# Scottish Local Government Pension Scheme Advisory Board

Annual Report 2021-22

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## Scottish Local Government Pension Scheme Advisory Board Annual Report 2021-22

#### **Opening Remarks from the Chair**

On behalf of the Local Government Pension Scheme Advisory Board, I am delighted to be able to present the seventh SAB Annual Report. The aim of this Annual Report is to provide a primary source of information about the work of the Board over the last financial year for LPGS members, employers, and other stakeholders. This report summarises the financial position of funds across Scotland, and each local Pensions Fund has made decisions to invest their funds bearing in mind their own fiduciary duty. Although the positions of individual funds vary, overall, across Scotland, the LGPS continues to be fully funded and sustainable, which is very welcome. I hope you find this report useful. The Board welcomes feedback on the information provided and how this can be developed for future reports. More information can be found about the Board's work at our website: <a href="https://lgpsab.scot/">https://lgpsab.scot/</a>

Cllr David Parker, Chair of SAB (outgoing)

#### Introduction

1. The Scottish Local Government Pension Scheme Advisory Board (SAB) was established un under the Public Services Pension Act 2013 to provide advice to Scottish Government Minister on the desirability of changes to the design of the scheme and the implication of other policy Issues.

2. The SAB also provides advice to the Scheme Managers or the Scheme's Pension Boards in relation to the effective and efficient administration and management of the scheme.

3. The Scheme Advisory Board is responsible for:

• Providing advice on request about the desirability of changes to the design of the scheme; policy issues and changes to scheme regulations.

• Discussing and commenting on the potential implications of future valuation outcomes.

• Making recommendations on adjustments to the Scheme, in the event that costs breach the employer cost cap.

• Providing advice to the Scheme Managers or the Scheme's Pension Boards in relation to the effective and efficient administration and management of the Scheme.

### **Structure and People**

4. The SAB is a bipartite Board comprising equal representation from employers and trade union representatives. It meets at least four times a year and considers Scotland-wide issues relating to the governance of the scheme.

5. In the past, these have included Fiduciary Duty, "pensions choice", scheme governance, reviews of pension regulations, Guaranteed Minimum Pensions, and the Audit Scotland review of funds.

6. Current issues include investment cost transparency, scheme valuation, fund structures, climate risk to investments, and board member training.

7. The partnership approach is also reflected in our administration arrangements with Joint Chairing on a rotational basis between the two sets of representatives and a Joint Secretariat sourced from existing resources within the Employers and Trade Union organisations.

SAB Members (during 2021-22) Chair – Brian Robertson, Unite the Union Vice-Chair – Cllr David Parker, Scottish Borders Council (COSLA)

Members representing Scheme Member interests: Simon Watson, UNISON Stephen Smellie, UNISON Dr Davena Rankin, UNISON Brian Robertson, Unite the Union Wendy Dunsmore, Unite the Union Andy Thompson, GMB Annette Drylie, GMB

Members representing COSLA, Scheduled and Admitted Bodies: Cllr Cameron Rose, City of Edinburgh Council (COSLA) Cllr Jim Goodfellow, East Lothian Council (COSLA) Cllr David Parker, Scottish Borders Council (COSLA) Cllr Simon Mountford, Scottish Borders Council (COSLA) Cllr Frank Anderson, West Lothian Council (COSLA) Brian Strathie, Scottish Water (Scheduled and Admitted Bodies) Lynne Robertson, Inspire (Scheduled and Admitted Bodies)

Joint Secretary – Employers Jonathan Sharma, COSLA Joint Secretary – Trade Unions Simon Watson, UNISON

8. There are a number of observers and advisers who support the SAB in the deployment of Board business. These include representatives from, and on behalf of, the Scottish Government, formal COSLA officials, pension scheme managers and representatives from professional associations.

#### Communications

9. The SAB has developed a bespoke website to act as a unique source of information and advice to all stakeholders. The site includes the SAB meeting papers and minutes along with other governance documentation, guidance documents and details of the Board's membership. The content of the website will develop as the work of the Board continues.

10. Similar information is also published on the local government pages of the Scottish Public Pensions Agency (SPPA) website - <u>www.sppa.gov.uk</u>.

11. A short bulletin is also published after each meeting covering the key decisions. This bulletin is circulated to key stakeholders and is available on the SAB website – <u>https://lgpsab.scot</u>.

SPPA links and useful resources for local government employers to each Fund: https://pensions.gov.scot/local-government/your-local-government-pension-scheme/useful-links Links to local government employer websites: <u>https://www.cosla.gov.uk/</u> Links to Funds: <u>https://lgpsab.scot/related-websites/</u>

#### **Financial Report**

12. The regulations underpinning the 2013 Act allow the SAB to collect a levy to support its work. In the first year of operation, the SAB adopted a straight proportion of the levy raised by our equivalent SAB in England and Wales equating to £40,000. The SAB secretariat and support function is used from existing resources within both employer and trade union organisations to minimise the financial impact of our work on the public purse. During the business year 2021-22, the SAB retained the bulk of the funds in anticipation of the forthcoming structure review procurement and to meet anticipated costs of the UK online fee transparency portal, to be met by the Scottish SAB. Further detail is contained in the Review of the Year below. A regular financial report is considered by the SAB at each meeting and any monies not used are held over for the following financial year.

#### Review of the Year 2021-22

13. Scheme Valuation and Cost Collar

The draft results of the 2017 scheme valuation were produced by GAD which raise a number of points. The overall valuation found that employer costs were 2.9% lower than the "target" rate for the cost cap, which breached the +/-2% cost collar. This would have meant that changes needed to be made to the scheme to make it more generous. However, this process was paused to see the results of the "McCloud" judgement which affected equality issues in public

sector pension schemes. The target rate for employer contributions had been mis-calculated when the new scheme was introduced, and needed to be reduced from 15.5% to 15.2%.

Ultimately, once the McCloud costs were factored in, it was found that costs were still within the cost collar, and no action was needed. However, this near miss prompted a review of the cost control mechanism by HMT Treasury, as it had only expected cost collar breaches to occur in response to exceptional, unpredictable events.

The SAB fed into this review. It highlighted that the calculations for the valuations were based on formula relevant to unfunded schemes, not funded ones like the LGPS. The LGPS Funds hold real assets to pay members pensions, which are invested worldwide, whereas unfunded schemes hold no assets and are reliant on public sector finances to pay pensions. It also highlighted the differences in demographics and trends Scotland which are not properly taken in to account in valuing the distinct Scottish LGPS, and the absence of a SAB "pre-breach mechanism", as exists in England and Wales. This later issue means that the SAB could take action to prevent a cost collar breach, and the significant financial consequences on either employers or members. Scottish Ministers later wrote to the SAB saying that there was merit in exploring it further.

The SAB also reviewed the new cost control mechanism put forward by HMT, widening the cost collar to +/- 3%, only looking an "new" scheme costs (post 2015), and introducing an economic check on affordability of any changes.

#### 14. Structure Review Project

The SAB continued to look at the structure of LGPS Funds in Scotland. It initiated a structure review project which drew together practitioners and international industry experts to review evidence around best practice for pension funds. It developed a comprehensive map of the existing evidence base, and a gap analysis of where future research would be of assistance.

A SAB working group reported to the board on issues around admitted bodies wanting to secede from the LGPS. A number of employers had raised this, primarily due to financial reasons. They highlighted the high exit payment to fully cover future pension costs that they needed to immediately make if they left the scheme. The working group developed a number of practical suggestions, including a 90-day stability mechanism for actuarial valuations for employers considering cessation, and a deferred debt arrangement to spread the cost of seceding. These have not been incorporated into the 2018 Scheme regulations.

#### 15. Climate Risk Reporting

Stemming in part from the Paris Climate Change goals, in October 2021 the DWP introduced regulations on climate risk and reporting, which set out reporting requirements for private sector pension schemes. In response to these moves, and the likelihood of them extending to public sector pension schemes, a Responsible Investment Advisory Group was set up for the LGPS, on which the Scottish SAB has representation. This has looked at what climate risk reporting would be appropriate for the LGPS.

#### **Financial Overview**

16. Audit Scotland published an annual Financial Overview of Local Government in Scotland 2021/22 on the SLGPS within its main report. This describes the scheme and governance arrangements together with an analysis of the financial position. Its conclusions were as follows:

17. Ten out of the eleven Scottish Local Government pension funds experienced "largely positive" net returns. Though noted that these were 62% lower in cash terms than the previous year. The report also advised that the net returns on investments varied between a reduction of 2.7% and an increase of 11% in individuals.

18. The report also notes the conclusions of the triennial valuation, an actuarial valuation conducted every three years to monitor the assets of funds against the liabilities of the pension

benefits payable, with four of Scotland's Local Government pension funds recording liabilities as being greater than assets – an improvement on the 2017 position.

19. The tables below give a snapshot of the Local Government Pensions Scheme as at 31 March 2022, showing numbers for the scheme in total and individual funds in terms of Contributor, Pensioners and Deferred Members:

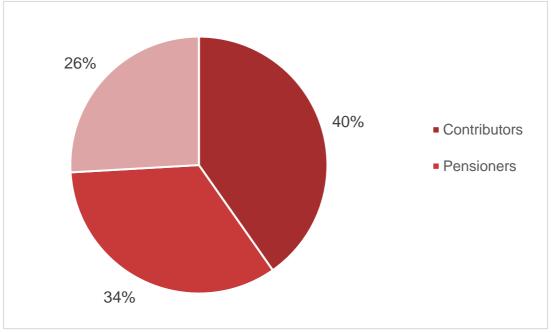
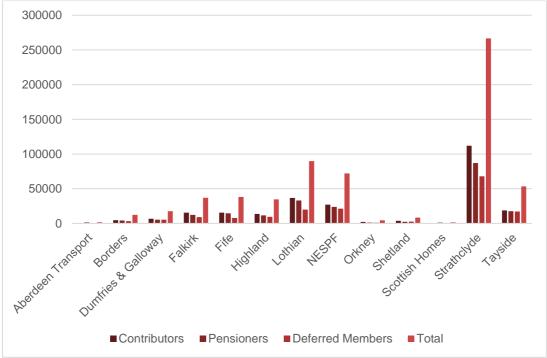


 Table 1: Membership Status of Scottish Local Government Pension Scheme – 31 March

 2022





	Contributors	Pensioners	Deferred Members	Total
Aberdeen Transport	61	1365	140	1,566
Borders	4,703	4,281	3,194	12,178
Dumfries and Galloway	6,822	5,401	5,402	17,625
Falkirk	15,581	12,256	9,141	36,978
Fife	15,524	14,677	7,790	37,991
Highland	13,613	11,489	9,546	34,648
Lothian	36,812	33,045	19,969	89,826
NESPF	26,961	23,854	21,261	72,076
Orkney	2,126	1,161	1052	4339
Shetland	3,634	2,321	2,503	8458
Scottish Homes	0	1,111	302	1413
Strathclyde	111,804	87,052	67,744	266,600
Tayside	18,816	17,526	17,004	53,346
Total	251,356	215,539	165,048	637,044

 Table 3: Membership per individual Scottish Local Government Pension Fund – 31 March

 2022

20. The Board has reviewed the implementation of the online cost transparency system which it previously supported, as a way for Funds to compare investment fees and costs. The aspiration is that this is a step towards helping Funds more fully understand costs and minimise unnecessary ones.

21. This includes encouraging Funds to require investment managers to report information based on templates developed by the Institutional Disclosure Working Group, and now taken forward by the Cost Transparency Initiative (CTI). These represent a step forward in having a common and comparable system of reporting investment costs.

22. The system has been operating for two years and provides comparable data from LGPS Funds across Britain on the fees and returns of different classes of investments, giving both averages and spreads of returns. It also includes basic data validation and is the platform for further developing this analysis which will benefit Funds, and thence employers and members.

23. Pensions Funds have continued to promote the Transparency Code and have engaged with their asset managers to ensure the Code is adopted. The large majority of fund managers have adopted the Code and submitted reporting templates. In certain asset classes where this is lower, a slightly revised reporting template is being developed which is appropriate to those investments.

24. Enhancements have been made to thew system, around using multiple currencies and flexibility around the financial year were implemented.

25. For the recent years for Scotland, the status shown on the SAB Cost Transparency Compliance and Validation System was as follows:

Year	Completed	Due	Late	Total returns
2020/21	213	0	5	218
2021/22	261	0	13	274
2022/23	273	0	13	286

26. Therefore, 95.2% of templates expected to be uploaded for this period were complete (compared with 98% for 2020-21 and 95.4% for the most recent year at the time of writing).

27. Funds are continuing to notice a modest improvement in the granularity of costs being disclosed, with cost templates covering up to 31 March 2022 being provided. However, there

remains more work to be done working with private markets, in particular in providing cost transparency. Funds are adopting the CTI templates and reported on this basis for most asset classes in the 2021/22 financial period.

## **Cessation Issues**

28. Smaller employers, typically outwith the public sector, are members of various LGPS funds in Scotland. They typically have weaker covenants than local authorities, and therefore are at higher risk and have to pay higher contributions. In addition, when they no longer have any active members, the employers are required to address any funding deficits. These arrangements vary by fund.

29. At the request of Scottish Ministers, the SAB convened a working group to explore guidance to address the differences in the treatment of different employers in different funds and ensure a fair, consistent and transparent approach to cessation issues.

30. The SAB subsequently advised SPPA as informed in the Review of the Year above.

## **Financial Statement**

Fund Account

2020/2021	Dealings with members, employers and others directly involved in the Scheme (£000s)	2021/2022
	Contributions and Benefits	
1,479,611	Contributions	1,566,836
83,705	Transfers in from other pension funds	58,044
9,607	Other income	317
1,572,923		1,625,197
-1,486,217	Benefits	-1,579,442
-101,380	Payments to and on account of leavers	-47,533
-16,587	Administration expenses	-17,523
-5,731	Oversight and Governance expenses	-5,039
-1,609,915		-1,649,537
-36,992	Net additions from dealings with members	-24,340
	Returns on investments	
821,804	Investment income	984,299
-12,297	Taxes on income	-18,479
11,167,673	Profits and losses on disposal of investments and changes in the market value of investments	3,520,799
-331,078	Investment management expenses	-296,679
11,646,102	Net return on investments	4,189,940
-22,320	Revaluations	5,758
-	Asset Transfers	0
11,586,790	Net increase in the net assets available for benefits during the year	4,171,358
46,067,208	Net Assets of the Fund as at 1 April (*2022 reclassified)	57,653,607*
57,653,998	Net Assets of the Fund as at 31 March	61,824,960
22.5%	Net return	7.0%
23.1%	Return on investment (excluding expenses)	7.5%

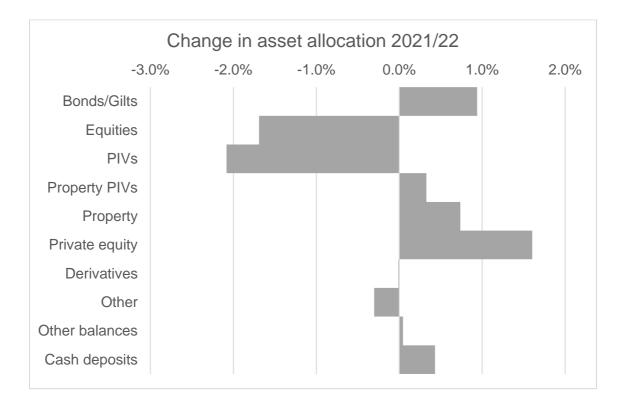
2020/2021	Investment Assets (£000s)	2021/2022
2,014,003	Bonds/Gilts	2,746,357
13,746,335	Equities	13,769,462
25,801,273	PIVs	26,514,91
872,364	Property PIVs	1,140,978
3,301,890	Property	4,009,626
6,820,383	Private equity	8,332,872
-8,589	Derivatives	-15,43
893,910	Other	777,846
1,401,107	Other balances	1,537,666
2,201,307	Cash deposits	2,636,487
57,043,983		61,450,770
-	Investment Liabilities	
215,367	Non current assets	218,313
-33,655	Non current liabilities	-91,223
575,591	Current Assets	387,949
-147,282	Current Liabilities	-140,849
57,654,004	Net assets of the fund available to fund benefits at the period end	61,824,960

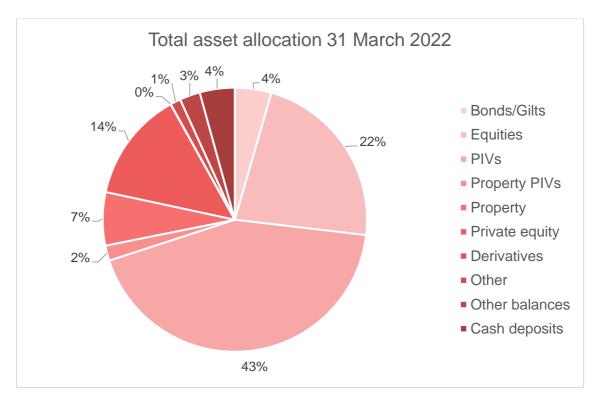
Net Assets Statement

Minor discrepancies due to rounding.

Investments

Investment Assets (£000s)	2021	2022	2021	2022	change
Bonds/Gilts	2,014,003	2,746,357	3.5%	4.5%	0.9%
Equities	13,746,335	13,769,462	24.1%	22.4%	-1.7%
PIVs	25,801,273	26,514,911	45.2%	43.1%	-2.1%
Property PIVs	872,364	1,140,978	1.5%	1.9%	0.3%
Property	3,301,890	4,009,626	5.8%	6.5%	0.7%
Private equity	6,820,383	8,332,872	12.0%	13.6%	1.6%
Derivatives	-8,589	-15,435	0.0%	0.0%	0.0%
Other	893,910	777,846	1.6%	1.3%	-0.3%
Other balances	1,401,107	1,537,666	2.5%	2.5%	0.0%
Cash deposits	2,201,307	2,636,487	3.9%	4.3%	0.4%





# Appendix 1: Fund Account as of 31 March 2022

	Aberdeen	Dumfries &	Falkirk	Fife	Highland	Lothian	NESPF	Orkney	Scottish	Scottish	Shetland	Strathclyde	Taurida	TOTAL
Fund account for year ended	Transport	م Galloway	Faikirk	riie	підпіапи	LOUIIIAII	NESPF	Orkney	Borders	Homes	Shetianu	Strathciyde	Tayside	
31/03/2022	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income														
<u>Employers</u>														
Normal Contribution	14	25,427	79,360	92,227	48,205	180,554	113,362	8,071	17,072	-	15,821	503,238	78,096	1,161,447
Deficit Recovery Contributions	-	54	1,028	-	484	5,433	2,567	-	-	-	-	-	2,037	11,603
Strain Costs	-	-	-	1,976	512	3,209	-	111	-	-	138	21,533	1,108	28,587
Others Please provide details -	-	713	-	-	-	9,748	-	_	-	-	-	-	-	10,461
	14	26,194	80,388	94,203	49,201	198,944	115,929	8,182	17,072	-	15,959	524,771	81,241	1,212,098
Employees														_
Employee Contributions	124	7,050	21,757	22,671	15,201	53,201	33,563	2,921	5,506	-	4,703	159,678	28,363	354,738
	124	7,050	21,757	22,671	15,201	53,201	33,563	2,921	5,506	-	4,703	159,678	28,363	354,738
Transfer Values														-
Group transfers						1,649								1,649
Individual transfers	-	306	3,670	1,965	1,835	3,481	2,776	833	3,346	-	1,879	30,083	6,221	56,395
	-	306	3,670	1,965	1,835	5,130	2,776	833	3,346	-	1,879	30,083	6,221	58,044
Other														-
Others Please provide details -	-	-	-	-	-	-	-	-	15	-	4	-	-	19
Other Income (Divorce Quotes, etc, pre 86)	1	-	-	-	-	-	4	-	-	-	-	293	-	298
	1	-	-	-	-	-	4	-	15	-	4	293	-	317
										-	-	-	-	
	139	33,550	105,815	118,839	66,237	257,275	152,272	11,936	25,939	-	22,545	714,825	115,825	1,625,197
Expenses														-
Benefits Payable														

Pension Payments	(9,620)	(28,116)	(64,990)	(71,858)	(51,904)	(195,116)	(124,135)	(6,715)	(20,410)	(6,360)	(12,898)	(522,813)	(99,574)	(1,214,509)
Lump Sum Retirement payments	(827)	(6,267)	(16,527)	(18,528)	(13,558)	(51,043)	(25,758)	(1,731)	(4,254)	(506)		(159,419)	(26,132)	(327,803)
Lump Sum Death Benefits	(242)	(819)	(2,659)	(3,356)	(2,368)	(7,662)	(5,674)	(229)	(724)	(8)	(393)	-	-	(24,134)
Others Please provide details -	(12,500)	-	-	-	-	-	-	(496)	-	-	-	-	-	(12,996)
	(23,189)	(35,202)	(84,176)	(93,742)	(67,830)	(253,821)	(155,567)	(9,171)	(25,388)	(6,874)	(16,544)	(682,232)	(125,706)	(1,579,442)
Payments to and on Account of Leavers														-
Group transfers	-	-	(329)	-	(350)	-	-	-	-	-	(43)	-	-	(722)
Individual transfers	-	(1,264)	(5,683)	(3,616)	(2,112)	(5,874)	(2,359)	(725)	(599)	-	(26)	(15,439)	(5,665)	(43,362)
Refunds to members leaving service	-	(55)	(169)	(239)	(162)	(531)	(492)	(13)	(82)	-	(18)	(1,598)	(92)	(3,451)
Others Please provide details -	-	-	-	-	-	-	2	-	-	-	-	-	-	2
	-	(1,319)	(6,181)	(3,855)	(2,624)	(6,405)	(2,849)	(738)	(681)		(87)	(17,037)	(5,757)	(47,533)
														-
	(23,189)	(36,521)	(90,357)	(97,597)	(70,454)	(260,226)	(158,416)	(9,909)	(26,069)	(6,874)	(16,631)	(699,269)	(131,463)	(1,626,975)
Management Expenses														-
														-
Administrative costs														-
Employee Costs	(42)	-	-	-	(1,099)	(1,775)	(1,361)	-	-	(29)	-	-	-	(4,306)
System Costs	(16)	(309)	-	-	(192)	(462)	(459)	-	-	(11)	-	-	-	(1,449)
Legal Fees in connection to Pensions Administration	-	-	-	-	-	(24)	-	-	-	-	-	-	-	(24)
Office Costs	-	-	-	-	-	(85)	(131)	-	-	(1)	-	-	-	(217)
Printing and postage	(1)	-	-	-	-	(158)	(11)	-	-	(3)	-	-	-	(173)
Sundry costs	(13)	(42)	-	-	(7)	(65)	-	-	-	(5)	-	-	-	(132)
Membership fees and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others / Not listed	(9)	(304)	(984)	(1,736)	-	(251)	(426)	(314)	(378)	(3)	(510)	(4,449)	(1,858)	(11,222)
	(81)	(655)	(984)	(1,736)	(1,298)	(2,820)	(2,388)	(314)	(378)	(52)	(510)	(4,449)	(1,858)	(17,523)

Oversight and Governance														-
Employee Costs	(6)	-	-	-	(139)	-	(192)	-	-	-	-	-	(110)	(447)
Independent Advisors	-	(53)	-	-	(198)	-	-	(111)	-	-	-	-	-	(362)
Performance measurment	-	(20)	-	-	(27)	-	-	-	-	-	-	-	-	(47)
Engagement and Voting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal/Tax advisory fees	-	-	-	-	(39)	-	-	-	-	-	-	-	-	(39)
Actuarial fees	(143)	(3)	-	-	(83)	-	(212)	-	-	-	-	-	-	(441)
External Audit	(1)	(27)	(30)	(39)	(33)	-	(43)	(22)	-	-	-	-	-	(195)
Internal Audit	-	-	-	-	(4)	-	(9)	-	-	-	-	-	-	(13)
Transition management (include transaction costs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Costs	-	(1)	-	-	(20)	-	-	-	-	-	-	-	-	(21)
System Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Membership fees and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others / Not listed	(7)	(58)	(984)	(561)	-	-	(159)	-	(349)	90	(45)	(1,401)	-	(3,474)
	(157)	(162)	(1,014)	(600)	(543)	-	(615)	(133)	(349)	90	(45)	(1,401)	(110)	(5,039)
Investment Management Expenses														-
External management fees (invoiced)	(111)	(162)	(11,556)	-	(4,988)	(3,213)	-	(1,941)	-	-	(1,784)	(162,539)	(9,616)	(195,910)
External management fees (deducted from capital)	-	(1,893)	-	(8,649)	(4,377)	(24,599)	(12,692)	-	(4,136)	-	-	-	-	(56,346)
Performance fees (invoiced and deducted from capital)	-	-	(2,408)	(886)	(3,015)	-	(7,823)	-	-	-	(40)	-	-	(14,172)
Transaction costs	-	-	(2,859)	(4,341)	(1,492)	(1,624)	(2,040)	(77)	(1,469)	-	-	(4,624)	(737)	(19,263
Property operational costs	-	-	-	-	-	(1,770)	(1,184)	-	-	-	-	-	-	(2,954
Custody fees	(17)	-	(81)	(115)	(94)	(426)	(162)	(27)	(63)	(4)	(32)	(167)	(103)	(1,291
Employee Costs	-	-	-	-	-	(2,938)	-	-	-	(47)	-	-	-	(2,985)
Office Costs	-	-	-	-	-	(127)	-	-	-	(2)	-	-	-	(129
System Costs	-	-	-	-	-	(909)	-	-	-	(10)	-	(90)	-	(1,009)

Membership fees and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others														
Please provide details -	-	-	(109)	-	(256)	(1,577)	-	(186)	-	(35)	-	(419)	(38)	(2,620)
		<i>.</i>	<i></i>			()				(	<i>.</i>	<i>.</i>		<i></i>
	(128)	(2,055)	(17,013)	(13,991)	(14,222)	(37,183)	(23,901)	(2,231)	(5 <i>,</i> 668)	(98)	(1,856)	(167,839)	(10,494)	(296,679)
														-
	(366)	(2,872)	(19,011)	(16,327)	(16,063)	(40,003)	(26,904)	(2,678)	(6,395)	(60)	(2,411)	(173,689)	(12,462)	(319,241)
Return on Investments														-
Investment income	233	6,468	56,964	28,662	41,288	284,696	71,323	8,005	17,600	1,923	3,959	383,123	80,055	984,299
	233	0,400	50,504	20,002	41,200	204,050	71,525	0,005	17,000	1,525	3,333	565,125	00,000	564,255
Irrecoverable withholding tax	-	-	(1,692)	(345)	(750)	(8,686)	(390)	(74)	(387)	-	-	(5,540)	(615)	(18,479)
Change in market value of investment	2,850	93,950	310,010	194,926	59,734	676,468	110,819	(19,596)	40,765	1,683	62,543	1,791,583	195,064	3,520,799
				-			-							
	3,083	100,418	365,282	223,243	100,272	952,478	181,752	(11,665)	57,978	3,606	66,502	2,169,166	274,504	4,486,619
Reevaluations	5,758	-	-	-	-	-	-	-	-	-	-	-	-	5,758
Repatriation of Transport Fund Assets (Tay PF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Contributions and Withdrawals	_	-	-	-	-	-	-	-	-	-	-	-	-	-
Net increase/decrease in the Fund during the														
year	(14,575)	94,575	361,729	228,158	79,992	909,524	148,704	(12,316)	51,453	(3,328)	70,005	2,011,033	246,404	4,171,358

# Appendix 2: Net Assets as of 31 March 2022

	Net assets for year ended	Aberdeen	Dumfries &	Falkirk	Fife	Highland	Lothian	NESPF	Orkney	Scottish	Scottish	Shetland	Strathclyde	Tayside	TOTAL
		Transport	Galloway							Borders	Homes				
	31/03/2022	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Investment Assets & Liabilities															
Bonds/Gilts															
	Fixed Interest Securities		-		141,733	136,697	-	-	-	-	-	-	-	720,680	999,110
	Index Linked securities	63,010		- 190,089	143,224	16,357	1,115,043	-	-	-	-	-	6	_	1,527,729
	Corporate Bonds		-		_	79,786	-	-	-	-	-	-	-	_	79,786
	Fixed Interest Securities (PIV)	22,238		- 169,571	84,874	60,683	_	533,006		67,080	-	-	1,553,554	_	2,491,006
	Index Linked securities (PIV)		-		_	_	-	492,285	-	-	-	-	-	_	492,285
		85,248		- 359,660	369,831	293,523	1,115,043	1,025,291	_	67,080	139,732	-	1,553,560	720,680	5,729,648
<u>Equities</u>															
	Equities		-	- 784,466	578,569	1,121,233	5,434,373	2,319,608	298,603	140,492	-	-	878,202	2,213,916	13,769,462
	Equity (PIV)		- 884,431	1,140,596	1,861,442	15,084	_	549,548	_	213,814	_	138,000	16,161,058	1,507,474	22,471,447
	Equity (initised insurance policies)		-		-	257,152	-	-	_	-	-	301,958	-	-	559,110
		_	884,431	1,925,062	2,440,011	1,393,469	5,434,373	2,869,156	298,603	354,306	-	439,958	17,039,260	3,721,390	36,800,019
<u>Property</u>															-
	Direct Property		-	- 2,900	_	_	431,303	427,375	-	-	-	-	2,588,085	559,963	4,009,626
	Property (PIV)		- 105,763	193,068	242,641	267,628	116,925	-	-	-	_	75,026	-	-	1,001,051
	Property (LP)		-		-	_	_	_	-	139,927	-	-	-	_	139,927
		_	105,763	195,968	242,641	267,628	548,228	427,375	_	139,927	_	75,026	2,588,085	559,963	5,150,604
<u>Alternatives</u> (Limited Partnerships)			103,703	155,500	242,041	207,020	340,220	421,373		133,327		73,020	2,300,003	333,503	-
	Private Equity (LP)		-	- 38,446		164,291	1,344,172	518,689		-			2,558,312	-	4,623,910
	Private Equity (PIV)		-		-	-	-	-	-	-	-	-	-	-	-
	Infrastructure (LP)		-		299,640		-	117,659	-	86,838	-	-	1,607,492		2,111,629
	Infrastructure (PIV)		-	- 321,300	-	-	-	114,011	-	-	-	-	-	_	435,311
	Commodities (LP)		-		-	-	-	-	-	-	-	-	-	-	-
	Commodities (PIV)		-		-	-	-	-	-	-	-	-	-	-	-

	Private Debt (LP)	-	-		-	-	-	143,106	-	46,993	-	-	1,407,234	-	1,597,333
	Private Debt (PIV)	-	-	65,752	-	-	_	-	_	-	_	_	_	-	65,752
	Diversified Growth/Absolute Return (PIV)	-	105,877	123,666	-	-	-	_	205,061	-	-	95,351	-	_	529,955
	Hedge Fund (LP)	-	-		-	-	-	-	-	117,271	-	-	-	-	117,271
	Hedge Fund (PIV)	-			-	130,620	-	-	-		-	-	-	-	130,620
	Others Please provide details		-	- 23,336	-	103,327	203,941	540,986	-	67,882	-	45,310	552,884	-	1,537,666
		-	105,877	572,500	299,640	398,238	1,548,113	1,434,451	205,061	318,984	-	140,661	6,125,922	-	11,149,44
Derivatives															
	Currency Forwards	-			(255)	(1,157)	-	-	-	-	-	-	-	(6,134)	(7,546)
	Others Please provide details -	-			177	(8,065)	-	_		-	-	-	_	(1)	(7,889)
		-			(78)	(9,222)	-	-	-	-	-	-	-	(6,135)	(15,435)
Cash & Cash Equivalents															
	Cash	21,644	-	130,081	180,992	106,673	837,138	137,997	3,252	28,737	12,291	130	895,040	87,179	2,441,15
	Others Please provide details -	58	-	- (600)	336	14,403	-	58,375	-	-	-	-	-	4,992	77,564
	Pooled Investment Vehicles Overseas Cash Funds	-	-		_	-	_	_	_	-	_	-	_	_	
	Investment income due	58	317	6,508	3,819	5,851	44,555	2,264		858	471	-	34,748	16,509	115,958
	Accounts receivable for sales	-	-	.   .	-	4,789	1,417	7,155	-	892	-	-	36,013	7,078	57,344
	Accounts payable for purchases	-			(3,364)	(8,120)	(4,466)	(14,395)	-		_	-	-	(25,188)	(55,533)
		21,760	317	135,989	181,783	123,596	878,644	191,396	3,252	30,487	12,762	130	965,801	90,570	2,636,487
NET FUND INVESTMENT															
ASSETS		107,008	1,096,388	3,189,179	3,533,828	2,467,232	9,524,401	5,947,669	506,916	910,784	152,494	655,775	28,272,628	5,086,468	61,450,77
Non Current Assets															
	Others Please provide details -	202,216	-	- 44	-	498	14,470	-	-	-	-	123	962	-	218,313
<u>Non Current</u> Liabilities															
	Others Please provide details -	(21,594)								(1,403)			(68,226)		(91,223)

Current Assets															-
	Contributions due	4	265	7,799	1,692	-	19,313	10,812	99	89	-	1,749	53,251	8,202	103,275
	Strain on Fund	-	-	90	-	-	_	-	-	-	-	-	_	-	90
	Sundry Debtors	83	159	46	80	6,250	324	2,099	1,953	13	-	6	50,022	30	61,065
	Prepayments	_	-	275	-	-	363	-	-	92	_	-		-	730
	Cash Balances	3,230	5,119	8,592	3,525	5,801	68,241	15	6	2,967	1,551	4,232	108,710	2,771	214,760
	Others	5,250	5,119	8,392	5,525	5,801	08,241	15	0	2,907	1,551	4,252	108,710	2,771	214,760
	Please provide details -	-	-	8	220	-	3,912	-	-	1,013	183	-	-	2,693	8,029
		3,317	5,543	16,810	5,517	12,051	92,153	12,926	2,058	4,174	1,734	5,987	211,983	13,696	387,949
<u>Current</u>															-
<u>Liabilities</u>															-
	Benefits Payable	(673)	(626)	(525)	(3,489)	(1,316)	(9,386)	(11,701)	(41)	(570)	-	(1,392)	(22,510)	(1,663)	(53,892)
	HMRC	-	-	-	-	-	(934)	-	-	-	-	-	-	(224)	(1,158)
	Contributions in Advance	-	-		-	-	(11,193)	-	-	-	-	-	-	-	(11,193)
	Miscallaneous Creditors/Expenses	(239)	(3,384)	(1,713)	(4,536)	(3,922)	(1,831)	(23,001)	(401)	(1,582)	(15)	(542)	(30,161)	(86)	(71,413)
	Others Please provide details -	-	-	(214)	-	(111)	(394)	-	(1)	(258)	-	-	-	(2,215)	(3,193)
		(912)	(4,010)	(2,452)	(8,025)	(5,349)	(23,738)	(34,702)	(443)	(2,410)	(15)	(1,934)	(52,671)	(4,188)	(140,849)
Net assets of															-
the Fund at 31 March 2022		290,035	1,097,921	3,203,581	3,531,319	2,474,432	9,607,286	5,925,893	508,531	911,145	154,213	659,951	28,364,676	5,095,976	61,824,959