pension fund portfolios, where sections may be allocated to fund managers with different styles – for example, one who is asked to maintain an index matched core, one to take risks in international equities, one who is very good at market timing, and so on. By dividing the portfolio in this way, aims can be much more specifically identified and maintained.

Benchmark

This is the standard against which performance of the fund is measured. The most usual benchmark for a portfolio of UK shares is the FTSE All-Share Index because it includes such a large percentage of all quoted shares. Funds which may be called upon very suddenly in the near future may have to be kept largely in cash or short term gilt edged stocks and a benchmark such as the money market interest rate would be appropriate, in this instance.

Bottom-Up

Bottom-up investing is an investment approach that focuses on the analysis of individual stocks and deemphasizes the significance of economic cycles and market cycles. In bottom-up investing, the investor focuses his attention on a specific company, rather than on the industry in which that company operates or on the economy as a whole.

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.

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.

Corporate Governance

The term used, following recent Government sponsored reports, to describe the policies and procedures that the company's directors employ in their conduct of the company's affairs, and their relationships with shareholders to whom they are responsible, as managers of the shareholders' interests in the company, and of its assets.

Covenant

This is the promise of a certain amount of pension at retirement by an employer of a defined benefit scheme. It represents 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.

COVID-19

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.

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.

Deferred Members

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

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).

Deficit Repair / Recovery Period

The target length of time over which the current deficit is intended to be paid off. A shorter period will give rise to a higher annual past service adjustment (deficit repair contribution), and vice versa.

Derivatives

A derivative is an instrument which derives its value from value of an underlying financial instruments such as bonds, commodities, currencies, interest

rates, market indexes and stocks.

Discount Rate

The annual rate at which future assumed cashflows (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 liability 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.

Employer

An individual participating body in the Fund, which employs (or used to employ) members of the Fund. Normally the assets and liabilities values for each employer are individually tracked, together with its future service rate at each valuation.

Employee Contribution Rate

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

Employer Contribution Rate

The percentage of the salary of employees that employers pay as a contribution into the Pension Fund.

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).

FRC Stewardship Code

The UK Stewardship Code is complementary to the UK Corporate Governance Code for listed companies and, like that Code, it should be applied on a 'comply or explain' basis. The UK Stewardship

Code 2026 introduces a streamlined structure for reporting. Our How to Report page explains what's required from signatories and how to align your reporting with the Code's expectations. The Code also contains new expectations of how investment and stewardship should be integrated, including Environmental, Social and Governance ("ESG") issues.

Funding Level

The ratio of assets value to liabilities value.

Fund Manager

A professional manager of investments in a Pension Fund, Insurance Company, Unit Trust etc.

Futures

A futures contract is a legally binding agreement, generally made on the trading floor of a futures exchange, to buy or sell a particular financial instrument at a predetermined specified date and price in the future.

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.

GDP – Gross Domestic Product

Gross Domestic Product (GDP) is a broad measurement of a nation's overall economic activity. GDP is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

Gilt

This is a UK Government bond. It is 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 or coupon payments are made every six months throughout the term of the gilt (its holder is paid the final coupon and principal on maturity, or “index-linked” where the interest payments vary each year in line with a specified index (usually inflation - RPI). Primary purchasers of gilts are pension funds and life insurers. Gilts can be bought as assets by the Fund, but their main use in funding is as an objective measure of solvency.

Guarantee / Guarantor

A formal promise by a third party (the guarantor) that it will meet any pension obligations not met by a specified employer. 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.

Initial Public Offering (IPO)

An initial public offering (IPO) is the first tranche of sale of stock by a private company to the public.

Index Tracking Funds (see also Passive)

Funds that are constructed to match closely the performance of a market index (e.g. FTSE All-Share Index and the FTSE World Index). This can either be achieved by full replication (buying every single index constituent) or sampling (buying a representative cross-section).

Internal Rate of Return (IRR)

This is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. Internal rate of return is used to evaluate the attractiveness of a project or investment.

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 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.

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.

LIBOR

LIBOR is a benchmark rate that some of the world's leading banks charge each other for short-term loans. It stands for London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world.

LGPS

The Local Government Pension Scheme, a public sector pension arrangement put in place via Government Regulations, for workers in local government. These Regulations also 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.

Longevity

The length or duration of human life.

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.

Maturity Date

The forecast redemption date upon which the lender repays the investor.

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).

MSCI

MSCI Inc is an investment research firm that provides indices, portfolio risk and performance analytics and governance tools to institutional investors and hedge funds.

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 individual investor

Myners' Review

In the year 2000, the UK Government commissioned a "Review of Institutional Investment in the United Kingdom". The Review was undertaken by Paul Myners and is referred to as "Myners". In response to the Myners' proposals, the Government initially issued a set of ten investment principles, which has subsequently been revised to six. Each pension fund must demonstrate how it complies with this "Myners" report and this can be found in the ISS.

Option

An option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price during a certain period of time or on a specific date.

Passive

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.

Pension Fund

An investment fund within a Pension Scheme which is intended to accumulate during an individual's working life from contributions and investment income, with the intention of providing an income in retirement from the purchase of an Annuity. There may be an option of an additional tax free cash lump sum being paid to the individual.

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.

Percentile

In making an analysis of the result of any activity, the figures may be set out as percentages, covering the range of 0 – 100%. Percentiles are split into 1% bands.

PMI

The Purchasing Managers' Index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting. The purpose of the PMI is to provide information about current and future business conditions to company decision makers, analysts, and investors.

Pooling (Actuarial Valuations)

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.

Pooling (Funds)

Pooled funds are funds from many individual investors that are aggregated for the purposes of investment, as in the case of a mutual or pension fund. Investors in pooled fund Investments, benefit from economies of scale, which allow for lower trading costs per investment, diversification and professional money management.

Portfolio

A portfolio is a grouping of financial assets such as stocks, bonds and cash equivalents, as well as their mutual, exchange-traded and closed-fund counterparts. Portfolios are held directly by investors and/or managed by financial professionals.

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.

Quartile

See Percentile - if these results are then broken down into four equal sections, they are called 'quartiles'. The first quartile will contain the results of the top 25% of the list, the second quartile below that, then the third and the fourth quartile.

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.

Risk / Return

In markets which are efficient (such as the market for the larger shares on the major stock exchanges) the prices of the various shares will reflect the risks run in each case. That is, there is a trade-off between risk and return. The higher the risk, the more the return should be. Investors, when considering a particular investment, should always consider the risks involved in buying a particular security, as well as its possible returns. The risk / return trade-off should be one appropriate to the needs or risk appetite of that particular investor.

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, university lecturers and police and fire officers).

Securities

The general name for stocks, shares and bonds issued by the company to investors.

Solvency

In a funding context, this usually refers to a 100% funding level, i.e. where the assets value equals the liabilities value.

SRI

Socially responsible investment, is an investment process that excludes investment in companies whose core business activities involve animal testing, pollute the environment or comprise alcohol, tobacco and weapons manufacturing or where management practices achieve profit at the expense of human rights and equality. It is otherwise termed ethical investment.

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.

TCFD

The Task Force on Climate-related Financial Disclosures, which aims to improve the disclosure of the impact organisations have on the global climate and help organisations understand climate related risks

Total Value to Paid-In (TVPI) Multiple

This is also known as the investment multiple. It is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital. It gives a potential investor insight into the fund's performance by showing its total value as a multiple of its cost basis. It does not take into account the time value of money.

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 private equity manager.

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, 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 more risky. 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 dollar value of a security by the total dollar 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.

COMMUNICATIONS

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