



Hounslow Pension Fund

Performance to March 2024

The Universe

PIRC provides analysis so clients can assess their investment decisions relative to peer investors.

Two thirds of the LGPS assets included

£266bn

Value of the Funds in the Universe at
end March 2024

36

Number of years of Fund data

63

Number of funds in the Universe

Northern

all

LPP

all

London

-all bar Croydon

Wales

all

Brunel

Cornwall

Avon

Devon

Gloucestershire

Oxfordshire

Access

Suffolk

Isle of Wight

Cambridgeshire

Northamptonshire

East Sussex

Kent

Borders to Coast

Cumbria

South Yorkshire

East Riding

Surrey

Scotland

Strathclyde

How Did The LGPS Perform?

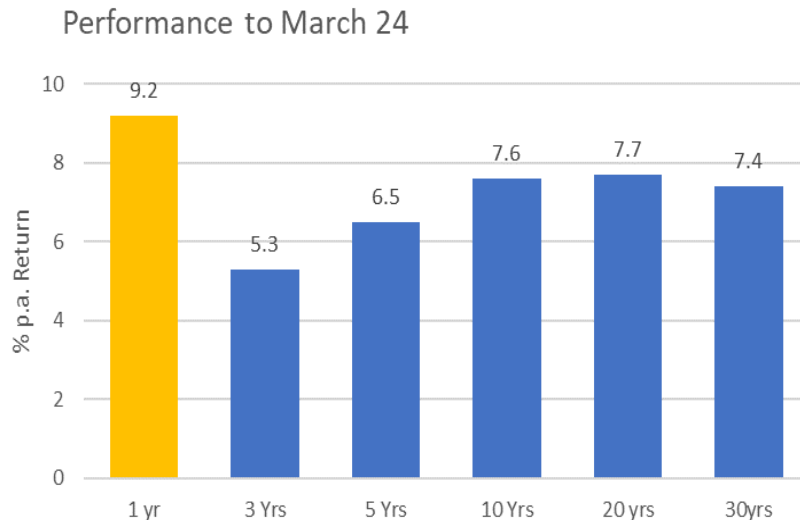
The average fund delivered a return of 9.2% in the latest year.

Asset class results strongly diverged and the range of results was wider than usual.

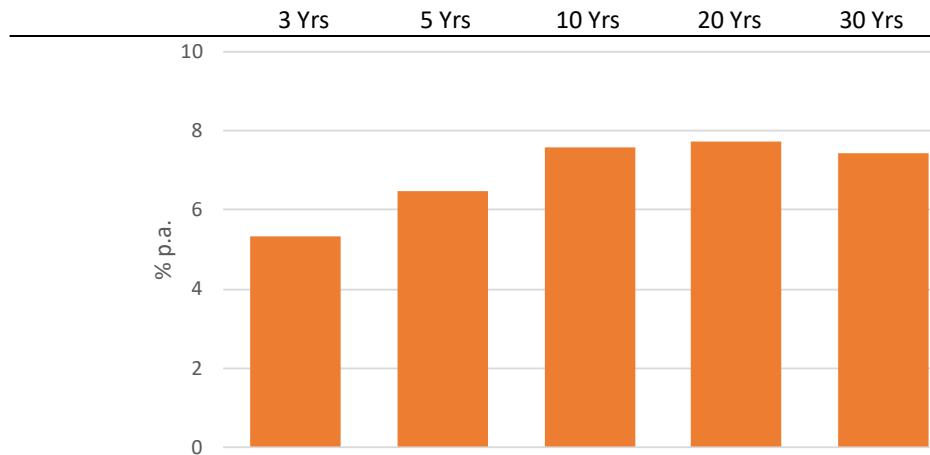
Larger funds underperformed on average.

Active equity managers performed poorly.

Longer term results remain well ahead of inflation and funds' actuarial assumptions.



Longer Term Results



Total Assets	5.3	6.5	7.6	7.7	7.4
Total Equity	7.8	9.3	9.6	9.3	8.3
Global	8.3	10.2	11.5	9.8	
UK	6.5	5.3	5.8	7.2	
Emerging	-2.7	2.8	5.9	8.3	
Total Bonds	-2.5	0.1	2.9	4.6	5.5
Private Debt	6.4	5.3			
Private Equity	12.5	12.9	13.5	11.4	
Infrastructure	8.9	6.7	8.7		
Hedge Funds	2.9	3.3	5.3		
Diversified Growth	1.8	3.3	3.1		
Property	1.7	1.4	5.3	5.2	6.8

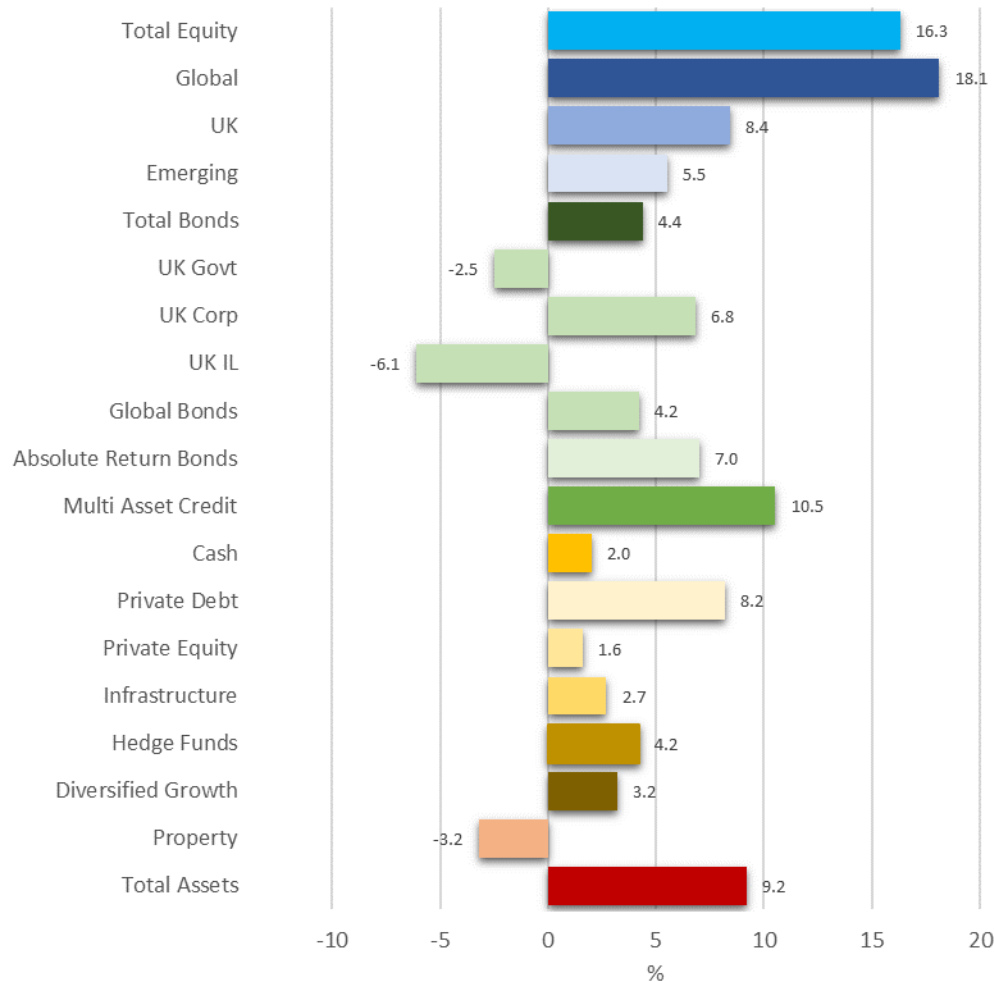
The best results over the longer term have been delivered by equities.

Over the medium-term private equity has delivered the best returns, delivering results around 4% above quoted equity.

Property performance has been poor over the recent past.

Bonds, the worst performing of the major asset classes, continue to deliver a return below CPI over the last ten years.

The Latest Year



Equities delivered over 16% for the year while most other asset classes produced low single digit returns.

Asset allocation was, therefore, a key driver of relative performance. Funds with a high equity allocation outperformed their more risk averse peers.

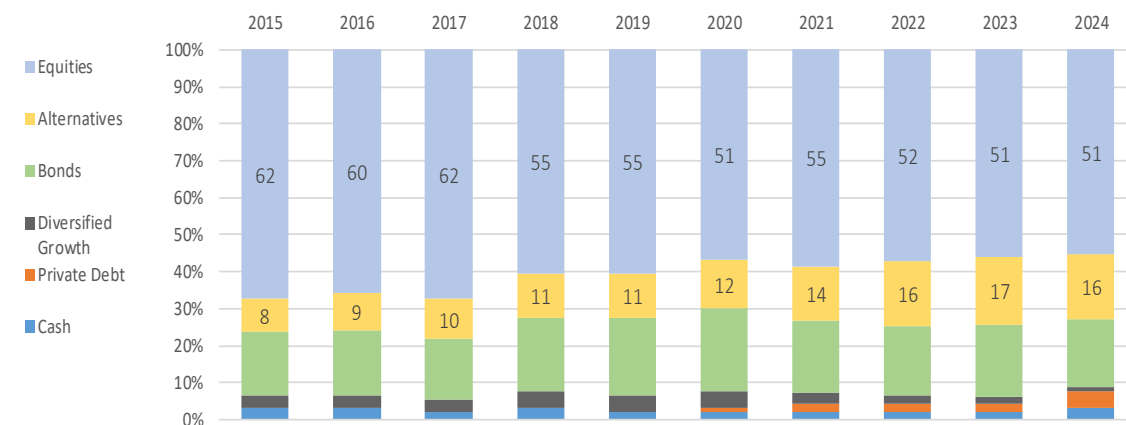
However, for the third year in succession most active equity managers failed to add value.

Bond performance was mixed. with diversified strategies comfortably outperforming government issue.

Returns from illiquid assets were relatively flat with private debt performing relatively strongly.

Property saw a further strong decline in values over the year.

Fund Structures



Global Equities	7	12	30	34	33	33	35	35	36	37
UK Equities	21	20	14	12	11	9	9	7	6	5
Overseas Equities	33	28	18	9	11	10	11	10	9	9
UK Govt / Inv Grade	13	13	8	9	9	10	8	8	8	7
Overseas Bonds	2	2	3	3	2	2	1	1	1	2
Absolute Return Bonds	1	2	3	4	4	5	5	4	3	3
MAC	0	0	1	2	3	3	3	4	5	5
Private Debt	0	0	0	0	0	1	2	2	2	4
Private Equity	4	5	5	5	5	5	7	8	8	7
Infrastructure	0	1	2	3	3	4	5	6	7	7
Hedge Funds	2	2	2	2	2	2	1	2	2	1
Other Alts	2	1	1	1	1	1	1	1	1	2
Diversified Growth	3	3	3	4	4	4	2	2	2	1
Property	8	9	8	9	9	10	8	9	9	8
Cash	3	3	2	3	2	1	3	2	2	3

Whilst significantly reduced over the last decade, equities remain by far the largest component of almost every fund.

The move into alternative assets continues with infrastructure and private equity now at broadly the same weighting as property in the average fund.

Private credit continues to grow as a preferred area for investment whilst diversified growth funds have lost favour after largely failing to meet performance expectations.



Fund Performance

Latest Year Range of Results

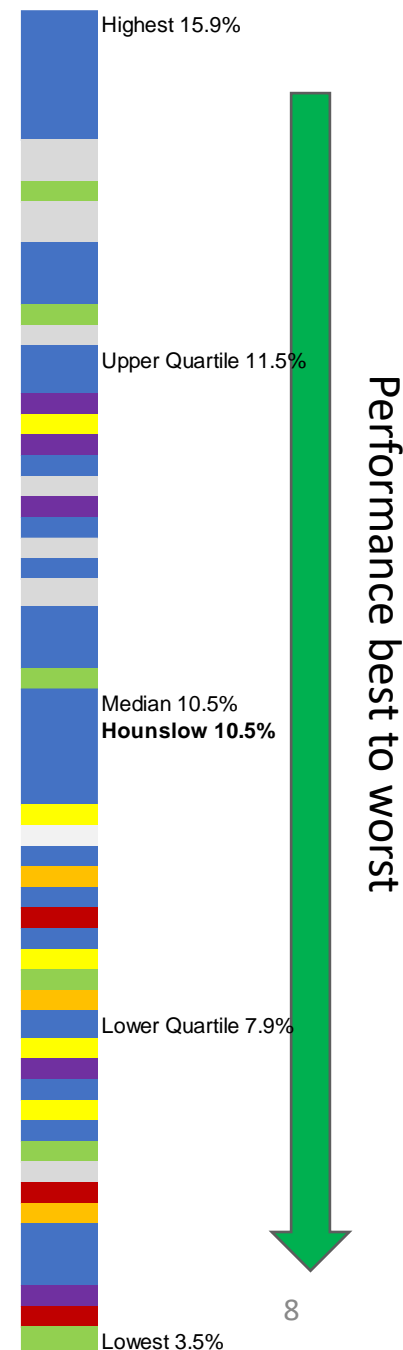
The blocks on the right show the funds listed from that with the highest to that with the lowest return.

The Fund, with a return of 10.5% was well above the average of 9.2% and ranked in the 51st percentile.

All top five funds this year (in blue) were in London.

Returns were dominated by the strong equity result so in the latest year risk was rewarded. More risk averse funds tend to be towards the bottom of the rankings.

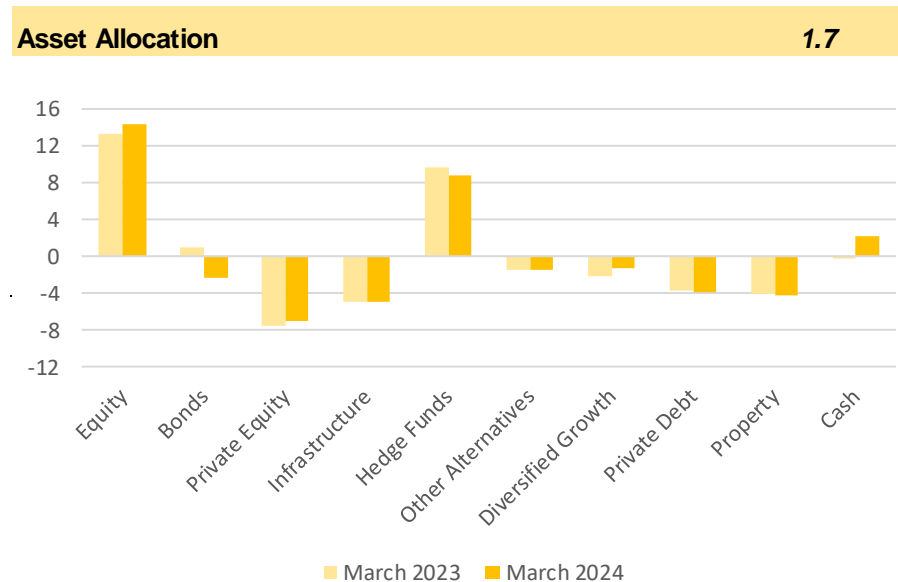
Wales
LPPI
Northern
London
Brunel
Borders to Coast
Access



What Drove Performance in 2023/24?

	Fund	Universe	Relative	Contribution
Fund	10.5	9.2	1.2	
Asset Class Performance				-0.5
Equity	17.7	16.3	1.2	0.8
Bonds	-4.7	4.4	-8.7	-1.4
Private Equity	1.6	1.6	0.0	0.0
Infrastructure	-3.4	2.7	-5.9	-0.1
Hedge Funds	5.3	4.2	1.1	0.1
Property	-0.6	-3.2	2.7	0.1

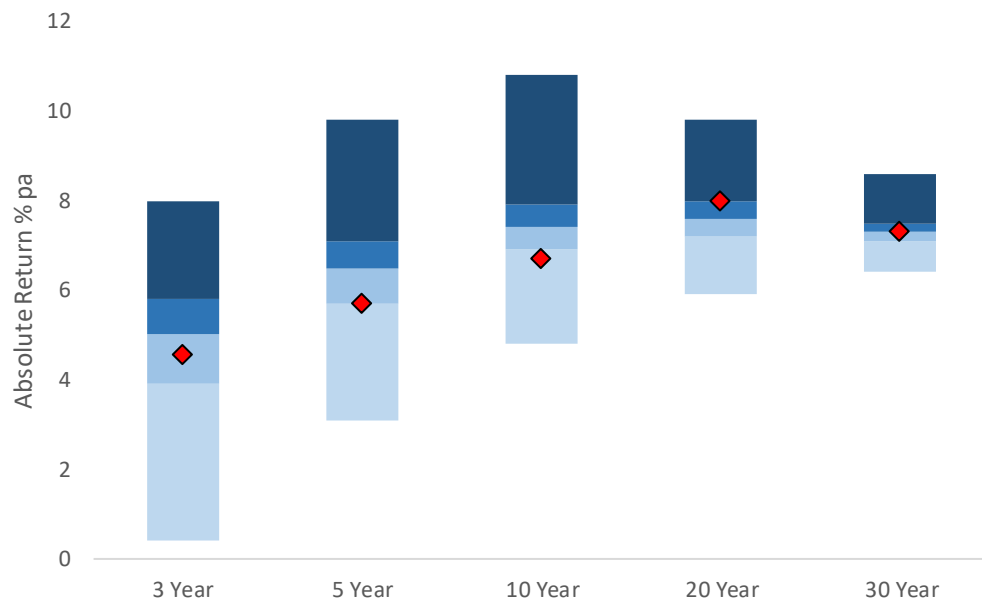
The better than average equity return, was more than offset by the below average bond result.



The structure of the Fund was extremely favourable last year, particularly the high equity allocation.

Longer Term Performance

Longer Term Returns and Rankings

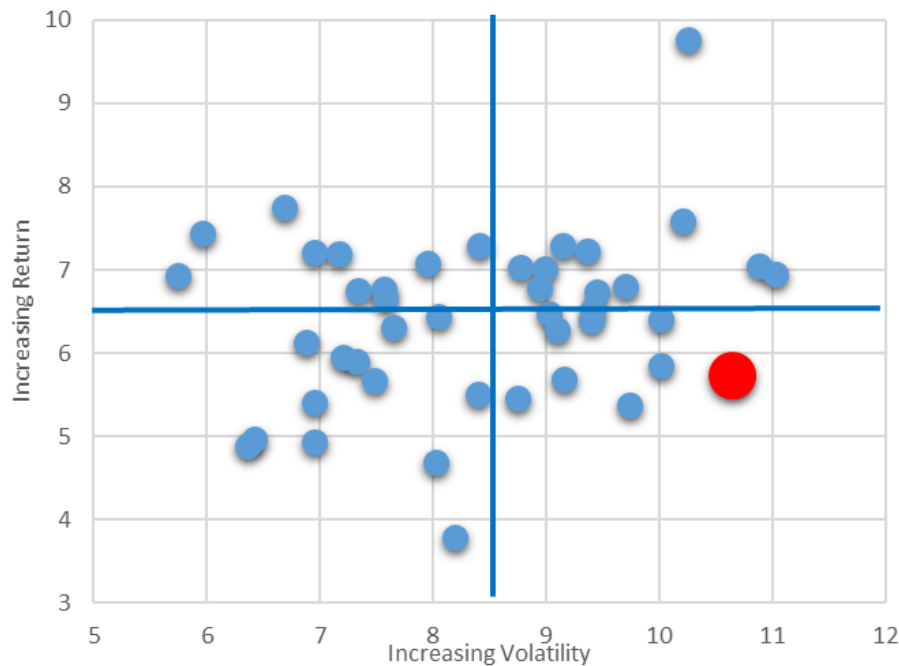


The Fund performed in the top half of results over the longer term periods.

Over the more recent past performance has trailed the average.

Fund	4.6	5.7	6.7	8.0	7.3
Average	5.3	6.5	7.6	7.7	7.4
Ranking	(57)	(74)	(81)	(26)	(39)
<i>CPI Inflation</i>	6.9	4.5	3.0	2.9	2.5

Risk And Return – Last Five Years



Here we show the individual funds in risk / return space with your Fund shown in red.

The Fund has experienced considerably more volatility than its peers, the result of its relatively high equity exposure, but has delivered a well below average result over the last five years.

Appendices

Performance Relative to Benchmark

Total Fund Universe Results

Guide to Risk and Return Charts

Performance Relative to Benchmark Latest Year

Performance relative to other funds will depend on two factors:

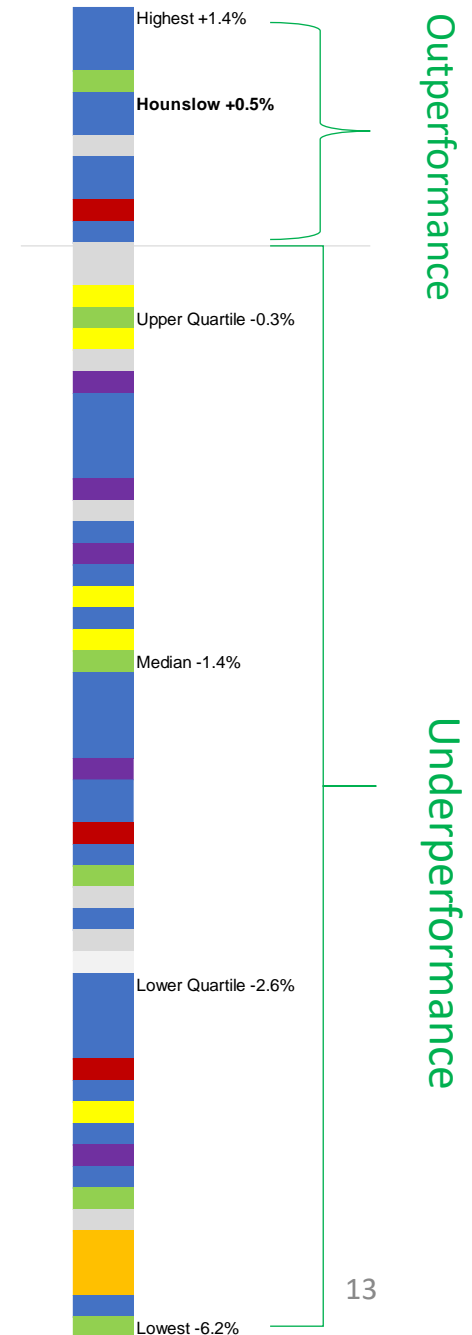
The benchmark set

Performance relative to that benchmark

In the latest year only a handful of funds outperformed their benchmarks. Hounslow as one of these, outperforming by 0.5%.



Latest Year Relative Performance



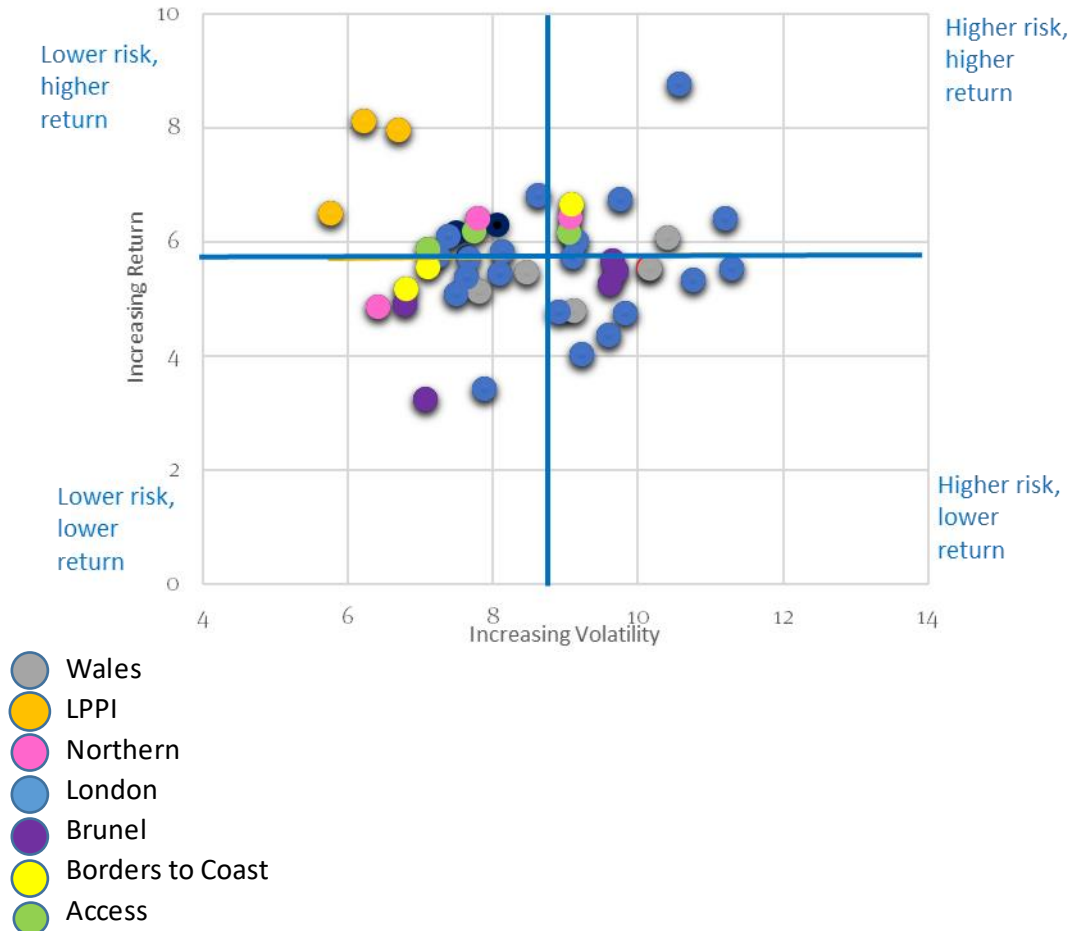
TOTAL FUND PERFORMANCE

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Universe Average	9.2		5.3		6.5		7.6		7.7		7.4	
Range of Results												
Upper Quartile	11.5		5.8		7.1		7.9		8.0		7.5	
Median	10.5		5.0		6.5		7.4		7.6		7.3	
Lower Quartile	7.9		3.9		5.7		6.9		7.2		7.1	
Avon Pension Fund	7.8	80	3.2	82	3.8	98	5.6	97	6.8	95	6.6	96
Barking and Dagenham	11.7	21	5.1	49	7.3	15	7.9	26	6.9	89	7.1	75
Barnet Pension Fund	9.2	62	4.2	69	6.3	59	6.5	92	6.9	91	6.6	94
Berkshire Pension Fund	8.7	66	7.7	5	6.9	33	7.2	63				
Bexley Pension Fund	7.8	79	2.7	87	4.9	94	7.1	66	7.7	43	7.4	31
Brent Pension Fund	10.9	46	5.4	36	6.5	51	7.1	70	5.9	100	6.4	100
Bromley Pension Fund	11.1	38	2.5	94	7.0	26	9.3	2	9.4	2	8.3	2
Cambridgeshire Pension Fund	11.7	23	6.3	16	7.5	10	8.1	17	7.9	32	7.2	53
Camden Pension Fund	10.0	59	4.4	64	6.8	36	7.1	65	7.3	67	7.3	49
Cardiff & Glamorgan Pension Fund	12.8	16	5.6	30	6.3	62	7.0	73	7.8	35	7.2	59
City of London Corporation Pension	10.0	56	5.0	51	7.2	18	7.5	48	7.8	33		
Cornwall Pension Fund	6.9	97	3.9	74	5.0	92	5.3	98				
Cumbria Pension Fund	7.8	82	4.4	66	5.4	82	7.3	56	7.5	58	7.3	37
Devon Pension Fund	11.3	33	5.7	26	6.4	56	6.9	78	7.1	80	7.0	84
Dyfed Pension Fund	10.9	43	4.6	56	6.4	54	8.1	20	8.0	24	8.0	4
Ealing Pension Fund	13.3	5	4.4	62	5.7	76	6.7	85	7.4	63	7.4	28
East Riding Pension Fund	8.5	71	6.0	21	7.1	21	7.2	61	7.8	39	7.3	41
East Sussex Pension Fund	7.9	72	5.2	44	6.3	61	7.7	36	7.6	50	7.5	24
Enfield Pension Fund	8.8	64	4.0	72	5.7	77	7.1	68	7.2	76	7.2	61
Flintshire (Clywd)	13.0	10	6.2	20	7.0	30	7.8	27	7.2	74	7.2	67
Gloucestershire Pension Fund	11.3	30	5.3	38	6.7	43	7.5	49	7.7	46	7.4	33
Greater Manchester Pension Fund	7.4	89	6.7	12	6.8	39	7.7	39	7.9	28	7.9	6
Greenwich Pension Fund	7.8	84	3.9	76	5.5	80	6.3	93	6.6	96		
Gwynedd Pension Fund	11.2	35	6.2	18	7.7	7	8.3	15	7.8	37	7.4	26
Hackney Pension Fund	10.2	54	3.6	80	6.0	66	6.7	83	7.0	87	7.2	73

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Haringey Pension Fund	10.4	53	5.2	48	6.7	46	8.4	14	7.7	41	7.2	55
Harrow Pension Fund	11.6	25	3.7	77	5.1	87	6.9	75	7.2	72	7.2	71
Havering Pension Fund	7.4	94	2.7	89	5.9	69	6.6	88	6.8	95	6.9	86
Hillingdon Pension Fund	11.5	26	4.5	61	4.7	97	6.1	95				
Hounslow Pension Fund	10.5	51	4.6	57	5.7	74	6.7	81	8.0	26	7.3	39
Isle of Wight Pension Fund	7.5	85	3.1	84	5.0	89	6.5	90	7.9	30	7.4	30
Islington Pension Fund	11.9	20	5.5	33	7.2	20	7.4	53	7.1	82	7.2	57
Kensington and Chelsea	15.9	1	8.0	1	9.8	1	10.8	1	9.8	1	8.6	1
Kent Pension Fund	3.5	100	2.6	92	5.5	79	7.2	59	7.6	54	7.1	79
Kingston upon Thames	13.2	8	5.8	25	8.1	3	8.5	9	8.1	15	7.3	45
Lambeth Pension Fund	7.1	95	0.4	100	5.0	90						
Lancashire Pension Fund	7.9	74	8.0	2	7.4	12	9.2	3	8.3	8	7.7	18
Lewisham Pension Fund	12.4	18	5.5	35	6.5	53	8.1	22	7.3	70	7.3	35
Lincolnshire Pension Fund	10.0	57	6.5	13	7.0	28	7.7	34	7.3	65	7.2	63
London Pension Fund Authority	7.4	90	7.8	3	7.8	5	7.4	51				
Merseyside Pension Fund	5.8	98	4.0	71	4.9	95	6.8	80	7.3	69	7.3	47
Merton Pension Fund	8.6	69	2.2	95	5.8	72	7.0	71	7.7	45	7.3	51
Newham Pension Fund	11.0	41	6.9	10	6.2	64	8.1	19	7.6	50	7.0	82
Northamptonshire Pension Fund	10.7	49	4.6	54	6.8	35	7.7	37	7.5	59	7.2	69
Oxfordshire Pension Fund	11.2	36	5.6	28	6.5	48	7.7	42	7.6	56	7.1	77
Powys Pension Fund	7.5	87	3.6	79	5.4	84	7.2	58	7.0	85	6.7	92
Redbridge Pension Fund	10.9	44	2.6	90	5.4	85	6.6	87	7.1	83	6.9	88
Rhondda Cynon Taf Pension Fund	11.1	39	1.7	97	6.5	49	8.5	10	8.4	4	7.6	22
South Yorkshire Pension Authority	7.8	77	4.6	59	5.9	67	7.6	44	8.0	22	7.7	14
Southwark Pension Fund	11.3	28	5.6	31	7.3	16	8.8	5	8.1	19	7.8	8
Strathclyde Pension Fund	9.8	61	5.2	41	7.1	23	8.5	12	8.2	13	7.8	10
Suffolk Pension Fund	12.9	13	7.4	8	7.3	13	8.0	24	7.6	52		
Surrey Pension Fund	11.3	31	5.3	39	5.8	71	6.9	76	7.4	61	6.9	90
Sutton Pension Fund	13.6	3	4.9	53	7.1	25						

	1 Year	Rank	3 Yrs (%p.a.)	Rank	5Yrs (%p.a.)	Rank	10 Yrs (%p.a.)	Rank	20 Yrs (% p.a.)	Rank	30 Yrs (% p.a.)	Rank
Torfaen (Gwent)Pension Fund	12.8	15	5.9	23	7.6	8	7.7	32	8.1	17	7.3	43
Tower Hamlets Pension Fund	10.8	48	3.0	85	6.7	44	7.6	46	7.3	78	7.1	80
Waltham Forest Pension Fund	7.4	92	1.6	98	3.1	100	4.8	100	6.5	98	6.5	98
West Yorkshire Pension Fund	8.6	67	6.5	15	6.8	38	7.8	29	8.1	20	7.8	12
Westminster Pension Fund	13.3	7	4.3	67	7.0	31	7.7	41				
Wandsworth & Richmond Fund	14.7	2	5.2	46	6.3	57	7.8	31	8.2	11	7.7	16

Guide to Risk Return Charts



Within investments there is always a trade-off between risk and return. Normally the higher a return that is being looked for the more volatility the fund must expect.

The charts show all funds with sufficiently granular data, identified by Pool.

The further along the x axis the more variable the returns have been, the further up the y axis the better the return delivered. The blue lines mark the median risk and return.

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