

THE LONDON BOROUGH OF CAMDEN

At a meeting of the **PENSION COMMITTEE** held on **WEDNESDAY, 22ND OCTOBER, 2025** at 6.30 pm in Council Chamber, Town Hall, Judd Street, London WC1H 9JE

MEMBERS OF THE COMMITTEE PRESENT

Councillors Rishi Madlani (Chair), Heather Johnson (Vice-Chair), Anna Burrage, Rebecca Filer, Edmund Frondigoun, Matthew Kirk, Jenny Mulholland and James Slater

MEMBERS OF THE COMMITTEE ABSENT

Errol Ghanie GMB Trade Union observer)

ALSO PRESENT

Kathy Anifowoshe (Unison Trade Union observer)

The minutes should be read in conjunction with the agenda for the meeting. They are subject to approval and signature at the next meeting of the Pension Committee and any corrections approved at that meeting will be recorded in those minutes.

MINUTES

1. APOLOGIES

There were no apologies for absence.

Apologies for lateness were received from Councillors Heather Johnson and Rebecca Filer who were attending other Council business and would be joining the meeting a bit later.

2. DECLARATIONS BY MEMBERS OF STATUTORY DISCLOSABLE PECUNIARY INTERESTS, COMPULSORY REGISTERABLE NON-PECUNIARY INTERESTS AND VOLUNTARY REGISTERABLE NON-PECUNIARY INTERESTS IN MATTERS ON THIS AGENDA

There were none.

3. ANNOUNCEMENTS (IF ANY)

Webcasting

The Chair announced that the meeting was being broadcast live to the internet and would be capable of repeated viewing and copies of the recording could be made available to those that requested them. Those seated in the Chamber were deemed to be consenting to being filmed. Anyone wishing to avoid appearing on the webcast should move to one of the galleries.

Variation of order of business

In accordance with paragraph 10 of the Constitution, Committee Procedure rules, the Chair proposed and the Committee agreed to vary the order of business on the agenda and take item 7 (Progress Update on Responsible Investment Actions and Conflict Affected and High-Risk Area (CAHRA) Review) after item 4 Deputation.

The Chair also wished everyone happy Diwali remarking that it was a celebration of the Hindu new year and the message of the triumph of light and good over evil.

Finally, the Chair emphasised the significant decisions to be taken concerning the fund valuation and investment matters and the importance of maintaining order at the meeting.

4. DEPUTATIONS (IF ANY)

The Chair informed members that he had received and accepted a deputation from Camden Friends of Palestine. A copy of the deputation statement was included in the supplementary agenda.

The deputation related to ethical Pension Fund Investments and was from Paul Clyndes on behalf of Camden Friends of Palestine.

The following responses were given by the deputees to members questions:

Despite the ceasefire Israel's breaches of international law were continuing with well documented continuation of human rights abuses and massacres in Gaza over the last few days.

The International Court of Justice had indicated that there was plausible genocide and continued to investigate. Camden residents had given an impressive mandate for divestment with real strength of feeling in the borough.

Lots of companies in the report had contracts with the military which were systematically conducting house demolitions and targeting civilians in Gaza and the occupied territories across Palestine. Camden Council's role as an organization investing in these companies was complicit in widespread human rights abuses and genocide. The call for divestment was to put pressure on Israel to comply with International law.

The issues such as occupation of Palestine are historic and had continued for many years, the reason these issues were continuing was because there had been no accountability and the state of Israel had faced no repercussions for its actions. Many of the companies referred to had historic as well as current involvement.

The Chair thanked the deputees for their attendance.

5. NOTIFICATION OF ANY ITEMS OF BUSINESS THE CHAIR DECIDES TO TAKE AS URGENT

There were none.

6. MINUTES

RESOLVED –

THAT the minutes of the meeting of the Pension Committee held on 17th July 2025 be approved and signed as a correct record.

7. PROGRESS UPDATE ON RESPONSIBLE INVESTMENT ACTIONS AND CONFLICT-AFFECTED AND HIGH-RISK AREA (CAHRA) REVIEW

Consideration was given to the report of the Executive Director Corporate Services.

During the discussion of this item, members of the public displayed banners contrary to the Council's Constitution. The Chair requested removal of the banners and, following non-compliance, adjourned the meeting temporarily for advice.

Following resumption, the Head of Finance, Treasury and Pensions provided the Committee with a progress update on the responsible investment actions and the Conflict Affected and High-Risk Area (CAHRA) review agreed at the Pension Committee meeting in March 2025.

He reported that 15 organisations had expressed an interest in undertaking a fund review, but most required three to five months to produce a report and were not prepared to provide recommendations for consideration.

However, amongst the responses that were received were proposals to subscribe to an artificial intelligence (AI) based investment analysis platform to assess holdings for exposure to human rights, climate, and conflict-zone risks. The Committee was informed that the platform would highlight the Pension Fund's exposure and provide faster results at lower cost in time for the next Committee meeting in December.

Pension Committee - Wednesday, 22nd October, 2025

He advised that the work would fit into an enhanced responsible investment policy being developed to address the issues.

He reported that in consultation with the chair, officers had agreed to subscribe to the AI portal which the Pension Fund could use as a tool for the next one year. Highlighting that this could also be used to customise parameters and provide granular data on exposures.

The following information was provided in response to Committee members' questions:

- The tool would highlight what the Pension Fund's exposure was, it was for the Committee to decide how and what to do with that information.
- The tool itself would not provide recommendations, it would provide information on the percentage of the fund exposed to climate, human rights or conflict zones, it was then a decision for the Committee on what to do with that information.
- Officers were working collaboratively with partners and LCIV to develop a responsible investment policy to address these issues.
- The parameters chosen would be fed into the system, for example if information was required on climate exposure or human rights that would be fed into the system. This would then look at the Pension Fund holdings and provide an analysis.
- The platform would be used to inform the enhanced Responsible Investment policy and future investment strategy.
- In terms of independent recommendations, the majority of respondents, even if they were to carry out the work were not willing to provide recommendations.

The Chair also commenting on the lack of independent providers willing to provide recommendations in time for the December 2025 Pension Committee meeting, noted that this was a newly evolving issue which had not been scrutinized in the same way as the climate emergency which had many more providers. He said that given the current situation, the requirement for quicker steers to help feed into RI policies and the investment strategy, he was of the view that this was the best approach to adopt which allowed for flexibility.

In response to further members' questions, officers provided the following comments:

- The AI tool used to analyse the database of information worked and was able to produce reports. Other organisations had already used the tool, there

Pension Committee - Wednesday, 22nd October, 2025

would be checks to ensure the information used and provided was accurate and not off the scale.

- In relation to the timeline for the review, when the terms of reference for the review were first drafted the timelines were put in place so the review could have been completed to inform all the other processes such as the triennial valuation and new asset allocation strategy. However, when the Pension Fund engaged with other provider organisations it came to light that the timelines did not fit into the timelines required. Time was an important factor, the work needed to be completed quickly, particularly as there were lots of changes on the horizon in how local government Pensions would function most notably from March 2026 which was the pooling deadline where all investment decisions would go to the pool and LCIV. This was also a reason why providers were not willing to provide clear recommendations.
- Officers agreed to provide the Committee with the scope and variable information given to providers to look at in consideration of the Pension Fund holdings as well as the cost of the conflict zone exposure policy.
Action By: Head of Finance, Treasury and Pensions/ Treasury and Pension Fund Manager
- In compiling a comprehensive Responsible Investment Policy various sources would be used including AI generated information as well as collaboration with LCIV partners which would then be brought to the Committee for final approval.
- As part of the development of a conflict zone exposure policy, LCIV were proposing conducting a workshop session taking into account the approach and views the Pension Fund already had, then suggesting data sources and approaches to conflict zones which would then build the approach as part of the policy development.
- The intention of the conflict zone policy was to provide a guide on what the Pension Fund would do in different conflict scenarios. It would be the Pool from March making those decisions, and making sure the appropriate decisions were taken in line with policy.
- In terms of the level of detail looked at per company, it would be the information relating to the nature of the holding and how this compared to the Pension Fund's Responsible Investment Policy.
- There were different levels of granularity that were possible through the platform which allowed filtering, pinpointing and selecting exactly what was required from the report. Information not required could also be filtered out from the report.

Pension Committee - Wednesday, 22nd October, 2025

- In terms of divesting and investing in other funds such as the LCIV Global Value Fund, other Councils Pension Funds had invested in this already existing fund. However, this was more in relation to a performance issue.

The Chair, in summarising commented that the Pension Fund was the savings of Camden Council employees past, present and future and not of residents. There was a huge amount of change occurring with the LGPS with pooling, so a lot of the action points were determined by existing timelines, however the Pension Fund was doing a lot of work within these parameters including the Responsible Investment Policies that were set at fund level and influenced through LCIV and Managers level was a crucial part of this.

The Committee had heard and listened to the deputations and was increasing its focus on ethical investments which was the reason for providing this progress update.

The Committee

Resolved:

To note the report.

8. PERFORMANCE REPORT

Consideration was given to the report of the Executive Director Corporate Services.

The Treasury and Pension Fund Manager introduced the report which outlined the performance of the Camden Pension Fund investment portfolio and the individual investment managers for the quarter ended 30 June 2025.

Karen Shackleton, Independent Investment Advisor, provided the Committee with an overview of her comments on the financial markets and provided detail on the performance of the individual Investment Managers, as set out in Appendix A to the report.

It was highlighted that:

- Overall fund value had risen by £67m during the quarter representing a 3.3% increase since the last meeting in July 2025.
- Asset allocation remained broadly stable. Equities were at 54% which was above the 45% strategic target which was due to market gains.
- Over the year there had been a positive 5.4% gain, which although behind the benchmark was still within positive territory.
- Legal & General and London CIV's Multi-Asset Credit Fund were strong performers, while Partners and HarbourVest underperformed.
- Baillie Gifford and Harris underperformed significantly.

Pension Committee - Wednesday, 22nd October, 2025

- Legal and General tracked its benchmark as expected.
- Positive contributors included passive funds and multi-asset credit funds; underperformers included Partners Group and HarbourVest.
- Baillie Gifford showed signs of recovery; Harris Associates continued to underperform.

Responding to Committee members questions the following information was provided:

- In terms of the downturn in the IT sector and the impact this would have on the Pension Fund, Baillie Gifford had always supported their IT holdings and had provided a strong investment case, however if there were to be a downturn in the IT sector and a sharp fall in value that portfolio would be under risk.
- If there were to be a downturn in the IT sector it was hoped that the decision of Baillie Gifford as a growth manager would be to exit that company fairly quickly.
- With regards to LCIV Real Estate Long Income Fund – Aviva, this Fund Manager had been monitored in its long income space over many years and they had provided a strong period of returns which had tailed off in recent years due partly to interest rates and the current market situation. Their investment thesis appeared to be reasonably strong as they were looking for inflation linked long leasing opportunities. It was a question of staying the course and waiting for a more favourable environment that would deliver the returns on the portfolio.
- In terms of strategic asset allocation as a Pension Fund Committee there was the need to keep to a long-term perspective.
- Commodities as a long-term allocation was something the Pension Fund could consider, it could be a good diversifier but it came with risks and consideration would need to be given to how the Pension Fund could access that because there was no indication that LCIV planned to introduce a commodity fund.
- There was some exposure to commodities in some of the diversified strategies that LCIV offered, however the advice would be that the Pension Fund should not try to get out of bonds at the moment because it was not attractive. Bonds were a good strategic allocation for the fund.
- Bob Young (ISIO Consultant) invited to comment on whether the Fund should switch from bonds to commodities noted that it was ultimately a long-term investment decision as to which asset class was chosen as well as being restricted by what the offerings were from LCIV. It was noted that this could

also be discussed as part of the Investment Strategy Review which would be considered at the December meeting.

RESOLVED –

THAT the contents of the report be noted.

9. ACTIVE GLOBAL EQUITY (VALUE) TRANSITION PROPOSAL

Consideration was given to the report of the Executive Director Corporate Services.

The Head of Finance, Treasury and Pensions Fund introduced the report reminding members that the Committee had been concerned for a while with the performance of Harris Associates in the Funds they had invested in since 2015. He informed members that following an investment review by the Pension Funds Investment consultants ISIO and LCIV the recommendation was to divest from the Harris Fund given its underperformance and lack of improvement and transition to LCIV Global Equity Value Fund, managed by Wellington Management.

ISIO Consultant invited to comment on the transition proposals noted that there were enough reasons and issues to divest from Harris holdings and it was reasonable to recycle the proceeds into a comparable fund with LCIV. He confirmed that ISIO were broadly comfortable with the LCIV Active Global Fund, noting that it was a diversifying value fund performing much better than the Harris Fund. Reminding the Committee that a wider investment strategy review would be conducted later in the year and ISIO were mindful that the transaction would be going on over quarter 4 and next steps should be considering how to manage the transition in a cost-efficient way as well as retaining exposure to the wider market during the process.

Responding to Committee members questions the following information was provided:

- In terms of the last engagement with Harris and whether anything new had come from that engagement, the Independent Investment Adviser noted that there had been concerns with Harris on performance issues for quite a while which had been an ongoing problem. She commented that there had been conversations and concerns about some of their alignment on gender although they had responded positively to climate concerns. It was a decision if not taken today would have delayed the inevitable with very little benefits. Something needed to be done before March 2026 because it would transfer into the LCIV pool by then.
- It was looking at whether performance issues with Harris would improve by then or to transition into another value manager with a different style and more diversified approach and addressing some of the performance issues

Pension Committee - Wednesday, 22nd October, 2025

that had been experienced. There was no reason to delay the decision until the last minute.

- With regards to a downturn in the IT sector and the impact this would have on the Pension Fund, Baillie Gifford had always supported their IT holdings and had provided a strong investment case, however if there were to be a downturn in the IT sector and a sharp fall in value that portfolio would be under risk.
- The Global Equity Value Fund (Wellington Investment Managers) offered stronger performance, lower fees, and comprehensive ESG exclusions.
- The Independent Adviser confirmed that there had been no discussion with Harris prior to the meeting, however there had been engagement with Wellington which had reassured her and further to that engagement was happy with their product.
- Once the fund transferred to LCIV there would be a management agreement for the non-LCIV funds which meant extra fees would be paid and there was an incentive to act sooner as well, as Wellington was cheaper fee-wise compared to Harris.
- The LCIV Investment Team Manager provided further information on the Active Global Equity Fund advising that the product had been designed with partner funds like Camden Pension Fund in mind. Incorporated in the fund was a strong exclusionary framework including exclusions around violations of human rights and also covered companies classified as participating in modern slavery. As well as a strong Environmental Social and Governance (ESG) framework which was aligned to Camden Pension Fund. He noted that it was a value fund that invested responsibly with a very low carbon footprint.
- In terms of whether investing in the new fund was the right thing to do, the Independent Investment Adviser noted that from a risk management perspective, growth performance over the long term had been strong and having contrasting styles of growth and value continued to make sense.

RESOLVED –

That

1. The full disinvestment from the Harris Associates Global Equity mandate be approved.
2. Reinvestment of part of the proceeds into the LCIV Global Equity Value Fund (with the amount and volume to be determined by the Transition plan), managed by Wellington Management, be approved. Delegating authority to the Director of Finance in consultation with the Chair to manage timing and report back to the Committee in December.

3. Officers to provide an update on the transition to the Committee before the December meeting.

10. PROPERTY PORTFOLIO - TRANSITION TO LCIV INDIRECT PROPERTY FUND (CBRE)

Consideration was given to the report of the Executive Director Corporate Services.

The Head of Finance, Treasury and Pensions Fund introduced the report informing the Committee that the Camden Pension Fund were invested in the CBRE Real Property Fund. However, in line with the Pooling agenda as LCIV already had the same manager, a request was being made to the Committee to transfer the Pension Fund's legal responsibility to LCIV to manage the fund on its behalf.

Responding to Committee members questions the following information was provided:

- In relation to the fees for this service, LCIV would be happy to share a detailed breakdown of the charges with members, it was dependent on where each partner fund started within the journey and the number of assets within the CBRE, however it would align with pooling requirements and deliver approximately 5 basis points fee savings.
- LCIV would also be able to negotiate lower fees with CBRE for the underlying strategies. The headline fees and the longer-term fees would be reduced for Camden and increase pooling compliance.
- Following the change, Camden's pooled assets would exceed 90% of total holdings.
- The same manager (CBRE) would continue to manage the assets under the LCIV wrapper.

RESOLVED –

That the transition of the Fund's existing CBRE UK Property mandate by entering a new contractual arrangement with the London CIV as part of the LCIV Indirect Real Estate Pooling Solution be approved.

11. LONDON COLLECTIVE INVESTMENT VEHICLE PROGRESS REPORT

Consideration was given to a report of the Executive Director Corporate Services.

Tim Mpofu Head of Partner Solutions London Collective Investment Vehicle (LCIV), Laura Chapman Chief Sustainability Officer (LCIV), James Beaumont Head of Public Assets Team (LCIV) and Yiannis Vairamis Public Assets Team (LCIV) were in

Pension Committee - Wednesday, 22nd October, 2025

attendance and provided the Committee with a progress update on the 'Fit for the Future' programme, including new investment strategy advice services, work on investment implementation, the Asset Transaction Transition Plan and enhanced sustainability governance.

Other issues highlighted by LCIV officers were:

- Camden's pooling level to exceed 90% following recent decisions.
- Remaining unpooled assets (Partners Group and HarbourVest) would be managed under LCIV oversight via an Investment Management Agreement (IMA).
- LCIV confirmed that pooling would not involve fire sales and that assets would be managed to maturity.
- A new partnership with Mercer would deliver investment strategy advice from January 2026.

In response to Committee members' questions the following information was provided by LCIV officers:

- In terms of whether there would be additional fees for the remaining 10% of unpooled funds, LCIV would need some time to work through the different exposures.
- There would be a fee element which over the longer term once LCIV had considered all the assets it had taken on board there would be a targeted approach with its managers in terms of negotiation of fees.
- LCIV through its Sustainability Working Group was discussing the concept of a Responsible Investment "matrix" to reflect consensus around areas that partner funds want to restrict exposure preferences.
- The matrix would allow for differentiated Responsible Investment approaches across asset classes and themes (e.g. defence exclusions). The aim was to complete these discussions by the early part of December.
- With policy development discussions, the work would be conducted on a bespoke basis to look at how Camden Pension Fund wanted to address those areas and how these would be captured in the Responsible Investment Policy.

The Chair informed and reminded members of the Sustainability Working Subgroup which Councillor Burrage had attended asking that Committee members notify him or officers if they wished to attend future meetings.

The Chair recommended that Committee members attend the annual LCIV conference as it was a useful way of learning more about how things worked and meeting officers.

RESOLVED –

That authority be delegated to the Director of Finance to oversee the finalisation, to approve and to sign the Investment Management Agreement (IMA) and associated asset transition plans, in order to comply with the Government-mandated pooling objective.

12. ENGAGEMENT REPORT

Consideration was given to a report of the Executive Director Corporate Services.

The Head of Finance, Treasury and Pensions informed the Committee that this was a regular report presented to Committee Members updating them with engagement activity undertaken by the Fund and on its behalf by the Local Authority Pension Fund Forum (LAPFF) to promote good governance and behaviour in environmental and social issues over the last quarter.

He also highlighted that LAPFF had engaged on climate and environmental risk, governance, market integrity, social factors and human rights. They had disclosed challenges encountered with companies not willing to change their behaviour informing members that some of these multinational organisations had budgets that were greater than the budgets of some Countries.

The Vice Chair in her role as a member of the LAPFF Executive Board invited to comment on LAPFF engagement activities, reported on a recent engagement with Louis Vuitton concerning forced labour in Italy. The Company fell foul of the rules and was forced into administration which indicated that these issues were taken seriously. There were audits in place which were conducted regularly.

Members discussed slow progress by BP, Shell, and Drax on carbon capture and climate issues. The Committee agreed that sustained engagement remained preferable to blanket divestment.

RESOLVED -

THAT the contents of the report be noted.

13. DRAFT PENSION FUND ANNUAL REPORT 2024/25

Consideration was given to a report of the Executive Director Corporate Services.

The Pension Committee was reminded that the Pension Fund was required to produce an Annual Report under the Local Government Pension Scheme Regulations 2013. This report presented the 2024/25 draft Annual Report to the Pension Committee.

The Committee was:

Informed that the draft annual report was presented pending completion of the external audit. No material issues had been identified.

Requested to delegate authority to the Director of Finance in consultation with the Chair to make any amendments required before publication by 1 December 2025.

A Committee member commented on the minor typographical errors which officers noted and confirmed would be rectified.

RESOLVED –

1. To note the draft unaudited 2024/25 Pension Fund Annual Report, which was being presented ahead of the statutory publication deadline of 1 December 2025; and
2. That authority be delegated to the Director of Finance, after consultation with the Chair of the Pension Committee, to make any amendments arising from the external audit and to publish the final audited version of the Annual Report once the audit is complete.

14. TRIENNIAL VALUATION - INITIAL WHOLE FUND RESULTS

Consideration was given to a report of the Executive Director Corporate Services.

The report presented the initial whole fund results of the triennial valuation from the Pension Fund's actuary (Hymans Robertson).

Tom Hoare from Hymans Robertson, the Actuary, was in attendance and summarised his report, informing members:

- That initial results showed that the fund's, funding level had improved to 136% up from 122% in 2022.
- This reflected strong performance and stable assumptions.
- The required return to maintain full funding was estimated at 3.8% per annum.
- Employer contribution rates were expected to reduce slightly while maintaining prudence.

Officers confirmed that contribution rates for employers would be reviewed, with a focus on stability and affordability.

Pension Committee - Wednesday, 22nd October, 2025

Members welcomed the positive funding position, noting it would inform the forthcoming Investment Strategy Review.

The Committee noted that the fund remained in a strong and stable position.

Resolved-

To note the report welcoming the positive funding position.

15. ANY OTHER BUSINESS THAT THE CHAIR CONSIDERS URGENT

Having adjourned between 6.44pm and 6.50pm due to public disruption, the meeting ended at 9.13pm.

CHAIR

Contact Officer: Sola Odusina
Telephone No: 020 7974 6884
E-Mail: sola.odusina@camden.gov.uk

MINUTES END