

Suffolk Pension Board

(Quorum 2 – 1 member of each representative group)

Scheme Employer Representatives:

Ian Blofield (Chair), representing all Borough, District, Town and Parish Councils

Councillor Rupert Tonkin-Galvin (Vice Chairman), representing Suffolk County Council

Katie Dixon, representing all other employers in the Fund

Scheme Member Representatives:

Richard Blackwell, representing Pensioners

Kay Davidson, representing Active Members

Peter Frost, representing the Unions

Date: Thursday, 15 October 2026

Venue: Rose Mead Room
Endeavour House
8 Russell Road
Ipswich
Suffolk
IP1 2BX

Time: 11:00 am

Business to be taken in public:

1. **Apologies for Absence**

To note and record any apologies for absence.

2. **Declarations of Interest and Dispensations**

To receive any declarations of interests, and the nature of that interest, in respect of any matter to be considered at this meeting.

3. **Minutes of the Previous Meeting**

Pages 5-12

To approve as a correct record, the minutes of the meeting held on 28 July 2026.

4. **Pension Fund Annual Report and Accounts 2025/26**

Pages 13-150

To receive the Annual Report and Accounts for 2025/26.

5. **Pensions Administration Performance**

Pages 151-156

To receive a report summarising the compliments, complaints and administration performance of the Fund.

6. **Investment Pooling Update**

Pages 157-160

To receive a report on the transition to the LGPS Central Pool.

7. **Investment Strategy Statement**

Pages 161-173

To consider the draft Investment Strategy Statement for the Fund.

8. **Climate Risk Report**

Pages 175-211

To receive a report on the progress the Fund has made towards meeting the Net Zero strategy.

9. **Pension Board Risk Register**

Pages 213-225

To review the Pension Board Risk Register.

10. **Information Bulletin**

Pages 227-228

To receive an information bulletin on some recent developments that will be of interest to the Board.

11. **Forward Work Programme**

Pages 229-231

To consider whether there are any matters which the Board would wish to have included in its Forward Work Programme.

Date of next scheduled meeting: Wednesday, 9 December 2026 at 11:00 am

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Democratic Services, Suffolk County Council, Endeavour House, 8 Russell Road, Ipswich, Suffolk IP1 2BX.

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2. Use the stairs, NOT the lifts.
3. Do not re-enter the building until told it is safe to do so.

Andrew Cook
Joint Chief Executive

Minutes of the Suffolk Pension Board Meeting held on Tuesday 28 July 2026 at 11:05 am in the Rose Mead Room, Endeavour House, Ipswich.

Present: Ian Blofield (Chair, representing all Borough, District, Town and Parish Councils), Richard Blackwell (representing Pensioners), Kay Davidson (representing Active Members), Peter Frost (representing the Unions), Thomas Jarrett (representing all other employers in the Fund) and Councillor Rupert Tonkin-Galvin (representing Suffolk County Council).

Also present remotely: Scott Douglas (Vice President, Investment Risk and Analytical Services, Northern Trust) – Agenda Item 6; and Tatum White (Senior Auditor, Internal Audit) – Agenda Item 5.

Supporting officers present: Rebekah Butcher (Democratic Services Officer), Stuart Potter (Pensions Operations Manager), Sharon Tan (Lead Accountant, Pensions) and Tracey Woods (Head of Pensions).

The meeting was opened by the Democratic Services Officer.

1. Appointment of Chairman

On the proposal of Richard Blackwell, seconded by Kay Davidson, it was agreed that Ian Blofield be elected as Chair for the forthcoming year 2026/27.

Ian Blofield assumed the Chair.

2. Appointment of Vice Chairman

On the proposal of Kay Davidson, seconded by Richard Blackwell, it was agreed that Councillor Rupert Tonkin-Galvin be elected as Vice Chairman for the forthcoming year 2026/27.

3. Apologies for Absence

There were no apologies for absence.

4. Declarations of Interest and Dispensations

Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

5. Minutes of the Previous Meeting

The minutes of the meeting held on 4 March 2026 were confirmed as a correct record and signed by the Chair.

6. Internal Audit Work on the Pension Fund 2025/26

At Agenda Item 6, the Board received a report which detailed the internal audit work performed in the 2025/26 financial year relating to the Suffolk Pension Fund, and the audit opinions on the control environment resulting from that work.

The Chair welcomed Tatum White, Senior Auditor, who joined the meeting remotely. She presented the report, and Board Members had the opportunity to ask questions.

Decision: The Board took assurance from the work and activities of the Internal Audit Service, concluding that the processes and controls within the Pensions Team were operating effectively.

Reason for decision: The Board was responsible for ensuring that the Suffolk Pension Fund complied with all legislative requirements and that the scheme was effectively and efficiently governed and managed.

The Board welcomed the positive audit outcomes and the levels of assurance received across the three internal audits completed during 2025/26.

Board Members asked that their thanks be recorded to the Pensions Team and those involved in the audits in recognition of the high standards of control and governance demonstrated.

In relation to the attempted fraud case referenced in the report, the Board commended the vigilance of the officer who identified the suspicious request and prevented unauthorised changes being made. Members sought further information regarding how potential fraud risks were identified and managed. Officers explained that, whilst there was no specific fraud training programme for this scenario, the team maintained awareness of pension scams through regular communications and experience in dealing with transfer cases. In this instance, concerns arose because the caller's voice did not appear consistent with that of the pensioner they claimed to be, prompting further checks which confirmed that a fraud attempt had occurred.

The Board welcomed the actions taken and noted the importance of continuing staff awareness of potential scams.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

7. Annual Investment Performance Review

At Agenda Item 7, the Board received a report summarising the performance of the Suffolk Pension Fund for 2025/26, including benchmarking against other local authority pension funds.

The Chair welcomed Scott Douglas of Northern Trust, who joined the meeting remotely. He presented the report, and Board Members had the opportunity to ask questions.

Decision: The Board noted the investment performance of the Fund.

Reason for decision: The Board represented stakeholders in the Fund and received an annual update on the investment performance of the Suffolk Pension Fund.

A Board Member referred to the presentation's discussion of stock market concentration and sought clarification on references to the "Magnificent Seven" companies and their influence on global equity markets. In response, it was explained that concentration risk remained a significant feature of global markets, particularly within the United States, although concentration was also evident in other markets such as Taiwan and South Korea. It was further noted that the composition of the "Magnificent Seven" had evolved over time.

A Board Member queried why all Pension Fund investments appeared to have underperformed against their benchmarks and sought clarification on how the benchmarks had been established. The Board was advised that the benchmarks reflected long-standing investment mandates and had deliberately been set at a challenging level. It was noted that investment managers were generally not constrained to invest strictly in line with benchmarks and that the Fund's returns remained comfortably above its long-term funding objective.

During discussion, officers acknowledged that the current benchmarks had become less useful as a measure of performance and could create unnecessary noise when assessing investment outcomes. Board Members were advised that, through the Fund's participation in LGPS Central and access to additional market data, a review of the benchmarks would be undertaken to determine whether they remained appropriate and to better align them with the Fund's investment strategy. The Chair welcomed the proposed review, which was supported by the Board.

It was also suggested that greater emphasis could be placed on the longer-term performance data, including the ten-year returns, as these provided a more meaningful indication of the Fund's performance over time.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

8. Pensions Administration Performance

At Agenda Item 8, the Board received a report providing an update on the performance of the Pensions Administration Team. The report included details of compliments and complaints received, as well as information on the timeliness of contribution payments from employers in the Fund.

The report was introduced by Stuart Potter, Pensions Operations Manager, and Sharon Tan, Lead Accountant (Pensions). Board Members had the opportunity to ask questions.

Decision: The Board considered the information provided, noted that no further action was required at this time, and noted the report.

Reason for decision: The purpose of the report was to provide the Board with regular updates on the performance of the Pensions Administration Team, including statutory requirements and Service Level Agreements.

The Board noted the strong administration performance reported during the period and the positive level of employer contribution compliance.

Referring to the update on the McCloud remedy, the Chair sought assurance regarding progress towards completing the recalculation work and issuing annual benefit statements by the statutory deadline of 31 August 2026. Officers advised that the greatest challenge remained obtaining and loading the required historic data from employers and that they were not yet confident all recalculations would be completed by the deadline. It was explained that significant progress had been made, with the team continuing to work through the affected cases whilst balancing ongoing administration responsibilities. The Board would be informed where employer data remained outstanding and, where necessary, affected members would be contacted directly and provided with revised timescales.

Officers further advised that The Pensions Regulator recognised the challenges associated with implementing the McCloud remedy across the LGPS and that, should any cases remain outstanding after the deadline, these would be reported appropriately alongside details of the actions being taken and communications issued to members. It was emphasised that the team remained focused on completing the work as quickly and accurately as possible, with priority being given to cases where benefits were immediately affected.

The Chair welcomed the progress made to date and the clear plan in place to deliver the remaining work. Board Members took assurance that the matter continued to be actively managed and monitored.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

9. Legislation and Governance Changes

At Agenda Item 9, the Board received an update on the implementation of recent legislative changes affecting the Local Government Pension Scheme, including the introduction of a new Governance Strategy to ensure compliance with the LGPS (Amendment) (Governance) Regulations 2026.

The report was introduced by Tracey Woods, Head of Pensions, and Board Members were given the opportunity to ask questions.

Decision: The Board noted the legislative changes that had been implemented within the Local Government Pension Scheme and the actions being taken to ensure compliance. The Board also reviewed the Fund's Governance Strategy and raised no concerns regarding the proposed governance arrangements.

Reason for decision: The Board was responsible for assisting the Council as Scheme Manager in securing compliance with the Local Government Pension Scheme and related legislation. The Board had also been identified as an appropriate consultee on the Fund's Governance Strategy and was therefore invited to review the proposed arrangements and provide any comments for consideration by the Pension Fund Committee.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

10. Board Training Plan and Strategy

At Agenda Item 10, the Board received a report on the Pension Fund's Training Strategy, which set out how statutory knowledge and understanding requirements would be met, together with the proposed Training Plan for the Pension Board.

The report was introduced by Sharon Tan, Lead Accountant (Pensions), and Board Members were given the opportunity to ask questions.

Decision: The Board:

- a) noted the Training Strategy for the Fund.
- b) approved the Training Plan for the Board.

Reason for decision: The Training Strategy, which had been approved by the Pension Fund Committee on 15 June 2026, supported the Fund's compliance with legal, regulatory and governance requirements. The Board Training Plan was developed to ensure that Board Members have the knowledge and understanding necessary to discharge their governance and oversight responsibilities effectively.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

Councillor Rupert Tonkin-Galvin left the meeting at 12:40 pm.

11. Conflicts of Interest Policy

At Agenda Item 11, the Board received a report on the Suffolk Pension Fund's Conflicts of Interest Policy and was invited to review the proposed policy as part of the Fund's governance framework.

The report was introduced by Sharon Tan, Lead Accountant (Pensions), and Board Members had the opportunity to ask questions.

Decision: The Board reviewed the Suffolk Pension Fund's Conflicts of Interest Policy and raised no comments or recommendations for amendment.

Reason for decision: The Conflicts of Interest Policy was developed in accordance with relevant legislative and regulatory requirements and forms part of the Fund's wider governance framework. As an identified consultee, the Board was invited to review the policy and provide any comments for consideration by the Pension Fund Committee.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

12. Business Plan

At Agenda Item 12, the Board received a report reviewing the delivery of the Suffolk Pension Fund Business Plan for 2025/26 and setting out the priorities and planned activities contained within the Business Plan for 2026/27.

The report was introduced by Tracey Woods, Head of Pensions, and Board Members were given the opportunity to ask questions.

Decision: The Board:

- a) noted the progress against the actions set out in the Business Plan for 2025/26.
- b) noted the Business Plan for 2026/27.

Reason for decision: The Business Plan set out the Fund's key priorities and provides a framework for monitoring the delivery of its responsibilities. The 2026/27 Business Plan had been approved by the Pension Fund Committee on 26 March 2026.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

13. Information Bulletin

The Board noted the Information Bulletin at Agenda Item 13.

14. Dates of Future Meetings

At Agenda Item 14, the Board considered the dates of its future meetings.

Decision: The Board agreed to the following dates for its future meetings as follows:

2026/27

- Tuesday, 28 July 2026
- Thursday, 15 October 2026
- Wednesday, 9 December 2026
- Wednesday, 3 March 2027

2027/28

- Tuesday, 27 July 2027
- Tuesday, 12 October 2027
- Monday, 6 December 2027
- Monday, 6 March 2028

All meetings would take place in person at Endeavour House, starting at 11:00 am.

Reason for decision: The Board was satisfied that agreeing meeting dates up to two years in advance would support the effective discharge of its oversight responsibilities and the timely consideration of matters within its remit.

Alternative options: There were none considered.

Declarations of interest: Richard Blackwell declared an interest as he was in receipt of a local government pension.

Ian Blofield, Peter Frost and Thomas Jarrett declared an interest as they were active members of the local government pension scheme.

Kay Davidson declared an interest as she was both an active member of the local government pension scheme, and in receipt of a local government pension.

Dispensations: There were none granted.

15. Forward Work Programme

The Board received a copy of its Forward Work Programme at Agenda Item 15.

Decision: The Board approved the Forward Work Programme as published.

Reason for decision: The Board was satisfied that the Forward Work Programme reflected the matters it wished to consider as part of its ongoing oversight and scrutiny of the Pension Fund.

16. Exclusion of the Press and Public

Decision: The Board agreed that the public (including the press) should be excluded from the meeting during the consideration of Agenda Item 17 on the grounds that:

- a) it involves the likely disclosure of exempt information by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person, including the authority holding that information) of Parts 1 to 3 of Schedule 12A (as amended) of the Local Government Act 1972 (as amended); and
- b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

17. Exempt Minutes of the Previous Meeting

The exempt minutes of the meeting held on 4 March 2026 were confirmed as a correct record and signed by the Chair.

Chair's closing remarks

The Chair placed on record the Board's thanks to Thomas Jarrett for his service as the representative for "All Other Employers in the Fund" since September 2018. He noted Thomas's valuable contribution to the work of the Board over a number of years and thanked him for his commitment and support. The Board joined the Chair in wishing Thomas well for the future.

The meeting closed at 12:54 pm.

Chairman

Suffolk Pension Board

Report Title:	Pension Fund Annual Report and Accounts 2025/26
Meeting Date:	15 October 2026
Lead Board Member:	Ian Blofield, Chair of the Suffolk Pension Board
Director:	Mark Ash, Joint Chief Executive (LGR, Devolution, Transformation and Change) and Executive Director Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Tracey Woods, Head of Pensions, Telephone: 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report presents the provisional Audit Results Report compiled by Ernst & Young (EY) on the key findings and outcomes from the audit of the Pension Fund Annual Report and Accounts for 2025 – 2026 and the draft Annual Report & Accounts.

Action recommended

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| <ol style="list-style-type: none"> 2. The Board is asked to note the Audit Results Report. 3. The Board is asked to note the Fund's Annual Report and Accounts and consider any areas of interest that the Board would like further information on to be added to the forward work programme. |
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Reason for recommendation

4. The provisional audit results report summarises the findings from the 2025 - 2026 audit of the Pension Fund Annual Report and Accounts.
5. The Pension Fund Annual Report and Accounts is a regulatory requirement and is an important channel of communication, reporting on the Pension Fund's activities to employers, scheme members and other stakeholders.
6. The Board receives information about the Annual Report and Accounts of the Fund to fulfil its remit to secure the effective and efficient governance and administration of the Suffolk Pension Fund.

Alternative options

7. There are no alternative options.

Main body of report

8. The audit of the Suffolk Pension Fund 2025 – 2026 accounts began on 26 May 2026, with a formal audit plan from EY being agreed at the Pension Fund Committee meeting on 15 June 2026 and approved by the Audit Committee on 17 June 2026.
9. The Audit for the Pension fund is substantially complete. The following items remain outstanding:
 - a) Review of IAS 26 Disclosure – actuarial present value of promised retirement benefits;
 - b) Review of triennial valuation work;
 - c) Completion of investments work and other related areas, including manager and partner file review;
 - d) Review of Annual Report;
 - e) Review of the final version of the financial statements;
 - f) Completion of subsequent events review to the date of the audit report;
 - g) Receipt of the signed management representation letter and financial statements.
10. The following items remain outstanding until completion of the County Council's accounts:
 - a) Completion of subsequent events review to the date of the audit report
 - b) Receipt of the signed management representation letter and financial statements
11. There has been no uncorrected audit differences identified in the report to date.
12. This provisional audit results report (set out in **Appendix 1**) states that subject to the satisfactory completion of a small number of outstanding items and some closing procedures, EY expect to issue an unqualified opinion upon the Pension Fund Financial Statements.

Pension Fund Committee

13. The Pension Fund Committee at its meeting on 23 September 2026 recommended the 2025 - 2026 Pension Fund Accounts for approval by the Audit Committee and approved the draft Annual Report and Accounts for publication on the Pension Fund website.
14. Audit Committee received the provisional Audit Results Report and the Pension Fund Accounts at its meeting on 30 September 2026.

Suffolk County Council Statement of Accounts Audit

15. The Suffolk Pension Fund accounts are included within the Suffolk County Council Statement of Accounts for 2025 – 2026. Their audit commenced in the summer and is coming to a close. There is an expectation that Audit Committee will receive the audit report for the Council at their meeting on 25 November 2026 and will be able to approve the Suffolk County Council's accounts, inclusive of the Pension Fund accounts.

Annual Report and Accounts

16. The overall assets of the Pension Fund as at 31 March 2026 is £4.824bn, an increase of £352m from the previous financial year. Investment assets are £4.814bn an increase of £351m from the previous year. The investment return for the year was 7.7%.

17. There are 372 active employers in the scheme with 75,603 scheme members of whom 24,307 are contributing members, 22,181 are in receipt of pension benefits and the remainder deferred members.
18. Contributions for the year totalled £117m from employers and £36m from contributing members. £147m was paid out in pension benefits.
19. Management expenses were £14m, of which investment expenses were £11m. Investment expenses include management fees and expenses, and performance fees, directly charged to the Pension Fund and those charged against the Net Asset Value.
20. The Pension Fund Annual Report and Accounts for 2025-2026 is attached as **Appendix 2**. This has been prepared with regards to regulations and guidance.

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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Suffolk Pension Fund

Provisional Audit Results Report
Year ended 31 March 2026
8 September 2026





Private and Confidential

8 September 2026

Audit Committee and Pension Fund Committee
Suffolk County Council
Endeavour House
8 Russell Road
Ipswich
IP1 2BX

Dear Audit Committee / Pension Fund Committee Members,

2025/26 Provisional Audit Results Report

We are pleased to attach our provisional audit results report for the forthcoming meeting of the Audit Committee of Suffolk Pension Fund (the Fund).

The audit is designed to express an opinion on the 2025/26 Statement of Accounts in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements. This report contains our findings related to the areas of audit focus and our views on the Fund's accounting policies and judgements.

This report is intended solely for the information and use of the Audit Committee and management, and is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss this report with you on 30 September 2026 as well as understand whether there are other matters which you consider may influence our audit.

System of Quality Management

The Transparency Report for EY UK provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion. The most recent version of the Report is dated 30 June 2025 and can be found here: [EY UK 2025 Transparency Report | EY - UK](#).

Yours faithfully

David Riglar

Partner

For and on behalf of Ernst & Young LLP

Encl

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2 Areas of Audit Focus

3 Other Reporting Matters

4 Audit Differences

5 Independence

6 Appendices

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/contract-monitoring-2023-24-to-2027-28/terms-of-appointment-from-2023-24/terms-of-appointment-and-further-guidance-from-1-october-2025/>)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit Committee and management of Suffolk County Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit Committee and management of Suffolk County Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee and management of Suffolk County Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Management agree that they remain solely responsible for management decisions relating to the audited body and that we do not, and cannot, act in a managerial capacity nor can we make business decisions for management/the audited body in connection with the services or otherwise, nor advise or recommend that any accounting policy, treatment or reporting is suitable for any particular purpose or specific facts, and management agrees that they will not rely on us as having done so.

If you wish to discuss how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may raise the matter with the Key Audit Partner responsible for services provided under our appointment by PSAA Ltd. Alternatively, you may contact Stephen Reid, UK Head of Government and Public Sector Audit, at 1 More London Place, London SE1 2AF. We will consider any concerns carefully and promptly and will make every effort to explain our position clearly. If your concerns remain unresolved, you may escalate the matter to Anna Anthony, UK&I Regional Managing Partner, at 1 More London Place, London SE1 2AF. If you remain dissatisfied, you may refer the matter to PSAA Ltd or raise it with our professional institute; further details are available on request.



01 Executive Summary

Executive Summary

Scope update

In our Audit Planning Report, presented to the 17 June 2026 Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan.

Materiality

In our Audit Planning Report, we communicated that our audit procedures would be performed using a materiality of £44.7 million, being 1% of net assets. We updated our assessment of materiality to reflect net assets reported within the draft financial statements. As a result, based on our professional judgement, this level of materiality remains appropriate for the actual results for the financial year.

**Planning
Materiality
£44.7 m**

Materiality has been set at £44.7 million, which represents 1% of net assets in 2025/26.

**Performance
materiality
£33.5 m**

Performance materiality is £33.5 million, which represents 75% of materiality.

**Audit
differences
£2.2 m**

The threshold for reporting misstatements that have an effect on the primary statements is £2.2 million.

Executive Summary (cont'd)

Areas of audit focus

In our Audit Planning Report we identified a number of key areas of focus for our audit of the financial statements. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is explained within the 'Areas of Audit Focus' section of this report and summarised below.

Risk	Status of our work
Significant Risk 1 - Presumptive risk of management override of controls	Subject to completion of our work on other audit areas, we have found no indications of management override of controls as of the date of this report.
Significant Risk 2 - Valuation of Hard to Value Investments (Level 3 Investments)	Our work in this area is currently still in progress. To date, we have not identified any matters to report.
Risk of material misstatement 1 - IAS26 Disclosure – Actuarial Present Value of Promised Retirement Benefits	Subject to final Partner’s file review on IAS 26 disclosure, we have completed our testing and have not identified any matters to report.

We request that you review these and other matters set out in this report to ensure:

- There are no further considerations or matters that could impact these issues;
- You concur with the resolution of the issue; and
- There are no further significant issues you are aware of to be considered before the financial report is finalised.

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit Committee.

Control observations

During the audit, we did not identify any significant deficiencies in internal controls. We have taken a wholly substantive approach to the audit.

Executive Summary (cont'd)

Audit differences

At the time of issuing this report, we have not identified any corrected or uncorrected audit differences

Other reporting matters

We have reviewed the information presented in the Pension Fund Annual Report for consistency with our knowledge of the Fund. Subject to final Manager and Partner review, we have no matters to report as a result of this work.

Independence

During the audit, we did not identify any issues relating to our independence and objectivity. Please refer to Section 5 for our update on Independence.

Executive Summary (cont'd)

Status of the audit

Our audit work in respect of the Fund opinion is well-progressed. As is normal practice, the following items relating to the completion of our audit procedures were outstanding at the date of this report:

- Receipt of finalised financial statements;
- Completion of subsequent events procedures to the date of signing the audit report; and
- Conclusion procedures including receipt of the Letter of Representation.

There are also a number of areas where audit procedures remain outstanding at this stage. This includes:

- Final review of IAS 26 Disclosure - actuarial present value of promised retirement benefits;
- Review of triennial valuation work;
- Completion of Investments work and other related areas, including Manager and Partner's file review; and
- Review of Annual Report.

Actions required to resolve and responsibility is included in [Appendix C](#).

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Annual Report and Accounts which could influence our final audit opinion [a current draft of which is included in [Appendix A](#)]



02 Areas of Audit Focus

Our response to significant risks

In this section, we set out our response to significant risks (including fraud risks denoted by*) identified for the audit of the 2025/26 financial statements.

Presumptive risk of management override of controls*

What is the risk, and the key judgements and estimates?	Our response to the key areas of challenge and professional judgement	Our conclusions
In accordance with ISA 240, the presumptive risk of management override of controls is present at every entity and we design the appropriate procedures to consider such risk. - Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud. - Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. We identify and respond to this fraud risk on every audit engagement.	In order to address the risks outlined we completed a range of procedures including: - The identification of fraud risks during the planning stages of the audit. - Inquiry of management about risks of fraud and the controls put in place to address those risks. - Understanding the oversight given by those charged with governance of management's processes over fraud. - Discussing with those charged with governance the risks of fraud in the entity, including those risks that are specific to the entity's business sector (those that may arise from economic industry and operating conditions). - Consideration of the fraud risk factors associated with related party relationships and transactions and if so, whether they give rise to a risk of material misstatement due to fraud. - Consideration of the effectiveness of management's controls designed to address the risk of fraud. - Performance of mandatory procedures, including testing of journal entries and other adjustments in the preparation of the financial statements. - Procedures to identify significant unusual transactions. - Consideration of whether management bias was present in the key accounting estimates and judgements in the financial statements.	We have not identified any material weaknesses in controls or evidence of material management override. Through our assessment of accounting estimates for evidence of management bias, along with our procedures to evaluate fraud risks and management's controls, we have not identified any instances of inappropriate judgments being applied in this area. We did not identify any other transactions during our audit which appeared unusual or outside the Fund's normal course of business. Our journal entry testing has not identified any instances of inappropriate posting of journals. The above conclusions are subject to our completion of other audit areas.

Our response to significant risks

Valuation of Hard to Value Investments (Level 3 Investments) (Significant Risk)

What is the risk, and the key judgements and estimates?	Our response to the key areas of challenge and professional judgement	Our conclusions
The Fund's investments include unquoted pooled investment vehicles, property and private equity. Judgements are made by the investment fund managers to value these investments, whose prices are not publicly available. The material nature of this type of investment, means that any error in judgement could result in a material valuation error.	Our approach will focus on: - Analysing a schedule of investments to ensure correct classification, presentation and disclosure of items in the financial statements and corresponding notes. - Understanding and evaluating the work of management's experts. - Evaluating the ISAE 3402 report for Custodian and Fund Managers where applicable. - Reviewing the latest audited accounts for the relevant Fund Managers to ensure there are no matters arising that highlight weaknesses in the funds valuation. - Where the latest audited accounts are not as at 31 March 2026, inquiry of what procedures management have performed to take account of this risk, performing analytical procedures and checking the valuation output for reasonableness against our own expectations. - Reviewing the basis of valuation for property investments and other unquoted investments and assessing the appropriateness of the valuation methods used. - Reviewing investment valuation disclosures to verify that significant judgements surrounding the valuation of Level 3 Investments have been appropriately made in the financial statements. - Performing triangulation work to agree amount per the financial statements to Fund Manager and to Custodian. - Testing accounting entries have been correctly processed in the financial statements. - Assessing topside adjustments and journal entries for evidence of management bias and evaluate for business rationale.	Our work in this area is currently still in progress. However, as of writing this report, we have not identified any material misstatements in our work.

Other areas of audit focus

We have identified other areas of the audit, that have not been classified as significant risks, but are still important when considering the risks of material misstatement to the financial statements and disclosures.

Financial statement impact	What is the risk, and the key judgements and estimates?	Our response to key areas of challenge and professional judgement	Status of our work
IAS26 Disclosure - Actuarial Present Value of Promised Retirement Benefits			
IAS26 requires post-employment benefit plans to disclose annually the basis used to determine the actuarial present value of promised retirement benefits, including the key demographic and financial assumptions applied.	For 2025/26, the estimate reflects the results of the new 2025 triennial valuation, updated where necessary, and incorporates factors such as mortality rates, expected pay progression, inflation measures and long-term investment yields. We consider there to be a risk relating to the estimation process, the completeness and accuracy of data used, and the appropriateness of the assumptions selected by the actuary.	To address the risk outlined we will carry out a range of procedures including: • We will assess the competence of management's actuary, Hymans Robertson. • We will engage with the NAO's consulting actuary, PwC, and our EY Pensions Advisory Team to review the IAS26 approach and assumptions applied by management's actuary are reasonable and compliant with IAS26. • We will ensure that the IAS26 disclosure is in line with the relevant standards and consistent with the valuation provided by the Actuary. • We will assess the adequacy and clarity of disclosures relating to actuarial assumptions, sensitivities and estimation uncertainty in accordance with the CIPFA Code and ISA (UK) 540 (Revised).	Subject to final Partner's file review on IAS26 disclosure, we have completed our testing and have not identified any matters to report.

Areas of Audit Focus (cont'd)

Valuation methods applied

Financial statement area	Valuation method applied and related disclosures	Impact of changes made to the valuation method applied
Level 1 Investment Assets	Fair value using observable market data, including published bid market price	No changes made to the valuation method
Level 2 Investment Assets	Fair value using valuation techniques where inputs are based on observable market data.	No changes made to the valuation method
Level 3 Investment Assets	Fair value using unobservable data that are determined by Fund Managers	No changes made to the valuation method
IAS26 actuarial present value of promised retirement benefits	Projected credit unit method	No changes made to the valuation method

Going concern

For Local Government Pension Funds, the applicable financial reporting framework is based on the continuation of services principle. In applying Practice Note 10 and our going concern interpretation guidance, the focus of the going concern assessment is therefore whether the pension fund's services will continue to be delivered within the public sector, rather than whether the administering authority or the pension fund continues in its current form.

Management is required to make a proportionate assessment of the appropriateness of preparing the pension fund financial statements on a going concern basis. Our audit procedures included evaluating that assessment, considering the requirements of the CIPFA Code and the wider public sector framework, and assessing whether any law, regulation, policy announcement or other evidence indicated that the services provided by the pension fund would not continue to be delivered.

Based on the work performed to date, we have not identified any events or conditions that may cast significant doubt on the pension fund's ability to continue to prepare its financial statements on a going concern basis. In reaching this conclusion, we have considered whether there is any evidence that the continuation of services principle would not apply, whether management's assessment is consistent with the applicable financial reporting framework, and whether any contradictory audit evidence has been identified.

Where matters relevant to the financial sustainability of the administering authority or the pension fund have been identified, these do not of themselves indicate a material uncertainty related to going concern where they do not affect the continued delivery of pension fund services. Such matters are considered, where relevant, through our wider audit work, including our value for money arrangements responsibilities for the administering authority.

We will continue to update our assessment up to the date of approval of the financial statements, including consideration of any further information provided by management or identified through our audit procedures. We will also evaluate whether the going concern disclosure in the pension fund financial statements is proportionate, accurately reflects management's assessment, and covers the appropriate assessment period. We do not currently expect our auditor's report to include any reference to a material uncertainty related to going concern.

Areas of Audit Focus (cont'd)

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Fund's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures.
- Significant difficulties, if any, encountered during the audit
- Significant matters, if any, arising from the audit that were discussed with management
- Matters regarding management's process for identifying and responding to the risks of fraud in the entity
- Disagreements with management, if any arising during the audit
- Other matters if any, significant to the oversight of the financial reporting process, including the strengths and weaknesses of the finance function and the quality of the financial statement preparation process
- Written representations that we are seeking
- Expected modifications to the audit report
- Related parties
- External confirmations
- Consideration of laws and regulations, including any significant matters involving actual or suspected non-compliance with laws and regulations or articles of association which were identified in the course of the audit, in so far as they are considered to be relevant in order to enable the audit committee to fulfil its tasks.

We have nothing to report in respect of these matters.



03 Other Reporting Matters

Our Assessment of the Control Environment

Internal and Financial Controls

In line with our established audit approach set out to the committee in previous years, we adopted a fully substantive approach to the audit. We consider the design and implementation of key controls most relevant to the financial processes which materially impact the financial statements through the course of our audit, including in response to revised auditing standards around understanding systems that impact the financial statements. As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed.

As part of our planning procedures, we perform walkthroughs of the relevant controls to ensure that financial information feeding into the financial statements is materially accurate. These considerations are limited to controls we believe are likely to directly and materially impact the financial statements should they fail. In addition, wherever possible, we use our data analysers to identify inconsistencies in key processes. The matters reported are limited to those that we identified during the audit and that we concluded are of sufficient importance to merit being reported to you. We identified no significant deficiencies in internal control.

Other Reporting Issues

Consistency of information published with the financial statements

We must give an opinion on the consistency of the financial and non-financial information in the Suffolk Pension Fund Annual Report with the audited financial statements. Subject to final Manager and Partner review, we have completed the review of the Pension Fund Annual Report and are satisfied that it is consistent with the financial statements. We have prepared and will issue a consistency statement to management alongside our audit report.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Fund to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We also have a duty to make written recommendations to the Fund, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We had no reason to exercise these duties.

Other reporting issues

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Fund's financial reporting process. We had no matters to report.



04 Audit Differences

Audit Differences (cont'd)

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

At the date of this report, we have not identified any corrected audit differences.

Summary of unadjusted differences

At the date of this report, we have not identified any uncorrected audit differences.

Summary of disclosure changes

Auditing standards require us to evaluate the overall presentation, structure and content of the financial statements, including disclosures, and to consider whether they provide a fair presentation of the Fund's underlying transactions and events. We also read the other information accompanying the financial statements to assess whether it is materially consistent with our understanding obtained during the audit.

At the date of this report, we have not identified any uncorrected audit differences.



05 Independence

Independence

Confirmation

At the Audit Committee meeting we highlighted the communications that we are required to make at the planning stage and at the conclusion of the audit, as well as during the course of the audit.

In this report, we provide disclosure of the relationships (including the provision of non-audit services) which bear on our integrity, objectivity and independence, the related threats and safeguards, as well as details of our fees and the other required confirmations. We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you and your Audit Committee consider the facts of which you are aware and come to a view.

If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the committee.

We are not aware of any inconsistencies between the Fund's policy for the supply of non-audit services and FRC Ethical Standard. We are not aware of any apparent breach of that policy. We confirm that, in our professional judgment, EY is independent, our integrity and objectivity is not compromised and we have complied with the FRC Ethical Standard.

We confirm that your engagement team (partners, senior managers, managers and all others involved with the audit) and others within the firm, the firm and network firms have complied with relevant ethical requirements regarding independence.

We confirm that the independence threats created by the level of the audit fees are at an acceptable level.

We have re-affirmed the general policy/process for pre-concurrence with those charged with governance and obtained specific pre-concurrence for services not covered by the general policy. We re-affirm this annually.

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2025 and can be found here: [EY UK Transparency Report | EY - UK](#).

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Fund, its directors and senior management and its affiliates, including all services provided by us and our network to the Fund, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

Relationships

There are no relationships from 1 April 2025 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by EY

There are no services provided by EY from 1 April 2025 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity. The table on subsequent page includes a summary of the fees that you have paid to us in the year ended 31 March 2026 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided and the related threats and safeguards are included on the same page.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Independence

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

A breakdown of our fees is shown in the table to the right.

As set out in our Audit Planning Report the agreed fee presented was based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our financial statements opinion being unqualified;
- Appropriate quality of documentation is provided by the Fund; and
- The Fund has an effective control environment
- The Fund complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits/>. In particular, the Fund should have regard to paragraphs 26 - 28 of the Statement of Responsibilities.

If any of the above assumptions prove to be unfounded, we seek a variation to the agreed fee. A narrative summary of the areas where we expect to raise scale fee variations for the audit of the Fund are set out in the fee analysis on this page.

	Current Year £	Prior Year £
Total Fee – Code Work (Scale fee)	107,107	103,586
Proposed scale fee variation	Note 1	4,117 (Note 2)
Total fees	TBC	107,703

All fees exclude VAT

Notes

1. For 2025/26 the planned fee represents the base fee, i.e., not including any extended testing. We expect to request two fee variations for 2025/26:
 - Extended audit testing of the membership data submitted to the actuary for the March 2025 triennial valuation.
 - Audit work required to respond to an additional IAS19 assurance request from an admitted body auditor.
2. For 2024/25, we re-assessed the scale fee to include procedures that were performed to address the risk profile of the Pension Fund, as set out in our Audit Results Report, and the additional work required to respond to an additional IAS19 assurance request from an admitted body auditor. The scale fee variation has been approved by PSAA.



06 Appendices

Appendix A: Provisional Audit Opinion

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUFFOLK COUNTY COUNCIL ON THE PENSION FUND'S FINANCIAL STATEMENTS

Opinion

We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2026 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2026 and the amount and disposition at that date of its assets and liabilities as at 31 March 2026 ; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of twelve months from when the Fund's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information

The other information comprises the information included in the Suffolk County Council Statement of Accounts 2025/26, other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the Suffolk County Council Statement of Accounts 2025/26.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Appendix A: Provisional Audit Opinion (continued)

Our opinion on the financial statements continued

Matters on which we report by exception

We report to you if:

- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities set out on pages XX, the Chief Financial Officer is responsible for the preparation of the Suffolk County Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the Chief Financial Officer determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Chief Financial Officer.

Our approach was as follows:

- ▶ We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013.
- ▶ We understood how the Fund is complying with those frameworks by making enquiries of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information.

Appendix A: Provisional Audit Opinion (continued)

Our opinion on the financial statements continued

- ▶ Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.
- ▶ We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud.
- ▶ In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- ▶ The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of Suffolk County Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the [name of Administering Authority] and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Appendix B – Required communications with the Audit Committee

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK entities. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies.
Planning and audit approach	Communication of: ▪ The planned scope and timing of the audit ▪ Any limitations on the planned work to be undertaken ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Audit Planning Report - 17 June 2026 Audit Committee
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Significant matters, if any, arising from the audit that were discussed with management ▪ Written representations that we are seeking ▪ Expected modifications to the audit report ▪ Other matters if any, significant to the oversight of the financial reporting process	Provisional Audit Results Report - 30 September 2026 Audit Committee

Appendix B – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements	Provisional Audit Results Report - 30 September 2026 Audit Committee
Misstatements	▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods ▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management	Provisional Audit Results Report - 30 September 2026 Audit Committee
Fraud	▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others where the fraud results in a material misstatement in the financial statements. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Audit Committee responsibility.	Provisional Audit Results Report - 30 September 2026 Audit Committee

Appendix B – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties including, when applicable: ▪ Non-disclosure by management ▪ Inappropriate authorisation and approval of transactions ▪ Disagreement over disclosures ▪ Non-compliance with laws and regulations ▪ Difficulty in identifying the party that ultimately controls the entity	Provisional Audit Results Report - 30 September 2026 Audit Committee
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place.	Audit Planning Report - 17 June 2026 Audit Committee Provisional Audit Results Report - 30 September 2026 Audit Committee

Appendix B – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	- Management's refusal for us to request confirmations - Inability to obtain relevant and reliable audit evidence from other procedures.	Provisional Audit Results Report - 30 September 2026 Audit Committee
Consideration of laws and regulations	- Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur - Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	Provisional Audit Results Report - 30 September 2026 Audit Committee
Significant deficiencies in internal controls identified during the audit	Significant deficiencies in internal controls identified during the audit.	Provisional Audit Results Report - 30 September 2026 Audit Committee

Appendix B – Required communications with the Audit Committee (cont'd)

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations we are requesting from management and/or those charged with governance	Written representations we are requesting from management and/or those charged with governance	Provisional Audit Results Report - 30 September 2026 Audit Committee
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Provisional Audit Results Report - 30 September 2026 Audit Committee
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Provisional Audit Results Report - 30 September 2026 Audit Committee
Auditors report	Any circumstances identified that affect the form and content of our auditor's report	Provisional Audit Results Report - 30 September 2026 Audit Committee
Use of statutory powers	- Identification of issues that are likely to lead to a form of public reporting, including: - Statutory recommendations - Public interest reporting	Provisional Audit Results Report - 30 September 2026 Audit Committee

Appendix C – Outstanding matters

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
• IAS 26 Disclosure – actuarial present value of promised retirement benefits;	Final review of the IAS26 Disclosure and associated support.	EY and Management
• Review of triennial valuation work;	Review of the triennial valuation work and associated support.	EY and Management
• Investment work, and other related areas;	Completion of our work on Investments, and other related areas, including Manager and Partner's review thereon.	EY and Management
• Annual Report;	Review of the Annual Report and associated support.	EY and Management
• Management representation letter;	Receipt of the signed management representation letter.	Management and Audit Committee
• Subsequent events review; and	Completion of subsequent events procedures to the date of signing the audit report.	EY and Management
• Final Manager and Engagement Partner review procedures	Final review of areas listed above.	EY

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion, but we should point out that key disclosures on investments remain to be finalised and audited. A draft of the current opinion (with outstanding areas highlighted) is included in [Appendix A](#).

Appendix D – Accounting and regulatory update

Accounting and regulatory update

Future Accounting developments

Since the date of our last report to the Audit Committee, there have been a number of exposure drafts, discussion papers and other projects issues. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Suffolk Pension Fund
CIPFA Code of Practice 2027/28 Consultation	The code continues to set proper accounting practices for local authority financial statements and pension fund accounts. The Code confirms that concepts, fair value measurement and relevant financial reporting requirements apply to pension fund accounts. It also notes specific pension fund annual reporting requirements for administering bodies. The 2027/28 code is proposing significant changes to IAS19 accounting within admitted bodies financial statements with a move to defined contribution accounting.	While the proposed changes are not expected to have a direct impact on the accounting treatment within Local Government Pension Fund accounts, they may affect the nature and extent of information required from admitted bodies and the associated interactions between admitted bodies and pension funds.
Decoupling of Pension Fund Accounts	The Government has confirmed its intention to decouple LGPS pension fund accounts from administering authority accounts. Enabling powers have been taken through Section 98 of the English Devolution and Community Empowerment Act 2026, which amends section 20 of the Local Audit and Accountability Act 2014. The provision is intended to facilitate the future separation of LGPS pension fund reporting and audit arrangements from those of administering authorities. However, Section 98 is not yet in force, and secondary legislation and implementation guidance are still awaited. As at the date of this report, no commencement date has been confirmed for the proposed decoupled reporting regime.	The Fund should monitor developments relating to the Government's proposed separation of LGPS pension fund accounts from administering authority accounts. The Fund will need to consider the implications of the new arrangements once further legislation and guidance are issued

Regulatory update

Since the date of our last report to the Audit Committee, there have been a number of regulatory developments. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Suffolk Pension Fund
Pension Schemes Act of 2026 (Pension Schemes Act 2026)	The Pension Schemes Act 2026 received Royal Assent on 29 April 2026 and introduces significant reforms across UK pension arrangements. For LGPS funds, the Act establishes the legislative framework for mandatory asset pooling and enhanced governance arrangements. The Act also supports greater investment efficiency, strengthened oversight and improved accountability within pension fund management. Further secondary legislation and guidance are expected to support implementation through 2027 and beyond.	LGPS administering authorities will need to comply with new pooling and governance requirements, including transferring assets into approved pools, strengthening governance frameworks and reviewing decision-making arrangements. Pension fund annual reports may require enhanced disclosures regarding governance, investment strategy, pool participation and implementation of the reforms.
Mandatory asset pooling and pool management requirements (Local Government Pension Scheme: asset pooling - GOV.UK)	The LGPS asset pooling reforms make participation in an asset pool a legal requirement for administering authorities. Under the new framework, administering authorities are expected to participate in an asset pool, delegate implementation of investment strategy to the pool, and place assets under pool management or pool oversight. Consultation commentary also refers to transitional arrangements, including assets being under pool management within three months of first participation, subject to further transitional periods where not reasonably practicable.	Funds may need to revise investment governance arrangements, update their Investment Strategy Statement, transfer or transition assets, and document how legacy investments will be managed. There may also be increased need for disclosure where a fund changes pool or where pooling implementation is a material post year-end development.
LGPS Governance Regulations 2026 - Senior LGPS Officer and enhanced accountability (The Local Government Pension Scheme (Amendment) (Governance) Regulations 2026)	The Local Government Pension Scheme (Amendment) (Governance) Regulations 2026 insert new governance requirements into the LGPS Regulations 2013. Each administering authority must appoint an LGPS senior officer with senior responsibility across pension functions. The officer is expected to ensure the pension fund is appropriately managed and resourced across administration, investment and governance matters, in accordance with guidance issued by the Secretary of State.	Funds need to define and document senior accountability for pension fund governance, administration and investment. Existing governance structures may need to be refreshed to show the role, reporting lines, responsibilities and resourcing arrangements for the Senior LGPS Officer.

Appendix E – Management representation letter

Management representation letter (draft)

[Date]

Ernst & Young

[Address]

This letter of representations is provided in connection with your audit of the financial statements of Suffolk Pension Fund ("the Fund") for the year ended 31 March 2026. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial transactions of the Fund during the period from 1 April 2025 to 31 March 2026 and of the amount and disposition of the Fund's assets and liabilities as at 31 March 2026, other than liabilities to pay pensions and benefits after the end of the period, have been properly prepared in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

We understand that the purpose of your audit of the Fund's financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the applicable law and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and for keeping records in respect of active members of the Fund.
2. We confirm that the Fund is a Registered Pension Scheme. We are not aware of any reason why the tax status of the scheme should change.

3. We acknowledge, as members of management of the Fund, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position and the financial transactions of the Fund in accordance with applicable law and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, and are free of material misstatements, including omissions. We have approved the financial statements.

4. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

5. As members of management of the Fund, we believe that the Fund has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 that are free from material misstatement, whether due to fraud or error.

6. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with laws and regulations including fraud

1. We acknowledge that we are responsible to determine that the Fund's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of a system of internal controls to prevent and detect fraud and that we believe we have appropriately fulfilled those responsibilities.

3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

4. We have not made any reports to the Pensions Regulator, nor are we aware of any such reports having been made by any of our advisors.

5. There have been no other communications with the Pensions Regulator or other regulatory bodies during the Fund year or subsequently concerning matters of noncompliance with any legal duty.

Appendix E – Management representation letter

Management representation letter (draft)

6. We confirm that we are not aware of any breaches of the Payment Schedule/Schedule of Contributions or any other matters that have arisen which we considered reporting to the Pensions Regulator.

7. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with laws and regulations, including fraud, known to us that may have affected the Fund (regardless of the source or form and including, without limitation, allegations by “whistle-blowers”), including non-compliance matters:

- ▶ Involving financial improprieties
- ▶ Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Fund’s financial statements
- ▶ Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Fund, its ability to continue in business, or to avoid material penalties
- ▶ Involving management, or employees who have significant roles in internal control, or others
- ▶ In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- ▶ Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- ▶ Additional information that you have requested from us for the purpose of the audit; and
- ▶ Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. You have been informed of all changes to the Fund rules.

3. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

4. We have disclosed to you the use of all applications or tools using artificial intelligence, including generative artificial intelligence, that are reasonably likely to have a direct or indirect material effect on the financial statements.

5. We have made available to you all minutes of the meetings of members of the management of the Fund and committees of members of the management of the Fund held through the period to the most recent meeting on the following date [date].

6. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Fund’s related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

7. We confirm the completeness of information provided regarding annuities held in the name of the members of the management of the Fund.

8. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

9. We have disclosed to you, and the Fund has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

10. No transactions have been made which are not in the interests of the Fund members or the Fund during the year or subsequently.

11. From the date of our last management representation letter, XX Month Year, through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Appendix E – Management representation letter

Management representation letter (draft)

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the Note [X] to the financial statements all guarantees that we have given to third parties.

E. Subsequent Events

1. Other than..... described in Note [X] to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the annual report on pages 1 to [x], other than the financial statements, the auditor's report and the statement about contributions.
2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Advisory Reports

We have not commissioned any advisory reports except for [give details] which may affect the conduct of your work in relation to the Fund's financial statements and schedule of contributions/payment schedule.

H. Independence

As members of management of the Fund, we are not aware of any matters which would render Ernst & Young LLP ineligible to act as auditor to the Fund.

I. Derivative Financial Instruments and Pooling Investments, including the use of collective investment vehicles and shared services

1. We confirm that all investments in derivative financial instruments have been made after due consideration by the members of management of the Fund of the limitations in their use imposed by The Occupational Pension Schemes (Investment) Regulations 2005; namely that they contribute to a reduction in Scheme risk, facilitate efficient portfolio management, and that any such investment has been made to avoid excessive risk exposure to a single counterparty and to other derivative operations; and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The Fund's Investment Strategy Statement has been duly reviewed to ensure that such investments comply with any limitations imposed by their provisions. The financial statements disclose all transactions in derivative financial instruments that have been entered into during the period, those still held by the members of management of the Fund at the Fund year end and the terms and conditions relating thereto.

The members of management of the Fund have duly considered and deemed as appropriate the assumptions and methodologies used in the valuation of 'over the counter' derivative financial instruments which the Fund is holding, and these have been communicated to you.

2. We confirm that all investments in pooling arrangements, including the use of collective investment vehicles and shared services, meet the criteria set out in the November 2015 investment reform and criteria guidance and that the requirements of the LGPS (Management and Investment of Funds) Regulations 2016 in respect of these investments has been followed.

J. Actuarial valuation

The latest triennial valuation report of the actuary Hymans Robertson as at 31 March 2025 and dated March 2026 and the latest report of actuary Hymans Robertson on actuarial present value of promised retirement benefits as at 31 March 2026 and dated 15 May 2026 has been provided to you. To the best of our knowledge and belief we confirm that the information supplied by us to the actuary was true and that no significant information was omitted which may have a bearing on his report.

Appendix E – Management representation letter

Management representation letter (draft)

K. Estimates

Valuation of Investments

1. We confirm that the significant judgments made in making the valuation of investments have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the valuation of investments.
3. We confirm that the significant assumptions used in making the valuation of investments appropriately reflect our intent and ability to carry out the functions of the Pension Fund on behalf of the entity.
4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.
5. We confirm that appropriate specialised skills or expertise has been applied in making the valuation of investments.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

Actuarial Present Value of Promised Retirement Benefits Estimate

1. We confirm that the significant judgements made in making the actuarial present value of promised retirement benefit estimate have taken into account all relevant information of which we are aware.
2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the actuarial present value of promised retirement benefit estimate.
3. We confirm that the significant assumptions used in making the actuarial present value of promised retirement benefits estimate appropriately reflect our intent and ability to carry out the specific courses of action on behalf of the entity.

4. We confirm that the disclosures made in the financial statements with respect to the accounting estimate, including those describing estimation uncertainty are complete and are reasonable in the context of CIPFA/LASAAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

5. We confirm that appropriate specialised skills or expertise has been applied in making the actuarial present value of promised retirement benefit estimate.

6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the financial statements.

L. Use of the Work of a Specialist

We agree with the findings of the specialists that we have engaged to value unquoted investments which include illiquid debt, infrastructure, timberlands and private equity investments and IAS26 actuarial valuation disclosures and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Going Concern

Based on our assessment of going concern, the details of which have been shared with you, we confirm that we are not aware of any material uncertainties related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. We do not intend to wind up the Fund. We are satisfied that the use of the going concern basis of accounting is appropriate in the preparation and presentation of the financial statements.

Note [X] to the financial statements discloses all of the matters of which we are aware that are relevant to the Fund's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

Appendix E – Management representation letter

Management representation letter (draft)

N. Climate-Related Matters

1. Whilst recognising that the Climate Change Governance and Reporting Regulations do not cover the Local Government Pension Scheme, we confirm that to the best of our knowledge all information that is relevant to the recognition, measurement, presentation and disclosure of climate-related matters has been considered [include the following language when climate-related commitments have been made:, as well as the impact resulting from the commitments made by the Fund,] in the financial statements.

2. The key assumptions used in preparing the financial statements are, to the extent allowable under the requirements of United Kingdom Generally Accepted Accounting Practice aligned with the statements we have made in the other information or other public communications made by us.

Yours faithfully,

(Chief Financial Officer)

(Chair)

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Suffolk Pension Fund Annual Report and Accounts 2025-26



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Report from the Chief Financial Officer

The Suffolk Pension Fund Annual Report and Accounts set out the Pension Fund's income and expenditure and its assets and liabilities for the financial year ended 31 March 2026, the governance arrangements for administering the scheme and the work carried out by the Pension Fund Committee, Pension Fund Board and the Pension Fund officers throughout the year.



There are also several policy statements, and these disclosures are published as separate documents on the website of the Fund (www.suffolkpensionfund.org).

Business Plan

The Committee approves a business plan at the start of each financial year. This provides a mechanism for the Committee to ensure that its responsibilities for the Fund are carried out effectively. The key actions for 2025-26 are as below:

Actuarial Valuation

A key milestone during the year was the completion of the triennial actuarial valuation. This provides an important assessment of the Fund's long-term financial position and is designed to ensure that sufficient assets are available to meet pension benefits as they fall due over the decades ahead.

The exercise involved a comprehensive review of the Fund's membership profile, liabilities, investment assets and funding strategy. The Fund Actuary assessed a range of economic and demographic assumptions, including investment returns, inflation, salary growth, longevity and retirement patterns, to determine the Fund's funding level and the contributions required from participating employers based on their members data.

As part of the valuation process the Funding Strategy Statement was reviewed and the opportunity was taken to engage constructively with employers on this and future contribution rates. Maintaining a funding approach that balances affordability for employers with the security of members' benefits remains a core priority for the Fund.

The successful completion of the valuation provides a strong foundation for the Fund as we continue to focus on delivering long-term, sustainable outcomes for members and stakeholders.

Environment, Social & Governance

Suffolk Pension Fund recognises that climate change presents one of the most significant long-term financial risks facing investors. It also presents substantial opportunities as economies, industries and markets transition towards a lower-carbon future. As a long-term investor with responsibilities to current and future generations of members, the Fund remains committed to managing these risks and opportunities in a responsible and financially sustainable manner.

The Fund has committed to achieving net zero greenhouse gas emissions across its investment portfolio by 2050 or earlier, in line with global efforts to limit the impacts of climate change. To support this ambition, the Fund established an interim target which has been met, of reducing financed emissions by at least 50% by 2030 from its baseline year, recognising the importance of taking meaningful action over the coming decade rather than relying solely on longer-term aspirations.

A successful transition requires investment in businesses, technologies and infrastructure that will support the decarbonisation of the global economy.

The journey to net zero presents challenges, including evolving regulation, changes in market conditions and data limitations. Progress against the agreed targets will be regularly monitored and reported, ensuring transparency and accountability.

The Pension Fund Committee and Board are focused on responsible investment and are committed to integrating not just environmental factors, but also other social and governance factors to demonstrate a sustainable, responsible and ethical approach to investment.

Asset Pooling

Another significant area of focus during the year was the extensive work undertaken to support the Fund's transition into LGPS Central. On 9 April 2025, the Suffolk Pension Fund was informed by Government that the ACCESS Asset Pool's proposal in response to the Government's Fit for the Future consultation was not approved and consequently the Suffolk Pension Fund must join another asset pool.

The decision to join LGPS Central was the culmination of considerable analysis, due diligence and engagement by the Pension Fund Committee, supported by officers and external advisers. Throughout the process, careful consideration was given to the strategic objectives of the Fund, the needs of our members and employers, and the long-term implications for investment performance, costs and governance.

A substantial programme of work was required to assess the compatibility of the Fund's investment arrangements with LGPS Central's capabilities and investment offerings. This included engagement with legal, operational planning, and the evaluation of how pooled solutions could support the Fund's long-term investment strategy. Throughout these discussions, maintaining robust governance arrangements and ensuring that local accountability remained at the heart of decision-making were key priorities.

Joining LGPS Central represents an important milestone in the Fund's development. The pooling arrangement provides opportunities to benefit from greater scale, enhanced investment resources and increased collaboration with partner funds, while continuing to retain responsibility for strategic asset allocation and funding decisions at a local level.

As the Fund progresses through the transition, the focus is on achieving value for money, delivering strong risk-adjusted investment returns and ensuring the highest standards of stewardship on behalf of our members and employers.

Suffolk Pension Fund will continue with governance oversight of the ACCESS Asset Pool as the Pool winds down its operations and ceases to exist. Appropriate legal agreements have been put in place which sets out the responsibilities and steps to terminate the operator agreement when the last investment in the ACCESS Pool has transitioned out.

Audit

The Pension Fund accounts are included within the County Council's Statement of Accounts for 2025-26, which is subject to audit by Ernst and Young LLP. As part of the audit review, the external auditor will provide an opinion to confirm whether the information provided within the Pension Fund Annual Report and Accounts is consistent with the information contained within the County Council's Statement of Accounts.

Louise Aynsley
Chief Financial Officer (S151)
 September 2026

Scheme Management and Advisers

Pension Fund Committee

(as at 31 March 2026)

Cllr Karen Soons (Chairman)

Cllr Simon Harley

Cllr Edward Back (Vice-Chairman)

Cllr Colin Kreidewolf

Cllr Henry Lloyd

Cllr Simon Dowling

Cllr David Roach

Cllr Sandy Martin

Cllr Robert Lindsay

Steve Warner (Unison)

Pension Fund Advisers

Auditors

Ernst & Young LLP

Actuary

Hymans Robertson LLP

Investment Consultancy Service

Hymans Robertson LLP

Independent Investment Adviser

Mr Mark Stevens

Performance Measurement

Northern Trust
PIRC

Pension Board

(as at 31 March 2026)

Cllr Richard Smith (Chairman)

Peter Frost

Ian Blofield (Vice-Chairman)

Thomas Jarrett

Kay Davidson

Richard Blackwell

Investment Custodian

Northern Trust

Banking Services

Lloyds Banking Group Plc

Legal Advisers

Squire Patton Boggs

Pool Operator

Waystone

Asset Pool

ACCESS

LGPS Central (from 01/04/26)

Suffolk County Council

Louise Aynsley

Chief Financial Officer (S151)

AVC Providers

Legal & General

Tracey Woods

Head of Pensions

Sharon Tan

Lead Accountant (Pensions)

Andy Chapman-Ennos

Technical Pensions Specialist

Stuart Potter

Operations Manager (Administration)

Investment Managers

Pooled and Pooled Aligned



Non-Pooled

KKR

M&G
Investments

PANTHEON

PARTNERS
GROUP

Wilshire



Orwell Bridge, Ipswich

Scheme Overview

Introduction to the Fund

The Local Government Pension Scheme (LGPS) provides pension benefits for certain employees within local government. It is governed by statute and the statutory responsibility for regulating the scheme lies with the Ministry of Housing, Communities and Local Government (MHCLG).

The LGPS is administered locally by 86 Pension Funds in England and Wales and collectively is one of the largest pension schemes in the UK.

It is a defined benefit pension scheme, meaning benefits are paid out based on the members salary and how long they have paid into the scheme.

Scheme Eligibility

The scheme is open to all County Council employees (except teachers, fire fighters and former NHS staff who have their own national schemes), employees of the Suffolk District and Borough Councils and employees of certain other public bodies (known as scheduled bodies) within Suffolk.

Parish and Town Councils may decide by designation to allow their employees to join the scheme and regulations also permit the Pension Fund Committee to admit certain other bodies which provide public services.

All eligible employees automatically become members of the scheme and may elect to opt out after being enrolled.

How the Fund Works

The LGPS is a funded pension scheme, contributions from employees and employers are held in the Fund and invested, until the benefits fall due for payment. This enables the fund to generate capital growth and income from investments.

The Employer's contribution rates are set as part of the actuarial valuation exercise which is carried out every three years by the Suffolk Pension Fund's actuary, Hymans Robertson LLP.

The last valuation exercise was carried out in 2025-26, and following consultation with the Employers', the next three years contribution rates took effect from 1 April 2026.

Costs of Employee Membership

Employee contributions are set nationally, in bands on members' pensionable pay. The pay banding table which was used during 2025-26 is shown below:

Actual Pensionable Pay	Contribution Rate
£0 - £17,800	5.50%
£17,801 - £28,000	5.80%
£28,001 - £45,600	6.50%
£45,601 - £57,700	6.80%
£57,701 - £81,000	8.50%
£81,001 - £114,800	9.90%
£114,801 - £135,300	10.50%
£135,301 - £203,000	11.40%
£203,001 or more	12.50%

The contribution rates are reviewed periodically to maintain the average contribution from employees at 6.3% and to ensure the long-term costs of the scheme are affordable.

Members have the option to join on a 50/50 basis which entitles members to pay half the contribution rate in exchange for half the pension benefit. These members retain full benefits in the event of ill health or death in service.

Benefits of the Pension Fund

The majority of the benefits payable are prescribed by regulation and are increased in April each year based on the CPI rate as at 30 September in the previous year.

The core scheme benefits are:

- Life assurance of three times the member's yearly pay from the day they join the scheme.
- Inflation linked pension for the rest of the member's life.
- The ability to take a tax-free lump sum by commutation of pension.
- For service in the scheme prior to 1 April 2008 there is an automatic tax-free lump sum of three times the annual Pension to 31 March 2008.
- Dependent pensions for spouses, civil registered partners and qualifying co-habiting partners and eligible children should the member die.
- An entitlement paid early if a member has to stop work due to ill health.
- Flexible retirement and an option to take the Pension from between the ages of 55 and 75.
- Early payment of members benefits without reduction from age 55, should they be made redundant.



Felixstowe Beach

Governance Report

I have recently been appointed as the Chairman of the Suffolk Pension Fund and it is an honour to be introducing the latest Suffolk Pension Fund Annual Report and Accounts.



As I take on this role, I do so, recognising the important responsibility entrusted to the Fund on behalf of our members and participating employers and maintaining that commitment remains at the heart of everything we do.

The past year has been one of significant activity and progress. Against a backdrop of continued economic uncertainty, fluctuating financial markets and evolving regulatory requirements, the Fund has remained focused on its core objectives: securing members' benefits, maintaining a strong and sustainable funding position, and delivering value for money for employers.

Among the key achievements during the year was the completion of the Fund's triennial actuarial valuation and I am pleased to report that the valuation confirmed the continued resilience of the Fund. The outcome reflects the benefits of disciplined investment management and prudent funding policies. While financial markets and the broader economic environment continue to present challenges and uncertainty, the valuation demonstrated that the Fund remains well positioned to meet its long-term obligations to members.

We have also undertaken substantial work in progressing our transition into the LGPS Central investment pool, an important milestone in meeting Government's regulatory expectations while preserving local accountability for strategic decision-making.

A significant programme of work is planned for the year ahead to support the transition of the Fund's investments currently invested in the ACCESS Pool investment platform, into the investment products managed by LGPS Central and ensure the Fund benefits from the opportunities offered by increased scale and enhanced investment capabilities. Throughout this process the Fund will remain focused on ensuring investment decisions are made in the Fund's best interest whilst maintaining strong governance and oversight.

As Chair, I have been impressed by the dedication and professionalism demonstrated by Committee members, Pension Board members, officers, advisers and the investment partners. Their expertise and commitment have enabled the Fund to navigate an increasingly complex operating environment while maintaining a clear focus on delivering positive outcomes for stakeholders and I would like to thank everyone involved with the Fund for their contribution over the past year and look forward to working with colleagues and stakeholders as we build on these strong foundations in the years ahead.

Looking ahead, we remain committed to strong governance, prudent financial management and continuous improvement. While challenges undoubtedly remain, I am confident that the Fund is well positioned to meet them and to continue delivering on the promises made to our members.

Councillor John Matthews

*Chairman of the Pension Fund Committee
September 2026*

Pension Fund Committee

The Pension Fund Committee's key responsibilities are:

- The effective and prudent management of the Suffolk Pension Fund.
- The approval of the Fund's investment strategy
- The approval of the funding strategy following the triennial actuarial valuation, and the determination of the employers' contributions to the Fund.

Membership of the Committee

The Pension Fund Committee for the financial year, 2025/26, consisted of seven county councillors, who were appointed by the County Council, reflecting the political balance on the County Council as a result of County Council elections. In addition, the Committee included two district council representatives, who were nominated by the Suffolk District Council leaders, and a scheme member representative, who was nominated by UNISON.

				
Cllr Karen Soons Chairman	Cllr Edward Black Vice Chairman	Cllr Simon Dowling	Cllr Henry Lloyd	Cllr Robert Lindsay
				
Cllr Simon Harley	Cllr Colin Kreidewolf	Cllr David Roach	Cllr Sandy Martin	Steve Warner Union Representative

Committee Attendance

The attendance of the Pension Fund committee members for the Committee meetings held during 2025-26 are shown below.

Suffolk County Council Pension Fund committee members are encouraged to send a substitute for any committee meeting which they are unable to attend. The substitute is fully briefed by a Pension Fund officer to enable them to participate in the meeting.

Committee Member	Meetings attended
Cllr Karen Soons	2/6
Cllr Edward Back	6/6
Cllr David Goldsmith	4/4*
Cllr Simon Dowling	4/6
Cllr Henry Lloyd	4/6
Cllr Robert Lindsay	4/6
Cllr Simon Harley	6/6
Cllr Colin Kreidewolf	6/6
Cllr Heika Sowa	3/3*
Cllr David Roach	2/3*
Cllr Sandy Martin	2/2*
Mr Steve Warner	6/6

* Cllr Heika Sowa left the Committee in October 25, replaced by Cllr David Roach in November 25.

* Cllr David Goldsmith left the Committee in January 26, replaced by Cllr Sandy Martin in February 26.

All members of the Pension Fund Committee have voting rights.

Conflicts of Interest

Committee members must declare any conflicts of interest at each committee meeting which are recorded in the minutes. In addition, all members must complete a register of interest declaration form which is available for public inspection.



Occold Village

Committee Training

The Pension Fund Committee recognises the importance of ensuring that those who are responsible for financial management and decision making with regards to the pension scheme are equipped with the necessary knowledge and skills. The Chief Financial Officer is responsible for ensuring that appropriate training is undertaken by members and officers with responsibilities relating to the Pension Fund.

The Committee has adopted the CIPFA Pensions Knowledge and Skills Framework as the basis for assessing its training and development needs. All new committee members are given training on the operation of the Fund and their responsibilities.

In addition, the committee approves a formal training plan which is designed to cover the Committee's responsibilities. This is reviewed annually and updated to include new topics of interest and any additional training requirements identified.

Committee Member	Training attended
Cllr Karen Soons	3/8
Cllr Edward Back	8/8
Cllr David Goldsmith	6/8
Cllr Simon Dowling	5/8
Cllr Henry Lloyd	6/8
Cllr Robert Lindsay	5/8
Cllr Simon Harley	7/8
Cllr Colin Kreidewolf	6/8
Cllr Heika Sowa	3/5
Cllr David Roach	2/3
Cllr Sandy Martin	2/2
Mr Steve Warner	8/8

Training sessions are designed to cover the major areas of the Committee's activities throughout the year. In addition to these a training day is also offered to provide a comprehensive structured training session.

As part of the training plan the Committee has received presentations during the year from the fund's investment managers and advisers. This year topics have been:

- Suffolk Climate Report (Hymans Robertson),
- Format of the Net Zero figures – Matt Woodman (Hymans Robertson)
- Impact of Pension Reform Horizon Scanning – Tracey Woods
- Net Zero/Carbon Baseline reporting – Matt Woodman (Hymans Robertson)
- Pooling Briefing Pooling partner due diligence – Tracey Woods
- Pension reforms: regulations, guidance & governance – Tracey Woods
- Setting an Investment Strategy under the new regulations – Hymans Robertson (Ben Farmer & Megan Facey)
- LGPS ACCESS & Fairness Consultation – Tracey Woods

The Annual Training Day was held in Endeavour House on 5 November 2025 and was attended by Committee members, Board members and officers. This was an opportunity for the members to hear from LGPS Central, the Fund's new LGPS asset pool and covered:

- An introduction to LGPS Central
- How LGPS Central will operate with the Fund, how they will meet Government's requirements and how that will work with the Fund.
- Introduction to Local Investment and how it will operate.

- Definition of Local Investment to be included in the Fund's Investment Strategy Statement.

The Suffolk Pension Fund Committee signed up to the Hymans Robertson online training module aimed at both Committee and Board members.

This is supplemented by external training provided by local government organisations and investment seminars organised by investment managers and industry experts.

Work of the Pension Fund Committee

The Pension Fund Committee has an annual business plan which sets out its priorities for service delivery and development.

The Committee monitors the investment performance of the Fund and all its managers on a quarterly basis, receiving a combined investment report with collaboration from Hymans Robertson LLP and Mark Stevens, the Fund's Investment advisers and officers of the Pension Fund. The report includes commentaries on the performance of the managers and the investment strategies employed, a review based on the quarterly investment manager's meetings and an overview of the economic outlook.

The Committee monitors the actuarial position of the Fund on a quarterly basis with the receipt of an estimated funding valuation report produced by Hymans Robertson LLP.

The Committee has been kept informed on the progress towards implementing new regulations and joining the LGPS Central Pool.

The Committee set the assumptions to be used in the valuation exercise, considered the initial results, and endorsed the contribution rates for the Employers set by Hymans Robertson LLP, the Fund's actuary.

The Committee updated and approved the following strategy and policy documents:

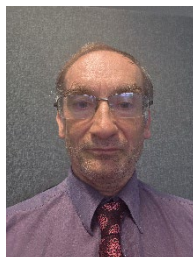
- Communications Strategy
- Governance Policy
- Academy Policy
- Investment Strategy Statement
- Funding Strategy Statement
- Treasury Management Strategy

Additional areas considered by the Committee were:

- Approve the Audit plan for 2024/25 and review the audit results report
- Approve the Annual Training plan for 2025/26
- Reviewed progress against the 2025/26 Business Plan and agreed the 2026/27 Business Plan
- Review the Access and Fairness Consultation Response
- Regular report on the work of the administration team
- Continued development of reporting on ESG issues
- Review and setting of the investment consultant performance objectives
- Approval of Annual Report and Accounts for 2024/25
- Review and approve the Risk Register
- Reports on the work to meet the LGPS: Fit for the Future requirements, including pooling arrangements.
- LGPS Central Asset Transition Planning

Pension Board Chairman's Report

I am delighted to present my first statement as the newly elected Chairman of the Suffolk Pension Board and to contribute to this year's Annual Report.



The Pension Board plays an important role in supporting the effective governance and administration of the Suffolk Pension Fund. Our responsibilities include assisting in the compliance with LGPS regulations and pension legislation, while helping to ensure that the Fund is managed efficiently and in the best interests of members and employers.

During the year, the Board has continued to provide independent oversight and constructive challenge across a wide range of areas, including pension administration, governance, risk management and regulatory developments. In doing so, we have worked closely with officers, to support the Fund in delivering high standards of stewardship and service.

The year has seen significant developments for the Fund, including the completion of the triennial actuarial valuation, continued progress towards the Fund's net zero ambitions, and preparations for greater collaboration with LGPS Central as part of the wider pooling agenda. These developments present both opportunities and challenges, and the Board will continue to play a key role in monitoring progress and supporting effective decision-making.

A particular highlight of the year was the Fund's Annual Employers' Meeting, which provided an important opportunity to engage directly with participating employers from across the Fund. The event enabled employers to receive updates on key developments affecting the LGPS, including the outcome of the actuarial valuation, funding matters, regulatory changes, administration performance and the Fund's investment strategy.

The Board recognises the importance of strong employer engagement in maintaining the effective operation of the Scheme and such engagement helps to strengthen relationships, improve understanding of pension responsibilities and ensure that employers remain well informed about matters affecting both their organisations and Scheme members and I look forward to hearing from you at the Annual Employers meeting to be held in the Autumn of 2026.

Looking ahead, the Board remains committed to promoting good governance, transparency and accountability. We will continue to focus on the quality of pension administration, cyber and data security, regulatory compliance, member outcomes and the successful delivery of the Fund's strategic objectives.

I am confident for the year ahead knowing the commitment and professionalism of Board members and officers alike. The depth of knowledge, experience and dedication within the Fund provides a strong foundation for meeting the challenges of an increasingly complex pension environment.

I would like to thank the outgoing Chairman, Cllr Richard Smith, fellow Board members, officers and employers for their support and cooperation throughout the year. I look forward to working with all stakeholders as we continue to strengthen the governance of Suffolk Pension Fund and safeguard the interests of its members and employers.

Ian Blofield
Chairman of the Suffolk Pension Board
September 2026

Pension Board

The Pension Board's key responsibilities are:

- 1) Assist the Council as scheme manager.
 - a) To secure compliance with the Local Government Pension Scheme (LGPS) Regulations and any other legislation relating to the governance and administration of the LGPS.
 - b) To secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator.
 - c) In such other matters as the LGPS Regulations may specify.
- 2) Secure the effective and efficient governance and administration of the Suffolk Pension Fund.

Conflicts of Interest

Board members must declare any conflicts of interest at each board meeting and these are recorded in the minutes.



Sea view from Landguard Fort, Felixstowe

Membership of the Board

The Suffolk Pension Board consists of six members, three Pension Fund employer representatives (one each representing the County Council, other local government employers and other employers) and three Pension Fund member representatives (one each representing current active members, retired members and trade unions).

Cllr Richard Smith	Suffolk County Council
Kay Davidson	Active Scheme Member
Thomas Jarrett	Other Employers
Ian Blofield	Other Local Government
Richard Blackwell	Retired Members
Peter Frost	Union representative

Board Attendance

The attendance of the Pension Board members for the quarterly meetings held during 2025-26 are as follows:

Board member	Representing	Meetings attended
Cllr Richard Smith	Suffolk County Council	4/4
Kay Davidson	Active Scheme Members	3/4
Richard Blackwell	Retired members	4/4
Ian Blofield	Other Local Government	3/4
Thomas Jarrett	Other Employers	3/4
Pauline Bacon*	Unions	1/1
Peter Frost	Unions	3/3

*Pauline Bacon left the Pension Board after July 2026 meeting replaced by Peter Frost

Board Training

The Pension Board recognises the importance of complying with the Pensions Regulator's Code of Practice in regards to the demonstrable knowledge and understanding of the LGPS that is expected, whilst in addition, having due regard to the guidance issued by the Scheme Advisory Board.

The Board approves a training plan which is designed to cover the Board's responsibilities. This is reviewed annually and updated to include new topics of interest and any additional training requirements identified.

Members of the Board are also invited to attend the Pension Fund Committee training and the annual Pension Fund training day.

Board member	Representing	Training attended
Cllr Richard Smith	Suffolk County Council	4/4
Kay Davidson	Active Scheme Members	3/4
Richard Blackwell	Retired members	4/4
Ian Blofield	Other Local Government	3/4
Thomas Jarrett	Other Employers	1/4
Pauline Bacon	Unions	1/1
Peter Frost	Unions	3/3

As part of the training plan the Board has received training as follows:

- Access and Fairness Government Consultation - delivered by Tracey Woods
- Impact of Pension Reform and Horizon Scanning - delivered by Tracey Woods
- Deep dive into the Access and Protections consultation - delivered by Tracey Woods

- Pension reforms - regulations, guidance & governance arrangements - delivered by Tracey Woods

The Board also uses the Hymans Robertson online training module aimed at both Committee and Board members that covers all the required knowledge and understanding to undertake appropriate scrutiny and decisions.

Work of the Pension Board

The Pension Board agrees a forward work programme which includes regularly reviewing its risk register, quarterly updates on the performance of the administration team, and recent developments in the Fund.

The annual report on investment performance for 2024-25 presented to the Committee, was also separately presented to the Board.

The Board has been regularly kept informed of the development of the ACCESS pool and has been informed of decisions taken by the Committee.

The board receives and reviews its risk register twice a year.

In addition to the regular reports the Board has received and reviewed:

- Pension Fund Annual Report and Accounts 2024-25
- Actuarial Valuation 2025
- Administration and Management expenses
- Policies approved by the Committee
- Access and Protections Consultation
- Gender Pension Gap
- Reports on the work carried out to meet the requirements of the LGPS: Fit for the Future consultation
- Cyber Security

Risk Management

The long-term risk in relation to the Pension Fund is that its assets fall short of its liabilities and that there would be insufficient assets to pay pensions to its members. Investment objectives have been set by the Pension Fund Committee with the aim of achieving long term investment returns within an agreed risk tolerance level to mitigate the risk.

Investment risk and performance is regularly monitored and reviewed by the Council's officers. The Pension Fund Committee reviews investment performance on a quarterly basis with the assistance of its investment advisers, Hymans Robertson LLP and Mark Stevens.

The Pension Fund Committee and Pension Board each maintains a risk register for the Pension Fund, which is available on the website (www.suffolkpensionfund.org). All Pension Fund risks are subject to regular monitoring in regard to the likelihood of occurrence and potential impact on the Fund.

Assurance over the systems operated by the Fund's investment managers and custodians is maintained by reviewing relevant documentation about their internal control environment such as ISAE340 reports, prepared in accordance with the guidance from the Audit and Assurance Faculty of the ICAEW.

Systems and internal control

The Council's statement of accounts, which includes the accounts of the Pension Fund, is subject to external audit by Ernst & Young LLP who produce an overall audit opinion on the Council's accounts. The auditors produce a separate opinion on the Pension Fund financial statements and an opinion that the Pension Fund annual report is consistent with the Pension Fund accounts.

The Pension Fund is also subject to an internal review by the Council's internal auditors on the robustness of the Pension Fund's systems, procedures and controls.

The coverage of the Internal Audit reviews is based on The Pension Regulator's General Code of Practice and a good practice guide created as a joint working group of the Society County Treasurers, the Local Authority Working Group for the Audit of Investment Managers (LAWGAIM), and the [Local Authority] Chief Auditors' Network (CAN). These codes and guides have been tailored by Internal Audit to better suit the evaluation of the operations of the Suffolk Pension Fund.

A risk assessment is also conducted prior to the commencement of the work to identify any new risks and changes to rules and regulations. It also ensures that higher risk areas within the Fund are examined, and Internal Audit resources are used effectively.

Three assurance reviews have been conducted in 2025-26, covering the areas of Governance during the transition phase to LGPS Central, adequacy and effectiveness of controls for processing starters and leavers in the Fund and Employer related processes.

The results of Internal Audit work carried out on the Suffolk Pension Fund during 2025-26 show that the Pensions Team has continued to maintain high standards of control over a range of activities.

Pension Fund: Governance during transition to LGPS Central

This was a principles-based review sought to assess the adequacy of governance arrangements in relation to the transfer of the fund from the ACCESS Pool to the LGPS Central Pool.

This review included governance and strategic oversight, regulatory compliance, implementation planning and transfer of asset management, and stakeholder communication.

This review considered the controls and mitigations in place to address several potential risks:

- Failure to define clear roles and responsibilities and establish effective oversight arrangements could lead to accountability gaps, poor decision-making, and a lack of transparency.
- Failure to produce effective plans to meet statutory deadlines and address legal obligations could lead to non-compliance with pooling requirements, reputational damage, regulatory breaches, or financial penalties.
- Failure to plan effectively to ensure completeness and accuracy of transfer of management of assets could lead to financial loss or misstatement of fund value.
- Failure to plan effectively for secure and accurate data migration could lead to loss of critical investment records.
- Failure to communicate effectively with stakeholders could lead to confusion, reputational damage, and loss of confidence in governance.

Several good practice points were identified, including due diligence applied to assessing potential Pool partners, documenting of key decisions, delegations, roles, and responsibilities, clear escalation routes and ongoing oversight. The overall opinion given was substantial assurance.

Pension Fund: Starters & Leavers processes

This review evaluated the adequacy and effectiveness of controls over the Pension Fund's starters and leavers processes, ensuring compliance with The Pension Regulator's General Code of Practice and LGPS Regulations.

This review considered the controls and mitigations that exist to address the following risks:

- Failure to enrol eligible employees or process retirees accurately and promptly could lead to non-compliance with LGPS regulations and The Pension Regulator's Code, resulting in potential legal or financial penalties, or financial misstatements and member dissatisfaction.

- Failure to process opt-outs, transfers, and deaths in accordance with scheme rules could lead to incorrect benefit payment, financial loss, and reputational damage.
- Failure to validate and maintain complete and accurate member data at the point of entry or exit could lead to long-term data integrity issues, affecting future benefit calculations and scheme reporting.
- Failure to apply appropriate governance and oversight in the starters and leavers processes could lead to undetected errors, control weaknesses, increased operational risk, and undermining of stakeholder confidence in scheme administration.

The review of Starters & Leaver controls in the Fund confirmed the existence of sound governance, risk management, and control arrangements. The overall opinion given was reasonable assurance.

Pension Fund: Employer related processes

The purpose of this review was to provide assurance over the controls in place for employer-related processes in order to safeguard the financial integrity and sustainability of the Pension Fund.

This review considered the controls and mitigations in place to address several potential risks:

- Failure to properly onboard new employers could lead to inaccurate employer records and contribution errors.
- Failure to reconcile contributions (employer and employee) could result in miscalculations, late payments not being identified, and increased covenant risk, which could impact on the Fund's cash flow and funding position.
- Failure to ensure timely and accurate triennial valuation data could lead to incorrect funding assumptions and increased scheme risk.

- Failure to have timely and effective employer exit processes (including monitoring of potential exits and employer covenant strength) could result in potential deficit not being recovered or employers gaining from premature exit, resulting in additional financial burden on the other employers in the Fund.

The audit concluded that effective arrangements are in place for managing employer exits from the Fund. Employer membership levels were reviewed as part of the valuation exercise enabling identification of potential employers at risk of exiting due to no active members. The exit process is clearly defined in the Funding Strategy Statement and applied in accordance with LGPS Regulations. The overall opinion given was reasonable assurance.

ACCESS Pool

The ACCESS pool has a clear governance structure in place with quarterly reporting to the Joint Committee, and a business plan and risk register which are regularly reviewed. The ASU (ACCESS Support Unit) provides day-to-day support for the Pool, including programme and contract management, and administration and technical services. The ASU is audited by Essex County Council.

Counteracting Fraud

The Suffolk Pension Fund participates in the National Fraud Initiative exercise which matches electronic data between public and private sector bodies to prevent and detect fraud.

Any returned post or bank payments results in payments being ceased and a tracing agency is utilised to track down the member to confirm existence or otherwise.

The Suffolk Pension Fund utilises the 'Tell us once' service that enables someone to report a death to most government organisations in one go instead of having to contact the Pension Fund separately which results in a timelier notification.

The Pension Fund has controls in place to prevent internal fraud such as administrative staff being unable to access their own records, separation of duties and appropriate authorised signatories which are checked against payments.

Pension Fund Risk Register

The Committee has adopted a formal framework for the identification and management of the risks that the Fund is exposed to. The risk management strategy identifies the principles for how the Fund will embed risk awareness and management into the decisions and processes of the Pension Fund to ensure that the Fund's objectives are met.

The risk management framework is used to identify and assess risks and the implementation of the management of those risks.

The risk register has been reviewed and updated in line with guidance and reflects best practice in the identification, evaluation and control of risks in order to ensure that key risks are recognised, and then either eliminated or reduced to a manageable level. If neither of these options is possible, then means to mitigate the implications of the risks is established.

Each of the risks within the key areas has been identified and assessed in terms of its impact on the Fund as a whole, on the Fund employers, and on the reputation of the Pension Fund Committee, Pension Board and Suffolk County Council as the administering authority, along with the probability of the risk occurring.

The risks are managed in accordance with the County Council's arrangements for managing risks, including appropriate monitoring and mitigation measures.

The Pension Fund risk register includes risks on pooling, investment risk, funding risk and failure of the Fund to implement new regulations and legislation. The Committee and Board are updated on pooling at every meeting and the officers actively participate within the ACCESS pool and LGPS Central.

Note 19 in the Pension Fund statement of accounts includes the nature and extent of risks associated with the Fund’s investments. The most significant risks associated with the Fund’s investments are considered to be market risk (the risk that the value of the Fund’s investments will fluctuate due to changes in market sentiment) and price risk (the risk that the funding level will fluctuate due to changes in market conditions and market performance).

ACCESS Pool Risk Register

The ACCESS Pool has a detailed risk register that is regularly reviewed by the officers. The risk register covers the wind down of the ACCESS Pool, including contract management, transition of assets into the new asset pools and the continuous governance until the pool is wound down.

LGPS Central Pool Risk Management

LGPS Central maintains a structured risk management framework to identify, assess, monitor, and mitigate risks across its investment and operational activities. Risk management is embedded within the organisation's governance framework and supports its fiduciary responsibility to partner funds and scheme members.

The organisation adopts a proactive approach to risk oversight through regular monitoring, reporting, and review processes. Responsibility for risk management is shared across the Board, Investment Committee, Executive Management, and specialist teams, ensuring that material risks are appropriately escalated and managed.

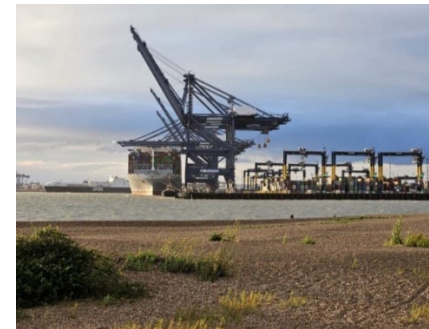
The framework is subject to periodic review to ensure it remains aligned with regulatory requirements, industry best practice, and evolving market conditions.

Investment risk management is a key focus area. LGPS Central undertakes rigorous due diligence when selecting investment managers and continuously monitors investment performance, portfolio exposures, and environmental, social and governance (ESG) risks. Responsible investment considerations are integrated into investment decision-making and oversight processes to support long-term risk-adjusted returns and enhance portfolio resilience.

The organisation also recognises the importance of managing systemic risks, including climate change, human rights, biodiversity loss, governance failures, and market-wide risks that could affect long-term investment outcomes for the Pension Funds. These risks are assessed through dedicated responsible investment and stewardship frameworks, engagement activities, and ongoing monitoring arrangements.

Operational risks are managed through internal controls, compliance procedures, business continuity planning, information security measures, and regular assurance activities. This comprehensive approach supports effective governance, regulatory compliance, operational resilience, and the protection of partner fund assets.

This framework enables LGPS Central to maintain a robust control environment while supporting the delivery of its long-term investment objectives and safeguarding the interests of participating Pension Funds and scheme members.



Cranes, Felixstowe Docks

Financial Performance

Summary of the Financial Position

The following table shows the Pension Fund's financial position for the past six years:

Financial Summary	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	£'000	£'000	£'000	£'000	£'000	£'000
Contributions	122,110	125,022	133,558	136,002	144,620	152,081
Other Income	4,119	10,625	10,571	10,827	11,933	18,458
	126,229	135,647	144,129	146,829	156,553	170,539
Benefits Payable	-101,372	-105,956	-111,336	-127,084	-142,319	-146,522
Other Expenditure	-7,506	-7,661	-6,301	-9,706	-16,819	-10,746
	-108,878	-113,617	-117,637	-136,790	-159,138	-157,268
Net additions / withdrawals (-) from dealings with members	17,351	22,030	26,492	10,039	-2,585	13,271
Management Expenses	-11,518	-14,247	-17,561	-14,613	-15,618	-14,014
Investment Income (net of tax)	36,301	35,392	57,656	111,130	123,849	71,743
Change in Market Value of Investments	547,829	314,837	-64,142	387,368	112,352	281,918
Net Returns on Investments	572,612	335,982	-24,047	498,498	220,583	339,647
Change in Fund during the year	589,962	358,012	-2,445	493,924	217,998	352,918
Net Assets at 31 March	3,398,416	3,756,428	3,758,873	4,252,797	4,470,795	4,823,713



Friends of the Lake, Needham Lake

Benefit Payments

Annual pension benefits are paid:

- To a retiree for the rest of their life
- To the partner of a retiree when they have died
- To the partner of a member who dies before claiming their retirement benefits

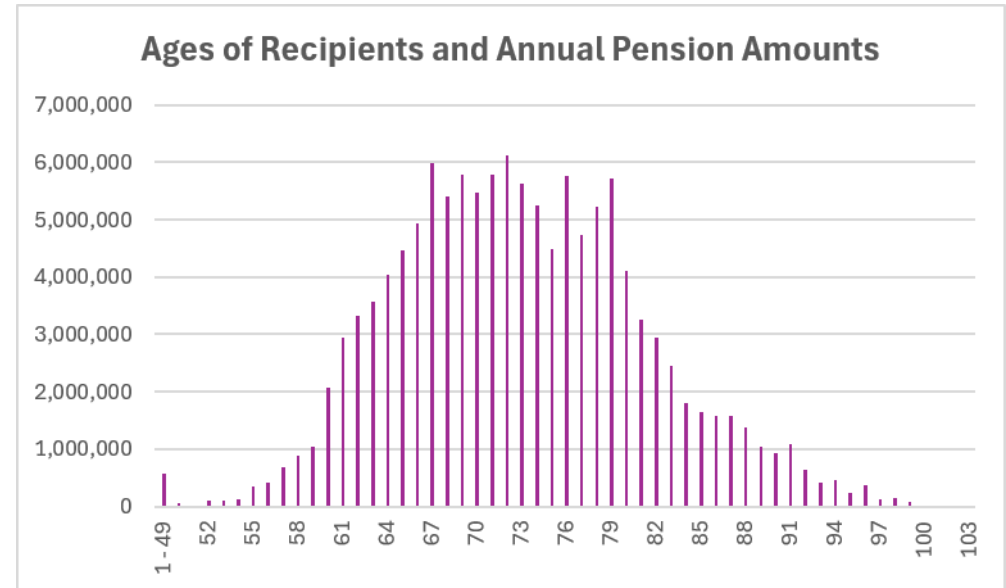
There are circumstances when pensions are paid to dependents of members who die before claiming their retirement benefits such as:

- To dependent children of retirees when they die, or members who die before claiming their retirement benefits, until they leave full time education.
- To dependent children of retirees when they die, or members who die before claiming their retirement benefits, for the rest of their life, if they have a disability that inhibits their ability to be in gainful employment.

Demographic assumptions about the proportion of members who are assumed to have an eligible partner or have a dependent at retirement or on earlier death are made as part of the valuation process.

The graph across, shows the total pension payments for each age. Pension payments tend to be concentrated within the 67 – 79 age brackets with pension payments peaking with recipients at age 72 at £6.1m a year, with another peak at £5.9m for those aged 67.

A significant reduction is not experienced until pensioners are in their early 80's. This is in line with the longevity demographic assumptions reported in the valuation exercise.



- 9% of the recipients are aged 85 or over and account for 9% of the annual benefits being received.
- There are 12 recipients who are aged 100 or over, the eldest being 103.
- The pension being drawn for the longest, is 58 years and is currently £5,841. The initial amount of this pension was £266 in 1968 when it was first drawn.
- 54 pensions have been claimed for 40 or more years.
- The average amount received during the year is £5,664.
- The national average wage is £38,500. Only 243 recipients receive in excess of the national average wage.

Contribution Receipts

A review is carried out on the timings of the payment of pension contributions to the fund by the employers and reported quarterly to the Pension Board. The administration strategy requires these to be received by the Pension Fund within 5 working days of the month in which the contributions were deducted. The table below summarises the timeliness of receipts for the 2025-26 financial year:

	2025-26		
	Emp.	Contribs.	
	%	£'000	%
On Time	89	150,142	98
Up to 1 week late	4	837	1
Over 1 week late	7	1,102	1
Total		152,081	

Cost of Running the Fund

Running costs are incurred in administration, investment management and governance. The costs for 2025-26 were £14.014 million, representing about 0.29% of the value of the Fund at 31 March 2026.

Administration Expenses

Administrative expenses consist of costs incurred by Suffolk County Council as administering authority of the Pension Fund, relating to activities the pension administration team perform to administer and pay pensions and provide members with scheme and benefit entitlement information, such as their annual benefit statements.

	2024-25	2025-26
Administration Expenses	£'000	£'000
Suffolk County Council	1,362	1,332
Heywood pension administration system	594	624
Subscriptions and other costs	54	51
Total Administration Expenses	2,010	2,007

The Heywood administration software system supports the pensions' administration team to fulfil the complex requirements around administering the scheme; such as calculating pension benefits. The system holds every pension member record and history. Ongoing charges are incurred for maintenance of the system, licenses to use it and includes the costs of the self-service system which allows contributing and deferred members of the scheme to access their pension data, change their personal details and upload documents, calculate pension estimates and receive their annual benefit statements.

Heywood also provides the Fund with an integrated Pensioner payroll system that links with the member self-service module allowing pensioner members to view their payslips, P60's and keep their personal data up to date therefore reducing printing and postage costs whilst improving members access to their information.



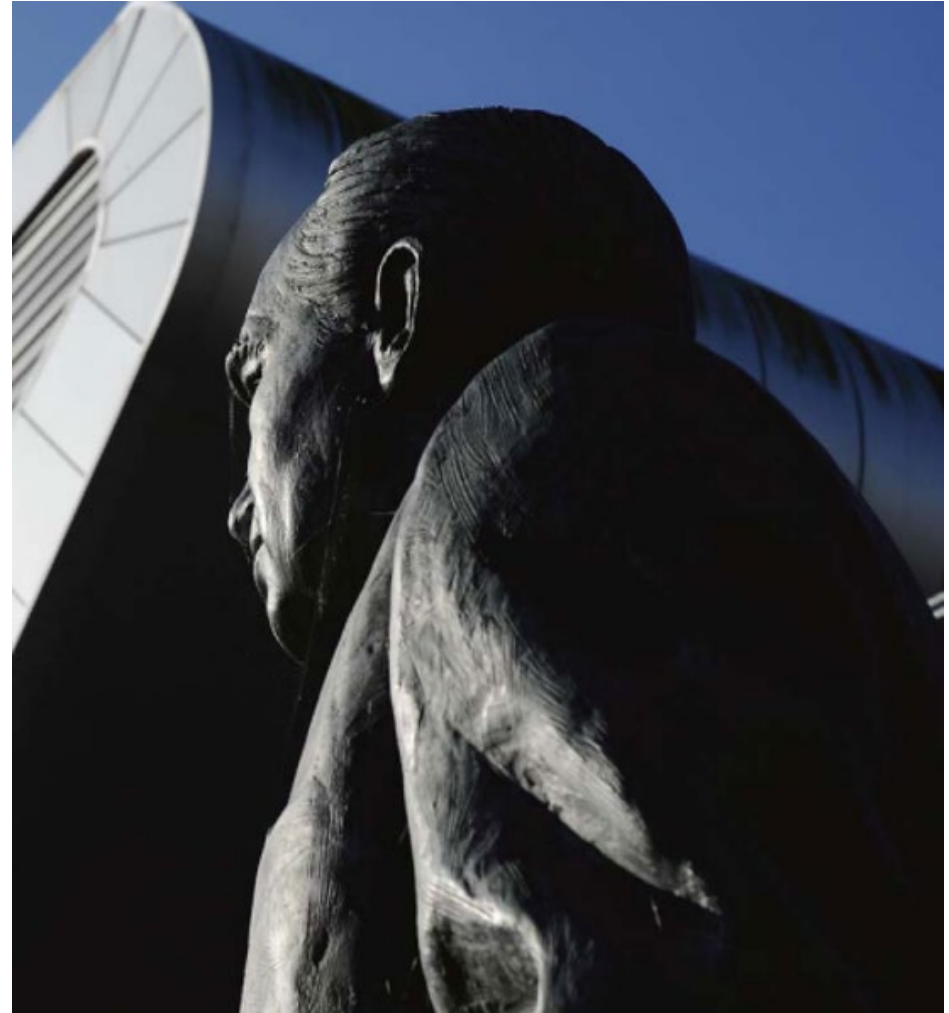
Walkway, Snape Mattings

Oversight and Governance Expenses

Oversight and governance expenses are costs relating to the ‘over seeing’ of the fund such as actuarial costs, internal and external audit costs and the costs of independent advisers to the Fund. Costs associated with the operation and support of the Pension Fund Committee and Pension Board, and costs associated with statutory and non-statutory reporting such as committee reports, annual reports and accounts.

Asset pooling costs represents Suffolk’s share of costs for running the ACCESS pool, these are the operational ongoing costs. In 2025-26 there were additional costs for ACCESS and LGPS Central to meet new legislative requirements. These included the legal costs associated with ensuring the safe and legal wind down of the ACCESS Pool and becoming a shareholder in the LGPS Central pool.

	2024-25	2025-26
Oversight and Governance Expenses	£'000	£'000
Suffolk County Council	198	204
Pension Fund Committee	9	9
Pension Board	4	4
Actuarial Services	132	241
Audit Fees	111	133
Legal Fees	0	72
Performance Analysis	47	33
Proxy Voting Service	0	0
Investment Advice	145	188
Asset Pooling	224	287
Pool Transition – Consultancy	0	57
Pool Transition - Legal	0	25
Subscriptions and membership fees	15	10
Total Oversight and Governance Expenses	885	1,263



Sir Alf Ramsey, Ipswich

Investment Management Expenses

Investment management expenses are costs related to the management of the fund's assets, including directly invoiced fees from investments managers and fees payable to fund managers which are deducted from the fund assets as opposed to being invoiced to the Pension Fund. The fees charged by the custodian, are also included.

In the Pension Fund accounts, (as per CIPFA guidance), only the fees and expenses that the Fund has a contractual liability for are included, this means that only the management fee, depositary fees and audit fees charged by Waystone for overseeing the sub-funds that Suffolk are invested in are shown. The additional fees and expenses paid to the investment managers that Waystone has a contractual agreement with, on behalf of the Fund, (Newton, Blackrock, Janus Henderson, M&G, Baillie Gifford, Fidelity, Longview and Columbia Threadneedle), are £6.782 million.

The Scheme Advisory Board have been supporting the cost transparency initiative which was developed through the LGPS code of transparency. Many of the managers the Fund has investment with have signed up to the voluntary code and submitted templates which illustrates underlying indirect costs which the Suffolk Pension Fund does not have a direct contractual liability.

These costs include indirect transaction costs, which is the difference between the buying and selling prices of investments and their actual value (bid offer spread) and implicit costs which is the opportunity cost of the investment manager using internal resources, these costs total £2.934 million.

Investment fees are based on the market value of the investments under management and therefore increase or decrease as the value of the investments change.

	2024-25	2025-26
Investment Management Expenses	£'000	£'000
Arcmont	-	13
CBRE	544	496
Golub	-	138
J P Morgan	1,979	2,434
KKR	267	506
Waystone	448	748
M&G	754	682
Pantheon	1,353	1,377
Partners	5,032	2,869
Pyrford	150	-
Schroders	715	32
Stafford	-	768
UBS	520	596
Wilshire	68	45
Transaction Costs	855	-
Custodian (NT)	38	41
Total Investment Management Expenses	12,723	10,744

Notes:

1. Stafford Capital Partners, Golub Capital and Arcmont Asset Management are new investments in the Fund
2. Transaction costs include a dilution levy which is payable when the Fund makes new or additional investments in fixed income.

Included in the Investment management expenses (previous table) for some of the investments, are an element of performance fee, these can be based on the net asset value breaching the watermark (highest valuation of the investment) or the returns exceeding a prescribed target.

A negative figure denotes a reduction in the accumulative performance fee in investments that are paid a performance fee when the investment has been realised.

A breakdown of the performance fee element included in the previous table is as below:

	2024-25	2025-26
Investment Management Expenses	£'000	£'000
JP Morgan	442	372
Partners	1,371	-2,797
Total Investment Management Expenses	1,813	-2,425

Investment Income

The table below shows the investment income earned by the Fund in 2025-26:

	UK	Non-UK	Global
Investment Income	£'m	£'m	£'m
Equities	5.803	-	13.847
Property	8.712	-	2.869
Alternatives	18.387	8.867	12.517
Cash & Cash Equivalent	0.741	-	-
Other	-	-	-
Total Investment Income	33.644	8.867	29.233

Global holdings are those that include an element of both overseas and UK listed assets.

Alternatives include private equity, illiquid debt, timber and infrastructure.

Other, denotes assets not falling into any other category such as investment vehicles where the underlying investments may comprise of assets of more than one type.



Bacton village, Suffolk

Fund Performance Report

Investment Powers

Within the Local Government Pension Scheme (Investment and Management of Funds) Regulations 2016 the Government has placed a 5% restriction on the investments of the Suffolk Pension Fund into entities connected with Suffolk County Council. The Pension Fund has no investments in entities connected to Suffolk County Council and is therefore below the 5% statutory limit included in the regulations.

Investment Strategy Statement

The Fund's investment objectives and asset allocation are incorporated into its Investment Strategy Statement, which is published on the Suffolk Pension Fund website (www.suffolkpensionfund.org).

The Pension Fund Committee has approved a customised asset allocation for the Pension Fund, based on a review of its investment strategy that was carried out with the assistance of its investment advisors, Hymans Robertson LLP and Mark Stevens.

The Fund's investments are allocated across a range of asset classes. The largest allocation is to equities which also accounts for the majority of the investment risk taken by the Fund.

The Fund is committed to supporting sustainable economic growth and social value within Suffolk in accordance with the Government's Fit for the Future requirements for LGPS pooling and local investment. Local investment is defined as capital deployed within Suffolk, neighbouring strategic authorities and in the wider LGPS Central Pool regions.

The Fund aims to allocate up to 5% of its assets to investments that generate both appropriate financial returns and tangible local benefits, including housing, infrastructure, clean energy, sustainable investments and enterprise development.

Asset Allocation

The Suffolk Pension Fund is forecast to be cash flow negative, meaning that benefit payments are in excess of annual contributions. The Fund uses income from investment and cash surplus from disinvestments to make up the shortfall.

There are significant levels of diversification between different asset classes to reduce overall portfolio risk through combining the performance of each asset class. This helps reduce the volatility effects of the financial markets, whilst maintaining the Fund's relatively low risk approach.

The Fund has a 73.5% allocation to 'growth' assets (equities and alternatives) in order to meet the long-term funding assumptions set out in the 2025 actuarial valuation.

Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds. Allocations to asset classes other than equities and bonds allow the Fund to gain exposure to other forms of risk premium and can reduce the overall volatility of portfolios. These assets are expected to generate returns broadly similar to equities over the long term and so allocations to these can maintain the expected return and assist in the management of market movement.

The Committee recognises Environmental, Social and Governance (ESG) issues can impact on the Fund's investment returns and is committed to responsible investing so as to develop a sustainable investment approach to protect future Fund performance.

Within the global equities holdings there is an allocation to the Climate Aware Fund and to a Low Carbon Transition Fund both managed by UBS. These Funds help mitigate the risk of climate change and represents a transition to a lower carbon portfolio than other global index tracking funds. The Fund aims to deliver returns broadly in line with the FTSE Developed Index and will increase or decrease exposures to constituents of the index based on their expected contributions towards climate change.

The 26% allocation to bonds is designed to help manage overall levels of funding volatility.

The strategic benchmark and the actual asset allocation of the Fund at March 2026 are shown below along with the maximum investment limits set for each asset class.

Asset Allocation			
	Actual Allocation March 2026	Long-term Allocation	Maximum Limit
	%	%	%
UK Equities	5.6	5.0	15.0
Overseas Equities	41.8	37.5	50.0
Total Equities	47.4	42.5	65.0
Target Return	21.3	22.0	35.0
Investment Grade	3.7	4.0	8.0
Total Bonds	25.0	26.0	43.0
Private equity	2.7	4.0	8.0
Property	10.1	10.0	20.0
Infrastructure	8.0	10.0	15.0
Illiquid Debt	3.1	5.0	8.0
Timber	1.1	2.0	5.0
Total Alternatives	25.0	31.0	56.0
Cash & Cash Equivalents	2.6	0.5	5.0
Total	100.0	100.0	

Global equities have outperformed the rest of the portfolio over the long term, the level is closely monitored and the position is discussed as part as the quarterly investment performance review.

Investment Management Arrangements

The Fund's investment management arrangements at March 2026 are shown below.

Fund Manager Allocation			
Investment Manager	Asset class	Actual allocation March 2026	Long-term allocation
Arcmont	Illiquid Debt	0.1	1.0
CBRE	Property	10.1	10.0
J P Morgan	Infrastructure, Timber	6.3	7.0
Golub	Illiquid Debt	0.6	1.0
Kohlberg, Kravis, Roberts (KKR)	Infrastructure	1.5	1.5
M&G Investments	Illiquid Debt and Infrastructure	0.5	1.5
Pantheon	Private equity	2.6	3.9
Partners Group	Infrastructure	2.7	4.0
Stafford Capital Partners	Timber	0.6	1.0
UBS	Equities and Bonds	25.5	21.0
Waystone	Global equities, UK Equities, Global Bonds	46.9	47.5
Wilshire	Private equity	0.1	0.1
Internal Cash	Cash	2.5	0.5
Total		100.0	100.0

Notes

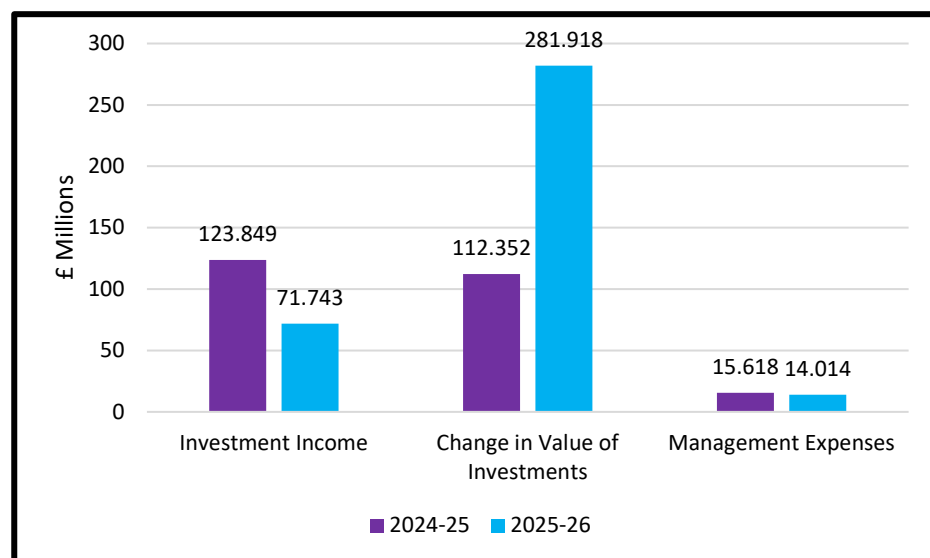
- Commitments with KKR, Partners, Pantheon, timber with JP Morgan and Stafford Capital Partners and illiquid debt with Arcmont and Golub are part funded. These investments only call for capital funding when

they have an investment to fund and will continue to increase their holdings in the forthcoming financial year.

- Wilshire, the older commitment to Pantheon, Partners and the alternative investments with M&G are in the process of realising the underlying investments and returning cash to the Pension Fund.

Investment Performance

The chart below shows the comparative investment returns between 2024-25 and 2025-26. The change in the value of the Fund's investments includes realised and unrealised gains and losses during the year.



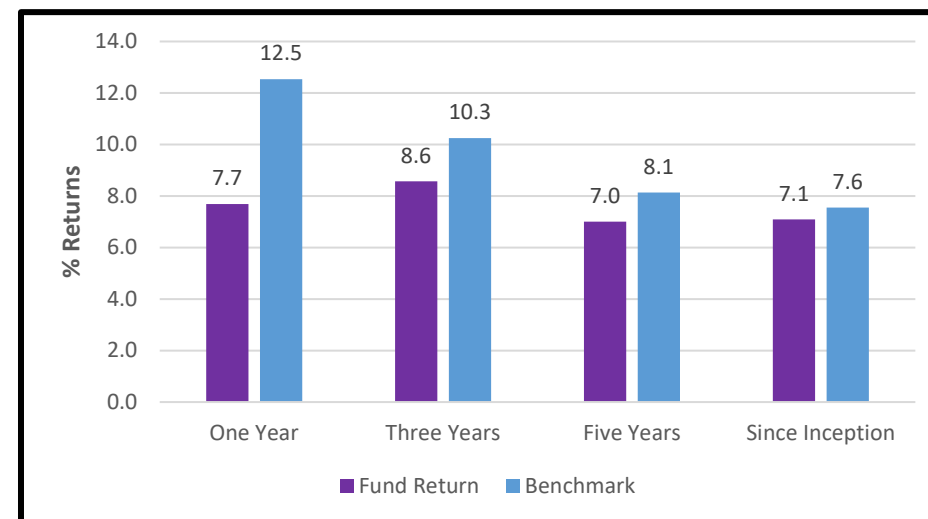
The Fund's total assets have increased from £4,471 million to £4,824 million during 2025-26, representing an investment return of 7.7%.

Fund Investment returns

The Suffolk Pension Fund measures investment performance against a range of strategic and market benchmarks to assess whether its investment objectives are being achieved. Benchmarking provides an important tool for evaluating the effectiveness of the Fund's investment strategy and the performance of individual investment managers over both the short and long term.

The Fund places particular emphasis on long-term performance, recognising that short-term market movements can affect returns over individual reporting periods. Investment managers are therefore assessed over extended time horizons and through varying market conditions, helping to ensure that performance aligns with the Fund's long-term funding strategy and pension liabilities

The Fund's investment return compared with its benchmark index over one, three and five years and since inception are:



Long-term Investment Performance

The Fund's investment returns over the previous ten years are shown below compared to the Fund's own benchmark. In addition, the Fund's returns are compared with the movement in consumer price inflation from the proceeding September, for each period.

Long-term performance (year ended 31 March)										
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	%	%	%	%	%	%	%	%	%	%
Fund return	19.0	4.0	5.9	-4.5	16.8	10.2	-0.5	12.9	5.3	7.7
Fund benchmark	17.9	4.8	7.4	-3.3	18.7	10.3	-0.1	11.6	6.6	12.5
Relative return	1.1	-0.8	-1.5	-1.2	-1.9	-0.1	-0.4	1.3	-1.3	-4.8
Consumer Price Inflation	2.7	1.0	3.0	2.4	1.7	0.5	3.1	10.1	6.7	1.7

Over the longer term the Fund's investment return is substantially above the increase in consumer price inflation, which is the factor applied as the pension increase in April the following year and as such has a direct impact on the movement of the Fund's pension liabilities.



Ed Sheeran concert, Portman Road

The table below shows the opening and closing balances and reported performance for each asset class (excluding cash) for 2025-26, alongside the Suffolk benchmark target and the passive index if an appropriate index exists.

Holdings	Opening Value		Closing value		Perf.	Passive Index	Benchmark
	£' m	%	£' m	%	%	%	%
Pooled & Pool Aligned							
UK Equities	246.749	5.5	270.898	5.6	9.8	21.5	21.5
Overseas Equities	795.297	17.9	786.185	16.4	3.8	20.0	18.2
Fixed Income	1242.291	28.0	1,206.210	25.1	4.5	0.5	6.7
Passive Equities	1,038.360	23.3	1,228.437	25.6	20.6	20.0	18.5
Illiquid Debt 1			32.478	0.7			
Money Market			0.165	0.0	2.6		3.9
Infrastructure	270.110	6.1	278.932	5.8	9.3		8.0
Property	388.770	8.7	476.758	9.9	3.5		7.6
Timber	15.775	0.4	54.450	1.1	3.7		8.0
Total Pool Aligned	3,997.352	89.9	4,334.513	90.2			
Illiquid Debt	126.354	2.8	116.345	2.3	6.9		8.0
Infrastructure	163.986	3.7	104.732	2.2	-3.3		8.0
Money Market	16.166	0.4	124.402	2.6	2.6		3.9
Private Equity	144.289	3.2	127.779	2.7	4.7		17.5
Timber	0.037	0.0	0.030	0.0			
Total Alternatives	450.832	10.1	473.288	9.8			
Total	4,448.184	100.0	4,807.801	100.0			

Notes

1 Illiquid Debt – investment less than 1 year old

Manager Performance

The table below shows the investment returns by the Fund's investment managers relative to their benchmarks over one, three and five years (where available) and their absolute returns for the year.

The investment objectives of the Fund's investment managers are to outperform relative to their benchmark index, typically the index for the market they are invested in or on an absolute return cash plus basis.

Investment Manager Performance					
Share of Fund 31 Mar 26	Manager	2025-26 Absolute Return	2025-26 Relative Return	3 Year Relative Return	5 Year Relative Return
%		%	%	% p.a.	% p.a.
0.1	Arcmont				
10.1	CBRE	3.5	-4.1		
0.6	Golub				
6.3	JP Morgan	9.3	1.3	-0.3	1.4
1.5	KKR	4.5	-3.5	-2.0	
0.5	M&G	-39.1	-47.1	-28.7	-18.3
2.6	Pantheon	5.4	-12.1	-11.5	-2.8
2.6	Partners Group	6.1	-1.9	-0.7	-1.2
0.6	Stafford Capital				
25.5	UBS	19.4	1.4	0.4	0.3
47.0	Waystone	7.4	-0.3	0.8	-0.7
0.1	Wilshire	-18.9	-36.4	-29.1	-17.0

Notes

Arcmont, Golub and Stafford Capital were new investments during the year



Barley Field, Finningham Suffolk

Asset Pooling

The Suffolk Pension Fund participates in the ACCESS Pool, a collaboration of eleven Local Government Pension Scheme (LGPS) administering authorities established to meet the Government's policy objective of pooling LGPS investments. The pooling of assets is intended to achieve economies of scale, reduce investment costs, enhance governance arrangements and provide access to a wider range of investment opportunities.

As at 31 March 2026, the Fund had approximately £4.334 billion invested through ACCESS-authorized sub-funds and other pooled arrangements. New investments were made to illiquid debt mandates operated by Arcmont and Golub.

The Suffolk Pension Fund has made a commitment to pool all of its assets into the ACCESS Pool. The first sub-fund that Suffolk transferred into was the Newton Global Equity Fund which was available for investment in the first quarter of 2019-20.

Asset Table				
	Pooled	Under Pool Management	Not Pooled	Total
	£'m	£'m	£'m	£'m
Equities	1,057.083	1,228.437		2,285.520
Bonds	1,206.210			1,206.210
Property		476.758		476.758
Private equity			127.779	127.779
Illiquid Debt		32.478	116.345	148.821
Infrastructure		278.932	104.732	383.664
Cash & Cash Equivalents			131.077	131.077
Other		54.450	0.030	54.480
Total	2,263.293	2,071.055	479.963	4,814.310

The index tracking investment funds are held on a pool governance basis under one investment manager as these assets are held in life fund policies, which cannot be held within an authorised contractual scheme which is how the Pool operates.

The Suffolk Pension Fund has £2.263 billion in sub-funds and £2.071 billion under pooled governance accounting for 90% of the Fund's assets.

The Suffolk Pension Fund has saved £3.6 million in 2025 - 2026, on investment management fees on assets that have been pooled or under pooled governance.

Government Reporting Requirements

Government has requested additional information on investments to be included in LGPS Pension Fund's Annual Reports covering pooled assets, levelling up assets, private equity and UK investments.

The Suffolk Pension Fund currently has a 5% allocation to private equity. The last commitments were made in 2014 and were made to global equity funds.

The Fund does not currently have any investments in levelling up.

The Fund's investment in UK Equity and Government Bonds is as below:

Asset Table				
	Pooled	Under Pool Management	Not Pooled	Total
	£'m	£'m	£'m	£'m
Equities	270.898	49.137	-	320.035
Bonds	178.622	-		178.622
Total	449.519	49.137	-	498.657

Government Fit for the Future

As part of the Governments Fit for the Future programme, Government passed the Pension Scheme Act 2026, which set out proposals requiring LGPS administering authorities to participate in larger, FCA-regulated investment pools and has established expectations regarding the scale and governance of pooling arrangements. Following an unsuccessful submission of plans for the ACCESS Pool to meet those requirements the Suffolk Pension Fund alongside other LGPS Pension Funds, was directed to find another LGPS asset pool.

The Fund met with all the successful LGPS asset pools and following pool analysis and due diligence identified LGPS Central as the most suitable pool to meet the Fund's needs. Throughout the process, careful consideration was given to the strategic objectives of the Fund and the long-term implications for investment performance, costs and governance.

The Fund became a shareholder of LGPS Central on 1 April 2026 and will over time transition all investments into the pool. This transition relates solely to the management of the Fund's investment assets. Pension benefits, contribution rates for members and the administration of the Scheme are unchanged. The Fund continues to retain responsibility for strategic investment decisions and for ensuring that assets are invested in the best interests of Scheme members and employers.

The Fund remains responsible for setting its investment strategy, funding objectives and asset allocation, while LGPS Central is responsible for implementing investment decisions through its pooled investment vehicles and associated governance framework.

The transition will be completed on a phased basis, taking account of investment, operational and cost considerations. The Pension Fund Committee and Pension Board continue to oversee the transition process and monitor delivery of the anticipated benefits.

Impact on Members

The Fund's transition to LGPS Central does not change the pension benefits provided by the Local Government Pension Scheme. Members' accrued and future pension benefits continue to be determined by the LGPS Regulations and are unaffected by the Fund's investment pooling arrangements. Members will continue to receive the same services from the Suffolk Pension Fund.

It is anticipated that participation in LGPS Central will provide improved access to investment opportunities, greater economies of scale and enhanced value for money, which may support the long-term financial sustainability of the Fund.



Willy Lott's Cottage, Flatford

Environmental, Social and Governance

The Suffolk Pension Fund recognises that environmental, social and governance (ESG) factors can have a material impact on the long-term performance of investments and the Fund's ability to meet its pension obligations. Its responsible investments beliefs are set out in the investment strategy.

As a long-term investor, the Fund seeks to integrate ESG considerations into its investment decision-making and stewardship activities to support sustainable value creation and effective risk management.

The Fund works with its investment managers and pooling arrangements to encourage responsible investment practices, active ownership and constructive engagement with investee companies. This includes promoting high standards of corporate governance, transparency, climate-related risk management, workforce wellbeing and ethical business conduct.

The Fund supports stewardship initiatives that seek to protect and enhance the long-term interests of scheme members and beneficiaries. Through voting and engagement activities, the Fund aims to influence positive outcomes on material ESG issues while maintaining its fiduciary duty to maximise risk-adjusted returns.

The Fund continues to monitor developments in responsible investment, climate change and sustainability regulations, and will review its policies and practices to ensure they remain appropriate, proportionate and aligned with the Fund's long-term objectives.

Key achievements

- Continued integration of ESG considerations across investment portfolios.
- Active engagement with investment managers on climate-related risks and opportunities.

- Exercised voting rights through appointed managers in line with stewardship objectives.
- Monitored progress against responsible investment and climate policies.
- Supported collaborative engagement initiatives to drive positive corporate behaviour.
- Maintained oversight of governance arrangements to ensure effective decision-making and accountability.

Path to Net Zero

The Pension Fund Committee agreed to set a net zero target for 2050 or earlier. The Path to Net Zero sets out the strategy and a high-level action plan, including timelines, interim targets and how this target can be achieved. This also includes monitoring to enable the Fund to report progress annually.

To assess progress towards its net-zero ambitions, the Suffolk Pension Fund monitors a range of climate-related metrics and indicators across its investment portfolio. These measures help the Fund understand its exposure to climate risks, track changes over time and evaluate the effectiveness of actions taken by the Fund, its investment managers and the companies in which it invests.

The Fund monitors portfolio carbon emissions using commonly reported measures, including:

- Absolute financed emissions – the total greenhouse gas emissions associated with the Fund's investments.
- Carbon footprint – emissions attributable to the Fund's holdings relative to the size of the portfolio.
- Weighted Average Carbon Intensity (WACI) – a measure of portfolio exposure to carbon-intensive companies based on emissions per unit of revenue.

- Carbon intensity trend analysis – tracking whether portfolio emissions are increasing or decreasing over time.

These metrics provide an indication of the portfolio's overall carbon exposure and progress towards decarbonisation.

The first objective in the Path to Net Zero was to analyse the level of climate risk within the Fund's investment portfolio. An estimated baseline for the portfolio needed to be established as at 2019 and an accurate baseline for 2024 utilising an agreed set of measures. The Pension Fund received a report measuring the carbon intensity of the portfolio.

The report included a comparison of the WACI of the current portfolio and benchmark (as at 30 September 2024 and projected back to 2019), relative to an illustrative 2019 strategy.

This report demonstrated the significant progress already made by the Committee since 2019, towards its Net Zero target. Positive progress has been made due to investment allocation decisions and engagement. Looking ahead, it is expected that most of the focus will need to be on engagement to further lower the lower carbon intensity of the Fund.

Engagement

The Suffolk Pension Fund is a member of the Local Authorities Pension Fund Forum (LAPFF). The LAPFF was established to develop a collective response to ESG issues through constructive dialogue and filing of shareholder resolutions. At the end of 2025-26 85 LGPS (7 ACCESS Pension Funds) covering £425 billion of assets were members of the forum and 7 pools (including ACCESS).

The forum engages directly with company chairs and boards to affect change at investee companies and challenge regulators to deliver reforms that advance corporate responsibility and responsible investment.

The Fund expects its investment managers to be engaged in social, environmental and ethical considerations insofar as these matters are regarded as impacting on the current and future valuations of individual investments. The Fund believes taking account of such considerations forms part of the investment managers' normal fiduciary duty and expect the investment managers to report the engagement that they have undertaken.

As such, the Fund has a commitment to ensure that companies in which it invests adopts a responsible attitude towards the environment and has high ethical standards. Generally, such companies are expected to behave in a socially responsible manner by taking account of the interests of all stakeholders, which includes how the company will adapt to the effects of climate change.



Gull Wing Bridge

Voting Policy

The Pension Fund seeks to protect and enhance the value of its shareholdings by promoting good practice in the corporate governance and management of the companies that it invests in which includes the investment managers voting at shareholder meetings.

The equity investments with Blackrock, Newton, Columbia, Longview & Baillie Gifford are held within ACCESS sub-funds and not held in the name of the Suffolk Pension Fund, therefore the ACCESS voting guidelines for inclusion by Waystone in the Investment Management Agreements apply. These are aligned with the Suffolk Pension Fund voting principles.

The voting guidelines set out those matters of importance to the participating ACCESS Pension Funds and promote good corporate governance and management in the companies in which investments are made.

In circumstances where investment managers do not adopt the positions set out in these guidelines, they are required to provide a robust explanation of the position adopted.

The general principles followed in the guidelines are: -

- Will vote in favour of proposals at annual and extraordinary general meetings which comply with good practice on corporate governance. The definition of good practice is based on the guidelines in the UK Corporate Governance Code.
- Will vote against proposals which breach the Code and where the company is unable to provide a satisfactory explanation of its policy.
- Will in general abstain on proposals which do not relate to issues contained in the good practice guidance in the Code.



Spirits of Lowestoft, Lowestoft

Administration Report

Pension Administration Team

The Pension Administration team carries out a range of pension benefit calculations and administrative functions:

- Maintaining an accurate database of scheme members, deferred members and pensioners;
- Calculating service credits from incoming transfer values and notifying scheme members accordingly;
- Calculating and paying outgoing transfer values to other pension schemes and providers;
- Calculating and notifying amounts of deferred pension benefits when a member leaves before normal retirement age;
- Calculating and paying pension benefits when a member retires;
- Implementing amending legislation when received, assessing the impact of the changes and communicating the effect to members, deferred members, pensioners and scheme employers;
- Providing estimates of benefits, information on entitlements and implementing pension sharing orders on divorce;
- Paying pensioners monthly;
- Calculating and paying dependent pensions and lump sums when a member, deferred member or pensioner dies.

Summary of Work Undertaken by the Fund in 2025-26

In addition to the day-to-day functions of completing and processing various administration tasks, the team seeks to continually improve the functionality of the Pension Fund and the quality of the data required to administer the Pension Fund effectively and to a high standard.

The fund has continued to develop its member self-service system 'Engage', following its introduction in February 2025. Developments include the addition of a pension redundancy calculator and an option to enable deferred members to request their pension to come into payment.

Customer feedback has been considered and where appropriate changes have been made to help improve the customer experience. This system has been advertised in all newsletters and communications. As expected, the Fund has seen a significant increase in registered users both from new users and users who have transferred their access from the previous system.

The Fund connected to the Governments Pensions Dashboard in August 2025, ahead of the legal deadline of 31 October 2025. This included liaising with the AVC providers and ensuring they were connected as required. When live, this system will allow members to log in and view all of their pension records consolidated in one place and allow members to more easily track down missing pensions. This system is expected to go live during 2027-28 after thorough testing has been completed by MaPS (Money and Pensions Service). Since connection, daily data loads have been sent to the Dashboard and any new data discrepancies identified have been resolved.

During 2025-26 additional employers have signed up to use and send monthly data via the i-Connect solution. 57% of all employers are sending monthly data covering 43% of active members. Time has been spent working with other employers to resolve issues and help get the system live for them during 2026-27. The Fund having monthly data brings significant advantages for all parties.

Significant progress has been made to reduce the historic backlog of undecided leavers resulting in a 20% reduction in these cases. This work will continue into 2026-27 until the only cases that remain are members who have recently left employment and need to make their decisions.

The McCloud legislation and remedy was introduced from 1 October 2023. Work on this was initially delayed due to the considerable effort required to implement this remedy for the Fire Pension scheme, which was prioritised due to the earlier deadline for completion.

During 2025-26 the affected members under this remedy were identified and there are approximately 16,000 of these with the majority being active and deferred members. During this year significant time and effort has been spent obtaining the historic hours and salary data from employers to enable the underpin amount to be calculated correctly. Annual Benefit Statements for 2025-26 will include the underpin amount for in scope members.

Work will continue during 2026-27 to ensure that the McCloud remedy is applied to all relevant cases and the required recalculations have been completed. Members have been kept up to date via the regular newsletters.

Action to improve data quality

The Fund continuously reviews and improves quality of data wherever possible. As part of the Pension Dashboard connection, reports are run daily, and where members data fail the requirements, this is reviewed and corrected to ensure compliance. Common and conditional data scores remain high at 94% and 96% respectively.

The Fund has continued to use reports to view where member data can be improved to maintain data quality.

For some deferred members the Fund doesn't hold their current address due to the member not updating their details when they move. The Fund utilises the tracing service provided by the Department for Work and Pensions to try and obtain the missing information.

The launch of the Pensions Dashboard will help with this issue, as via the dashboard, they will be able to see their pension with the Fund and details of how to make contact.

IDRP Complaints

If a member or their representative has a complaint against the administration of the Pension Fund or wishes to appeal against a decision which has affected them, they can invoke the Pension Fund's Internal Dispute Resolution Procedure (IDRP).

There are 3 stages to this process.

- 1) The first stage ensures a nominated person from the scheme employer will look at the case with the requirement that this individual has had no previous involvement in the case. The nominated person will review the complaint and notify the person of their decision.
- 2) If the person raising the complaint is dissatisfied with the first stage decision, they can apply for a second stage review of the decision, which is undertaken by the Monitoring officer at Suffolk County Council.
- 3) If the person remains dissatisfied, they can take their case to the Pensions Ombudsman for a further review.

The fund has reviewed and improved the IDRP form and guidance available to members on the Pension Fund website during 2025-26.

During 2025-26 there was one new IDRP case which was raised by a member in relation to an ill-health tier they had been awarded by their employer. The stage 1 decision didn't support the members complaint and the case progressed to stage 2. At stage 2 the members complaint was upheld and the employer was advised to re-refer the member for a new independent review.

Value for Money

The Suffolk Pension Fund is committed to delivering value for money for its members, employers and taxpayers, through the efficient and effective management of Fund assets and resources. Value for money is assessed not simply on the basis of achieving the lowest cost, but by ensuring that expenditure contributes to the Fund's long-term objectives, including strong investment performance, prudent risk management, high-quality governance and efficient administration.

The Fund continually monitors and reviews its costs and service delivery arrangements to ensure that resources are used effectively. Investment management, administration and governance expenses are benchmarked against those of comparable Local Government Pension Scheme (LGPS) funds where appropriate, and procurement processes are undertaken to secure competitive and high-quality services from external providers.

During the year, the Fund maintained a focus on achieving sustainable long-term investment returns while controlling costs and managing risk. The Fund also continued to seek operational efficiencies through process improvements, digital solutions and collaborative working arrangements.

These measures support the delivery of a resilient and high-quality pension service while ensuring that members and employers receive good value from the resources entrusted to the Fund.

The Fund believes that its combination of strong governance, effective administration and long-term investment stewardship demonstrates its ongoing commitment to delivering value for money to all stakeholders.



Bramford Meadows

Key Performance Indicators

The administration team monitors its performance based on the key indicators in the tables below and overleaf. This information has been downloaded from the Heywood Altair pension administration system which records all tasks required to be completed.

Ref	Casework KPI	Total number of cases	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and dependent members	1	596	593	99	563	99
A2	New dependent member benefits	2	230	229	99	256	99
A3	Deferred member retirements	27	865	889	99	913	97
A4	Active member retirements	23	643	665	99	620	96
A5	Deferred benefits	464	1,891	2,001	85	2,654	80
A6	Transfers in (including interfunds in, club transfers)	2	400	395	98	439	99
A6	Transfers out (including interfunds out, club transfers)	8	330	328	97	299	95
A7	Transfers	4	949	952	99	862	99

Ref	Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
A8	Refunds	0	866	862	99	835	100
A9	Divorce quotations issued	9	194	187	97	154	94
A10	Actual divorce cases	0	2	2	100	4	100
A11	Member estimates requested either by scheme member or employer	11	343	353	99	258	96
A12	New joiner notifications	0	4,850	4,850	100	3,914	100
A13	Aggregation cases	112	2,456	2,505	98	1,535	61
A14	Optants out after 3 months membership*	N/A	N/A	N/A	N/A	N/A	N/A

* These figures are included in 8 above. We don't capture opt out while in employment separately

Time taken to process casework

Ref	Casework KPI	Cases commenced in Year	Cases completed during the Year	Percentage Completed in Year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	98	99
B2	Communication issued confirming the amount of dependents pension	10 days	99	99
B3	Communication issued to deferred member with pension and lump sum options (quotation)	5 days	97	99
B4	Communication issued to active member with pension and lump sum options (quotation)	5 days	99	99
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	10 days	99	99
B6	Communication issued to active member with confirmation of pension and lump sum (actual)	10 days	99	99
B7	Payment of lump sum (both actives and deferreds)	10 days	99	99

Ref	Casework KPI	Cases commenced in Year	Cases completed during the Year	Percentage Completed in Year
B8	Communication issued with deferred benefit options	30 days	73	71
B9	Communication issued to scheme member with completion of transfer in	10 days	94	75
B10	Communication issued to scheme member with completion of transfer out	10 days	93	78
B11	Payment of refund	10 days	96	92
B12	Divorce quotation	10 days	97	92
B13	Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	10 days	100	100
B14	Communication issued to new starters**	At point of commencing employment	N/A	N/A
B15	Member estimates requested by scheme member and employer	10 days	93	92

** Employers issue information and links to guides.

Communications and Engagement

Ref	Engagement with online portals	Percentage as at 31 March
C1	% of active members registered	34%
C2	% of deferred members registered	24%
C3	% of pensioner and survivor members	35%
C4	% of total of all scheme members registered for self service	31%
C5	Number of registered users by age	
	18-30	1,070
	31-40	2,375
	41-50	4,381
	51-60	9,774
	61-70	8,849
	71-80	2,271
	81+	412
C6	% of registered users that have logged onto the system in the last 12 months	75%

Ref	Cases completed during the Year	Percentage Completed in Year
	Communications	
C7	Total number of telephone calls received in year	7,338
C8	Total number of e-mail and online channel queries received	33,356
C9	Number of scheme members events held in year (total in person and online)	1
C10	Number of employer engagement events held in year (in person and online)	3
C11	Number of active members who received a one to one (in person and online)	500
C12	Number of times a communication (i.e. newsletter) issued to:	
	-Active members	3
	-Deferred members	1
	-Pensioners	2

Administration Resources and Data Quality

Ref	Resources	Data
D1	Total number of all administration staff (FTE)	30.21
D2	Average Service length of all administration staff	12%
D3	Staff vacancy rate %	4%
D4	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2571
D5	Ratio of administration staff (excluding management) to total number of scheme members	1:2726
	Annual Benefit Statements	
E1	Percentage of annual benefit statements issued as at 31 August	100%
	Short commentary if less than 100%	N/A
	Data category	
E3	Common data score	94%
E4	Scheme specific data score	96%
E5	Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	3%
E6	Percentage of active, deferred and pensioner members with an email address held on file	53%
	Employer performance	
E7	Percentage of employers set up to make monthly data submissions	57%
E8	Percentage of employers who submitted monthly data on time during the reporting year	72%

Employers in the Fund

There are 372 active employers in the Fund and 70 employers who do not have active members but have deferred pension members and/or pensioners.

	Active	Inactive	Total
Scheduled Bodies	260	2	262
Resolution Bodies	50	6	58
Admitted Bodies	62	62	122
Total	372	70	442



Barley Field, Cotton

A list of the active employers in the Fund on 31 March 2026 are as follows:

Scheduled Bodies

Scheduled bodies are local authorities, district and borough councils and other similar bodies such as colleges, academies and free schools, whose staff are automatically entitled to be members of the Fund.

Local Authority

Babergh District Council	Northgate High School
East Suffolk Council	SCC Teachers & Support Staff
Ipswich Borough Council	Suffolk County Council
Mid Suffolk District Council	West Suffolk Council

Other

Association of Inshore Fisheries	East Suffolk Services
Chief Constable of Suffolk	Police & Crime Commissioner

Colleges

East Coast College	Suffolk New College
Lowestoft 6th Form College	University of Suffolk

Academies (SAT)

Forest Academy	Thomas Mills High School
St Mary's C of E Academy	Olive Academy (Suffolk)
The Ashley School Academy Trust	

Academy Transformation Trust

Beck Row Primary Academy	Mildenhall College Academy
Great Heath Primary Academy	Westbourne Academy

Active Learning Trust

Albert Pye Primary School
Grove Primary School
Gusford Primary School
Hillside Primary School
Pakefield Primary School
Ravensmere Infant School

Red Oak Primary School
Reydon Primary School
Sidegate Primary School
Westwood Primary School
Chantry Academy

All Saints School Trust

Fressingfield CofE Primary School
Wortham Primary School
All Saints CofE Prim Sch, Laxfield
Stradbroke CofE Primary School
St Peter & St Paul CofE Primary
Dennington CofE Primary School
Charsfield CofE Primary School
Occold Primary School

Great Welnetham CofE Pri Sch
Hardwick Primary School
Thorndon CofE Primary School
Benhall St Mary's CoE Primary
Cockfied CofE Primary School
Sexton's Manor Primary School
Ickworth Park Primary School
Honington Primary School

Anglian Learning

Clare Community Primary School
Howard Community Academy

The Pines Primary School
Stour Valley Community School

ASSET Education

Bungay Primary School
Edgar Sewter Primary School
Holton Primary School
Ilketshall St Lawrence Primary Sch
Wenhaston Primary School
Stutton CofE Primary School
Shotley Primary School
The Oaks Primary School

Ringshall Primary School
Hollelsey Primary School
Waldringfield Primary School
Castle Hill Infant School
Castle Hill Junior School
Cliff Lane Primary School
St Helen's Primary School
The Beeches Primary School

Children's Endeavour Trust

Broke Hall Primary School
Springfield Junior School
Combs Ford Community Prim Sch
Abbot's Hall Community Prim Sch

Bosmere Community Primary Sch
Chilton Community Primary Sch
Freeman Community Primary Sch
Whitehouse Community Prim Sch

Clarion Corvus Trust

Pakefield High School

Consortium Trust

Yoxford and Peasenhall Prim Ac
Middleton Primary School
Henley Primary School
Barnby & North Cove Primary Sch
Southwold Primary School
Rendlesham Primary School

Riverwalk School
Warren School
Helmingham Primary School
Mendham Primary School
St Edmund's Primary Sch, Hoxne

Diocese of Norwich Education

Kessingland CofE Primary Acad

East Anglian Schools Trust

Farlingaye High School
Holbrook Academy
Kesgrave High School
Aldeburgh Primary School
Bungay High School
Saxmundham Primary School

Kyson Primary School
Easton Primary School
Leiston Primary School
Wickham Market Prim Academy
Castle East School

Eastern Education Group Trust

The Priory School
Sunrise Academy
Abbeygate Sixth Form College
Chalk Hill Academy
Exning Primary School

Stanton Community Primary Sch
Stone Lodge Academy
Suffolk One Sixth Form College
West Suffolk College

Eastern Multi Academy Trust

Glade Academy

Eko Trust

Rushmere Hall Primary School

Ravenswood Primary School

Fairfield Infant School

Colneis Junior School

Elveden Schools Trust

St Edmundsbury CofE Primary Sch

Hopton CofE Primary Academy

Elveden CofE Primary Academy

Evolution Academy Trust

Poplars Community Prim School

Dell Primary School

Coldfair Green Primary School

Elm Tree Community Primary Sch

Grace Schools

St Christopher's Primary School

Hartismere Family of Schools

Woods Loke Primary School

Somerleyton Primary School

Carlton Colville Primary School

Benjamin Britten Academy

Hartismere School

Heart of Suffolk Education Trust

Creeting St Mary Primary School

Worlingworth Primary School

Debenham High School

Inspiration Trust

East Point Academy

Kingfisher Schools Trust

Sir John Leman High School

Roman Hill Primary School

Alde Valley Academy

Snape Primary School

Ormiston Academies Trust

Ormiston Denes Academy

Thomas Wolsey Academy

Ormiston Endeavour Academy

Ormiston Sudbury Academy

Stoke High School

Orwell Multi Academy Trust

Halifax Primary School

Handford Hall Primary School

Springfield Infant School

The Willows Primary School

Brooklands Community Prim Sc

Grange Primary School

Grace Cook Primary School

Our Lady of Walsingham Ac Trust

St Felix Catholic Primary School

St Marys Catholic Prim, Ipswich

St Pancras Catholic Primary Sch

St Albans Catholic High School

St Benedicts Catholic High School

St Mark's Catholic Primary School

St Louis Catholic Academy

Paradigm Trust

Murrayfield Primary Academy

Piper's Vale Primary Academy

Woodbridge Road Academy

Ipswich Academy

Penrose Learning Trust

Hadleigh High School

East Bergholt High School

Claydon High School

Claydon Primary School

Dale Hall Community Primary Sch

Raedwald Trust

St. Christopher's Academy

Alderwood Academy

First Base Ipswich Academy

The Albany Academy

First Base Bury St Edmunds Acad

Parkside Academy

Westbridge Academy

REAch2 Academy Trust

The Limes Primary Academy
Beccles Primary Academy
Martlesham Primary Academy
Phoenix St. Peter Academy

Northfield St Nicholas Prim Acad
Sprites Primary Academy
St Margarets Primary Academy
Gunton Primary Academy

Sapientia Education Trust

Felix Primary School
Stradbroke High School

Beccles High School
Ixworth High School

St Edmundsbury & Ipswich MAT

Eyke CofE Primary School
Mellis CofE Primary School
Hartest CofE Primary School
Stoke by Nayland CofE Prim Sch
Brampton CofE Primary School
Ringsfield CofE Primary School
Chelmondiston CofE Primary Sch
Hintlesham & Chattisham CofE PS
Morland CofE Primary School
All Saints' CofE Primary School
St Matthews CofE Primary School

Wetheringsett CofE Primary Sch
Bedfield CofE Primary School
Elmsett CofE Primary School
Tudor CofE Primary School
St Marys (Woodbridge) CofE P S
Sproughton CofE Primary School
St Marys (Hadleigh) CofE Pri Sch
Nacton CofE Primary School
Bramfield CofE Primary School
Long Melford CofE Primary School

St Johns The Baptist Cath MAT

St Benet's Catholic P S, Beccles
St Edmund's Catholic P S, Bungay

St Marys Roman C PS, Lowestoft

The Oxlip Learning Trust

Copleston High School
Cedars Park Primary School
Mendlesham Primary School
Rose Hill Primary School

Britannia Primary School
Stowupland High School
Bacton Primary School

The Tilian Partnership

Ixworth CofE Primary School
Rougham CofE Primary School
Crawford's CofE Primary School
Orford CofE Primary School
Wilby CofE Primary School
Cavendish CofE Primary School

Bawdsey CofE Primary School
Gislingham CofE Primary School
Palgrave CofE Primary School
Old Newton CofE Primary School
Bardwell CofE Primary School
Kersey CofE Primary School

Thedwastre Education Trust

Great Barton CofE Primary Acad
Rattlesden CofE Primary Academy

Thurston CofE Primary Academy
Woolpit Primary Academy

Unity Schools Partnership

Houldsworth Valley Primary Acad
Woodhall Primary Academy
Clements Primary Academy
Wells Hall Primary School
West Row Primary Academy
Felixstowe School
Abbotts Green Academy
The Bridge School
Sir Bobby Robson School
Coupals Primary Academy
Glemsford Primary Academy
Thomas Gainsborough School
County High School
Tollgate Primary School

Sir Peter Hall School
Langer Primary Academy
Castle Manor Academy
Place Farm Primary Academy
Breckland School
Kedington Primary Academy
The Churchill Free School
Westfield Primary Academy
Newmarket Academy
Burton End Primary Academy
Laureate Community Academy
Wickhambrook Primary Academy
Sybil Andrews Academy
Samuel Ward Academy

Resolution Bodies

Resolution bodies are bodies, usually town and parish councils who are entitled to be members but have a choice so therefore need to formally pass a resolution designating staff to be eligible to join the Fund.

Barningham Parish Council	Lowestoft Town Council
Beccles Town Council	Market Weston Parish Council
Botesdale Parish Council	Martlesham Parish Council
Bramford Parish Council	Melton Parish Council
Brantham Parish Council	Mildenhall Parish Council
Bury St Edmunds Town Council	Nayland and Wissington Parish Council
Carlton Colville Town Council	Oulton Broad Parish Council
Coney Weston Parish Council	Pinewood Parish Council
Felixstowe Town Council	Red Lodge Parish Council
Framlingham Town Council	Rendlesham Parish Council
Glemsford Parish Council	Rickinghall Parish Council
Great Cornard Parish Council	Southwold Town Council
Great Livermere Parish Council	Stowmarket Town Council
Hadleigh Town Council	Stradbroke Parish Council
Halesworth Town Council	Sudbury Town Council
Haverhill Town Council	The Saxhams Parish Council
Hollesley Parish Council	Thurston Parish Council
Horham & Athelington Parish Council	Troston Parish Council
IPSERV Employers Ltd	Tunstall Parish Council
Kesgrave Town Council	Ufford Parish Council
Kessingland Parish Council	Verse
Lakenheath Parish Council	Vertas
Leavenheath Parish Council	Woodbridge Town Council
Leiston cum Sizewell Town Council	Woolpit Parish Council
Long Melford Parish Council	Worlingham Parish Council

Admitted Bodies

Admitted bodies are voluntary and charitable organisations or private contractors undertaking a local authority function.

Abbeycroft Leisure	Housing 21	The Stevenson Centre
Anglia Community Leisure	Kindred - Alde Valley (Kingfisher)	Thorpe Woodlands A.C.T
Aspens - All Saints Schools Trust	Landguard and Felixstowe Conservation Trust	VHS Cleaning Services Ltd - Howard PS (AL)
Aspens - Felix Primary School (Sapientia Ed Trust)	Leading Lives	VHS Cleaning Services Ltd - Stour Valley (AL)
Aspens - Glade Academy (Eastern MAT)	Lunchtime Co - All Saints PS (St Eds & Ips Dio)	
Aspens - Ixworth HS & Beccles HS (Sapientia Ed Tr)	Lunchtime Co – Children's Endeavour Trust	
Aspens - St Edmundsbury and Ipswich Dio MAT	Lunchtime Co - EAST	
Aspens - St Marys (Lowestoft)	Lunchtime Co - Hartismere School	
Aspens - St Matthews (St Eds & Ips Diocesan MAT)	Lunchtime Co - Paradigm Trust	
Aspens - Thurston P S (Thedwastre Ed Trust)	Lunchtime Co – Sebert Wood Primary School	
Atlas FM – Westgate Primary School (SCC)	Lunchtime Co – St Felix Primary School (OLOW)	
Atlas FM – Woolpit Primary School (Thedwastre)	Lunchtime Co – Wood Ley Primary School	
Beccles Fenland Charity Trust	MadiganGill – Raedwald Trust	
Care Quality Commission	MGroup Highways Limited	
Caterlink - Felixstowe Academy (Unity)	Minster Cleaning – St Botolph's (SCC)	
Caterlink - Inspiration Trust	Orwell Housing Association Ltd	
Caterlink - Nayland Primary School (SCC)	Phoenix Travel Ltd	
Caterlink - Pot Kiln Primary School (SCC)	Places for People	
Caterlink - Unity Schools Partnership	Realise Futures	
Churchill Contract Services	Reef Cleaning Services - Penrose Learning Trust	
Churchill Contract Services - East Coast College	SALC (Suffolk Association of Local Councils)	
Churchill Contract Services - Kesgrave H S (EAST)	SBFM (Suffolk Police)	
Churchill Contract Services - Paradigm Trust	Sports and Leisure Management Ltd	
Competitive Cleaning Services Ltd (Grace Schools)	Tascor (Suffolk Police)	
Concertus Design & Property Consultants Ltd	Taylor Shaw Ltd - Alde Valley (Kingfisher ST)	
Elior - Chantry Academy (Active Learning Trust)	Taylor Shaw Ltd – Anglian Learning	
Everyone Active - Waterlane & Waveney	Taylor Shaw Ltd - Trimley St Mary Primary School	
GLL – HMP Libraries	The Pantry - Evolution Academy Trust	
Hadleigh Market Feoffment Charity	The Partnership in Care Ltd	

Independent Auditor's Report to the Members of Suffolk County Council

Opinion on the Pension Fund financial statements

We have audited the Pension Fund ("the Fund") financial statements for the year ended 31 March 2026 under the Local Audit and Accountability Act 2014 (as amended). The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion the pension fund financial statements:

- give a true and fair view of the financial transactions of the Fund during the year ended 31 March 2026 and the amount and disposition at that date of the assets and liabilities as at 31 March 2026; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Council as administering authority for the Pension Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the [Chief Financial Officer]'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of twelve months from when the Fund's financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts 2025/26 [set out on pages 59 to 87], other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the Statement of Accounts 2025/26.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- We issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended);
- We make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended);
- We make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended);
- We issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended); or
- We make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended).

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities set out on page 58, the Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, and for being satisfied that they give a true and fair view. The Chief Financial Officer is also responsible for such internal control as the [Chief Financial Officer] determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Administering Authority either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with Chief Financial Officer.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are the Local Government Pension Scheme Regulations 2013 (as amended), and The Public Service Pensions Act 2013

We understood how the Fund is complying with those frameworks by making enquiries of the management. We corroborated this through our reading of the Pension Board minutes, through enquiry of employees to confirm Pension policies, and through the inspection of employee handbooks and other information.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of the management for their awareness of any non-compliance of laws or regulations, inspecting correspondence with the Pensions Regulator and review of minutes.

We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and documenting the controls that the Fund has established to address risks identified, or that otherwise seek to prevent, deter or detect fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any identified significant transactions that were unusual or outside the normal course of business. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

The Fund is required to comply with The Local Government Pensions Scheme regulations, other legislation relevant to the governance and administration of the Local Government Pension Scheme and requirements imposed by the Pension Regulator in relation to the Local Government Pension Scheme. As such, we have considered the experience and expertise of the engagement team including the use of specialists where appropriate, to ensure that the team had an appropriate understanding of the relevant pensions regulations to assess the control environment and consider compliance of the Fund with these regulations as part of our audit procedures.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

David Riglar

TBC

(for and on behalf of Ernst & Young LLP, Appointed Auditor)



Sunset Levington, River Orwell

Actuarial Statement for 2025-26

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2018. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS). In summary, the key funding principles are as follows:

- To ensure the long-term solvency of the Fund.
- To ensure the solvency of each individual employers share of the Fund based on their expected term of participation in the Fund.
- To maximise the returns from investments within reasonable and considered risk parameters and hence minimise the cost to the employer.
- To minimise the degree of short-term change in employer contribution rates.
- To ensure that sufficient cash is available to meet all liabilities as they fall due for payment.
- To help employers manage their pension liabilities
- Where practical and cost effective, to make allowance for the different characteristics of different employers and group or employers.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years.

Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 85% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2025. This valuation revealed that the Fund's assets, which at 31 March 2025 were valued at £4,471 million, were sufficient to meet 151% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2025 valuation was £1,518 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2026 to 31 March 2029 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2025 valuation report.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2025 valuation were as follows:

Financial assumptions	31 March 2025
Discount rate	5.6%
Salary increase assumption	3.3%
Benefit increase assumption (CPI)	2.3%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2024 model, with core parameterisation, except, initial addition of 0.25% and a long-term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	21.9 years	24.6 years
Future Pensioners*	22.6 years	25.9 years

*Aged 45 at 2025 Valuation

Copies of the 2025 valuation report and Funding Strategy Statement are available on the Suffolk Pension Fund website (www.suffolkpensionfund.org)

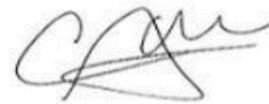
Experience over the period since 31 March 2025

The increase in US tariffs on imports since March 2025 and the recent conflict in the Middle East have caused significant market volatility which feeds through to the investment returns achieved by the Fund's assets. The Fund's overall investment returns since March 2025 have been positive.

Observed inflation has been higher than anticipated over 2026, resulting in LGPS benefit increases of 3.8% in April 2026 and an increase in the value placed on the Fund's liabilities.

Future investment return expectations for equities are now lower than 31 March 2025 and therefore overall, we estimate that the funding position is likely to be weaker than at the previous formal valuation at 31 March 2025.

The next actuarial valuation will be carried out as at 31 March 2028 and will be finalised by 31 March 2029. The Funding Strategy Statement will also be reviewed during the valuation, and a revised version will come into effect from 1 April 2029.



Craig Alexander FFA
For and on behalf of Hymans Robertson LLP
15 May 2026

HYMANS 
ROBERTSON

Together, building better
futures since 1921



Annual Report 2025/26



Foreword

As will be widely known, in April 2025, Government Ministers took decisions which set in train processes ultimately leading to the reduction in the number of Local Government Pension Scheme (LGPS) investment pools from eight to six.

In practice this meant that each of the eleven ACCESS Authorities were invited to select a new pool in which to participate from April 2026. Consequently, 2025/26 in many ways marked the last full year of ACCESS activities under our original business model prior to the commencement of the new arrangements.

Whilst there is an inevitable sense of disappointment that our proposals did not find Ministerial support, this is coupled with a sense of real pride in what ACCESS did manage to achieve during the last 10 years. Our successes included:

- the establishment of an Authorised Contractual Scheme (ACS) operated by Waystone, totalling £32bn of actively listed assets across 31 sub funds as at 31 March 2026;
- active listed asset performance since inception to 31 March 2026 of 9.3% compared to a benchmark of 8.7%;
- a groundbreaking passive listed assets mandate with UBS managing £14bn;
- listed asset investment management fee savings assessed by ClearGlass as £49m (18bps; 7th percentile) based on 2024 CTA data;
- a range of non-listed asset offerings in real estate, infrastructure, timber and private debt totalling £7bn; and
- signatory status to the UK Stewardship code achieved in 2025

Of course, the above also helps to explain the status ACCESS has held as the largest LGPS pool.

Working towards the new arrangements has dominated much of the last year and placed additional specific demands on LGPS officers at all Authorities which will continue for the foreseeable future. Underpinning this has been the ACCESS Support Unit (ASU), whose work formally ends in September 2026 following a six-month overlap with the new pools to facilitate the initial months of the new business models.

On behalf of the ACCESS Joint Committee, I would therefore like to place on record my thanks and appreciation for the unique contribution of the ASU since its commencement in 2018 at the very heart of our pool. In doing so I also want to recognise the hard work and dedication of the partner-funds' LGPS officers, not only throughout the challenging last 12 months, but since ACCESS's inception in early 2016.

ACCESS has collaboration in its [DNA](#) and we have been fortunate to have had the support and contribution of our legal advisers Squire Patton Boggs and investment consultants Hymans Robertson, who have been with us throughout our journey, along with insurance advisers Price Forbes and web designers Creative Sponge. We have also benefitted from our partnerships with Apex on non-listed assets, Tavistock & MHP on communications and PIRC & Minerva on Responsible Investment. Central to our offer has been Waystone, our ACS operator and the active investment managers it has appointed on our behalf, along with UBS's passive mandates.

In closing I must pay tribute to the all Councillors who have served so diligently on the ACCESS Joint Committee it has been my privilege to Chair following in the footsteps of Hampshire's Cllr Mark Kemp-Gee whom we sadly lost in August 2026. Cllr Kemp-Gee had been part of ACCESS since its 2016 formation, and as our longest serving Chairman will be greatly missed.

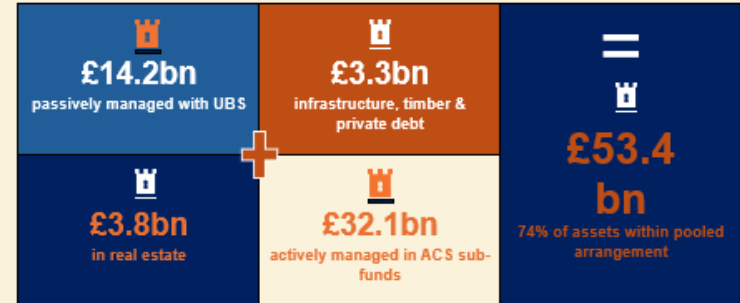
The dialogue and engagement at the Joint Committee, initially chaired by Suffolk's Cllr Andrew Reid, has consistently embodied the collective principles that shaped our pool. It has been the combined efforts of the Joint Committee, as well as the eleven s101 Committees and Local Pension Boards, whose [Members](#) observed our meetings, that have enshrined fiduciary duty and democratic accountability in the oversight of our partner-funds' LGPS assets. I am confident that our legacy of collaboration will form the basis of the success for the next chapter of LGPS asset pooling.

Cllr Susan Barker
Chairman of the ACCESS Joint Committee
Chairman of the Essex Pension Fund Strategy Board

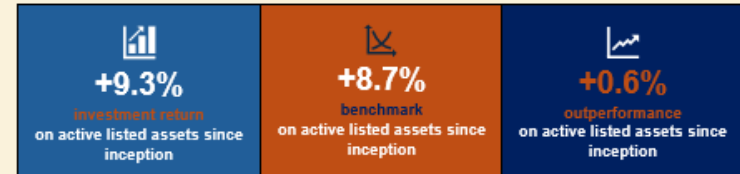


At a glance

Assets



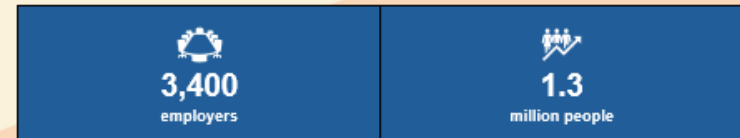
Performance



Costs & savings since inception



People & employers



Cost and savings

The table below summarises the financial position for 2025/26 along with the cumulative position since the commencement of ACCESS activity in early 2016.

A budget for ongoing operational costs is set by the Joint Committee and is financed equally by each of the eleven Authorities. 2025/26 saw an underspend.

£	2025/26		2016 - 2026	
	Actual in year £m	Budget in year £m	Actual cumulative £m	Budget cumulative £m
Set up costs	-	-	1.824	1.400
Transition costs	-	-	3.338	6.907
Ongoing operational costs	1.971	3.327	10.434	13.895
Operator & Depositary Costs	9.572	6.427	37.755	39.263
Total costs	11.543	9.754	53.351	61.465
Pool fee savings	36.910	22.500	202.043	129.350
Net savings realised	25.367	12.746	148.692	67.885

Operator and depositary fees are payable by each Authority in relation to assets invested within the ACS established by Waystone as pool operator.

The 2025/26 fee savings have been calculated using the CIPFA price variance methodology and based upon the asset average asset values over the year. This approach highlights the combined level of investment fee savings, across all ACCESS Authorities stemming from reduced charges.

In summary, throughout its lifetime ACCESS demonstrated excellent value for money whilst delivering a level savings in excess of those envisaged at the Pool's formation.



Environment, Social and Governance (ESG) and Responsible Investment (RI)

The ACCESS Authorities believe in making long term sustainable investments whilst integrating environmental and social risk considerations. Promoting good governance and stewardship.

Whilst the participating authorities have an overriding fiduciary and public law duty to act in the best interest long term interests of their LGPS stakeholders to achieve the best financial returns with an appropriate level of risk, they also recognise the importance of committing to responsible investment alongside financial factors in the investment decision making process.

The ACCESS voting guidelines set out the principles of good corporate governance. During the year votes took place at a total of 12,568 meetings on 148,773 resolutions.

Closing statement

The developments within the LGPS pooling landscape arising out of the *Fit for the Future* Review have been fundamental and it is a matter of public record that ACCESS was extremely disappointed that Government did not support our February 2025 proposal to build an investment management company regulated by the Financial Conduct Authority (FCA). Almost all 2025/26 activity was a consequence of that Ministerial decision on 9 April 2025.

The early months of the year saw both dialogue with Government on their decision in addition to initial exploration with other pools around the potential for collective merger. Ultimately, dialogue throughout the LGPS has led to an outcome that sees 11 ACCESS Authorities, along with 10 from Brunel join four other pools. This prompted our launch of "Project Connect" to facilitate and support the ACCESS Authorities transition to their chosen target pools of Border to Coast and LGPS Central.

Working with stakeholders including the two target pools and ACS operator Waystone with depositary Northern Trust, an approach to a measured transition of active listed assets has been identified that will both appropriately mitigate risk and enable compliance with 2026 LGPS Investment Pooling Regulations. Arrangements for target pool oversight of passive and non-listed assets have also been facilitated.

Although the outcome of *Fit for the Future* may not have been our preference, that does not diminish contribution ACCESS has made to the sector. The eleven like-minded Authorities that came together in early 2018 already had a number of established commonalities which formed the foundations upon which ACCESS was built. For a community that was already well connected, LGPS investment pooling magnetised dialogue which enabled Authorities to share best practice, test boundaries and develop far reaching solutions. In her foreword Cllr Barker rightly lists ACCESS achievements.

All of this work has drawn on the strong ethos of collaboration throughout the LGPS and investment management industry. In turn this also now provides the basis for the next chapter of LGPS investment pooling which I am confident will be as groundbreaking and successful as the first ten years.

Throughout that time, I have been very fortunate to work alongside fantastic people. Across the ACCESS Authorities officers who work day-to-day on the LGPS have continually demonstrated a collaborative mindset and a willingness to share expertise and promote learning.

The Officer Working Group (supplemented by a number of sub-groups to work through detail and complete particular projects) brought together specialists to act as the engine room of our pool. It has been in this area that LGPS experts from each of the eleven Authorities came together to provide insight, constructive challenge and thought leadership necessary to develop and finalise the key ingredients for a successful pool.

Individual officers Samantha Andrews (Essex), Russell Wood (East Sussex), Andrew Boutflower (Hampshire), Sharon Tan (Suffolk) & Rachel Wood (West Sussex) have played key roles as Technical Leads.

Kent's Democratic Services team, led by Joel Cook have supported our Joint Committee since its formation in 2017. At different times, Authorities have stepped forward to undertake specific roles, including Kent, Hertfordshire, Suffolk, Essex and Hampshire to spearhead procurements.

Section 151 officers, currently chaired by Ian Gutsell (East Sussex) have been vital in creating and shaping the strategic space for what has been an incredible journey. Elected Members have represented their respective Funds with passion and embraced open engagement in pursuit of common objectives.

As a pool, we have been benefitted from strategic partnerships with Waystone, under the leadership of CEO Karl Midl and Northern Trust for our ACS, who appointed investment managers for active listed mandates along with UBS who were jointly procured by the Authorities for passive listed assets. In addition to the organisations highlighted by the Chairman, I must single out John Wright and the team at Hymans Robertson along with Kirsty McClean, Clifford Sims and colleagues at Squire Patton Boggs have provided us with investment and legal advice at each stage of our development – both were essential.

Ultimately, I must pay a particular tribute to my colleagues who have been part of the ACCESS Support Unit with whom it has been my privilege to work: Mark Paget, Dawn Butler, Paul Tysoe, Sallie Wilson, Alistair Coyle, Richard Smith, Rawda Ali & Isaac McHugh. It has been their insight, hard work and endless dedication that made everything possible and to whom I remain indebted.

Thank you.

Kevin McDonald
Director – ACCESS Support Unit



Statement of Responsibilities for the Pension Fund Accounts

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, during 2025-26 that officer was the Chief Financial Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
- to approve the statement of accounts

Certification

I confirm that these Accounts were approved by the Audit Committee at its meeting on xx xxxx 202x on behalf of Suffolk County Council and have been authorised for issue.

Councillor Tim Kent
Chairman
TBC

The Responsibilities of the Chief Financial Officer (Section 151 Officer)

The Chief Financial Officer is responsible for the preparation of the Council's Statements of Accounts including those of the Pension Fund. In order to comply with the Code of Practice on Local Authority Accounting in the United Kingdom issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), these statements must present a true and fair view of the financial position of the Pension Fund at 31 March 2026, and the income and expenditure (spending) for the year to that date.

In preparing this Statement of Accounts, the Chief Financial Officer has:

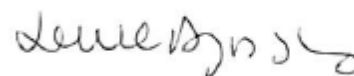
- chosen suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- followed the Code of Practice on Local Authority Accounting.

The Chief Financial Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps to prevent and detect fraud and other irregularities.

Certification

I certify that this statement of accounts has been prepared in accordance with proper accounting practices and presents a true and fair view of the Pension Fund at 31 March 2026 and its income and expenditure for the year to that date.

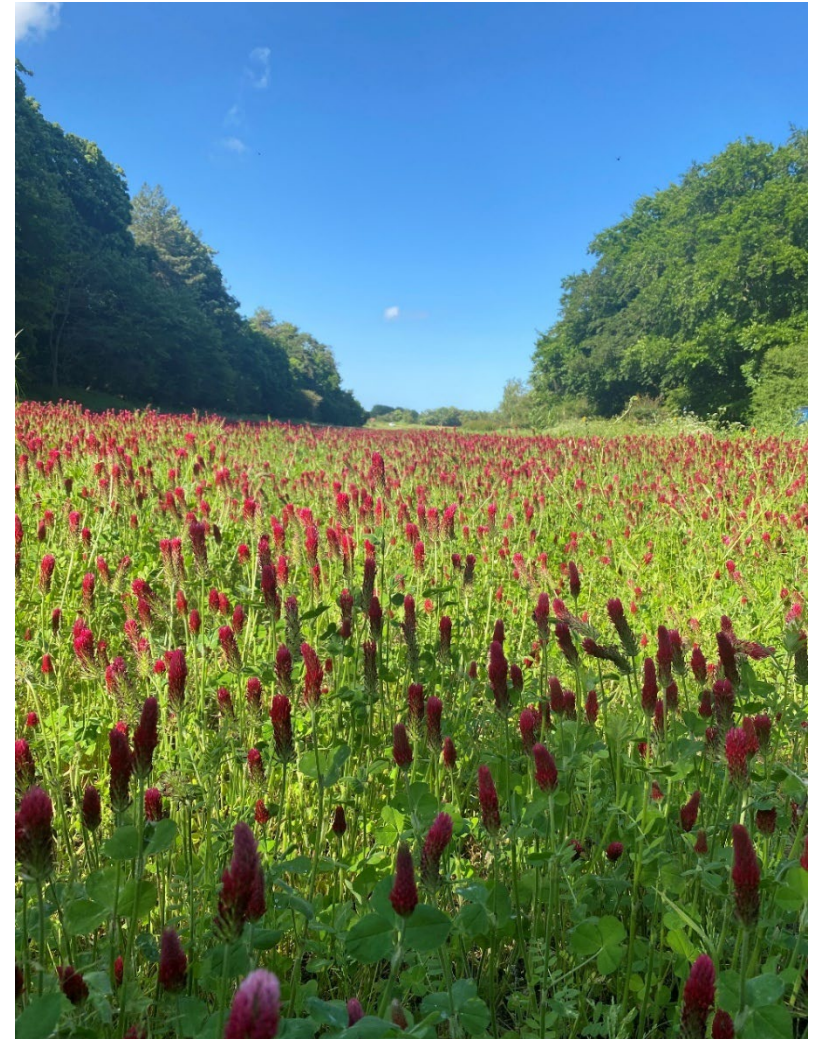


Louise Aynsley

Chief Financial Officer (Section 151 Officer)
TBC

Fund Account

2024 - 2025 £ million	Fund Account		2025 - 2026 £ million
	Dealings with members, employers and others directly involved in the scheme	Notes	
	Contributions and benefits		
	Contributions receivable:		
	From employers		
108.520	Normal	10	113.879
0.039	Additional	10	0.020
2.766	Other	10	2.617
	From members		
33.295	Normal	10	35.565
	Transfers In		
11.933	Individual transfers in from other schemes		12.420
-	Group transfers in from other schemes		6.038
	Benefits payable:		
-116.134	Pensions	10	-120.264
-23.474	Commutations of pensions and lump sum retirement benefits	10	-24.168
-2.711	Lump sum death benefits	10	-2.090
	Payments to and on account of leavers:		
-0.549	Refunds of Contributions		-0.722
-2.399	Exit Credit	10	-1.718
-13.871	Individual transfers out to other schemes		-8.306
-2.585	Net additions (withdrawals) from dealings with members		13.271
-15.618	Management Expenses	11	-14.014
-18.203	Net additions (withdrawals) including management expenses		-0.743
	Returns on investments		
	Investment income		
12.388	Income from Pooled Investment Vehicles - Property		11.581
1.365	Income from Pooled Investment Vehicles - Private Equity		1.793
108.905	Income from Other Pooled Investment Vehicles		57.628
1.191	Interest on Cash Deposits		0.741
112.352	Change in market value of investments		281.918
236.201	Net returns on investments		353.661
217.998	Net increase, or (decrease), in the fund during the year		352.918
4,252.797	Opening net assets of the scheme		4,470.795
4,470.795	Closing net assets of the scheme		4,823.713



Crimson Clover Fields, Snape

Net Asset Statement

2024 - 2025 £ million			2025 - 2026 £ million
	Net Asset Statement	Notes	
	Investment Assets		
	Pooled Investment Vehicles		
1,042.046	Equities	13, 14	1,057.083
1,242.291	Fixed Income	13, 14	1,206.210
1,038.361	Index Tracking	13, 14	1,228.437
388.770	Property Unit Trust	13, 14	476.758
736.716	Other Managed Funds	13, 14	839.313
4,448.184	Total Pooled Investment Vehicles		4,807.801
	Other Investment Balance		
22.981	Cash [held for investment]	13	6.509
22.981	Total Other Investment Balance		6.509
	Investment Liabilities		
-8.422	Purchases awaiting settlement	13	0.000
-8.422	Total Investment Liabilities		0.000
4,462.743	Total Investments		4,814.310
	Current Assets		
13.250	Debtors	22	12.720
3.598	Cash Deposits	19d	5.467
0.042	Cash at Bank	19d	0.164
16.890	Total Current Assets		18.351
	Current Liabilities		
-8.838	Creditors	23	-8.948
-8.838	Total Current Liabilities		-8.948
8.052	Net Current Assets		9.403
4,470.795	Net Assets		4,823.713



Henry Moore sculpture, Snape Maltings

Notes to the Accounts

1. Description of the Fund

The Suffolk Pension Fund is administered by Suffolk County Council. It is a contributory defined benefit scheme established by the Superannuation Act 1972 and governed by the Public Service Pensions Act 2013.

The Fund is administered in accordance with the following secondary legislation:

- The Local Government Pensions Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended).

The Fund provides retirement benefits for employees who are members of the Local Government Pension Scheme (LGPS).

Organisations participating in the Suffolk County Council Pension Fund include:

- Scheduled bodies - local authorities, district and borough councils and other similar bodies such as academies whose staff are automatically entitled to be members of the Fund
- Admitted bodies - voluntary and charitable bodies or private contractors undertaking a local authority function
- Resolution bodies - town and parish councils who formally pass a resolution designating staff to be eligible to join the LGPS.

There are 372 employer organisations with active members within the Scheme as at 31 March 2026, an increase of 24 from the previous year total of 348. Teachers, Firefighters and NHS staff have their own pension schemes and are not included in the Fund.

The Fund has the following number of members and pensioners:

31 March 2025		31 March 2026
Number of Employees in the Scheme		
8,282	County Council	8,604
15,570	Other Employers	15,703
23,852	Total	24,307
Number of Pensioners		
11,035	County Council	11,465
10,086	Other Employers	10,716
21,121	Total	22,181
Number of Deferred Members		
13,730	County Council	13,129
15,902	Other Employers	15,986
29,632	Total	29,115

Funding

Benefits are funded by contributions and investment earnings. Employers' contributions are set based on the triennial actuarial funding valuation in March 2022 for the contributions paid in 2025 – 2026. Employees contributions are paid in line with the LGPS Regulations 2013.

Benefits

Prior to 1 April 2014 pension benefits are based on final pensionable pay and length of service. From 1 April 2014, the scheme became a career average

scheme with members accruing benefits based on their current annual pensionable pay at an accrual rate of 1/49th.

2. Events after the Balance Sheet Date

There has been no event between 31 March 2026 and the date when these accounts were authorised for issue that requires any adjustments to these accounts.

On 9 April 2025, the Suffolk Pension Fund was informed by letter from Torsten Bell MP (Minister for Pensions) and Jim McMahon MP (Minister for Local Government) that the ACCESS Asset Pool's proposal in response to the Government's Fit for the Future consultation was not approved and consequently it has been prescribed, that the Suffolk Pension Fund had to join another asset pool.

On 1 April 2026 the Suffolk Pension Fund formally joined LGPS Central by becoming a shareholder of LGPS Central Ltd and putting in place an Inter Authority Agreement with the other partner funds within the pool.

A fiduciary management agreement with LGPS Central Ltd has been put in place which covers all the services that the company will provide to the Fund. This includes a power of attorney so that effective control of all the Suffolk Pension Fund investment assets is delegated to the pool company

3. Significant Changes to the Fund

As part of its annual asset allocation review, the Committee at its meeting on 19 March 2025, agreed to make new investments into Illiquid debt.

1% of the Net Asset Value of the Fund was committed to both Arcmont and Golub which have been appointed to the ACCESS Pool this equates to around £50 million for each investment.

Suffolk Pension Fund has £4.342 billion invested within the ACCESS Pool, (£4.001 billion, 31 March 2025), which represents 90% of the Fund's

investment assets (90%, 31 March 2025).

4. Basis of Preparation of Pension Fund Accounts

The Statement of Accounts summarises the Fund's transactions for the 2025-2026 financial year and its position as at 31 March 2026.

These accounts have been prepared in accordance with the 'Code of Practice on Local Authority Accounting in United Kingdom 2025 - 2026', which is based upon International Financial Reporting Standards (IFRS).

The accounts do not take into account obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS 26) basis, is disclosed in Note 21 of these accounts.



Green Wind, Ravenswood, Ipswich

5. Going Concern Statement

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025 - 2026 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on a going concern basis.

In carrying out its assessment that this basis is appropriate, made to 1 April 2027, management of the Pension Fund have considered the additional qualitative and quantitative key requirements:

The basis for preparation is supported by legislation for local authorities, and the Code requirements on the basis of the continuation of services.

In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary carried out an interim valuation during 2025 - 2026. The Fund's assets were estimated to be £4.850 billion, with liabilities of £3.720 billion. This has been calculated based on the membership and financial assumptions set for the valuation exercise carried out as at 31 March 2025.

During the March 2025 valuation exercise, the funding level was 151%. The improved funding position resulted in many Employers paying lower contribution rates from 1 April 2026 which will reduce the income from contributions for the following 3 years. All employers within the fund are paying contributions as per the rates and adjustment certificate.

The Fund is cashflow positive by £7.000 million but is forecast to be cashflow negative at £28.000 million for 2026 - 2027 and £10.000 million for 2027 - 2028, meaning that the benefits amount paid out, exceed contributions received from the employers and members of the scheme. The deficit is met through investment income and the return of capital from mature investments.

The Pension Fund has not utilised any borrowing during the 2025 - 2026 financial year or within the 2026 - 2027 financial year to date.

The Pension Fund has an allocation of 42.5% to equities, 26% to Bonds and 0.5% to cash, which are assets that could be liquidated to pay benefits should the need arise.

On this basis, the Pension Fund have a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period. For this reason, alongside the statutory guidance, the Fund continues to adopt the going concern basis in preparing these financial statements.



The Major, Ipswich

6. Summary of Significant Accounting Policies

6.1 Fund Account - Revenue Recognition

Contribution Income

Normal contributions from members and employers are accounted for on an accruals basis at the percentage rate recommended by the actuary in the payroll period to which they relate.

Employers' secondary rate contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the scheme actuary.

Employers' augmentation and pension strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset.

Transfers to and from Other Schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the LGPS Regulations.

Individual transfers in/out of the scheme are accounted for when they have been received/paid, which is when the member's liability is accepted or discharged.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are included within transfers in.

Group transfers are accounted for in accordance with the terms of the transfer agreement.

Investment Income

Investment income may include withholding tax which is disclosed as a separate item (taxes on income) on the face of the Fund Account. Investment income arising from the underlying investments of Pooled Investment Vehicles is reinvested in the vehicle and reflected in the unit price.

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Asset Statement as a current financial asset.

Income from cash and other investments are accounted for on an accrual's basis.

Distributions from pooled funds are recognised at the date of issue and any amount not received by the end of the reporting period is disclosed in the Net Asset Statement as a current financial asset.

Movement in the Market Value of Investments

Movement in the net market value of investments is recognised as a realised unrealised, gain or loss, during the year.



Call of the Sea, Lowestoft

6.2 Fund Account - Expenditure

Benefits Payable

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the Net Asset Statement as a current financial liability.

Taxation

The Fund is a registered public service pension scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and is exempt from UK income tax on interest received and capital gains tax on proceeds of investments sold.

Income from overseas investments is subject to withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense.

Management Expenses

All management expenses are accounted for on an accrual's basis.

i) Administration Expenses and Oversight and Governance Expenses

Suffolk County Council staff costs are charged to the Pension Fund based on time spent. Accommodation and other overhead costs have also been apportioned.

ii) Investment Management Expenses

Investment management fees and performance fees are agreed in the respective mandates governing their appointment. These fees are based on the market value of the investments under management and therefore increase or decrease as the value of the investments change.

Transaction costs and custody fees are included in investment management expenses.

6.3 Net Asset Statement

Financial Assets

Financial assets are included in the Net Asset Statement on a fair value basis as at the reporting date. A financial asset is recognised on the date the Fund becomes party to the contractual acquisition of the asset. Any gains or losses arising from changes in the fair value from this date are recognised by the Fund.

The value of investments has been determined as follows:

Market Quoted Investments

Managed Funds are valued using the bid market price on 31 March 2026.

Property

Property is valued using the latest available Net Asset Value (NAV) or where a NAV is not available, assumptions based on the probable realisation value.

Unquoted Pooled Investment Vehicles

Unquoted Securities include pooled investments in Infrastructure, Illiquid Debt, Private Equity and Timberlands. Market quotations are not readily available. The value is based on the Fund's share of the net asset using the latest financial statements received from the respective fund manager and adjusted for capital calls and distributions received from that date to 31 March 2026.

Quoted Pooled Investment Vehicles

Pooled Investment Vehicles are valued at the closing bid price or at the closing single price, as available. The change in market value of accumulation funds includes income which is reinvested in the Fund net of applicable withholding tax.

Foreign Currency Transactions

Investments and cash held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate as at 31 March 2026.

Derivatives

Derivative financial instruments are used to manage exposure to specific risks arising from investment activities and are not held for speculative purposes. Derivative contract assets are valued at bid price and liabilities are valued at offer price. Changes in the fair value are included in the change in market value.

Forward Foreign Exchange Contracts outstanding at the year-end are stated at fair value, which is determined as the loss or gain that would arise if the outstanding contract was required to be settled on 31 March 2026.

Cash and Cash Equivalents

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment purposes. Bank balances and cash held by the Pension Fund at 31 March 2026 are therefore cash equivalent sums. For short term investments there are no strict criteria to follow relating to the nature and maturity of these items.

The Pension Fund holds short term investments in Money Market Funds for the purpose of obtaining a gain or return.

Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Pension Fund Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Pension Fund Accounts are adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Pension Fund Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Pension Fund Accounts.

Additional Voluntary Contributions

The Pension Fund provides an additional voluntary contributions (AVC) scheme for its members, the assets of which are invested separately from those of the Pension Fund. AVC's are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each contributor receives an annual statement showing the amount held in their account and the movements in the year.

AVC's are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (SI 2009/3093) but are disclosed as a note.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial codes.

As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Asset Statement.

7. Accounting Standards Issued, Not Adopted

The Code requires disclosure of the expected impact of accounting standards that have been issued but not yet adopted. Management has reviewed the standards due to be adopted in the 2026 - 2027 Code and does not expect them to have a material impact on the authority's financial statements.

- FRS102 - Amendments to Heritage Asset
- IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments
- IFRS 9 and IFRS 7 - Contracts referencing nature dependent electricity
- Annual improvements to IFRS accounting standards

8. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 6, the Pension Fund has to make certain judgements about complex transactions or those involving uncertainty about future events. The main critical judgement that the Pension Fund must consider is the Pension Fund actuarial liability.

The Pension Fund liability is calculated every three years by the appointed actuary, with annual updates in the intervening years. The methodology used is in line with accepted guidelines. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 20 Funding Position. This estimate is subject to significant variances based on changes to the underlying assumptions.

The methodology used in calculating the Pension Fund's liability, in conjunction with the Fund's investment strategy means that the surplus or deficit can vary significantly over short periods of time, whilst the underlying funding strategy is based on a much longer timeline that smooths out the effects of extreme market volatility.

9. Assumptions made about the Future and other Sources of Estimation Uncertainty

The Pension Fund Accounts contain estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that actual outcomes could differ from those estimates and there is a risk that these investments may be under or overstated in the accounts. An analysis of the potential market movement range for these holdings is set out in Note 18e.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Actuarial Present Value of Promised Retirement Benefits

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries, Hymans Robertson LLP are engaged to provide the Fund with expert advice about the assumptions to be applied.

Property

Pooled property investment vehicles are valued at closing bid prices if both bid and offer prices are published; or if single priced, at the closing single price. Pooled property funds have derived underlying assets that have been valued by independent external valuers on a fair value basis and in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards (9th Edition).

The property investment held with CBRE at 31 March 2026 is £476.758 million.

Private Equity

Private Equity investments are valued at fair value in accordance with IFRS and British Venture Capital Association guidelines. Both Pantheon and Wilshire have established procedures to report fair value on a consistent, transparent and prudent basis. These investments are illiquid and are not publicly listed and as such there is a high degree of estimation involved in the valuation.

The unquoted Private Equity investments at 31 March 2026 are £74.946 million with Pantheon and £2.766 million with Wilshire.

Infrastructure

Infrastructure investments are valued through a fair market value process designed in accordance with IFRS. These investments are not publicly listed and as such there is a high degree of estimation involved in the valuation.

The Infrastructure investments held with Partners, M&G, KKR and JP Morgan at 31 March 2026 are £22.655 million, £12.037 million, £70.040 million and £278.932 million respectively.

Illiquid Debt

Illiquid Debt is valued by a valuation agent who will use an independent pricing source to value most loans at market value or a probable realisation valuation method if market quotations are not readily available. These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Illiquid Debt is held with M&G and includes the Debt Opportunity investments, the Illiquid Credit Opportunity Fund and the Debt Solutions Fund totalling £13.736 million. It also includes Multi Asset Credit Fund's held with Partners Group valued at £102.608 million, £28.576 million with Golub Capital and £3.902 million with Arcmont Asset Management as at 31 March 2026.

Timber

The Timber investment is a limited liability partnership investment in large-scale high-quality timber assets. The fair value is determined on at least an annual basis with a valuation review performed on a quarterly basis to assess whether there is evidence of a significant change in the investment fundamentals that warrant a change in the fair value. The manager may utilise independent valuations to confirm the reasonableness of internally prepared valuations.

Fair values for Timber is based on comparable purchase and sale transactions, or other accepted valuation techniques that include the discounted cash flow and multiple of earnings approach. Separate appraisals for timber are obtained from independent qualified appraisers at least once every three years or more frequently as required.

The Timber investments at 31 March 2026 is £0.030 million with Brookfield, £23.688 million with JP Morgan and £30.762 million with Stafford Capital Partners.



Henry Moore sculpture at Snape Maltings

10. Contributions Received and Benefits Paid during the Year

2024 - 2025				2025 - 2026		
Employers' Contributions	Employees' Contributions	Benefits Paid		Employers' Contributions	Employees' Contributions	Benefits Paid
£ million	£ million	£ million		£ million	£ million	£ million
39.565	13.200	-63.992	Suffolk County Council	41.473	14.131	-66.483
69.877	19.571	-69.907	Other Scheduled and Resolution Bodies	73.963	21.065	-70.511
1.883	0.524	-8.420	Admitted Bodies	1.080	0.369	-9.528
111.325	33.295	-142.319	Total	116.516	35.565	-146.522

Employer contributions are the ongoing contributions paid into the scheme by the employers in accordance with the rates and adjustments certificate provided by the actuary, which sets out the contribution rates for all the employers in the Fund.

Employer contributions are made up of two elements:

- The primary rate which is the level sufficient to cover all new benefits
- The secondary rate which are the costs associated with sufficiently funding benefits accrued up to the valuation date.

Included within the employer normal contributions of £113,879 million shown in the Fund account, is an amount of £1.665 million which represents the secondary rate paid within the employers' percentage (£1.660 million in 2024 - 2025).

The additional employer contribution identified separately on the Fund account of £0.020 million, (£0.039 million in 2024 - 2025), refers to those employers funding their secondary rate by means of lump sum payments.

Included in the Fund Account is an exit credit amount of £1.718 million for Flagship Housing, who left the scheme, this has been made under Regulation 64 of the Local Government Pension Scheme Regulations 2013 (as amended).

The Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the next three-year period. 2025-2026 was the second year in the three-year period following the 31 March 2022 valuation.

A list of employers and their contribution rates is available on the Suffolk Pension Fund website at www.suffolkpensionfund.org.

11. Management Expenses

2024 - 2025	2025 - 2026
£ million	£ million
12.723 Investment Management Expenses	10.744
2.010 Administration Expenses	2.007
0.885 Oversight and Governance Costs	1.263
15.618	14.014

Management expenses are categorised into investment management expenses, administration expenses and oversight and governance costs in accordance with the CIPFA guidance to Accounting for Local Government Pension Scheme Management Costs.

Administration Expenses includes costs associated with members, pensioners and scheme employers. This would include all activities associated with pension administration - staff costs, IT, membership fees and subscriptions.

Oversight and Governance Costs includes costs incurred in the monitoring of investments, investment advisory services, independent advisors, support to the Pension Fund Committee and Pension Board, costs associated with the production of statutory and non-statutory reporting, legal services, actuarial services, audit services and accountancy services.

External audit fees charged by Ernst & Young for 2025 - 2026 were £0.140 million, (£0.119 million 2024 - 2025), of this £0.024m were for 2022-23 and £0.008 were for 2023-24. The external fee is subject to change, depending on additional charges which may be made by the external auditors on high-risk areas.

A grant of £0.013 million has been received from the Ministry of Housing, Communities and Local Government to support the implementation of the Redmond Review recommendations, to meet the anticipated rise in fees for the 2025 - 2026 audits driven by new audit requirements.

Investment management expenses include costs that are incurred in association with the management of the Pension Fund assets and financial instruments, whether directly invoiced to the fund or deducted from the fund assets. This includes management fees, performance fees and investment transaction costs as below.

2025- 2026	Management Fees £ million	Performance Fees £ million	Transaction Costs £ million	Total £ million
Assets				
Pooled Investments				
Equities	0.411			0.411
Index Tracking	0.596			0.596
Fixed Income	0.337			0.337
Property	0.528			0.528
Private Equity	1.422			1.422
Infrastructure	7.028	-3.207		3.821
Illiquid Debt	1.976	0.782		2.758
Timberlands	0.830			0.830
Total Investment Expenses	13.128	-2.425	0.000	10.703
Custody	0.041			0.041
Total Investment Management Expenses	13.169	-2.425	0.000	10.744

2024 - 2025	Management Fees £ million	Performance Fees £ million	Transaction Costs £ million	Total £ million
Assets				
Pooled Investments				
Equities	0.236		0.855	1.091
Index Tracking	0.520			0.520
Fixed Income	0.214			0.214
Property	1.258			1.258
Absolute Returns	0.150			0.150
Private Equity	1.421			1.421
Infrastructure	3.215	0.735		3.950
Illiquid Debt	3.003	1.078		4.081
Total Investment Expenses	10.017	1.813	0.855	12.685
Custody	0.038			0.038
Total Investment Management Expenses	10.055	1.813	0.855	12.723



Bucklesham Village, Suffolk

12. Analysis of the Market Value of Investments by Investment Manager

31 March 2025		31 March 2026	
Market Value £ million	Percentage of Assets %	Market Value £ million	Percentage of Assets %
Investments managed within the ACCESS Pool			
2,284.336	51.36%	2,263.293	47.08%
1,038.361	23.34%	1,228.437	25.55%
285.885	6.43%	302.620	6.29%
392.296	8.82%	484.385	10.07%
-	0.00%	30.927	0.64%
-	0.00%	28.576	0.59%
-	0.00%	3.902	0.08%
4,000.878	89.95%	4,342.140	90.30%
Investments managed outside the ACCESS Pool			
0.037	0.00%	0.030	0.00%
65.094	1.46%	70.040	1.46%
73.700	1.66%	25.773	0.54%
12.640	0.28%	116.775	2.43%
140.689	3.16%	125.013	2.60%
151.546	3.41%	125.264	2.61%
3.600	0.08%	2.766	0.06%
447.306	10.05%	465.661	9.70%

Waystone are the Authorised Contractual Scheme operator of the ACCESS Pool. The UBS Group, CBRE and JP Morgan investments are managed within the ACCESS Pool on a pool governance basis.

The Northern Trust holding is the surplus cash invested in money market funds.

The Illiquid debt mandates with M&G, Private Equity with Wilshire and Infrastructure with Partners Group are mature investments that are returning funds as the investments are realised.

Stafford Capital Partners, Golub Capital and Arcmont Asset Management are new investments in the Fund.

13. Reconciliation of Movements in Investments and Derivatives

	Opening Market Value 01 April 2024 £ million	Purchases £ million	Sales £ million	Change in Market Value £ million	Closing Market Value 31 March 2025 £ million
Quoted Pooled Investment Vehicles:					
Equities	972.817	35.913	-	33.316	1,042.046
Fixed Income	990.220	237.805	-	14.266	1,242.291
Index Tracking	1,174.540	-	-197.770	61.591	1,038.361
Other Managed Funds	142.152	377.413	-460.948	-0.970	57.647
Unquoted Pooled Investment Vehicles:					
Other Managed Funds	651.811	85.974	-49.559	-9.157	679.069
Property	306.180	398.042	-320.350	4.898	388.770
Total of Investments	4,237.720	1,135.147	-1,028.627	103.944	4,448.184
	Opening Market Value 01 April 2024 £ million	Movement in Balance £ million	Impairment of Investments £ million	Change in Market Value £ million	Closing Market Value 31 March 2025 £ million
Other Investment Balances:					
Payable for Purchases	-	-8.422	-	-	-8.422
Cash Held for Investment	3.570	19.865	-	-0.454	22.981
Net Investments	3.570	11.443	-	-0.454	14.559

The change in market value of £103.490 million (£103.944 million and -£0.454 million) is £8.862 million different than the change in market value on the Fund Account of £112.352 million. The difference is predominantly caused by indirect management fees and transaction costs which are charged against the investments and not directly to the Fund.

The Pooled Investment Vehicles are managed by fund managers registered in the UK.

	Opening Market Value 01 April 2025 £ million	Purchases £ million	Sales £ million	Change in Market Value £ million	Closing Market Value 31 March 2026 £ million
Quoted					
Pooled Investment Vehicles:					
Equities	1,042.046	11.838	-29.000	32.199	1,057.083
Fixed Income	1,242.291	7.818	-90.000	46.101	1,206.210
Index Tracking	1,038.361	-	-19.000	209.076	1,228.437
Other Managed Funds	57.647	393.215	-284.882	8.655	174.635
Unquoted					
Pooled Investment Vehicles:					
Other Managed Funds	679.069	95.743	-83.458	-26.676	664.678
Property	388.770	98.518	-16.924	6.394	476.758
Total of Investments	4,448.184	607.132	-523.264	275.749	4,807.801
	Opening Market Value 01 April 2025 £ million	Movement in Balance £ million	Impairment of Investments £ million	Change in Market Value £ million	Closing Market Value 31 March 2026 £ million
Other Investment Balances:					
Payable for Purchases	-8.422	8.422	-	0.000	0.000
Cash Held for Investment	22.981	-16.221	-	-0.251	6.509
Net Investments	14.559	-7.799	-	-0.251	6.509

The change in market value of £275.498 million (£275.749 million and -£0.251 million) is £6.420 million different than the change in market value on the Fund Account of £281.918 million. The difference is predominantly caused by indirect management fees which are charged against the investments and not directly to the Fund.

The Pooled Investment Vehicles are managed by fund managers registered in the UK.



Burial Mound, Sutton Hoo

14. Analysis of Investments (excluding Cash and Derivatives)

Market Value 31 March 2025		Market Value 31 March 2026	
£ million	£ million	£ million	£ million
Pooled Investment Vehicles - Quoted			
1,042.046	Equities		1,057.083
1,242.291	Fixed Income		1,206.210
1,038.361	Index Tracking		1,228.437
Other Managed Funds			
16.166	Money Market Funds	124.567	
41.481	Private Equity	50.068	
<u>57.647</u>	Total Quoted Other Managed Funds	<u>174.635</u>	
Pooled Investment Vehicles - Unquoted			
Other Managed Funds			
126.353	Illiquid Debt	148.822	
434.096	Infrastructure	383.664	
102.808	Private Equity	77.712	
15.812	Timberlands	54.480	
<u>679.069</u>	Total Unquoted Other Managed Funds	<u>664.678</u>	
736.716	Total Other Managed Funds		839.313
388.770	Property		476.758
<u><u>4,448.184</u></u>	Total		<u><u>4,807.801</u></u>

The table above breaks down the Pooled Investment Vehicles and further analyses the Other Managed Funds. These investments are either quoted (they are traded on an exchange and have a visible market valuation) or unquoted (stocks that are not traded on an exchange and are difficult to value).

15. Holdings Above 5% of the Fund

This is a summary of the individual holdings within the Fund which exceed 5% of the total net assets available to pay benefits as at the balance sheet date.

Market Value 31 March 2025 £ million	Percentage of the Fund 31 March 2025	Asset Type	Manager
670.470	15.07%	Climate Aware	UBS
538.804	12.11%	Fixed Income - M&G	Waystone Management UK Ltd
531.507	11.95%	Fixed Income - Janus Henderson	Waystone Management UK Ltd
367.890	8.27%	Low Carbon Transition Fund	UBS
308.671	6.94%	Global Equity - Newton	Waystone Management UK Ltd
270.110	6.07%	Infrastructure Investment Fund	JP Morgan
246.749	5.55%	UK Equity - Blackrock	Waystone Management UK Ltd

Market Value 31 March 2026 £ million	Percentage of the Fund 31 March 2026	Asset Type	Manager
777.561	16.17%	Climate Aware	UBS
516.050	10.73%	Fixed Income - M&G	Waystone Management UK Ltd
511.538	10.64%	Fixed Income - Janus Henderson	Waystone Management UK Ltd
450.876	9.38%	Low Carbon Transition Fund	UBS
299.441	6.23%	Global Equity - Newton	Waystone Management UK Ltd
278.932	5.80%	Infrastructure Investment Fund	JP Morgan
270.898	5.63%	UK Equity - Blackrock	Waystone Management UK Ltd

16. Analysis of Derivatives

The Pension Fund's investment managers are permitted to use derivatives in the management of their mandates, subject to the restrictions set out in the individual manager's investment management agreement. The investment managers will make use of currency hedging for the purpose of reducing exchange rate risk in the investments held in their mandates.

In order to maintain appropriate diversification and to take advantage of overseas investment returns, the fund invests in a Low Carbon Transition Fund holding with UBS, into the sterling hedged version. The holding as at 31 March 2026 was £450.876 million (£367.890 million 31 March 2025).

17a. Financial Instruments – Classification

Accounting policies describe how different asset classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The table below analyses the carrying amounts of financial assets and liabilities by category and Net Asset Statement heading, excluding statutory creditors (prepayments from employers, transfer values, lump sum benefit payments, payroll adjustments) and statutory debtors, (employer and employee contributions, VAT, transfer values and capital cost of retirement).

31 March 2025			31 March 2026		
Designated as Fair Value through Profit & Loss £ million	Assets at Amortised Cost £ million	Financial Liabilities at Amortised Cost £ million	Designated as Fair Value through Profit & Loss £ million	Assets at Amortised Cost £ million	Financial Liabilities at Amortised Cost £ million
Financial Assets					
1,042.046			1,057.083		
1,242.291			1,206.210		
1,038.361			1,228.437		
388.770			476.758		
736.716			839.313		
	22.981			6.509	
	2.658			1.494	
	3.640			5.631	
4,448.184	29.279	0.000	4,807.801	13.633	0.000
Financial Liabilities					
		-8.422			
		-2.002			-2.069
0.000	0.000	-10.424	0.000	0.000	-2.069
4,448.184	29.279	-10.424	4,807.801	13.634	-2.069

The debtor figure of £1.494 million above (£2.658 million at 31 March 2025) excludes statutory debtors of £11.226 million (£10.592 million at 31 March 2025).

The creditor figure of £2.069 million above (£2.002 million at 31 March 2025) excludes statutory creditors of £6.879 million (£6.836 million at 31 March 2025).

No financial assets were reclassified during the accounting period.

17b. Net Gains and Losses on Financial Instruments

31 March 2025		31 March 2026
£ million	Financial Assets	£ million
103.944	Fair value through profit and loss	275.749
-0.454	Amortised cost - unrealised gains	-0.251
Financial Liabilities		
0.000	Fair value through profit and loss	0.000
103.490	Total	275.498

18a. Fair Value Hierarchy

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values.

Level 1

Financial instruments at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical asset or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.

Listed investments are shown at bid price. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

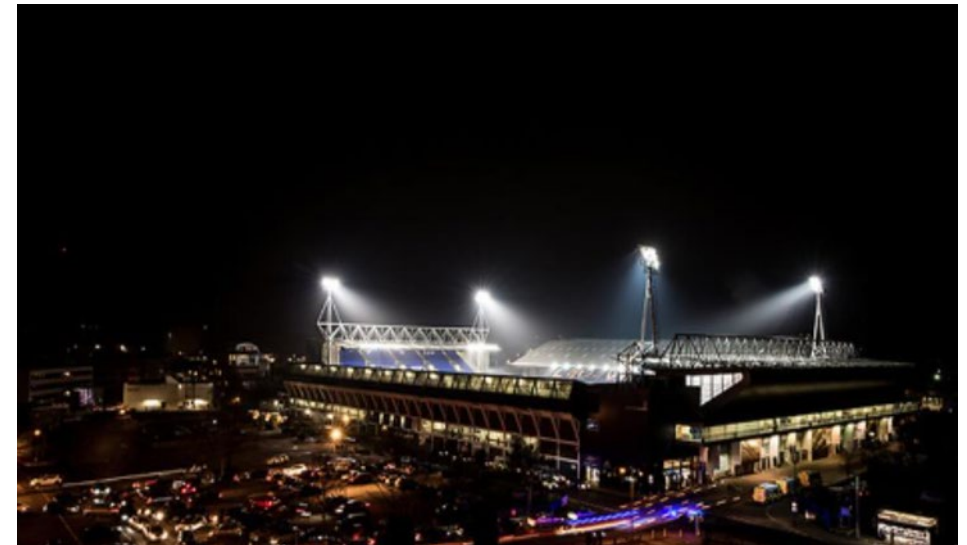
Financial instruments at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Assets classified as level 2 include pooled equity and fixed income investments.

Level 3

Financial instruments at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

These instruments would include unquoted investments such as Property, Private Equity, Infrastructure, Illiquid Debt and Timberlands, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.



Portman Road at night, Ipswich

18.b Fair Value - Basis of valuation

The basis of valuation for each class of investment asset is set out below:

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Market Quoted Equities Money Market Funds Absolute Returns	Level 1	Published bid market price	N/A	N/A
Index Tracking Equity Pooled Funds	Level 2	Valuation technique with quoted prices of a similar asset	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place.
Fixed Income	Level 2	The prices are published reflecting the NAV at each dealing point but are not exchange traded	Price of recent transactions for identical instrument	Significant change in economic circumstances or time lapse since the transaction took place.
Forward Foreign Exchange derivatives	Level 2	Market exchange rates at the year end	Price of recent transactions for identical instrument	Risk of an exchange rate changing between the transaction date and the subsequent settlement date volatility of the exchange rates during the hedge period
Property	Level 3	Assets are priced based on valuations received from the Managers which are determined in accordance with the last known NAV and adjusted for subsequent capital calls and distributions and other relevant information provided by the property fund.	Pricing inputs are unobservable and includes situations where there is little market activity. Estimated rental growth. Covenant strength for existing tenancies. Discount rate. Land/Building valuation surveys.	Significant changes in rental growth, vacancy levels or the discount rate could affect valuations as could more general changes to market prices and volumes of sales and purchases
Illiquid Debt	Level 3	The valuation techniques used include comparison to recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option adjusted spread models and, if applicable, enterprise valuation.	These techniques may include a number of assumptions relating to variables such as credit risk and interest rates.	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.
Infrastructure	Level 3	The valuation of the investment assets is determined in accordance with generally accepted valuation principles in compliance with article 5(3) of the Luxembourg law of 15 June 2004 on investment companies in risk capital.	Management's cash flow projections. Estimates of growth expectations and profitability. Profit margin expectations. Adjustments to current prices for similar properties	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date by changes to expected cash flows and fair value adjustments

Asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable inputs	Key Sensitivities affecting the Valuations
Private Equity	Level 3	The valuation of the investments are carried at fair value as determined in good faith by the General Partner in accordance with the terms of the Partnership Agreement and US GAAP.	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.
Timberlands	Level 3	Valuation technique is based on accepted valuation techniques that include discounted cash flow and multiple earnings.	Management's cash flow projections Estimates of growth expectations and profitability Profit margin expectations Adjustments to current prices for similar assets valuation techniques	Valuations could be affected by material events occurring between the date of the financial statements provided and the Pension Funds reporting date, by changes to expected cash flows, earning multiples and discount rates used in the discounted cash flow analysis.



Suffolk Trinity, Suffolk Showground, Ipswich

18.c Valuation of Financial Instruments Carried at Fair Value

	Quoted Market Price Level 1 £ million	Using Observable Inputs Level 2 £ million	With Significant Unobservable Inputs Level 3 £ million	Total £ million
Values at 31 March 2025				
Financial Assets				
Fair value through profit and loss	57.646	3,322.698	1,067.840	4,448.184
Assets at amortised cost	29.279			29.279
Total Financial Assets	86.925	3,322.698	1,067.840	4,477.464
Financial Liabilities				
Fair value through profit and loss				
Financial Liabilities at amortised cost	-2.002	-8.422		-10.424
Total Financial Liabilities	-2.002	-8.422	0.000	-10.424
Net Financial Assets	84.923	3,314.276	1,067.840	4,467.039

	Quoted Market Price Level 1 £ million	Using Observable Inputs Level 2 £ million	With Significant Unobservable Inputs Level 3 £ million	Total £ million
Values at 31 March 2026				
Financial Assets				
Fair value through profit and loss	174.635	3,491.730	1,141.436	4,807.801
Assets at amortised cost	13.634			13.634
Total Financial Assets	188.268	3,491.730	1,141.436	4,821.435
Financial Liabilities				
Fair value through profit and loss				
Financial Liabilities at amortised cost	-2.069	0.000		-2.069
Total Financial Liabilities	-2.069	0.000	0.000	-2.069
Net Financial Assets	186.199	3,491.730	1,141.436	4,819.366

18.d Reconciliation of Fair Value measurements within Level 3

Assets	Opening Market Value 01 April 2024 £ million	Purchases £ million	Sales £ million	Realised Gains/(Losses) £ million	Unrealised Gains/(Losses) £ million	Closing Market Value 31 March 2025 £ million
Property	306.180	398.042	-320.350	31.006	-26.108	388.770
Illiquid Debt	144.341	8.924	-24.148	0.012	-2.776	126.353
Infrastructure	385.420	58.097	-6.954	0.527	-2.994	434.096
Private Equity	122.009	2.781	-18.457	11.946	-15.471	102.808
Timberlands	0.041	16.172	0.000	0.000	-0.401	15.812
Total of Investments	957.991	484.016	-369.909	43.491	-47.750	1,067.839

Assets	Opening Market Value 01 April 2025 £ million	Purchases £ million	Sales £ million	Realised Gains/(Losses) £ million	Unrealised Gains/(Losses) £ million	Closing Market Value 31 March 2026 £ million
Property	388.770	98.518	-16.924	1.753	4.641	476.758
Illiquid Debt	126.353	52.727	-30.325	0.005	0.062	148.822
Infrastructure	434.096	5.048	-28.991	0.743	-27.232	383.664
Private Equity	102.808	0.118	-21.355	12.605	-16.464	77.712
Timberlands	15.812	37.850	-2.787	-0.154	3.759	54.480
Total of Investments	1,067.839	194.261	-100.382	14.952	-35.234	1,141.436



Scallop, A conversation with the sea, Aldeburgh

18.e Sensitivity of assets values at Level 3

An analysis of historical data and expected investment return movements by Hymans Robertson has determined a potential market movement range for the value of the holdings classified as level 3 as below:

	Market Value 31 March 2025 £ million	Valuation Range	Value on Increase £ million	Value on Decrease £ million
Property	388.770	15.2%	447.863	329.677
Illiquid Debt	126.353	7.0%	135.197	117.508
Infrastructure	434.096	14.5%	497.040	371.152
Private Equity	102.808	26.6%	130.155	75.461
Timberlands	15.812	14.5%	18.104	13.519
Total of Investments	1,067.839		1,228.359	907.318

	Market Value 31 March 2026 £ million	Valuation Range	Value on Increase £ million	Value on Decrease £ million
Property	476.758	10.0%	524.434	429.083
Illiquid Debt	148.822	8.0%	160.728	136.916
Infrastructure	383.664	8.0%	414.357	352.971
Private Equity	77.712	21.0%	94.031	61.392
Timberlands	54.480	8.0%	58.838	50.122
Total of Investments	1,141.436		1,252.388	1,030.484

19. Nature and Extent of Risks Arising from Financial Instruments

The fund's primary long-term risk is that the fund's assets will fall short of its liabilities of benefits payable to members. The aim therefore of investment risk management is to minimise the risk of an overall reduction in the value of the fund and to maximise the opportunity for gains across the whole fund portfolio.

This risk is minimised through asset diversification to reduce exposure to market risk and credit risk to an acceptable level. The liquidity risk is managed by ensuring there is sufficient liquidity to meet the fund's forecast cash flows, which forms part of the Pension Fund's overall risk management policy.

Responsibility for the fund's risk management strategy rests with the Pension Fund Committee. Risk management policies are established to identify and analyse the risks and are reviewed regularly to reflect changes in activity and market conditions.

The key risks that have been identified are:

- A. Credit risk
- B. Liquidity risk
- C. Market risk
- D. Interest Rate Risk
- E. Currency Risk
- F. Price Risk
- G. Custody
- H. Investment Management
- I. Sensitivity of Funding position to market conditions and investment performance

A. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to another party by failing to meet its obligations.

The Fund is exposed to credit risk in its operational activities through securities lending, forward currency contracts and treasury management activities. Commercial credit risk also arises with those organisations that pay monies over to the Fund (debtors) as part of the administration function, principally contributions from employers and transfers in from other registered pension schemes.

The Fund monitors the monthly receipt of contributions from employers. The Funding Strategy Statement requires safeguards to be in place for all new admission agreements to protect the Fund from an employer default, primarily through a guarantee from a tax-backed scheme employer for any new employer in the Fund. An analysis of debtor balances at 31 March 2026 is provided in Note 22.

The Fund's bank account is held with Lloyds Bank Plc, which is also banker to Suffolk County Council the Administering Authority for the Pension Fund. The bank held a Long-Term rating of 'A+' (strong) with Standard and Poor and with Fitch as at March 2026. The management of this cash held for the purpose of managing the cashflow was carried out by the Council's Treasury Management team in accordance with the cash management strategy approved by the Pension Fund Committee. The Fund has had no occasion of default or uncollectable deposits.

The Fund's cash pending allocation for investment, is held within the custody system in the bank account of the custodian, Northern Trust.

At 31 March 2026, £5.631 million was with Lloyds (£3.640 million at March 2025). Cash deposited with Northern Trust amounted to £131.076 million at 31 March 2026 (£39.147 million at March 2025).

B. Liquidity risk

Liquidity risk is the risk that the Fund will have insufficient liquid assets (cash) to meet its investment or benefit obligations as they fall due. The Pension Fund takes steps to ensure it has adequate cash resources to meet its commitments.

The Pension Fund holds sufficient working capital to ensure that it has cash available to meet benefit and transfer payments and cash drawdown requirements in respect of certain investment transactions. Within mandates it is the responsibility of the individual managers to ensure that they have sufficient funds available to meet the transactions they enter into on behalf of the Fund. These responsibilities are detailed within the investment management agreements. At an investment level a large proportion of the

Fund's investments are held in instruments that can be realised at short notice if a cash flow need arose. Certain investments, particularly property, unquoted private equity, illiquid debt, timberlands and infrastructure funds are considerably less liquid, but these make up a far smaller proportion of the overall portfolio, £1,141.436 million, 24% (£1,067.839 million, 24% at March 2025).



Memorial to 94th Bombardment Group, Bury St. Edmunds

C. Market risk

Market risk is the risk that the fair value of cash flows of a financial instrument will fluctuate due to changes in market sentiment. Market risk reflects interest rate, currency and other price risk.

Market risk is inherent in the investments that the Fund makes. To mitigate market risk the investments are made in a diversified set of asset classes and investment approaches to ensure a risk adjusted balance between categories. The Fund takes formal advice from its independent investment advisers (Hymans Robertson LLP and Mark Stevens), and the portfolio is split between a number of managers and investment strategies with different benchmarks and performance targets. Full details can be found in the investment strategy statement that is available at www.suffolkpensionfund.org. Investment risk and strategy are regularly reviewed by the Pension Fund Committee.

D. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Pension Fund's exposure to interest rate movements from its investments in fixed interest securities and cash and cash equivalents which includes the custodian money market fund and cash held for investment.

The Pension Fund recognises that interest rates can vary and can affect both income to the fund and the value of the net assets. A 100-basis point (BPS) movement in interest rates (equivalent to 1%) is consistent with the level of sensitivity applied as part of the Fund's risk management strategy.

The analysis overleaf, assumes that all other variables remain constant and shows the effect in the year of a +/- 100 BPS change in interest rates on the cash available to pay benefits.

Asset Type	Value as at 31 March 2025 £ million	Change + 100 BP's £ million	Change - 100 BP's £ million
Cash held for Deposit	3.640	0.036	-0.036
Cash and Cash Equivalent	39.147	0.391	-0.391
Total Assets	42.787	0.427	-0.427

Asset Type	Value as at 31 March 2026 £ million	Change + 100 BP's £ million	Change - 100 BP's £ million
Cash held for Deposit	5.631	0.056	-0.056
Cash and Cash Equivalent	131.076	1.311	-1.311
Total Assets	136.707	1.367	-1.367



Orwell Bridge (sunset) from Nacton Shores, Nacton

E. Currency Risk

Currency risk is the extent to which the Pension Fund is exposed to fluctuations in exchange rates and the impact these fluctuations have on the sterling valuation of assets denominated in foreign currency.

The one year expected standard deviation for an individual currency as at 31 March 2026 is 10% (as provided by LGPS Central). This is based on the assumption that there is no diversification with other assets and that all other variables, in particular interest rates remain constant.

The foreign exchange rate movement exposure to the strengthening or weakening of sterling against the various currencies in which the fund holds investments which are not hedged to sterling are as below:

Asset Type	Value as at 31 March 2025 £ million	Potential Market Movement £ million	Value on Increase £ million	Value on Decrease £ million
Overseas Equities	795.297	72.372	867.669	722.925
Overseas Index Tracking	1,038.361	94.491	1,132.852	943.870
Alternative Investments	584.911	53.227	638.138	531.684
Total overseas assets	2,418.569	220.090	2,638.659	2,198.479

Asset Type	Value as at 31 March 2026 £ million	Potential Market Movement £ million	Value on Increase £ million	Value on Decrease £ million
Overseas Equities	2,014.622	201.462	2,216.084	1,813.160
Overseas Index Tracking	1,027.588	102.759	1,130.347	924.829
Alternative Investments	714.811	71.481	786.292	643.330
Total overseas assets	3,757.021	375.702	4,132.723	3,381.319

F. Price Risk

Price risk is the risk of volatility in the valuation of the assets held by the Fund. The level of volatility will vary by asset class and also over time. The Fund has some diversification in the asset classes in which it invests, which seeks to reduce the correlation of price movements between different asset types, while employing specialist investment managers to best deploy capital in line with the Fund's overall strategy.

An analysis of historical data and expected investment return movements by LGPS Central has resulted in a potential market movement price risk index for each asset type. If the market price of the fund's investments increases or decrease in line with the potential market movements then the change in the value of the net assets would be as follows:

Asset Type	Value as at 31 March 2025 £ million	Change %	Value on Increase £ million	Value on Decrease £ million
Equities	1,042.046	18.42	1,233.991	850.101
Fixed Income	1,242.291	6.50	1,323.040	1,161.542
Index Tracking	1,038.361	18.60	1,231.496	845.226
Cash	22.981	0.30	23.050	22.912
Money Markets	16.166	2.00	16.489	15.842
Property	388.770	15.20	447.863	329.677
Alternatives	720.551	15.60	832.957	608.146
Total Assets	4,471.166		5,108.886	3,833.446

Asset Type	Value as at 31 March 2026 £ million	Change %	Value on Increase £ million	Value on Decrease £ million
Equities	1,057.083	15.00	1,215.646	898.521
Fixed Income	1,206.210	6.00	1,278.582	1,133.837
Index Tracking	1,228.437	15.00	1,412.702	1,044.171
Cash	6.509	1.00	6.574	6.443
Money Markets	124.567	1.00	125.813	123.322
Property	476.758	10.00	524.434	429.083
Alternatives	714.746	15.79	827.604	601.888
Total Assets	4,814.310		5,391.355	4,237.265

G. Custody

The Fund appointed Northern Trust as its global custodian with responsibility for safeguarding the assets of the Fund. Northern Trust is an established custodian bank and were appointed as the Fund's custodian in 2021 following a national framework tendering process. Quarterly reconciliations are performed between the underlying records of the custodian and the appointed investment managers.

H. Investment Management

The Fund has appointed a number of investment managers to manage portions of the Fund. An Investment Management Agreement is in place for each relationship. All appointments meet the requirements set out in the LGPS investment regulations. Managers' report performance on a quarterly basis and this is monitored and reported to Pension Fund Committee. The Fund makes use of a third-party performance measurement service provided by Northern Trust. All managers have regular review meetings and discussions with members of the Pension Fund Committee, officers and the Independent Financial Adviser Mark Stevens.

I. Sensitivity of Funding position to market conditions and investment performance

When preparing the formal valuation, the Actuary takes the assets of the Fund at the market value on the valuation date. Volatility in investment performance as a result of market risk factors can have an immediate effect on the funding level and deficit. This is particularly relevant because the Fund is invested predominantly in riskier (and historically higher return) assets such as equities and equity-like investments (e.g., property trusts). A rise or fall in the level of equity prices can have a direct impact on the financial position of the Fund.

Less obvious is the effect of anticipated investment performance on the Fund's liability to pay future pension benefits. Here the returns available on government bonds (gilts) are important, as the discount rate that is used to place a value on liabilities is the gilt yield at the valuation date plus a margin of 1.8% per annum. Effectively if the gilt yield rises the discount rate will increase

and all other things being equal the value placed on liabilities will fall. If the Fund was invested entirely in gilts rather than potentially higher returning assets the discount rate would be lower as no margin for the expected-out performance of the Fund's investments over gilts could be assumed.



Hyperion, Newmarket

20. Funding Position

In line with Regulation 62 of the Local Government Pension Scheme Regulations 2013, the Fund's actuary undertakes a funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period.

An actuarial valuation uses economic and demographic assumptions in order to estimate future liabilities of pensions payable. The assumptions are typically based on a mix of statistical studies and experienced judgement. Hymans Robertson LLP provides the Fund's Actuarial appraisal.

The key elements of the funding policy are:

- To take a prudent long-term view to secure the long-term solvency of the Fund, with sufficient funds to pay benefits to members and their dependents.
- Use a balanced investment strategy to minimise long-term cash contributions from employers for long term efficiency.
- To ensure that employer contributions rates are as stable as possible.
- To reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so.
- To use reasonable measures to reduce the risk to other employers and ultimately to the council taxpayer from an employer defaulting on its pension's obligations.

The primary objective of the Fund is to set employer contribution rates that will adequately cover the cost of benefits which will accrue in the future and any costs related to benefits already earned.

Formal Valuation

The last formal three-yearly actuarial valuation was carried out as at 31 March 2025. The valuation report sets out the rates of the employer's contributions for the three years starting 1 April 2026. The valuation was based on:

- Meeting the requirements of the Local Government Pension Regulations.
- 100% funding of future liabilities for service completed to 31 March 2025.
- The 'projected unit method' of actuarial valuation.

Financial Assumptions

Financial assumptions typically try to forecast when benefits will come into payment, what form these will take and how much the benefits will cost the Fund in the future. The financial assumptions included in the valuation are as follows:

- Projected investment returns of 5.6% per year.
- Projected increase in future salaries of 3.3% a year.
- Projected pension increases of 2.3% a year. (CPI)

Funding Position

The actuary uses the market value of the Fund's assets as stated in the audited accounts of March 2025. The actuarial assessment of the value of the fund's assets was £4,471 million as at 31 March 2025 and the liabilities at £2,952 million.

The valuation showed that the Fund's assets covered 151% of its liabilities at the valuation date, and the surplus based on the actuarial valuation was £1,518 million.

Contribution Rates

The Fund actuary uses a model to project each employer's asset share over a range of future economic scenarios. The contribution rate takes each employer's assets into account as well as the projected benefits due to their members.

Employer contributions are made up of two elements:

- the primary contribution rate – contributions payable to cover all future benefits.
- the secondary contribution rate – the difference between the primary rate and the total employer contribution. This may be in respect of costs associated with accrued benefits or adjustments to achieve the Fund's stability and affordability objectives.

The total contribution rate for each employer is then based on:

- the funding target – how much money the Fund aims to hold for each employer.
- the time horizon – the time over which the employer aims to achieve the funding target.
- the likelihood of success – the proportion of modelled scenarios where the funding target is met.

This approach takes into account the maturing profile of the membership when setting employer contribution rates.

The whole fund primary rate (payroll weighted average of the underlying individual employer rates) is 23.0% of pensionable pay for the three years starting 1 April 2026. This is offset with a whole fund secondary rate. The secondary rate is variable and is -8.2% for 2026 - 2027. The whole fund rate is 14.8% for 2026 - 2027.

The average employee contribution rate is 6.3% of pensionable pay.

The next formal valuation is as at 31 March 2028.

21. Actuarial Present Value of Promised Retirement Benefits

In addition to the triennial funding valuation, the fund's actuary also undertakes a valuation of the Pension Fund liabilities every year using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

In 2015 the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015 with transitional protections introduced for older members. In December 2018, the Court of Appeal ruled that the 'transitional protection' offered to some members of the judicial and fire fighters' schemes, as part of the reforms, amounted to unlawful discrimination on the basis of age discrimination. This ruling does have implications for the Local Government Pension Scheme.

As part of the introduced reforms the LGPS changed from a final salary scheme (a pension based on the members salary when they left) to a career average scheme (a pension which is built up based on what the member earned each year)

Older members who were closer to retirement were protected from the changes. This means when a protected member takes their pension, the benefits payable under the career average scheme are compared with the benefits that would have been built up, had the final salary scheme continued and they receive the higher amount. This protection is called the underpin.

To remove the McCloud age discrimination, qualifying younger members will now receive the underpin protection too. This change came into force on 1 October 2023. Underpin protection only applies to pension built up in the remedy period, between 1 April 2014 and 31 March 2022. From 1 April 2022, there is no underpin protection. Pension built up after this date is based on the career average scheme only.

The cost to the Suffolk Pension Fund of the McCloud remedy has been built into the valuation and funding position by the Fund's actuary.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment has now been upheld by the Court of Appeal.

The Local Government Pension Scheme is a contracted out defined benefit scheme, and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete.

Until this analysis is complete, the Fund is unable to conclude whether there is any impact on the assessed actuarial present value of promised retirement benefits under IAS 26, or if it can be reliably estimated. As a result, The Suffolk Pension Fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

Interim Valuation

An interim valuation was carried out as at 31 March 2026. The valuation was included on the actuary's Funding report which is based on long term financial assumptions for the Suffolk Fund and contains the following assumptions:

Increases in future pensions of 2.6% a year (2.3% 31 March 2025)

Projected investment returns of 4.8% per year (5.3% 31 March 2025)

The actuarial value of the Fund's assets was estimated to be £4.850 billion and the liabilities £3.720 billion at 31 March 2026 (£4.471 billion and 2.950 billion at 31 March 2025).

The required asset return for 100% funding is 3.4% p.a. (3.1% March 2025) and there is a 94% (greater than 95% March 2025) likelihood of the assets achieving this return.

International Accounting Standard 26 (IAS 26)

CIPFA's Code of Practice on Local Authority Accounting 2025 - 2026 requires administering authorities of the LGPS funds that prepare pension fund accounts to disclose what IAS 26 refers to as the actuarial present value of promised retirement benefits.

This is similar to the valuation, but the assumptions used are in line with IAS 19 rather than assumptions tailored to the Suffolk Pension Fund and using a discount rate rather than reflecting market rates.

The following assumptions have been used for the IAS 26 calculation:

- Pension increases of 3% a year (2.75% 31 March 2025)
- Increases in future salaries of 4% a year (3.75% 31 March 2025)
- Discount Rate of 6.2% per year (5.8% 31 March 2025)

The IAS 26 calculation shows that the present value of promised retirement benefits amount to £3.191 billion as at 31 March 2026 (£3.993 billion as at 31 March 2025). This incorporates an approximate allowance for the potential increase in liabilities arising from the impact of the McCloud judgement



Framlingham Castle, Framlingham

22. Current Debtors

The current debtors can be analysed as below:

31 March 2025 £ million	Debtors	31 March 2026 £ million
8.265	Employers Contributions	8.543
2.270	Employee Contributions	2.575
1.621	Investment Assets	0.673
0.626	Sundry Debtors	0.545
0.468	Asset Pooling	0.384
13.250		12.720

23. Current Creditors

The current creditors can be analysed as below:

31 March 2025 £ million	Creditors	31 March 2026 £ million
-4.004	Amounts owed to Employers	-3.474
-0.253	Investment Expenses	-0.283
-1.698	Administration and Governance Expenses	-0.234
-0.907	Lump Sum Benefits	-1.440
-1.976	Sundry creditors	-3.517
-8.838		-8.948

24. Additional Voluntary Contributions

Scheme members have the option to make additional voluntary contributions to enhance their pension benefits. In accordance with regulation 4 (1) (b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, additional voluntary contributions have been excluded from the Fund Account and Net Asset Statement. These contributions are held by the providers and therefore do not form part of the Fund's investments.

A total of £0.267 million was paid over to the providers Legal & General, Standard Life and Clerical Medical in 2025 - 2026, (£0.182 million 2024 - 2025).

25. Related Party Transactions

Related party transactions requiring disclosure in accordance with IAS 24 are as follows:

The Suffolk Pension Fund is administered by Suffolk County Council and consequently there is a strong relationship between the Council and the Pension Fund.

Suffolk County Council is the largest single employer of members of the Pension Fund and contributed £41.473 million to the Fund in 2025 - 2026 (£39.565 million in 2024 - 2025). In addition, the council incurred costs of £1.555 million (£1.591 million in 2024 - 2025) in relation to the administration of the Fund, audit, legal and committee services. These have all been reimbursed by the Fund.

Part of the Pension Fund cash holdings are invested by the Treasury Management operations of Suffolk County Council through the Treasury Management Policy approved by the Pension Fund Committee. During the year ending 31 March 2026, the Fund had an average investment balance of £10.917 million (£10.632 million in 2024 - 2025) earning interest of £0.429 million (£0.544 million in 2024 - 2025) from these investments.

One member of the Pension Fund Committee and five members of the Pension Fund Board are scheme members within the Pension Fund. All members of the Pension Fund Committee and Board are required to declare their interests at each meeting.

26. Key Management Personnel

No senior officer responsible for the administration of the Pension Fund provides any goods or services to the Fund other than those covered by their contract of employment with the Council.

The key management personnel of the Fund are the S151 Officer, Head of Pensions and Lead Accountant (Pensions). The total remuneration payable to

the key management personnel by the Suffolk Pension Fund was £0.197 million in 2025 - 2026 (£0.193 million in 2024 - 2025).

These costs are charged to the Pension Fund as governance and oversight costs, Note 11 and are included in the related parties Note 25.

27. Securities Lending

The Suffolk Pension Fund does not operate securities lending however it is undertaken in the pooled holdings operated by Waystone and the proceeds are reflected in the asset value, earning £0.124 million in 2025 - 2026 (£0.074 million in 2024 - 2025).

28. Contractual Commitments

In 2003 the Fund made contractual commitments to private equity funds managed by Wilshire and Pantheon. Commitments are made in the underlying currency of the funds (\$103.131 million and €41.288 million) and are therefore subject to volatility (risk) arising from exchange rate fluctuation. This volatility will impact both the value of unfunded commitments in sterling terms and the valuation of the funded interest and monies received as distributions. At 31 March 2026 the unfunded commitment (monies to be drawn in future periods) is \$6.719 million and €1.626 million. The commitments are paid over the investment timeframe of the underlying partnerships.

In 2011 - 2012 a contractual commitment of €54 million was made to an infrastructure investment (Partners Group Global Infrastructure 2012) managed by Partners Group. As at 31 March 2026 7% of the total commitment has been released, leaving €1.649m outstanding.

In 2015 - 2016 contractual commitments of \$149.500 million were made to private equity investments managed by Pantheon. Some draw downs on the commitments have been made and the outstanding amounts to 31 March 2026 are \$19.426 million.

In 2016 - 2017 the Pension Fund made additional contractual commitments to M & G, of £60 million in the Greenfield infrastructure fund. The outstanding amount is £6.745 million at 31 March 2026.

During 2017 - 2018 a contractual commitment was made to an infrastructure investment (Partners Group Global Infrastructure 2015) managed by Partners Group of €55 million, the outstanding amount as at 31 March 2026 is €8.314 million.

During 2020 - 2021 a contractual commitment of £75 million was made to the Mult Asset Credit Fund with Partners Group. The undrawn amount at the end of the year is £4.185 million.

During 2021 - 2022 a contractual commitment of \$84 million was made to the Global Infrastructure Fund IV with KKR. \$6.667 million remains outstanding.

During 2022 - 2023 a contractual commitment of £75 million was made to the Multi Asset Credit Fund VII with Partners Group. £2.885 million remains outstanding at 31 March 2026

During 2024 - 2025 a contractual commitment of \$56 million was made in Timber, managed by JP Morgan (Campbell Global Forest and Climate Solutions Fund II). At 31 March 2026 the unfunded commitment is \$27.237 million.

During 2024 - 2025 contractual commitments were made in Timber, managed by Stafford. Commitments of \$21 million (International Timberland Fund X) and \$10 million (Carbon Offset Opportunity Fund) were made. At 31 March 2026 the unfunded commitments are \$9.853 million and \$6.873 million.

During 2025 - 2026 a contractual commitment of \$68 million was made to the Senior Loan Fund RAIF SCSp (Series A) with Golub Capital. At 31 March 2026 the unfunded commitment was €37.117 million.

During 2025 - 2026 a contractual commitment of £40 million was made to the Direct Lending Evergreen (Senior) Fund with Arcmont. At 31 March 2026 the unfunded commitment was £36.098 million.

A summary of the commitments is as below:

Asset Class	2025 - 2026		
	Commitment £ million	Drawn £ million	Outstanding £ million
Private Equity			
Wilshire (2003-2008)	35.660	33.476	2.184
Pantheon (2003-2010)	44.698	40.365	4.333
Pantheon (2015)	113.370	98.639	14.731
Total Private Equity	193.728	172.480	21.248
Infrastructure			
Partners (2012)	47.182	45.741	1.441
Partners (2016)	48.056	40.791	7.265
M&G (2016)	60.000	53.255	6.745
KKR (IV)	63.699	58.643	5.056
Total Infrastructure	218.937	198.430	20.507
Timber			
JP Morgan (II)	42.465	21.812	20.653
Stafford (X)	15.925	8.453	7.472
Stafford (Carbon)	7.583	2.371	5.212
Total Infrastructure	65.973	32.636	33.337
Illiquid Debt			
Multi Asset Credit VI	75.000	70.815	4.185
Multi Asset Credit VII	75.000	72.115	2.885
Golub (Series A)	51.566	23.420	28.146
Arcmont (Evergreen)	40.000	3.902	36.098
Total Illiquid Debt	241.566	170.252	71.314



Rendlesham Forest, Near Woodbridge

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Suffolk Pension Board

Report Title:	Pensions Administration Performance
Meeting Date:	15 October 2026
Lead Board Member:	Ian Blofield, Chair of the Suffolk Pension Board
Director:	Mark Ash, Joint Chief Executive (LGR, Devolution, Transformation and Change) and Executive Director of Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Stuart Potter, Pensions Operations Manager, Telephone: 01473260295 Email: Stuart.potter@suffolk.gov.uk

Brief summary of report

1. This report provides the Pension Board with an update on the performance of the Pensions Administration Team. This report also includes details of compliments and complaints as requested by the Board.

Action recommended

- | |
|---|
| 2. To consider the information provided and determine any further action. |
|---|

Reason for recommendation

3. To provide the Board with regular updates on the performance of the Pensions Administration Team including updates on statutory requirements and Service Level Agreements.

Alternative options

4. There are no alternative options.

Main body of report

5. This report covers staff performance and team achievements since the previous Board meeting on 28 July 2026.

Service Level Agreements

6. The Service Level Agreements for the 'key' processes from July to August 2026 are shown below:
 - a) Provision of a transfer quote to scheme members within 10 days of the receipt of the estimated value and all necessary information – Total cases **97**, percentage completed in SLA **99%**
 - b) Estimates are issued to members or employers within 10 working days of receipt of all information – Total cases **80**, percentage completed in SLA **99%**

- c) Retiring employees are notified of their options within 5 working days of receipt of all information – Total cases **300**, percentage completed in SLA **98%**
- d) Retirement lump sums will be paid within 10 working days of receipt of all necessary information after retirement – Total cases **248**, percentage completed in SLA **99%**
- e) Notification of survivor benefits will be issued within 10 working days of receipt of all information – Total cases **30**, percentage completed in SLA **100%**
- f) Outstanding monies owed in respect of a deceased pension, and any death grant, will be paid within 10 working days of receipt of all information – Total cases **72**, percentage completed in SLA **100%**

System updates

- 7. Employers can send member data monthly to the fund using the i-connect tool. This helps avoid significant work at the end of the financial year both for the employer and the fund. The testing and rolling out has continued although the percentage of employers fully using this system to send monthly data remains at 62% which now equates to 44% of all active members.
- 8. The number of members signing up to the member self-service system 'Engage' has continued to increase. Following a targeted communication sent to those members who had not signed up, and recent advertisements in communications, the total number of registered members is now over 19,000, an increase of 1,500 members since the previous meeting.

Undecided leavers

- 9. There are currently 5700 undecided leavers in total to process, a decrease of just under 300 from the previous report. The team continue to work through the old remaining cases in priority order based on age.

Retirement Audit report

- 10. Internal audit completed their latest administration audit on retirement events. The objective of the audit was to provide assurance that retirement events are calculated accurately, properly authorised, paid correctly, and on time and supported by robust governance and management oversight.
- 11. An overall opinion of 'Substantial Assurance' has been given meaning a sound system of governance, risk management and control exists with internal controls operating effectively and being consistently applied.
- 12. There were no high or medium findings raised during this audit. A handful of low findings were raised to highlight opportunities for good practice, and the fund will review and consider implementing process change if it is efficient to do so. There will be no audit follow up to this report due to no high or medium findings being raised.

Annual Benefit Statements and McCloud Remedy

- 13. The statutory deadline for issuing Annual Benefit Statements, either online or by post, including the impact of the McCloud remedy for those members in scope, was 31 August 2026.
- 14. The McCloud Remedy is the removal of age discrimination in the LGPS relating to the change from a final salary scheme to a career average scheme in 2014. At

the time underpin protections were put in place for older scheme members who were approaching retirement to ensure that they wouldn't be negatively impacted by the changes. The pension that these members built up in the CARE scheme between 1 April 2014 and 31 March 2022 (or their final salary normal pension age, if earlier) was compared to the pension they would have accrued in the final salary scheme if it hadn't closed, and if the final salary pension would have been higher, their CARE pensions were enhanced.

15. Following legal challenges, the underpin protection was expanded to include younger scheme members who meet specific criteria. This has required the pension fund to implement a major project to calculate the impact of the underpin protection for the 16,290 members now in scope.
16. Significant work to collect and validate additional hours and salary information from employers to update records has been undertaken to ensure the McCloud remedy is accurately calculated in member records.
17. This has enabled the 31 August 2026 deadline for active and deferred members to be met, with 8,682 of the 45,568 Annual Benefit Statements produced informing members that they are in scope of the remedy and the impact it is currently calculated to have on the amount of pension they will receive on retirement. At present 1,314 active and deferred members are expected to receive a higher pension because of the remedy. The remaining active and deferred members in scope have been provided with figures that show that they are better off in the care scheme.
18. The remaining 7,608 members in scope are mainly those who have already have a calculation (e.g. transfer, retirement, death). Of these over 1,200 are already in receipt of the highest benefits. For the remaining members the recalculation of benefits needs to be completed and anyone who has a resulting underpin amount will need to have their benefits adjusted.
19. The team are working through the cases where a recalculation of benefits is required and applying McCloud to new cases. Under the statutory guidance these recalculations should have been completed by 31 August 2026, but this deadline has not been met. Therefore, a report has been made to The Pensions Regulator to inform them of this breach. As part of the report the Fund will inform the regulator that all members whose benefits have not yet been recalculated will be kept informed of progress in completing the recalculation. If they are entitled to an increase in pension benefits these will be paid with interest to compensate for the delay in payment.

Access and Fairness

20. From 1 April 2026 the Local Government Pension Scheme (LGPS) regulations were amended to incorporate the changes from the governments Access and Fairness consultation. These changes have been made to remove and address historic inequalities in the regulations primarily by aiming to close the gender pension gap, ensuring equality in relation to the payment of survivor benefits, and improving protections for members taking unpaid leave.
21. The changes have been communicated to employers and members, and the team are applying the new regulations to current cases.
22. A review of previous cases involving the payment of survivor benefits is required as the rules have been backdated in line with the dates that civil partnerships and same sex marriages became legal in the UK. Beneficiaries are also now eligible for a lump-sum death grant regardless of the member's age at death on

or after 1 April 2014. It was previously capped at age 75. The review and recalculation of previous cases is required to be completed by 1 January 2028, with contact being made with all identified survivors by October 2027. This will commence with identifying impacted cases and a plan for undertaking recalculations alongside business-as-usual activity will be developed.

Newsletters

23. The latest Active Member newsletter was issued in early September 2026. This included confirmation that Annual Benefit Statements have been issued, a link to more information on Access and Fairness changes, a link to slides explaining the LGPS and to aid with retirement planning, frequently asked questions, a link to some videos the Local Government Association have created to explain the LGPS, the usual promotion of Engage and an article from the Pension Board Trade Union representative.
24. The autumn edition of the Employer newsletter was also issued during September 2026. This edition contained information on a calculator that has been produced by the Local Government Association (LGA) for employers to calculate additional pension amounts for absences over 15 days and an article on an LGPS toolkit also produced by the LGA which contains material, including videos and posters to enable employers to promote the LGPS better. The newsletter also included information on when employers can automatically pay refunds of contributions and when the fund needs to do this. Finally, the newsletter contained articles promoting both i-connect and Engage.

Compliments and Complaints

25. During this reporting period there have been 2 compliments above and beyond the usual thanks received for the service provided.
26. The first compliment was from a member who required support accessing and locating information on their engage account. This was provided and an e-mail was received stating 'thank you for always being so helpful, you and your colleagues provide a superb service. Since speaking with you today, with your assistance I have now accessed my Engage account and can get the historical information I need. Very pleased!'
27. The second compliment was from a member who had experienced a delay in having their pension put into payment due to information that was outstanding from the employer. The team helped to resolve this and the member e-mailed in to say 'I just wanted to say a big thank you for helping me push through my claim for my pension this week. I cannot even begin to explain how desperate I was getting after retiring on 30th April 2026 and not receiving any monies until now. Once again, thank you for doing everything you could, chasing payroll for me and getting this to a conclusion.'
28. During this period the pension team have received two complaints. The first of these was from a member unhappy with the length of time taken to process their transfer. This was caused by the changes to the SCAPE discount rate, as covered during the previous Board meeting, and this was explained to the member. As soon as it was possible to process this case, this was completed and the member informed.
29. The second complaint is from a member who is unhappy they have been asked to take independent financial advice regarding a transfer out of the LGPS they wish to do. This is a requirement from the Pensions Regulator when a value in a scheme is over £30,000 and there is no flexibility around this and this has been

explained to the member. At this time the complaint is still ongoing, and the member has been made aware of the Internal Dispute Resolution procedure (IDRP) should they wish to use it.

30. There have been no new IDRP complaints raised during this period.

Contribution payments

31. The administration strategy requires contributions from employers to be received by the Pension Fund within 5 working days of the month end in which the contributions were deducted. The table below summarises the timeliness of receipts received during 2025/26 quarter 4 and 2026/27 quarter1.

	Quarter 4 25/26			Quarter 1 26/27		
	Employer	Contributions		Employer	Contributions	
	%	£'m	%	%	£'m	%
On Time	90.4	38.972	99.3	89.3	29.976	98.4
Up to 1 week late	4.7	0.186	0.5	4.0	0.078	0.3
Over 1 week late	4.9	0.074	0.2	6.7	0.420	1.3
Total		39.232			30.474	

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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Suffolk Pension Board

Report Title:	Investment Pooling Update
Meeting Date:	15 October 2026
Lead Board Member:	Ian Blofield, Chair of the Suffolk Pension Board
Director:	Mark Ash, Joint Chief Executive (LGR, Devolution, Transformation and Change) and Executive Director Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial (S151) Officer
Author:	Tracey Woods, Head of Pensions, 01473 265639, tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report provides an overview of the activity that has been undertaken in relation to investment pooling in the six months since the Fund joined the LGPS Central Pool.

Action recommended

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| 2. To note the activity that is progressing in relation to investment pooling. |
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Reason for recommendation

3. The role of the Pension Board is to assist the Council as Scheme Manager for the Suffolk Pension Fund, to secure compliance with the Local Government Pension Scheme (LGPS) Regulations and any other legislation relating to the governance and administration of the LGPS.

Alternative options

4. The Board could request further information in relation to investment pooling.

Main body of report

Background

5. The Pension Schemes Act 2026 received Royal Assent on 29 April 2026. The Act provides the legal framework for new LGPS regulations that came into force from the end of June 2026. These were the Pooling, Management and Investment of Funds Regulations 2026 and the (Amendment) (Governance) Regulations 2026. The LGPS Regulations 2013 have been updated to incorporate these changes.

6. Under the Pooling, Management and Investment of Funds Regulations a consistent approach to asset pooling is being put in place and the number of LGPS investment pools has reduced.
7. The regulations require that all investment pools are investment management companies authorised and regulated by the Financial Conduct Authority (FCA). This resulted in the Suffolk Pension Fund being required to move from the ACCESS Pool, which is not a regulated company, to become a shareholder in the LGPS Central Pool. This took place on 1 April 2026, in line with the original government timetable. It is planned that the transition of investments from the funds established under ACCESS to the LGPS Central funds will take place over the next two years. Following this the legal agreements governing the ACCESS pool will be terminated.
8. The responsibilities of the asset pools are also being significantly expanded under the regulations. The administering authorities continue to be responsible for the high-level investment strategy for their fund, but they are required to delegate to their asset pool the implementation of the investment strategy. All funds are also required to take their principal investment advice from their pool.
9. A fiduciary management agreement with LGPS Central Ltd has been put in place which covers all the services that the company will provide to the fund. This includes a power of attorney so that effective control of all the Suffolk Pension Fund assets is delegated to the pool company.

Governance Arrangements for the LGPS Central Pool

10. Fund Officers have been working with the other thirteen partner funds and the pool company to establish new governance groups that reflect the new responsibilities of the company. This has also considered work commissioned by the Central pool before Suffolk joined to review the previous governance arrangements. This work reviewed what was working well and where improvements could be made. One of the key reflections made was that a clearer separation of Shareholder and Client roles was needed.
11. The new governance arrangements are set out in **Appendix 1**. The Oversight Board is attended by a member of the Pension Fund Committee from each partner fund and will meet at least twice a year. The role of the Board is to provide strategic oversight, challenge and assurance of the delivery of investment pooling activities.
12. The Shareholder Engagement Forum is planned to take place twice a year and is attended by the Shareholder representative from each authority. This is the Chief Financial Officer (S151 officer) for the Suffolk Pension Fund. The Forum is a consultation body established to facilitate engagement, discussion and information-sharing between the Company and Partner Funds collectively on shareholder matters. Shareholder decisions on behalf of Suffolk County Council as administering authority are made by the Chief Financial Officer (S151 Officer) in consultation with the Chair of the Pension Fund Committee.
13. The Client Forum meetings take place on a monthly basis and are structured into three themes on a rotation:
 - a) Client servicing, Assurance and Fiduciary Oversight
 - b) Innovation and Development
 - c) Performance and Engagement

14. These are attended by Fund officers involved in investments from all the partner funds. There are also detailed sessions to interrogate the performance of investments in different asset classes.
15. Alongside these groups Fund Officers have a weekly 1:1 meeting with the company to discuss fund specific matters, and the Partner Fund Officer Group operates alongside the formal governance arrangements of the Pool, providing a structured forum for engagement, coordination and information sharing. The effectiveness of the new governance arrangements will be kept under review.

Governance Arrangements for the ACCESS Pool

16. The ACCESS Pool will now have Joint Committee meetings, attended by Pension Fund Committee chairs once a year to agree the new year business plan. The business plan will include the budget that has been agreed by the Project Connect Programme Board (PCPB). PCPB replaced the S151 Officer group.
17. The Project Connect programme closed at the end of September, but PCPB is named in the revised Inter Authority Agreement so the group will continue with this name. Each authority has a nominated officer to attend this group, and it is expected this will be largely made up of LGPS Senior Officers rather than S151 Officers moving forward.
18. The Officer Working Group has ceased. PCPB will make any decisions that need to be taken that haven't been delegated to the pool companies. As these will be infrequent meetings they will be scheduled as required, moving from monthly to quarterly, and will focus on monitoring the progress of the new pools in relation to the transition of assets, the risk register and the budget.
19. The ACCESS support unit was closed at the end of September. The Funds have shared out responsibility for ongoing work as follows. Kent will continue as secretariat to the Joint Committee, West Sussex are leading on coordination of PCPB meetings and decisions, the business plan and risk register. Essex will manage the budget, and Suffolk will produce sub fund reporting focused on progress with transition rather than performance.

Investment Transition and Services

20. The fiduciary management agreement with LGPS Central Ltd included a phased approach to putting in place all services that the pool company are expected to provide moving forward. This is to ensure that the development of the services and roll out is delivered in line with FCA expectations, particularly in relation to managing risks. Many of the services are being piloted with a few partner funds before wider roll out. The services include performance reporting and investment advisory.
21. The company has established Project Delta to support the delivery of the fully operational fiduciary management and advisory service model. A forward plan for each partner fund is being developed that includes target dates for the rollout of services and asset transitions.
22. A significant amount of consultation has been undertaken with Fund Officers to understand the investment strategies and responsible investment beliefs of the partner funds. This is to help inform the strategic review that is taking place of each of the investment asset classes. This is to ensure that in each asset class funds are in place to deliver the strategic asset allocation of each partner fund

whilst maximising the benefits of pooling. Fund Officers expect to be able to share a timeline for go live of services for Suffolk and high-level transition plans at the next meeting.

23. The Pension Fund Committee made a number of strategic asset allocation decisions at its March 2026 meeting. These included making a 4% allocation to 5-year gilts to reduce the overweight equity position as the equity investments continue to outperform other asset classes, which was completed in September.
24. At the September meeting the Committee were also made aware of a proposal under discussion with LGPS Central and Hymans Robertson to top slice more from the equity position to protect against a fall in equity markets. This rebalancing will be into a suitable investment vehicle within the LGPS Central investment vehicles.
25. Plans to increase the Emerging Market Equity investments from 1.5% to 3% are being discussed with LGPS Central. Furthermore a 1% top up of the infrastructure investment with JP Morgan will be made in the vehicle that LGPS Central have with this manager. A further investment in timber is expected to be implemented once LGPS Central have a natural capital asset class solution in place.

Next steps

26. The Fund has been actively involved in developing the new governance arrangements for the LGPS Central and ACCESS pools and will continue to engage in all forums.
27. Fund Officers will share a timeline for the go live of new services from LGPS Central and asset transitions at the next meeting.

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

Suffolk Pension Board

Report Title:	Investment Strategy Statement
Meeting Date:	15 October 2026
Lead Board Member:	Ian Blofield, Chair of the Suffolk Pension Board
Director:	Mark Ash, Joint Chief Executive (LGR, Devolution, Transformation and Change) and Executive Director Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial (S151) Officer
Author:	Tracey Woods, Head of Pensions, 01473 265639, tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report presents the draft Investment Strategy Statement (ISS) for consultation with the Pension Board prior to its submission to the Pension Fund Committee for approval in November 2026.

Action recommended

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| <ol style="list-style-type: none"> 2. To Board is asked to: <ol style="list-style-type: none"> a) Review the draft Investment Strategy Statement. b) Provide any comments on the proposed amendments to be reported to the Pension Fund Committee. |
|--|

Reason for recommendation

3. The Investment Strategy Statement is a statutory document that sets out the Fund's investment objectives, approach to investment risk, strategic asset allocation, pooling arrangements and responsible investment policies.
4. Consultation with the Pension Board supports the Board's role in assisting the Administering Authority to secure compliance with LGPS legislation and good governance practices. The Board's comments will be reported to the Pension Fund Committee when it considers the Statement for approval in November 2026.

Alternative options

5. There are no alternative options

Main body of report

Background

6. The Suffolk Pension Fund has prepared this Investment Strategy Statement in line with the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulation 2026, with reference to the Ministry of Housing, Communities and Local Government (MHCLG) guidance on 'Preparing and Maintaining an Investment Strategy Statement' and after taking appropriate professional advice.
7. The Pension Board is responsible for assisting the Administering Authority in securing compliance with LGPS legislation, other legislation relating to the governance and administration of the Scheme, and the requirements of The Pensions Regulator. The Board is invited to review the proposed amendments and provide any comments it wishes the Committee to consider when determining the final Statement.

Investment Strategy Statement

8. This Investment Strategy Statement (attached as **Appendix 1**) sets out the goals and guidelines to make informed investment decisions that meet the funding objectives set out in the Funding Strategy Statement.
9. The Pension Fund Committee views having the appropriate investment strategy in place as a key driver to manage risk and return and has approved a strategic allocation that invests in a range of asset classes to provide the Fund with diversification benefits and the opportunity to capture some illiquidity premium from being a long-term investor.
10. The Pension Fund Committee is aware of the need to generate a sufficient level of return whilst managing potential investment risks and therefore has developed a clear set of fundamental investment beliefs covering both investment and Environmental, Social and Governance considerations which provides a clear framework for all investment decisions.
11. In light of the new Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulation 2026 there has been significant changes to the previous strategy, these are highlighted in red.
12. The changes reflect the pooling arrangements since the Fund joined LGPS Central on 1 April 2026, revised asset allocation table in line with the guidance and the responsible investment beliefs.
13. The Investment Strategy Statement has been reviewed by LGPS Central, Hymans Robertson and Mark Stevens, the Fund's independent adviser.

Sources of further information

- a) Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulation 2026
- b) Local Government Pension Scheme: Preparing and maintaining an Investment Strategy Statement

Suffolk Pension Fund Investment Strategy Statement

The Suffolk Pension Fund has prepared this Investment Strategy Statement in line with the Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulation 2026, with reference to the Ministry of Housing, Communities and Local Government (MHCLG) guidance on 'Preparing and Maintaining an Investment Strategy Statement' and after taking appropriate professional advice.

This statement is subject to review at least every three years and from time to time on any material change in investment policy, financial markets, circumstances in the Fund or in government legislation.

The Investment Strategy Statement will be subject to consultation with relevant stakeholders and published in accordance with statutory requirements.

The Pension Fund Committee has overall responsibility for the management of the Fund, including setting the investment strategy and ensuring that this Investment Strategy Statement complies with regulations and statutory guidance.

The Suffolk Pension Fund is a member of LGPS Central Ltd Asset Pool. The Pension Fund has formulated this investment strategy after having considered advice from LGPS Central Ltd and Hymans Robertson.

Fund Objective

Funding Strategy Statement

The Funding Strategy provides a prudent probability of success for the Fund to be in a fully funded position.

Its purpose is:

- Take a prudent long-term view to secure the regulatory requirement for long term solvency, with sufficient funds to pay benefits to members and their dependents.
- Use a balanced investment strategy to minimise long term cash contributions from employers and meet the regulatory requirement for long term cost efficiency.
- Where appropriate, ensure stable employer contribution rates.
- Reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy.
- Use reasonable measures to reduce the risk of an employer defaulting on its pension obligations.



The funding objective that has been adopted for the Suffolk Pension Fund is to ensure that the assets of the Pension Fund, when taken in conjunction with future contributions and expected asset returns, are sufficient to ensure that all future pension and retirement benefits will be fully covered by the Fund when they fall due.

Investment Objectives

The Fund's investment objectives are set in accordance with the Funding Strategy Statement and are designed to support the Fund in meeting its long-term liabilities. The Investment Strategy Statement sets out how the Fund's investment strategy is expected to deliver the funding requirements set out in the Funding Strategy Statement.

The Fund's overarching investment purpose is to generate returns which, alongside contributions, ensure that pension benefits can be paid as they fall due over the long term, having regard to the timing and value of the Fund's liabilities.

The Fund sets the following primary investment objectives:

- Over the long term, the overall level of investment return is expected to exceed the rate of return assumed by the Actuary in valuing the Fund and setting funding requirements.
- To take steps to meet the above return objective subject to an appropriate level of investment risk.
- To ensure that sufficient liquidity is available to meet benefit payments and other obligations as they fall due. In doing so, the Fund takes account of its current and projected cashflow position, including the extent to which it is cashflow positive or negative, and the liquidity characteristics of its underlying investments.
- The management of operational cash remains the responsibility of the Pension Fund. The Pension Fund will inform the Pool Company of the levels of operational cash required to pay benefits in the short and medium term.
- Invest up to 5.0% of funds in local assets which have quantifiable positive impacts to the local area of the LGPS Central Ltd Pool and the authority.

Investment Strategy

This investment strategy sets out the objectives and principles to make informed investment decisions that meet the funding objectives set out in the Funding Strategy Statement.

The Suffolk Pension Fund is forecasting a negative cash flow position, as pensioner numbers and benefits increase, whilst employer contributions reduce as a result of improved funding levels. Taking this into account, the Fund targets a growth-based strategy alongside a steady income stream, with the aim of maximising asset performance in the long term within agreed risk levels, whilst also ensuring there is income available to manage the cashflow position.

There are significant levels of diversification between different asset classes to reduce overall portfolio risk through combining the performance of each asset class. This helps reduce the volatility effects of the financial markets, whilst maintaining the Fund's relatively low risk approach.

The Committee views having the appropriate investment strategy in place as a key driver to manage risk and return and has approved a strategic allocation that invests in a range of asset classes to provide the Fund with diversification benefits and the opportunity to capture some illiquidity premium from being a long-term investor.

The Committee considers that equities are the liquid asset expected to generate superior long-term returns. The Committee believes that within active management there are opportunities to add value, increasing the overall expected return (after fees) without significantly increasing the overall level of volatility. Passive management is utilised as a cost-efficient way of accessing equities to achieve market returns whilst maintaining liquidity.

The Committee believes the use of alternative assets can reduce overall volatility in the delivery of asset returns without leading to a significant reduction in overall expected return, whilst improving its risk-return characteristics through diversification.

The Committee takes a long-term approach to investing, reviewing the performance of its investment managers over a minimum period of three years. By taking a longer-term view, the Committee expects to receive enhanced risk adjusted returns and lower transaction costs by reducing asset turnover.

The Committee does not consider short term opportunities as a way of consistently delivering year on year performance. It believes that the effective management of financial risks of its investment assets results in positive performance over the long term.

Responsible Investment Beliefs

The Pension Fund Committee is aware of the need to generate a sufficient level of return whilst managing potential investment risks and therefore has developed a clear set of fundamental investment beliefs covering both investment and Environmental, Social and Governance considerations which provides a clear framework for all investment decisions.

The Committee's main objective is to deliver an investment return consistent with funding plans that does not compromise future generation's ability to meet their own needs.

The Committee recognises that environmental, social and governance (ESG) factors can have a material impact on the long-term financial performance of the Fund's investments. ESG factors are therefore considered alongside other relevant investment risks and opportunities when setting investment strategy, appointing and monitoring investment managers, and overseeing the management of the Fund's assets.

In pursuing this approach, the Committee's responsible investment principles are to:

- protect and enhance long-term investment returns.
- identify and manage financially material ESG risks and opportunities.
- promote high standards of corporate governance and accountability.
- exercise effective stewardship through voting and engagement.
- support transparency and effective disclosure by investee companies; and
- manage systemic risks that may affect long-term investment outcomes.

The Committee believes that the Fund's fiduciary duty to members and employers is best fulfilled through a long-term approach to investment that seeks to protect and enhance the value of the Fund's assets. The integration of financially material ESG considerations forms an important part of this approach and supports informed investment decision-making and effective risk management.

The Fund expects its investments to incorporate financially material ESG factors into the investment processes, investment analysis and portfolio management activities. Managers are expected to demonstrate how ESG considerations are integrated into investment decisions and how associated risks and opportunities are identified, monitored and managed over time.

The Fund recognises climate change as a financially material investment risk and opportunity that requires ongoing consideration. The Committee has set a net zero target of 2050 or earlier and adopted a Climate Strategy. They receive regular reporting on climate-related metrics, risks and opportunities. The Fund will continue to monitor its progress against climate-related objectives and seek to ensure that climate considerations are appropriately reflected within investment decision-making and stewardship activities.

The Fund also recognises that broader sustainability issues, including biodiversity loss, natural resource management, workforce practices, human rights, business ethics and corporate governance, may have a material impact on long term investment outcomes. The Committee therefore expects investment managers to identify and manage these risks where relevant to the Fund's investments.

The Committee believes that companies and other investment entities that are well governed and effectively manage material ESG risks are more likely to deliver sustainable financial performance over the long term. Consequently, responsible investment and stewardship activities are viewed as important tools in supporting the Fund's investment objectives and protecting the interests of scheme members and participating employers.

The Committee does not seek to impose social, environmental or ethical restrictions on investments, except where required by legislation, regulation or government policy. All investments made on behalf

of the Fund must comply with the legal and regulatory requirements applicable to the LGPS. ESG factors continue to evolve and should therefore be assessed with a long-term perspective that recognises both current performance and the future direction of travel of invested companies.

The Committee will keep its responsible investment policies under regular review to ensure they remain consistent with legislative requirements, guidance issued by government and relevant regulatory bodies, developments in industry best practice and the Fund's long term investment objectives.

Responsible investment considerations are relevant across all asset classes and investment time horizons, not only in terms of enhancing risk-adjusted returns but also in meeting the expectations of stakeholders. Equally, the Fund seeks to avoid unnecessary exposure to investments where environmental or social factors may have a detrimental financial impact on the Fund.

ESG considerations should form part of regular investment monitoring and reporting, enabling the Committee to assess compliance against its responsible investment beliefs. The Committee expects LGPS Central Ltd to support the implementation of the Fund's responsible investment priorities through investment management, stewardship activity, manager oversight, voting implementation and reporting.

The Committee expects LGPS Central Ltd to provide leadership in developing responsible investment practices, stewardship activities and reporting across pooled investments. The Committee will monitor stewardship activities through regular reporting on voting activity, engagement outcomes, escalation actions and progress against the Fund's stewardship priorities.

The Committee regards effective stewardship as an integral component of responsible investment. Stewardship includes the responsible allocation, management and oversight of capital to create long term value for beneficiaries. The Fund expects the investment managers and LGPS Central Ltd to exercise voting rights responsibly, engage constructively with investee companies and collaborate with other investors where this is considered likely to protect or enhance long term shareholder value. Engagement is viewed as a more effective means of influencing positive change than divestment, although the sale of an investment may be considered where material ESG concerns remain unaddressed.

Stewardship activity will focus on issues considered financially material to long-term investment performance, including:

- corporate governance and board effectiveness.
- capital allocation and shareholder rights.
- climate-related risks and opportunities.
- workforce and human capital management.
- business ethics and corporate culture; and
- corporate disclosure and transparency.

Collaboration is an important element of the Fund's responsible investment approach. The Fund is a member of the Local Authority Pension Fund Forum (LAPFF) and supports collaborative engagement initiatives that are consistent with its fiduciary duties and investment objectives. Through such arrangements, the Fund seeks to encourage improvements in corporate behaviour, transparency, governance standards and risk management practices amongst investee companies.

Strategic Asset Allocation

The Committee has translated the Fund's funding and investment objectives into a strategic asset allocation designed to achieve the long-term funding assumptions set out in the 2025 actuarial valuation and Funding Strategy Statement. The strategic allocation reflects the Committee's assessment of the appropriate balance between achieving long-term investment returns, managing risk and volatility, and meeting the Fund's liabilities as they fall due.

The Fund's strategic asset allocation is implemented through a diversified portfolio of assets, with each asset class fulfilling a specific role in supporting long-term growth, income generation, diversification, inflation protection and risk management.

The target allocations, together with the permitted minimum and maximum allocation ranges, provide the framework within which the Fund's assets are managed. These ranges allow for market movements, cash flow requirements and investment implementation considerations while ensuring that the overall risk and return profile of the portfolio remains consistent with the Fund's investment strategy.

The Fund maintains a 72% allocation to growth assets, comprising equities and alternative investments, to generate the long-term returns required to meet its funding objectives. Investments are allocated across a range of asset classes, with equities representing the largest allocation and the principal source of investment risk and return.

Over the long term, equities are expected to outperform other liquid asset classes, particularly bonds. Exposure to alternative asset classes provides access to additional sources of return while improving diversification and reducing overall portfolio volatility. These assets are expected to deliver returns broadly comparable to equities over the long term, allowing the Fund to maintain its return expectations while enhancing risk management.

The remaining 28% allocation to fixed income and bonds is intended to diversify equity risk, generate income, support the Fund's cash flow requirements and reduce overall funding level volatility. This allocation contributes to the resilience of the Fund's investment strategy across varying market conditions.

The Government has imposed a 5% limit on investments by the Suffolk Pension Fund in entities connected with Suffolk County Council. The Fund currently has no investments in entities connected to Suffolk County Council.



The table below sets out the Fund's strategic asset allocation and the strategic purpose of each asset class within the portfolio.

The underlying investments for each asset class is set out in Annex 1. Reference is made to the current managers in place to manage the asset allocation in each asset class. These underlying manager appointments may change as assets are transferred into LGPS Central Ltd investment vehicles.

Asset Class	Target Allocation	Min Limit	Max Limit	Strategy
Listed Equities	42.0	32.0	55.0	Growth asset, generating returns through capital gains and dividend income through exposure to global companies which includes the UK. Diversification of exposure to global markets utilising active and passive investment strategies and a range of investment managers. Supports the Fund's climate objectives.
Credit	24.0	16.0	30.0	Diversification from and lower risk than equities reducing volatility and improving risk adjusted returns.
UK Government Bonds	4.0	2.0	6.0	Defensive investments that provide a counterweight to riskier assets as well as offering direct inflation protection.
Real Estate	12.0	6.0	15.0	Generates inflation linked returns through income and capital appreciation with investment in global and UK property markets. Diversification to equities and bonds. Generates capital growth with illiquidity premium returns. Supports the Fund's climate objectives.
Infrastructure	10.0			Diversification from equities and bonds and reduces volatility and resilience during times of market stress. Enhances portfolio return without increasing risk. Generates capital growth with illiquidity premium returns. Supports the Fund's climate objectives.
Private Credit	4.0			
Private Equity	4.0			

The Committee monitors the Fund's asset allocation against the strategic benchmark and the agreed minimum and maximum allocation ranges. Portfolio rebalancing is undertaken by LGPS Central Ltd, taking into account the approved allocation ranges, prevailing market conditions, cash flow requirements arising from investment commitments, and other relevant factors.

In addition to ongoing monitoring, the Fund's asset allocation is subject to formal review, with consideration given to the continued appropriateness of the investment strategy following each triennial actuarial valuation and any other material changes in the Fund's circumstances.

Currency hedging

The Fund may utilise currency hedging where considered appropriate to manage foreign exchange risk and improve the risk-adjusted characteristics of the portfolio. The extent of any currency hedging will be determined through the Fund's investment strategy and implemented through arrangements with LGPS Central Ltd.

Local Investment

The Fund is committed to supporting sustainable economic growth and social value within Suffolk in accordance with the Government's Fit for the Future requirements for LGPS pooling and local investment.

Local investment is defined as capital deployed within Suffolk, local strategic authorities and in the wider LGPS Central Ltd Pool regions.

The Fund aims to allocate up to 5% of its assets to investments that generate both appropriate financial returns and tangible local benefits, including housing, infrastructure, clean energy, and enterprise development.

Local investments will be allocated and managed by the LGPS Central Ltd Asset Pool. LGPS Central Ltd will collaborate with Strategic Authorities and Administering Authorities to source local investment opportunities, subject to minimum investment criteria, with investment due diligence conducted by LGPS Central Ltd and other external managers or advisors.

Local investment opportunities will be assessed on the basis of their expected financial return, risk characteristics and contribution to portfolio diversification. Such opportunities will be subject to the same levels of scrutiny, due diligence and governance oversight as any other investment.

The Fund will report annually on its local investment activities, including the proportion of assets allocated, sectors supported, and the social and economic outcomes achieved.

Pooling arrangements

Suffolk Pension Fund participates in the LGPS Central Ltd investment pool, alongside, Cheshire, Derbyshire, Gloucestershire, Hampshire, Leicestershire, Norfolk, Nottinghamshire, Oxfordshire, Shropshire, Staffordshire, West Midlands, Wiltshire and Worcestershire. This has been established to provide investment management services, deliver economies of scale, strengthen governance arrangements and enhance investment opportunities for participating funds. LGPS Central Ltd is authorised and regulated by the Financial Conduct Authority and works collaboratively with its partner funds to implement investment strategies in a cost-effective and efficient manner.



The Fund retains responsibility for setting its investment strategy, strategic asset allocation, funding objectives and responsible investment policies. LGPS Central Ltd is responsible for implementing

mandates and managing pooled investment vehicles in accordance with the requirements of participating funds and relevant legislation and guidance.

The Fund intends that all assets capable of being managed through pooled investment vehicles will transition to LGPS Central Ltd, subject to the availability of appropriate investment solutions and regulatory requirements. The Committee will work collaboratively with LGPS Central Ltd to ensure the Fund's investment strategy is implemented efficiently, cost-effectively and in compliance with the Government's pooling framework.

Through LGPS Central Ltd, the Fund seeks to achieve diversification, access to enhanced investment expertise and broader investment opportunities across both public and private markets, while maintaining a focus on long-term value creation, responsible investment and effective risk management.

The Fund is still a member of the ACCESS Pool, which will be in existence until the last investment from all the participating Funds has been transferred into their new Pool's investment vehicles. The Project Connect Programme Board has been established to provide collective oversight of the winding-down of the pool, to ensure an orderly and effective transfer of assets and the closure of the remaining pool operations.

Investment advice

The Fund will utilise LGPS Central Ltd.'s advisory services as its primary source of investment advice and does not expect to retain separate investment consultants once those services are fully operational, except where independent advice is required to support the Committee in fulfilling its fiduciary duties and statutory responsibilities.

Risk Management

The Fund is exposed to a number of risks which pose a threat to the Fund meeting its objectives. These risks are set out and monitored as part of a formal risk register which is available on the Suffolk Pension Fund website (www.suffolkpensionfund.org). The principal risks affecting the Fund are:



a) Funding risks:

- Financial mismatch
 - The risk that Fund assets fail to grow in line with the developing cost of meeting Fund liabilities.
 - The risk that unexpected inflation increases the pension and benefit payments and the Fund assets do not grow fast enough to meet the increased cost.
- Changing demographics
 - The risk that longevity improves, and other demographic factors change increasing the cost of Fund benefits.
- Systemic risk
 - The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting Fund liabilities.

b) Asset risks:

- Concentration
 - The risk that significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives.
- Illiquidity
 - The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets.
- Manager underperformance

- The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates.

c) Other risks:

- ESG risk
 - The risk that investments with poor corporate, environmental, social and governance policies will impact performance and investment returns including the risk posed by climate change.
- Transition risk
 - The risk of incurring unexpected costs in relation to the transition of assets among managers.
- Custody risk
 - The risk of losing economic rights to Fund assets, when held in custody or when being traded.
- Credit default
 - The possibility of default of a counterparty in meeting its obligations.
- Cashflow Risk
 - The risk of having to sell assets at an inopportune time to meet cashflow requirements.

Mitigations:

The approach the Committee adopts to managing these risks is via a combination of:

- The appointment of professional advisers to assist the Committee in managing risk.
- Regular review and monitoring of the performance of the Pension Fund's investments.
- Specific limits on individual investments.
- Ensuring the expected return from the investment strategy is consistent with the assumptions made by the Actuary in valuing the Fund.
- Monitoring the estimated funding level throughout the triennial valuation cycle.
- Assessments of the levels of risk taken by the Fund.
- Diversification of asset classes and managers.
- Professional advice is sought for significant transitions with consideration to the appointment of specialist transition managers.

Expected return on investments

Over the long term, the overall level of investment return is expected to exceed the rate of return assumed by the Actuary in valuing the Fund and setting funding requirements.

Realisation of investments

The majority of assets held within the Fund may be realised quickly if required. The Committee monitors both the level of liquid assets and the liquidity requirements of the Fund.

Stock Lending

The Fund permits stock lending where this is undertaken through LGPS Central Ltd pooled investment vehicles or underlying investment funds and where appropriate controls are in place to manage associated risks. Any stock lending activity is subject to applicable regulatory requirements, collateral arrangements and oversight by LGPS Central Ltd and/or the relevant investment manager. The Fund receives information on stock lending activity through its regular monitoring arrangements.

Exercise of Voting Rights

The Committee believes that voting and engagement are important tools in promoting good corporate governance and protecting the long-term value of the Fund's investments. For assets managed through LGPS Central Ltd investment vehicles, voting is undertaken in accordance with LGPS Central Ltd.'s Voting Principles, which seek to promote effective stewardship, robust governance, responsible business practices and the management of long-term investment risks, including climate-related risks. The Committee receives regular reporting on voting activity and stewardship outcomes.

For legacy assets that remain within ACCESS investment vehicles pending transfer to LGPS Central Ltd, the LGPS ACCESS Pool's voting guidelines will continue to apply. These guidelines, which have

been agreed by the ACCESS Joint Committee and incorporated into the relevant Investment Management Agreements, set out matters of importance to participating ACCESS funds and promote high standards of corporate governance and stewardship. Where an investment manager does not follow the guidelines, they are required to provide a clear and robust explanation for the position adopted.

LGPS Central Ltd expects its investment managers to be signatories to, or demonstrate a commitment to the principles of, the Financial Reporting Council's UK Stewardship Code and the United Nations Principles for Responsible Investment (UNPRI). The Committee considers these frameworks to represent good practice in responsible investment, stewardship and the management of long-term investment risks.

Engagement

The Suffolk Pension Fund is a member of the Local Authorities Pension Fund Forum (LAPFF), to enable it to act collectively with other local authorities on corporate governance issues. The Forum currently has 88 member funds and 5 LGPS Asset Pools with assets of more than £425 billion.

The Fund maintains membership of the Local Authority Pension Fund Forum (LAPFF) to support the delivery of its responsible investment and stewardship objectives. Membership provides access to collaborative engagement initiatives, research, training and governance insights, while enabling the Fund to raise issues directly and support engagement activity that aligns with its own responsible investment priorities. This complements the stewardship and engagement activities undertaken through LGPS Central Ltd and helps the Committee fulfil its oversight responsibilities.

The Fund expects investment managers to be engaged in social, environmental and ethical considerations insofar as these matters are regarded as impacting on the current and future valuations of individual investments. The Fund believes taking account of such considerations forms part of the investment managers' normal fiduciary duty.

As such, the Fund has a commitment to ensure that companies in which it invests, adopts a responsible attitude towards the environment and has high ethical standards. Generally, such companies are expected to behave in a socially responsible manner by taking account of the interests of all stakeholders, which includes how the company will adapt to the effects of climate change.

Annex 1

The table below details the Fund's strategic asset allocation, including the target allocation and permitted allocation ranges for each sub asset class, together with the investment managers responsible for implementing the mandates.

Reference is made to the current managers in place to manage the asset allocation in each asset class. These underlying manager appointments may change as assets are transferred into LGPS Central Ltd investment vehicles.

Asset Class	Sub Asset Class	Investment Manager	Sub Asset Class Allocation
Listed Equities	UK Equities	Blackrock	5.0
	Global Equities	Baillie Gifford Longview Newton Columbia Threadneedle	18.0
	Global Equities Index Tracking ESG Tilt	UBS	19.0
Credit	Fixed Income	M&G Janus Henderson Fidelity UBS	24.0
UK Government Bonds	UK Government Bonds	UBS	4.0
Real Estate	Property	CBRE	9.0
	Timberlands	JP Morgan Stafford Capital	3.0
Infrastructure	Infrastructure	JP Morgan KKR Partners Group	10.0
Private Credit	Private Credit	Partners Group M&G Arcmont Golub	4.0
Private Equity	Private Equity	Pantheon	4.0

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Suffolk Pension Board

Report Title:	Climate Risk Report
Meeting Date:	15 October 2026
Lead Board Member:	Ian Blofield, Chair of the Suffolk Pension Board
Director:	Mark Ash, Joint Chief Executive (LGR, Devolution, Transformation and Change) and Executive Director Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial Officer (S151 Officer)
Author:	Tracey Woods, Head of Pensions, Telephone: 01473 265639 Email: tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report sets out the Weighted Average Carbon Intensity (WACI) of the Fund's investments as at March 2025 and an indicative measurement as at March 2026.

Action recommended

- | |
|---|
| 2. The Board is asked to note the report. |
|---|

Reason for recommendation

3. The Investment Strategy Statement has been aligned to the Paris Agreement, inclusive of a net zero target for 2050 or earlier. A set of measures has been agreed to establish the level of climate risk in the investment portfolio and monitor progress in reducing it on an annual basis.
4. The report provides evidence of how climate-related risks and opportunities are being identified, monitored and managed within the Fund's investment strategy and supports the Board's oversight of governance arrangements relating to responsible investment and climate risk management.

Alternative options

5. There are no alternative options.

Main body of report

Background

6. The Suffolk Pension Fund has expressed a desire to lower the carbon intensity of the Fund and commit to a Net Zero target. A target date of 2050 or earlier has been incorporated into the Investment Strategy statement aligning the portfolio to the Paris Agreement.

7. As part of its commitment to managing climate-related financial risks and opportunities, the Fund has adopted a Path to Net Zero strategy which supports the Fund's broader Responsible Investment framework and commitment to achieving net zero greenhouse gas emissions across its investment portfolio by 2050, in line with the goals of the Paris Agreement.
8. The Pension Fund has published their Path to Net Zero which sets out the strategy and a high-level action plan, which includes timelines, interim targets and how this target can be achieved. This also includes monitoring, to enable the Fund to report progress. This is attached as **Appendix 1**.

Report Summary

9. The attached Climate Report, (**Appendix 2**), prepared by LGPS Central, provides an assessment of the Fund's carbon exposure as at 31 March 2025 and 31 March 2026 and establishes an updated baseline against which progress towards the Fund's net zero objectives can be monitored.
10. The report assesses key climate metrics including financed emissions, carbon footprint and Weighted Average Carbon Intensity (WACI), alongside comparisons with the Fund's strategic benchmark. The report demonstrates that the Fund continues to maintain a significantly lower carbon profile than its benchmark across all reported climate measures.
11. Members should note that this is the first climate report produced by LGPS Central following a change from the previous reporting approach undertaken by Hymans Robertson. Whilst the report continues to utilise MSCI climate data, differences in methodology, benchmark construction and portfolio mapping mean that direct comparisons with previous reports should be interpreted with caution. In addition, the 2026 climate metrics are currently provisional and may be revised as updated company emissions data becomes available.
12. The report provides valuable insight into the Fund's current climate risk exposure and will support ongoing monitoring of progress against the Fund's Path to Net Zero strategy and responsible investment objectives.

Key Findings

13. The Fund's carbon exposure remains substantially below that of its benchmark across all key climate metrics. The principal findings included in the report are as follows:
 - a) At 31 March 2025, the Fund's Weighted Average Carbon Intensity (WACI) was 46.5 tCO₂e/\$m sales, compared with 157.6 tCO₂e/\$m sales for the benchmark, indicating substantially lower exposure to carbon-intensive companies.
 - b) The Fund's carbon footprint was 25.1 tCO₂e per £m invested, significantly below the benchmark figure of 64.6 tCO₂e per £m invested for the benchmark.
 - c) The Fund's financed emissions were 80,161 tCO₂e, significantly lower than the benchmark figure of 256,019 tCO₂e.
 - d) At 31 March 2026, the Fund's Weighted Average Carbon Intensity (WACI) was 56.2 tCO₂e/\$m sales, compared with 155.6 tCO₂e/\$m sales for the benchmark, indicating significantly lower exposure to carbon-intensive companies.

- e) The Fund's carbon footprint was 29.9 tCO₂e per £m invested, compared with 65.1 tCO₂e per £m invested for the benchmark.
- f) The Fund's financed emissions were 105,799 tCO₂e, significantly lower than the benchmark figure of 275,070 tCO₂e.
- g) The strongest climate outcomes continue to be delivered by the Fund's global equity allocations, particularly the UBS Climate Aware, UBS Low Carbon, Baillie Gifford Long Term Global Growth, Newton Global Equity and Longview Partners Global Equity Fund mandates, all of which exhibit materially lower carbon intensity than their respective benchmarks.
- h) All reported managers outperform their benchmarks on carbon intensity measures, although results for some mandates, particularly M&G Alpha Opportunities Fund and Janus Henderson MAC, should be interpreted with caution because of limited emissions data coverage.
- i) Climate metrics remain broadly aligned with the longer-term trend of lower carbon exposure relative to benchmark, although direct year-on-year comparisons are limited by changes in reporting methodology and portfolio composition.

Conclusion

- 14. The Climate Report demonstrates that the Fund continues to maintain a substantially lower carbon profile than its benchmark across all key climate metrics. The Fund's Weighted Average Carbon Intensity, carbon footprint and financed emissions remain significantly below benchmark levels, reflecting the impact of the Fund's responsible investment approach and climate-aware mandates.
- 15. While the 2026 data should be regarded as provisional and comparisons with previous reports are affected by methodological changes, the results indicate that the Fund is well positioned to support the objectives of its Path to Net Zero Strategy and to manage climate-related investment risks over the long term.
- 16. Switching towards more climate focused mandates has been the main contributor to the reduction in WACI but engagement actions have also lowered carbon intensity of the underlying positions held. Looking ahead, it is expected that most of the focus will need to be on engagement to further lower WACI.
- 17. Given the evolving pooling landscape, it will be important to assess the carbon intensity positioning of the Fund's strategy once the mapping exercise to LGPS Central has been completed. LGPS Central also has a net zero strategy for 2050 and thus the transition is not expected to be detrimental to the Fund's progress.

Sources of further information

No other documents have been relied on to a material extent in preparing this report.

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Suffolk Pension Fund Path to Net Zero

The Pension Fund Committee is committed to aligning the portfolio to the Paris Agreement and set a net zero target for 2050 or earlier. This document sets out the strategy and a high-level action plan, which includes timelines, interim targets and how this target can be achieved. This also includes monitoring to enable the Fund to report progress.

The Pension Fund Committee is aware of the need to generate a sufficient level of return whilst managing potential investment risks and therefore has developed a clear set of fundamental investment beliefs covering both investment and environmental, social and governance (ESG) considerations which provides a clear framework for all investment decisions.

The Committee's main objective is to deliver an investment return consistent with funding plans that does not compromise future generation's ability to meet their own needs.

In addition, the Committee identifies climate change, pollution and company stewardship as the priorities for responsible investments and ESG.

Strategy

Vision

To have net zero carbon emissions from the investments in the Fund from 2050 or earlier.

Objectives

- To understand the level of Climate Risk within the Fund's investment portfolio.
- Monitoring and reporting the progress towards net zero carbon emissions to enable the Pension Fund Committee to make informed decisions.
- To reassure stakeholders.

Achieved through:

- Carry out baseline analysis for investments to understand the starting position and progress made to date based on investment at 31 March 2024.
- Monitor and report on the delivery of the Net Zero commitment on an annual basis
- Evaluate progress against timeline targets to demonstrate progress.
- Identifying investments which are not aligned to achieving net zero carbon emissions by 2050 and making informed decisions on continuance.

Engagement

The Committee believes that engagement and voting are influential and promotes good practice in the corporate governance and management of the companies that



they invest in. They can be effective in changing behaviour and improving the Fund's performance as well as having a positive impact on the environment and society and is more effective than disinvesting from the company.

The Fund where possible will participate in collaborative initiatives to strengthen the Fund's engagement outcomes.

The Suffolk Pension Fund has an investment managers engagement framework which sets how the elements of the process are identified and addressed, and to aid discussion, measurement of outcomes and reporting. This policy is set out in Annex 1 of this document.

Investment Strategy

The Committee recognises Environmental, Social and Governance (ESG) issues can impact on the Fund's investment returns and is committed to responsible investing to develop a sustainable investment approach to protect future Fund performance.

The Committee believes that having a responsible investment policy should lead to better financial outcomes for the Fund as businesses with more sustainable practices should outperform over the long term and lead to better outcomes for society.

The Fund should consider securities that deliver a positive environmental outcome only when there is evidence of the positive impact on risk and return and avoid exposure to securities where environmental aspects will be financially detrimental to the Fund.

Investment Managers

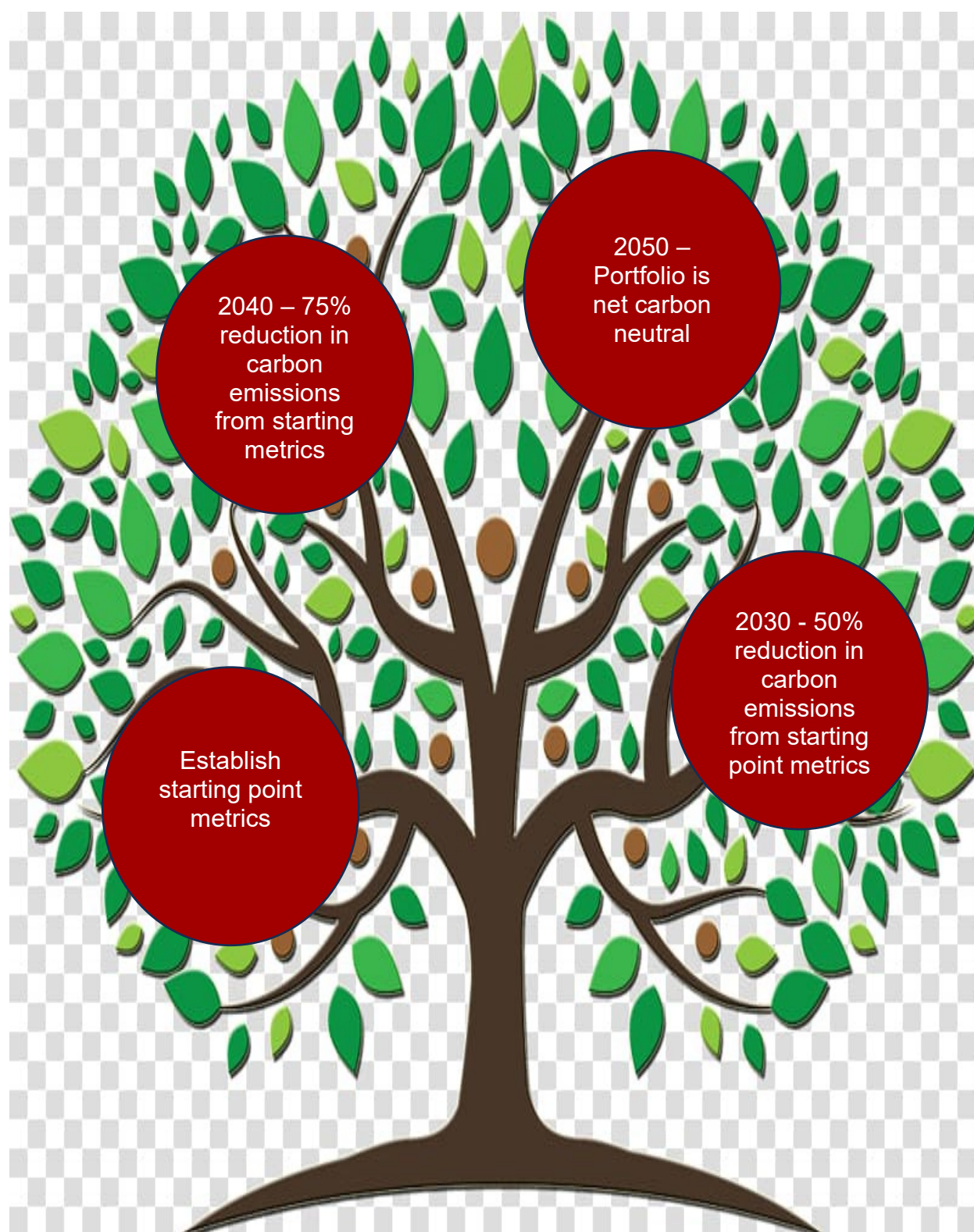
The Fund's investment managers are required to embed the consideration of Environmental, Social and Governance (ESG) factors into their investment process and decision making and to report on how these are implemented. ESG factors will evolve and the Fund's investment managers should seek to take a long-term view which evaluates the direction of travel of the invested companies.

The Committee does not restrict the investment managers' choice of investments by reference to social, environmental or ethical criteria except where restrictions have been put in place by Government. All investments that are made for the Fund comply with the legal and regulatory requirements that apply to the LGPS.

The Fund's investment managers are required to invest in line with the Fund's investment beliefs and to demonstrate how these beliefs are met.

Timeline

The timeline is a high-level journey plan, indicating the key milestones.



Measurement

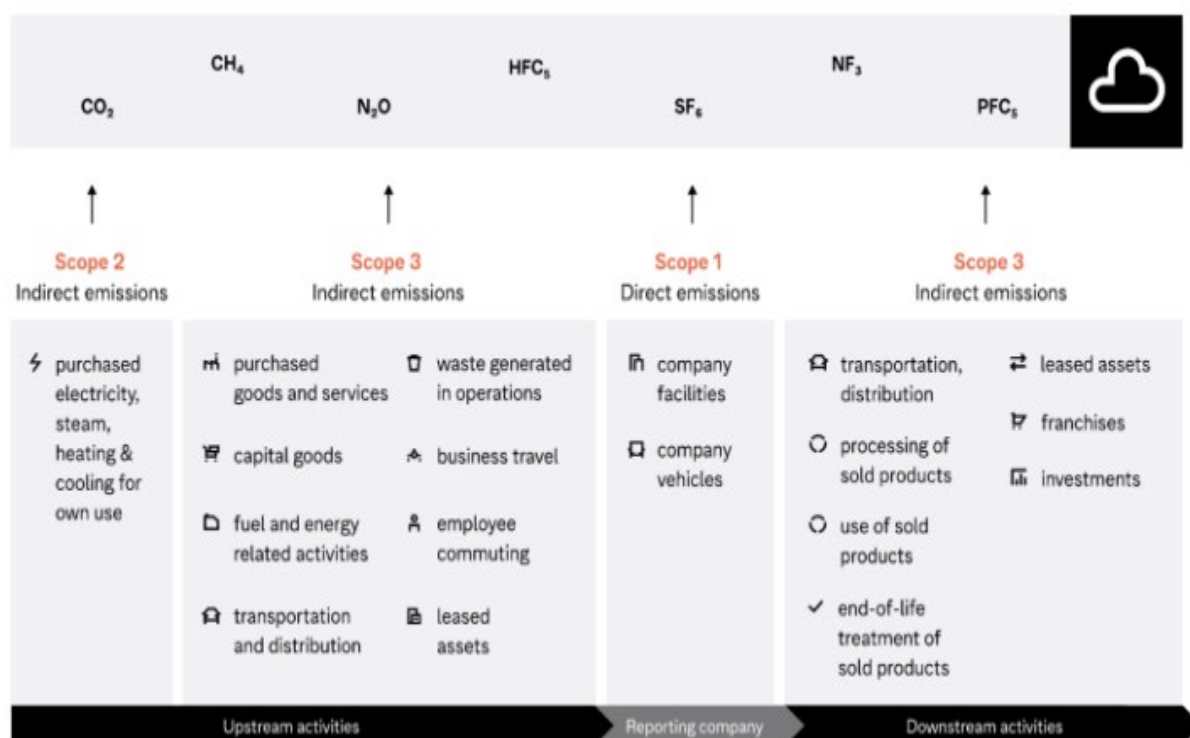
The carbon footprint of investments are reported as scope 1, 2 and 3 emissions, which categorises the different types of greenhouse gas emissions created by a company, its suppliers and customers. These are set out as follows:

- Scope 1 covers emissions from sources that an organisation owns or directly controls – such as driving non-electric vehicles.
- Scope 2 are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced, such as electricity used in company buildings.
- Scope 3 are emissions that are not produced by the company itself and are not a result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain such as the use and disposing of products to its suppliers.

Upstream emissions occur during the production of goods or services that a business purchases or uses such as a retail business using plastic to produce its products, it's the emissions from the production of that plastic.

Downstream emissions result from the use or disposal of a businesses' s product or service such as the use and disposal of a washing machine.

The infographic below displays a business's upstream and downstream activities and the 15 categories of scope 3 emissions as defined by the Greenhouse Gas Protocol.



There is a lot to be taken into consideration to reduce emissions such as cost and practicality. A company can chose whether their fleet of vehicles are low or zero emissions, can determine how the energy for their buildings is sourced and how their products are produced and these are easily quantifiable in scope 1 and 2.

However, scope 3 emissions are the hardest to reduce because a soft drinks maker can't control how a consumer will dispose of their empty bottle and a washing machine manufacturer can't dictate to a customer that they can only use their appliance in eco mode and dispose of it responsibly.



Annex 1

Investment Management Engagement Framework

Format

The investment managers engagement process is a continuous cycle of:

- engagement with the investment managers and other investment professionals,
- Identification of responsible investment beliefs,
- Analysis and assessment,
- Review investments
- Monitor investments
- Report on investments



The investment managers engagement framework sets out how each of these elements of the process are identified and addressed and to aid discussion, measurement of outcomes and reporting.

Framework



Investment Managers Engagement Framework

Engagement

The Suffolk Pension Fund will meet with each investment manager at least once a year. Active equity funds and investments that are causing concern will be met with on a more frequent basis.

Identify Responsible Investment Beliefs

The Funds responsible investment belief are set out in the Investment Strategy Statement alongside how the principal responsible investment beliefs and priorities will be achieved.

The key responsible investment beliefs are as follows:

- Responsible Investment considerations are important across all time horizons, but especially in the medium and long term. This is true not just in terms of protecting and enhancing long term investment return, but also increasingly in terms of the interests of stakeholders.
- Responsible investment considerations are important irrespective of asset class.
- Responsible management of responsible investment issues is considered a reputationally important issue.
- The consideration of ESG factors is to be incorporated into the portfolio construction process of all investments made by the Fund's investment managers.
- ESG factors are relevant in the context of benchmarking, risk analysis and investment opportunity identification.
- Climate risk and the issues which contribute to it are of significant concern to all stakeholders and as a result it is the prominent area of concern
- The Fund advocates the use of engagement over divestment as the means to promote its Responsible Investment beliefs however, selling an asset remains an option when it comes to unaddressed ESG concerns.
- The Fund recognises the value in engaging collaboratively to leverage greater influence together with other investors who share the Fund's priorities through joint initiatives and organisations.
- The exercise of ownership rights through voting.



Analyse and Assess

The Fund will utilise a variety of methods to assess the Fund's Investment Managers implementation of ESG which covers:

- the overall approach to ESG risks and how they apply this to the mandate they manage Fund's behalf.

- implementation within the Fund's portfolio, identifying portfolio exposures to a range of ESG themes.

Review Investments

An agenda is prepared to promote ESG specific discussion for each meeting comprising of a set of questions based on the outcome and findings from the analysis. The investment manager should be able to demonstrate how the investments made measure up in terms of responsible investment and the stewardship activities undertaken that enhance sustainability.

The agenda will cover:

- An outline of how ESG is embedded into their investment decision making process and day to day investment activities
- justification for holding stocks that perform poorly in ESG analysis to gain sufficient comfort that the overall expected long-term financial gain is not compromised
- overall ESG scores and direction of travel
- climate change risk metrics
- What stewardship engagements activities have been carried out in relation to the mandate and the outcomes from that engagement
- The organisations path to net zero



Monitor Investments

Each of the Fund's Investment Managers is monitored and reviewed on a quarterly basis in terms of its overall investment capability and its RI rating.

Where a Manager has been flagged the Fund will meet and engage with the manager more frequently and provide appropriate challenge in the expectation that meaningful improvements will be achieved.

Report on Investments

The Pension Fund Committee receives a report on the outcomes from the investment managers meetings on a quarterly basis.

The Pension Fund Committee receives a quarterly ESG report which covers how the responsible investment beliefs in the investment strategy statement are being met. This includes how ESG is imbedded in the investment managers mandates, climate risk metrics, voting and stewardship.

The Fund requires each of its Investment Managers to provide an annual responsible investment report which outlines their policy, how the policy has been implemented and their outcomes.

Escalation Policy

Investment Managers are expected to invest inline with the Fund's responsible investment beliefs and to demonstrate how this has been implemented. They are expected to provide suitable reporting to meet the Fund's needs.

The Fund will monitor progress periodically and escalate any shortfall in expectations to the Pension Fund Committee.

If all avenues of engagement are exhausted, then the Pension Fund Committee, following professional advice, may decide to divest its mandate from the Investment Manager.

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Climate Report 2026

Suffolk Pension Fund

Executive Summary

Key findings

- The Fund continues to exhibit a significantly lower carbon profile than its benchmark across all reported climate metrics.
- At 31 March 2026, the Fund's WACI was 56.2 tCO₂e/\$m sales, compared with 155.6 tCO₂e/\$m sales for the benchmark.
- Carbon footprint was 29.9 tCO₂e/£m invested, compared with 65.1 tCO₂e/£m invested for the benchmark.
- The strongest relative climate performance continues to be observed within the Fund's global equity and climate-aware mandates.
- Climate metrics remain broadly consistent with the longer-term direction of travel reported previously, although direct year-on-year comparisons should be treated with caution due to changes in reporting methodology and portfolio composition.
- The 2026 figures presented in this report should be considered provisional and may be updated as newer issuer emissions data becomes available.

Reporting Approach and Methodology

This report marks the transition from the climate reporting previously prepared by Hymans Robertson to a reporting approach delivered by LGPS Central.

Whilst both reports utilise climate data sourced primarily from MSCI, there are important differences in methodology, holdings availability, benchmark construction and portfolio mapping that mean figures are not directly comparable in all cases.

To maintain continuity, the Fund's historical total portfolio WACI trend from the previous Hymans Robertson report has been retained in the dashboard below. However, fund-level historical series presented within this report reflect LGPS Central calculations and methodology. LGPS Central total portfolio dashboard can be found in the appendix.

Important note regarding 2026 figures

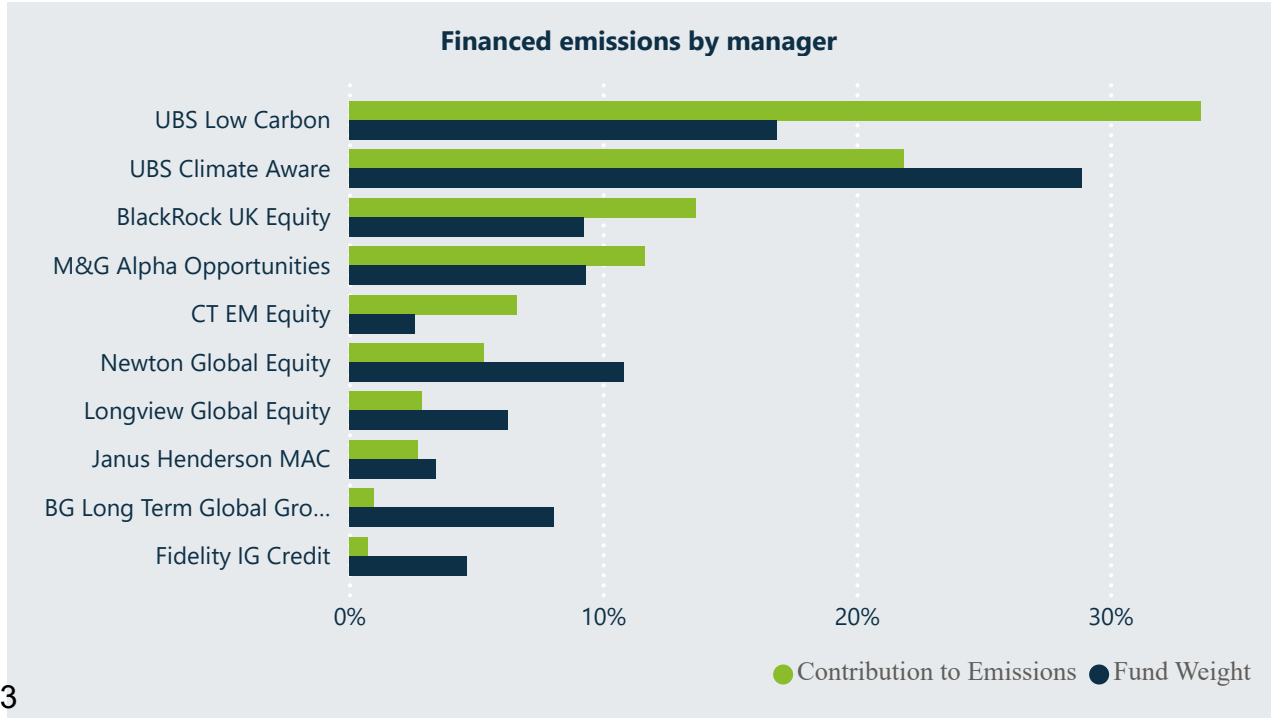
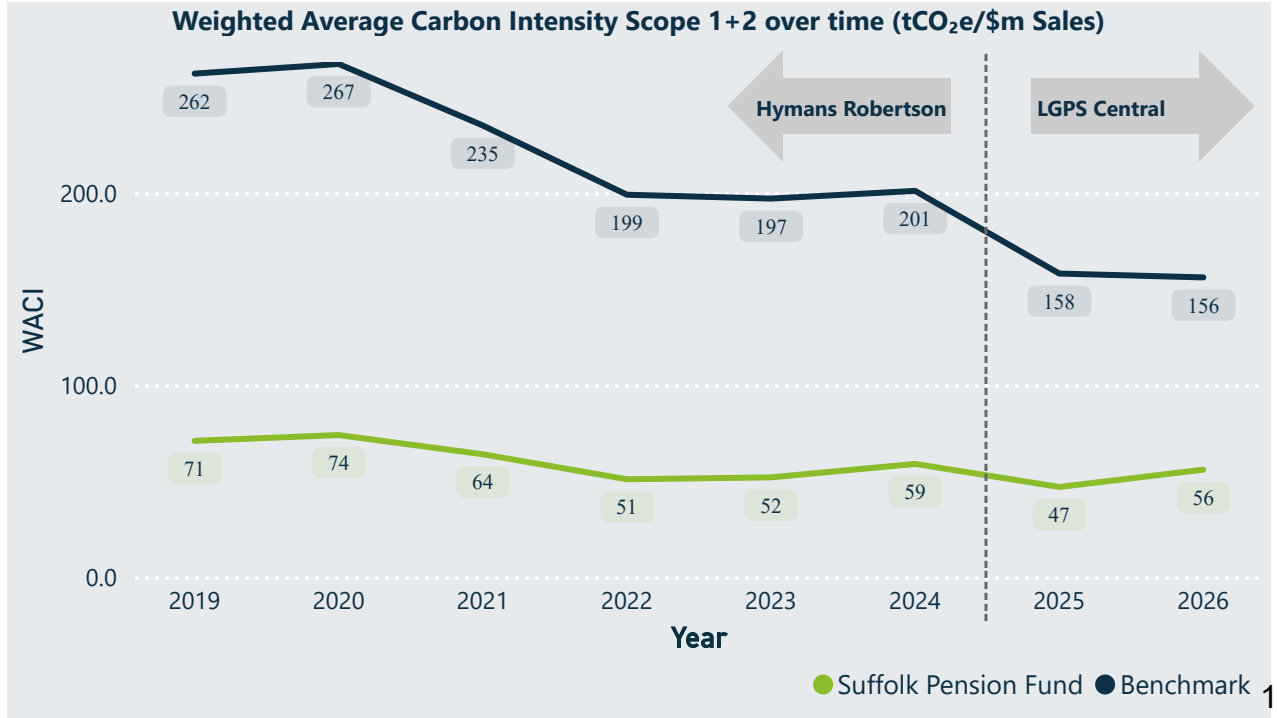
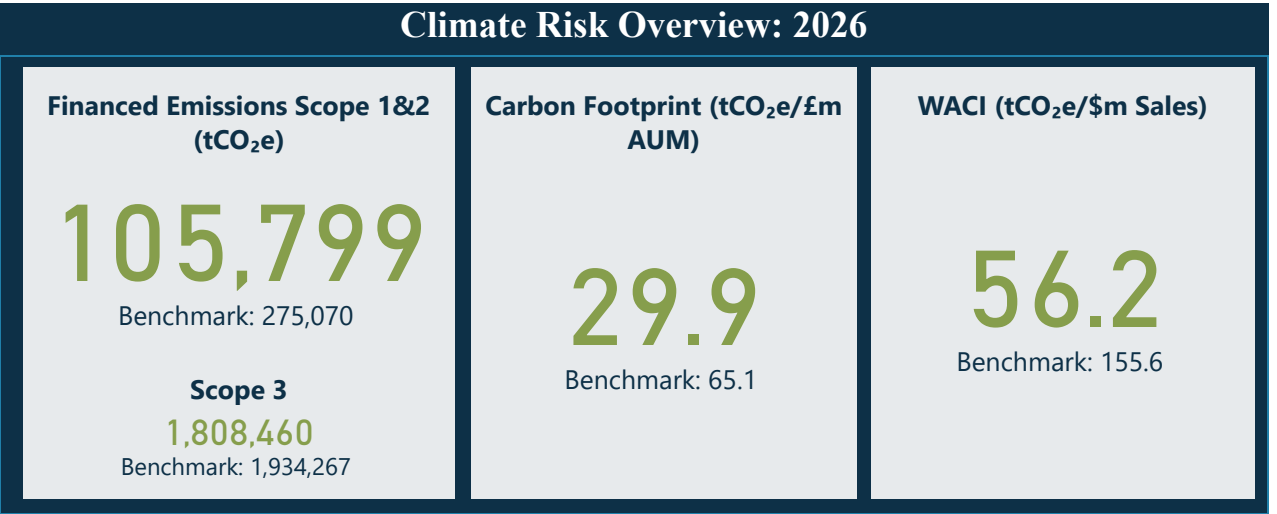
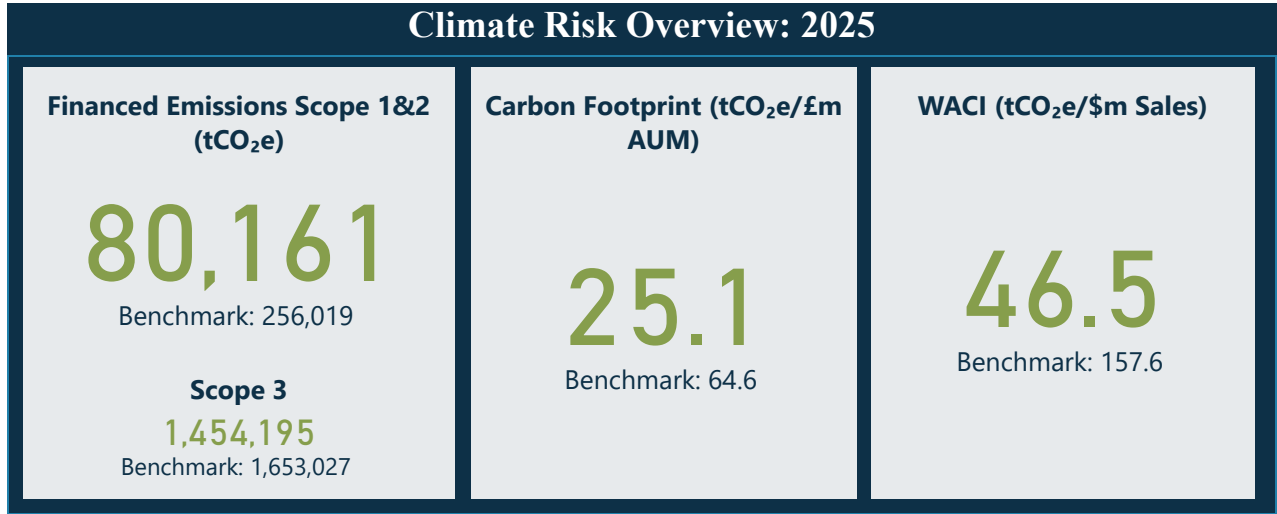
The 2026 climate metrics should be considered provisional.

The Fund's 2026 holdings are combined with the latest available company emissions disclosures, which for many issuers remain FY2025 emissions data. As updated corporate reporting becomes available, portfolio financed emissions, carbon footprint and WACI metrics will be recalculated and may be revised. Accordingly, 2026 figures are best interpreted as a current estimate of climate exposure rather than a final reported outcome.

Reporting Approach and Methodology (2)

Area	Hymans Robertson	LGPS Central Limited
Historical holdings	Utilises historical portfolio holdings, where available. Supplemented by estimated historical projections.	Calculations utilise holdings available to LGPS Central. Historical trends (2024 and prior) are based on projecting 2025 holdings backwards.
Portfolio composition	Based on the Fund's portfolio as at September 2024 and included mandates no longer held, including Pyrford Absolute Return.	Based on portfolio holdings as at 31 March 2025 and 31 March 2026.
Benchmark construction	Benchmarks were created at individual mandate level using several different comparator indices.	LGPS Central maps portfolios to its strategic benchmark framework, which may result in different benchmark families being used, such as FTSE All-World rather than MSCI ACWI and ICE indices rather than iBoxx indices.

Suffolk County Council Pension Fund



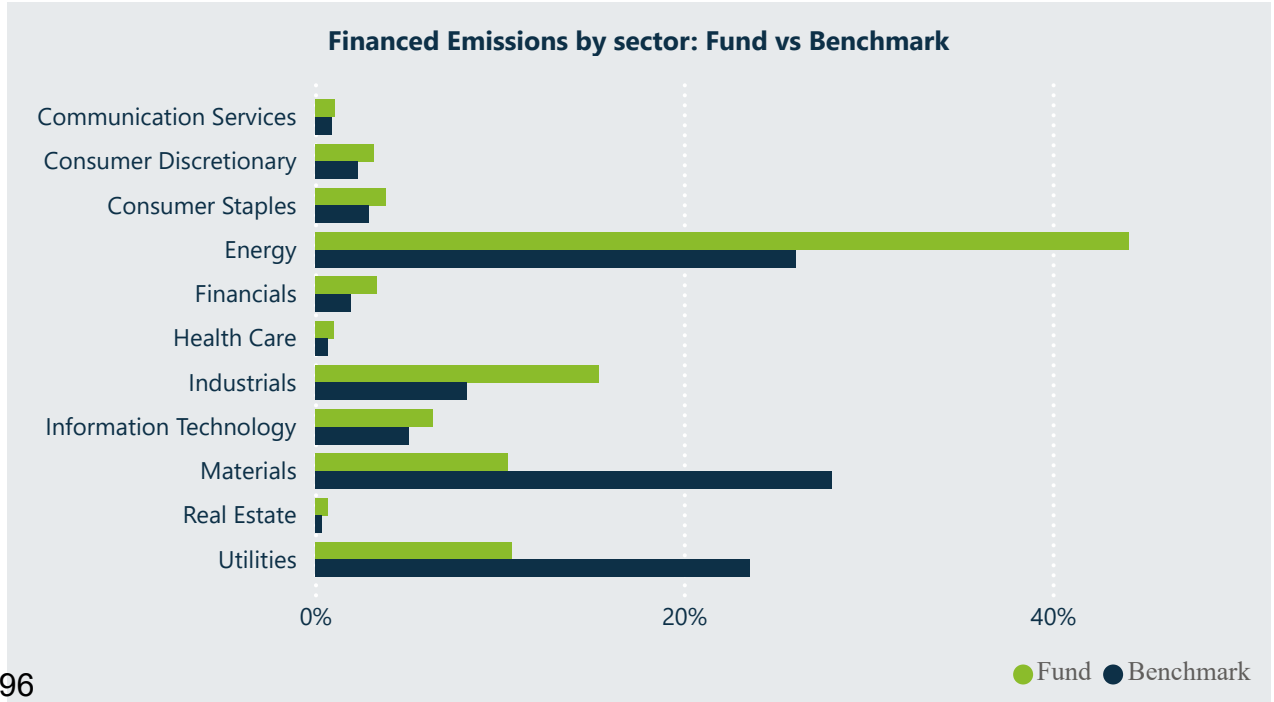
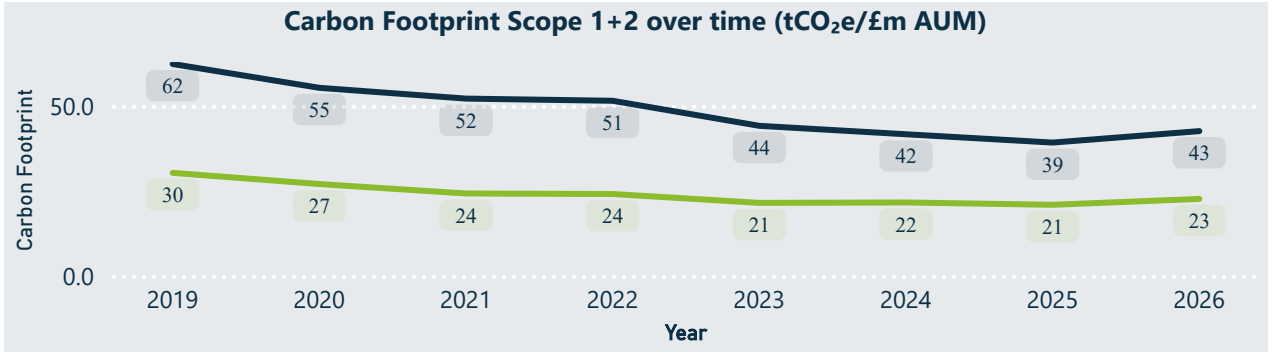
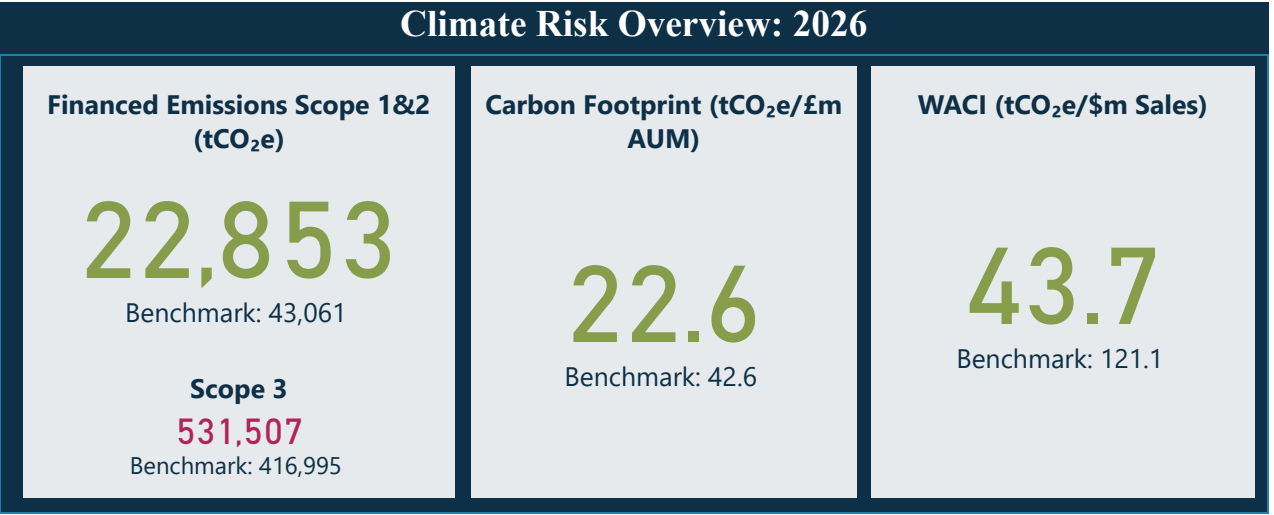
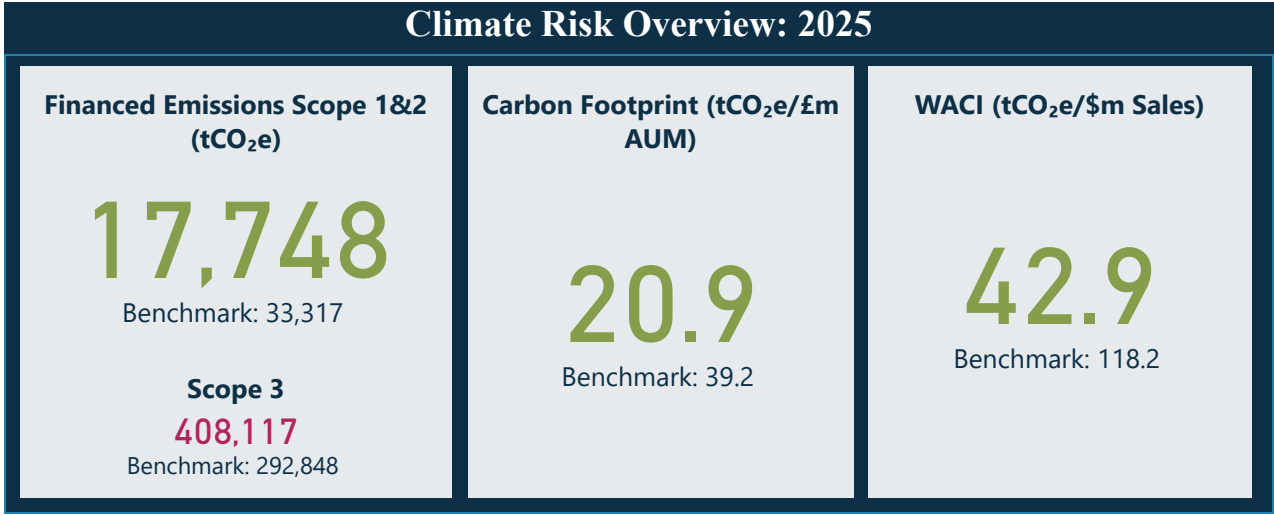
Fund-Level Analysis

Fund	vs Benchmark	Commentary
UBS Climate Aware	Strongly Ahead	Lower exposure to high-emitting sectors, particularly Energy and Materials, continues to drive lower carbon intensity than the benchmark.
UBS Low Carbon	Ahead	The strategy tracks the RAFI Fundamental Global Low Carbon Transition Index, which typically exhibits higher emissions exposure than broad market indices. Despite this, the portfolio's WACI remains below benchmark, reflecting stock selection within higher-emitting sectors and the carbon reduction objectives embedded within the methodology.
Baillie Gifford LTGG	Strongly Ahead	Significantly lower carbon intensity is driven by limited exposure to traditionally high-emitting sectors, including Energy, Utilities, Materials and Real Estate.
Newton Global Equity	Strongly Ahead	Lower exposure to Energy, Utilities and Materials, combined with favourable stock selection, supports continued outperformance on climate metrics.
Longview Global Equity	Strongly Ahead	A concentrated portfolio with minimal exposure to high-emitting sectors results in materially lower carbon intensity than the benchmark.

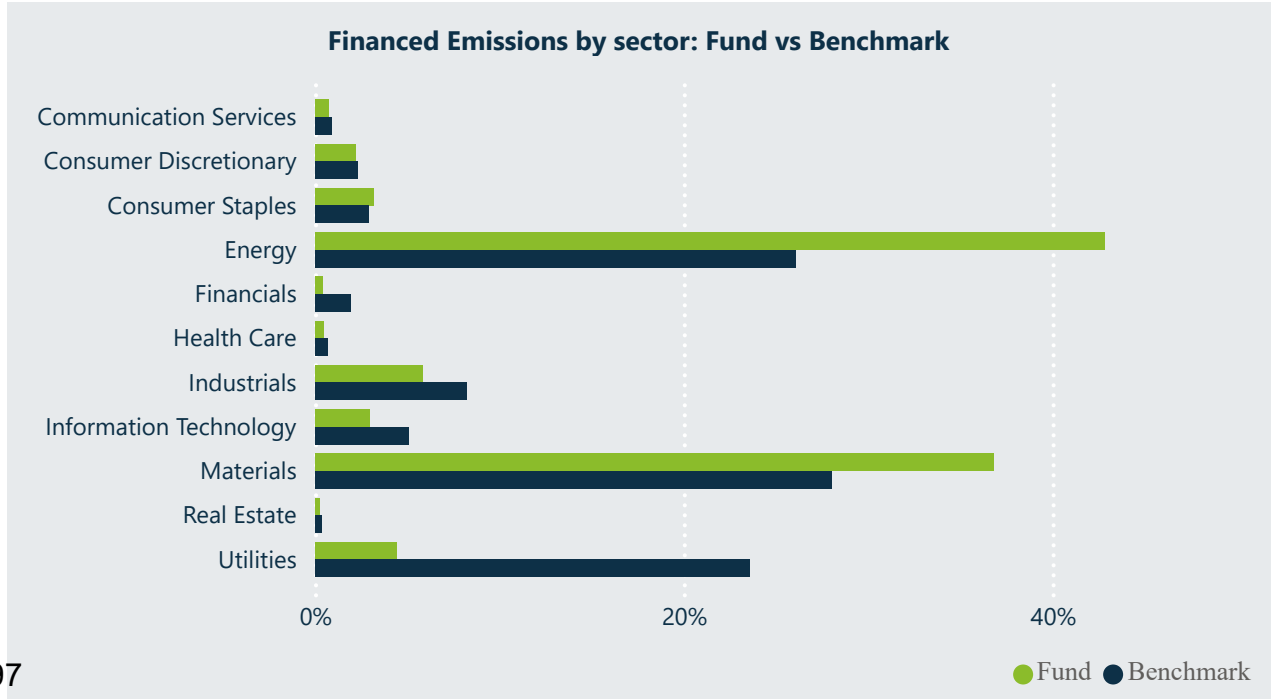
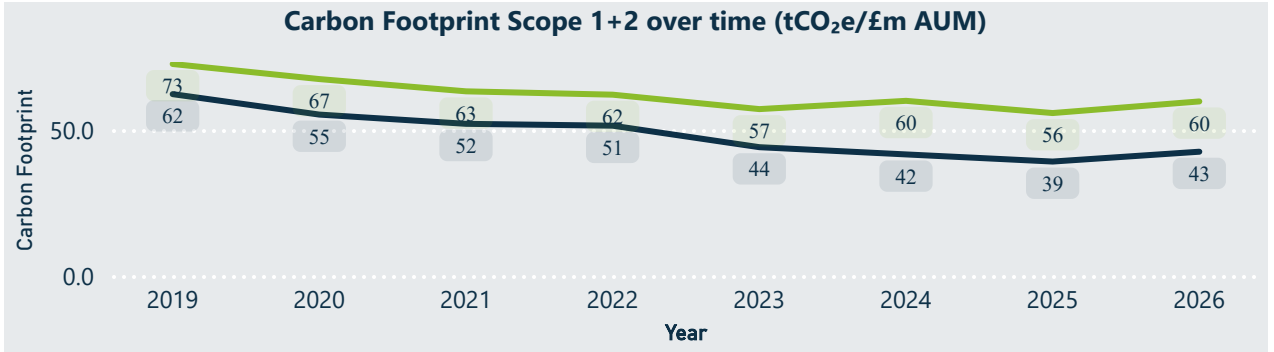
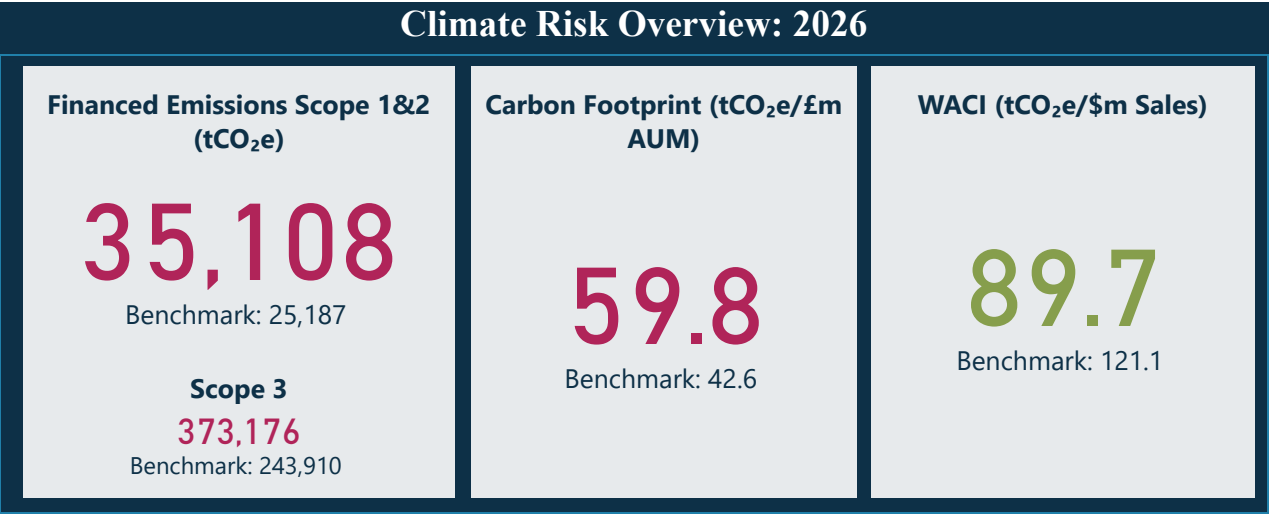
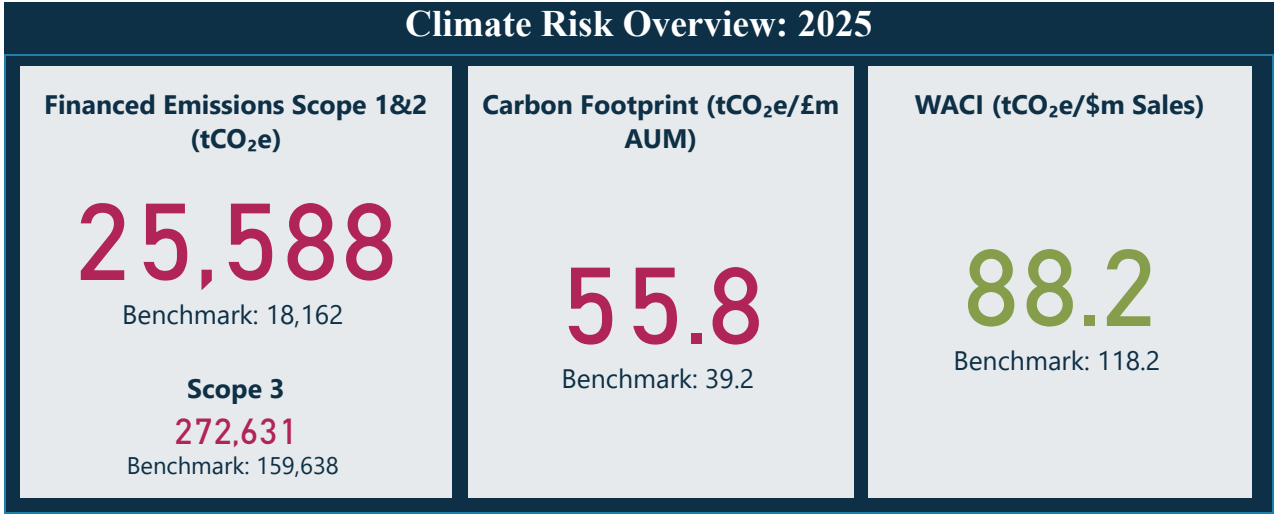
Fund-Level Analysis (2)

Fund	vs Benchmark	Commentary
CT Emerging Markets	Ahead	Carbon intensity remains substantially below the emerging markets benchmark, reflecting lower exposure to high-emitting sectors. The increase in 2026 is primarily attributable to stock selection within the Materials sector, e.g. China Hongqiao.
BlackRock UK Equity	Ahead	Lower carbon intensity is primarily driven by the absence of Utilities exposure. This more than offsets less favourable stock selection within the Energy and Materials sectors.
Fidelity IG Credit	Ahead	The lowest reported carbon intensity among the Fund's credit allocations, reflecting both sector allocation and security selection within traditionally higher-emitting sectors.
M&G Alpha Opportunities	Ahead	Climate metrics remain below benchmark levels. However, results should be interpreted with caution due to relatively limited underlying data coverage, with approximately half of holdings reporting emissions data.
Janus Henderson MAC	Ahead	Data coverage is extremely limited. Climate metrics should therefore be interpreted with caution, as many underlying instruments do not currently disclose emissions data.

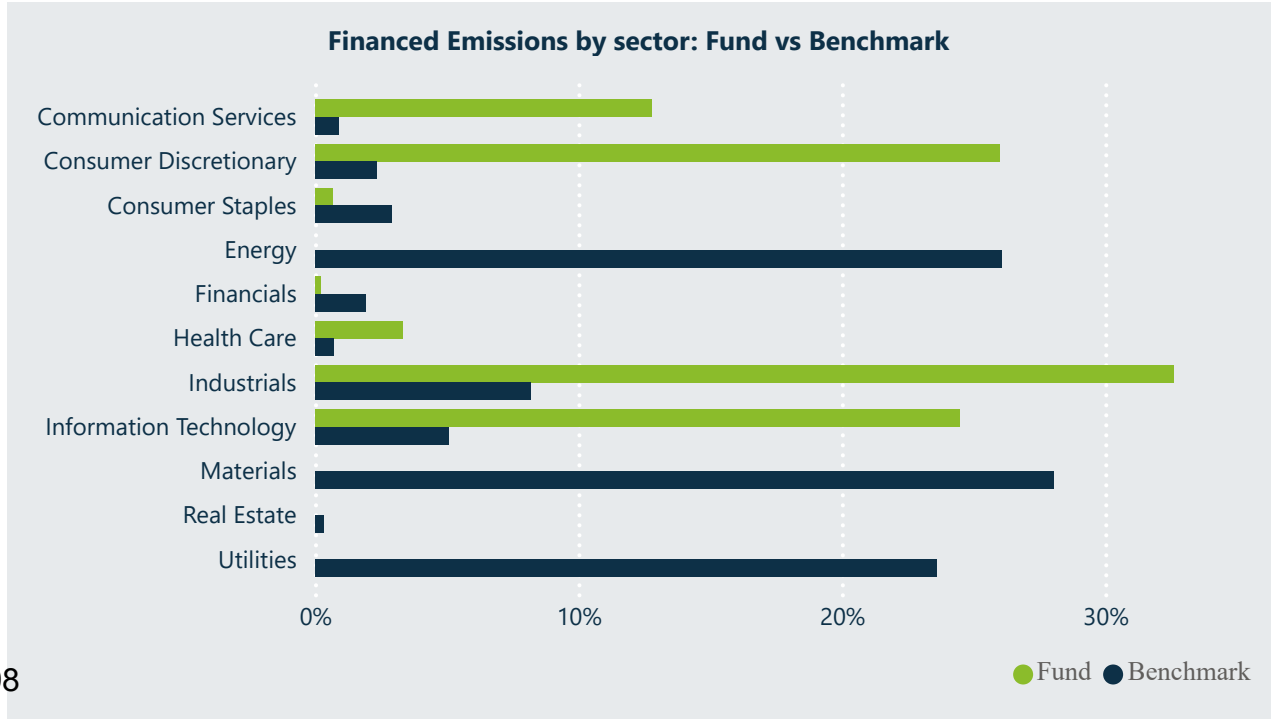
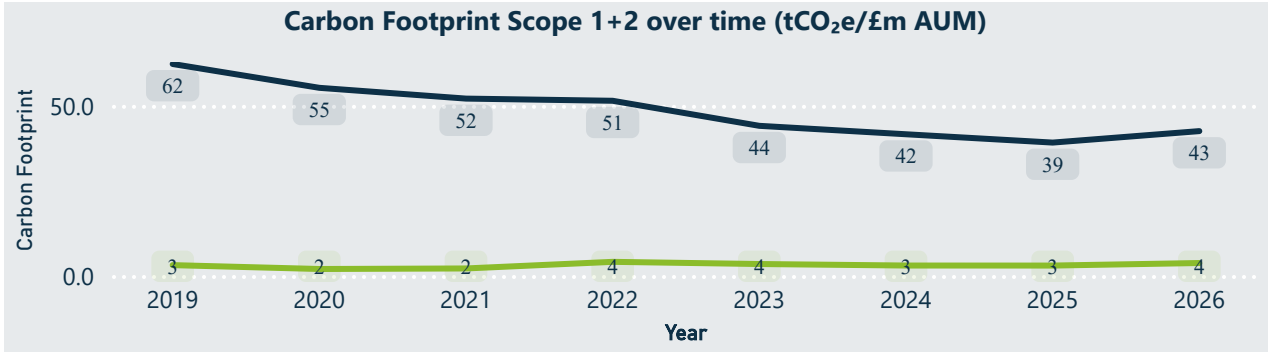
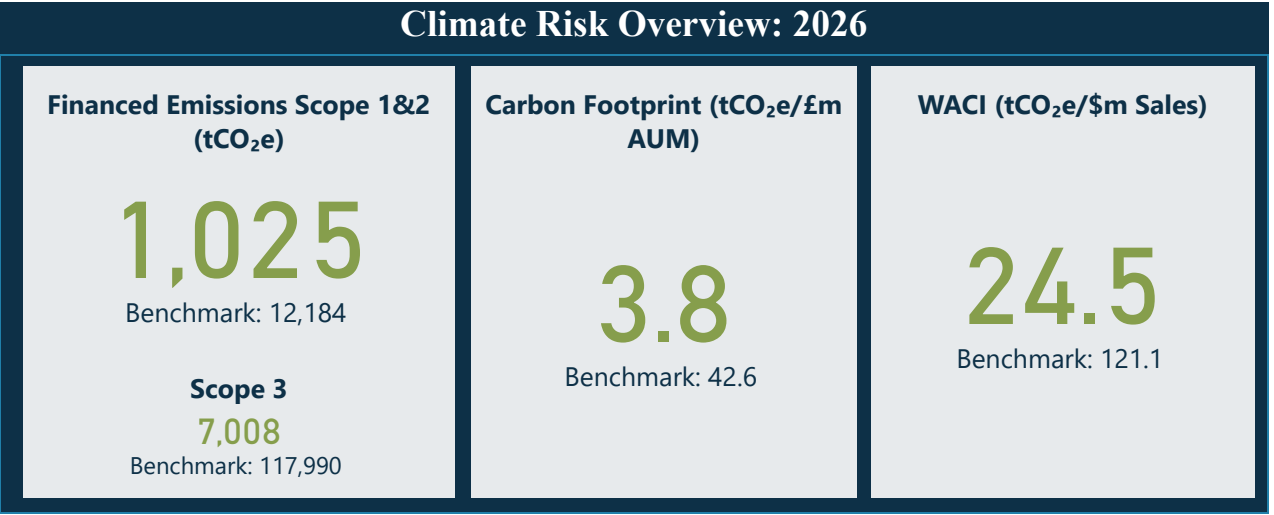
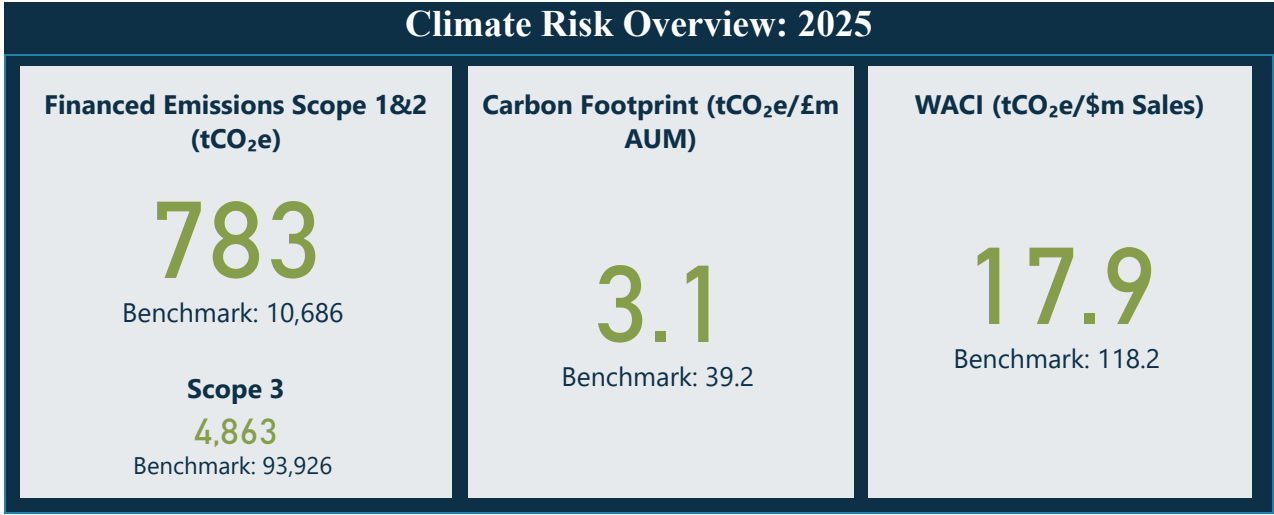
UBS Climate Aware



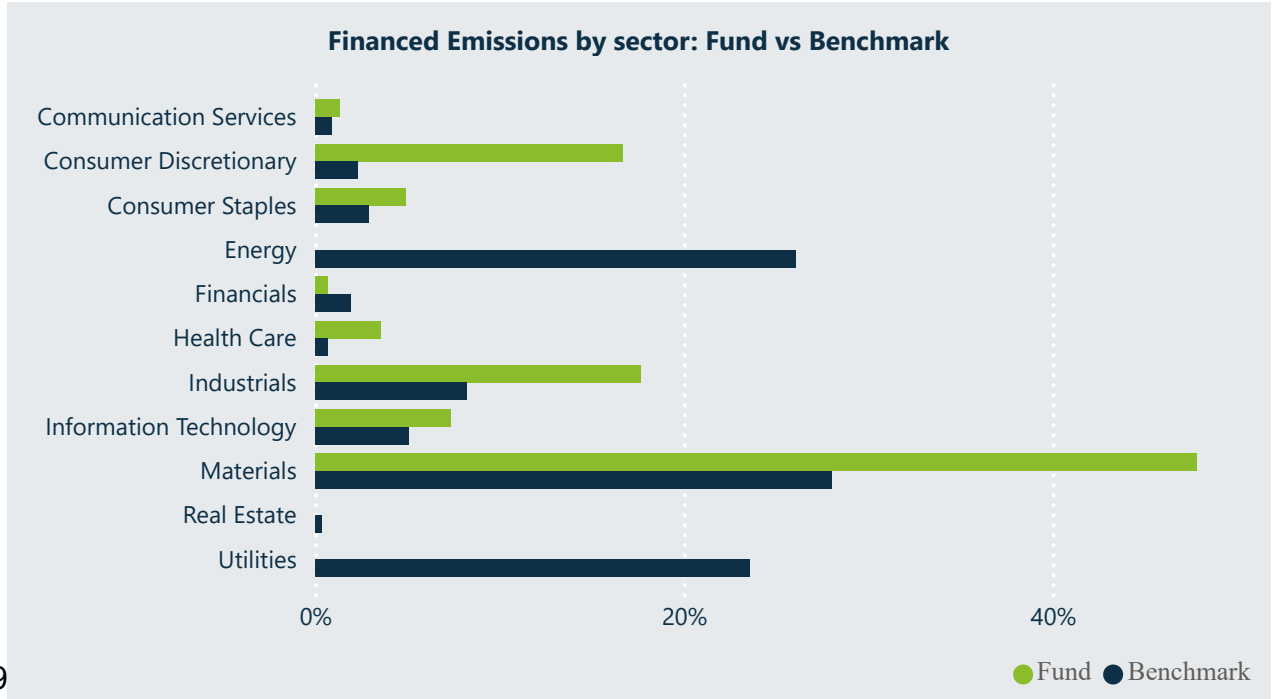
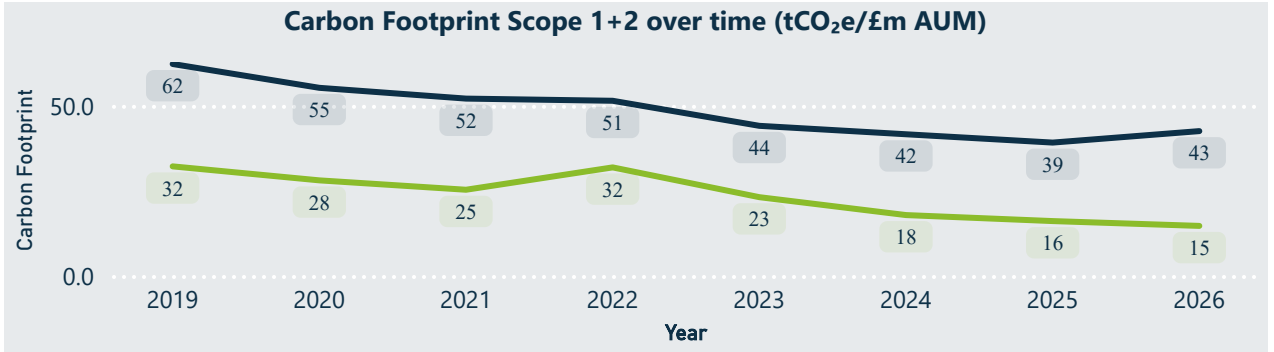
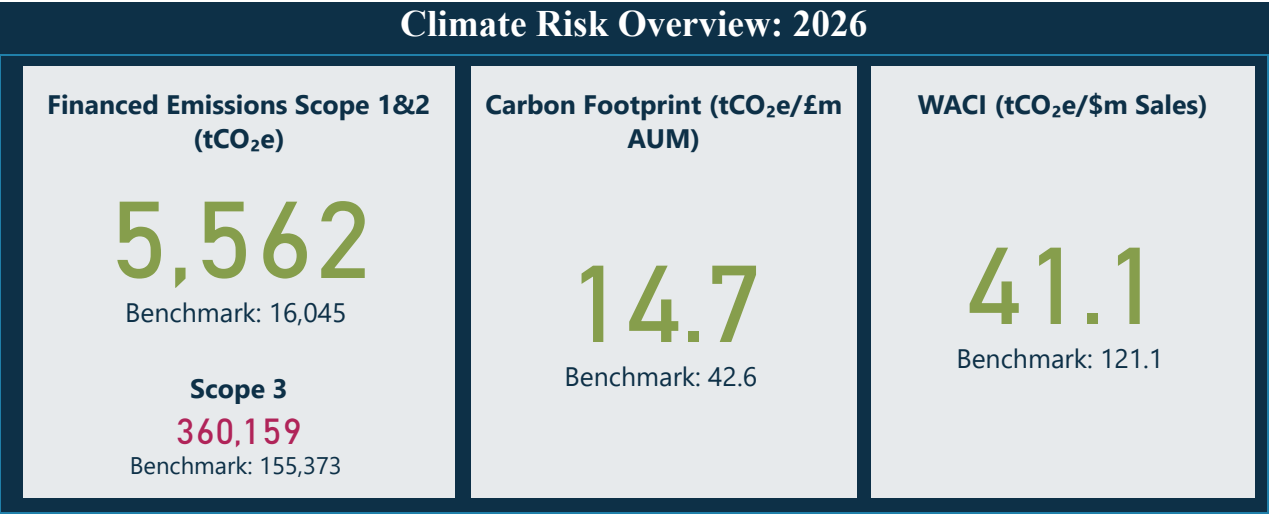
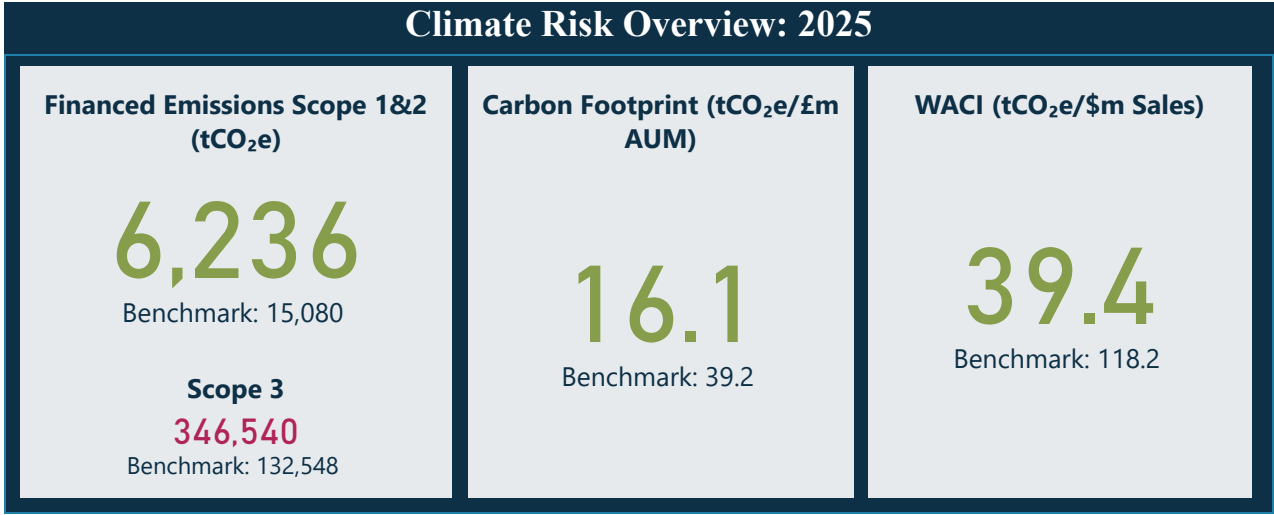
UBS Low Carbon



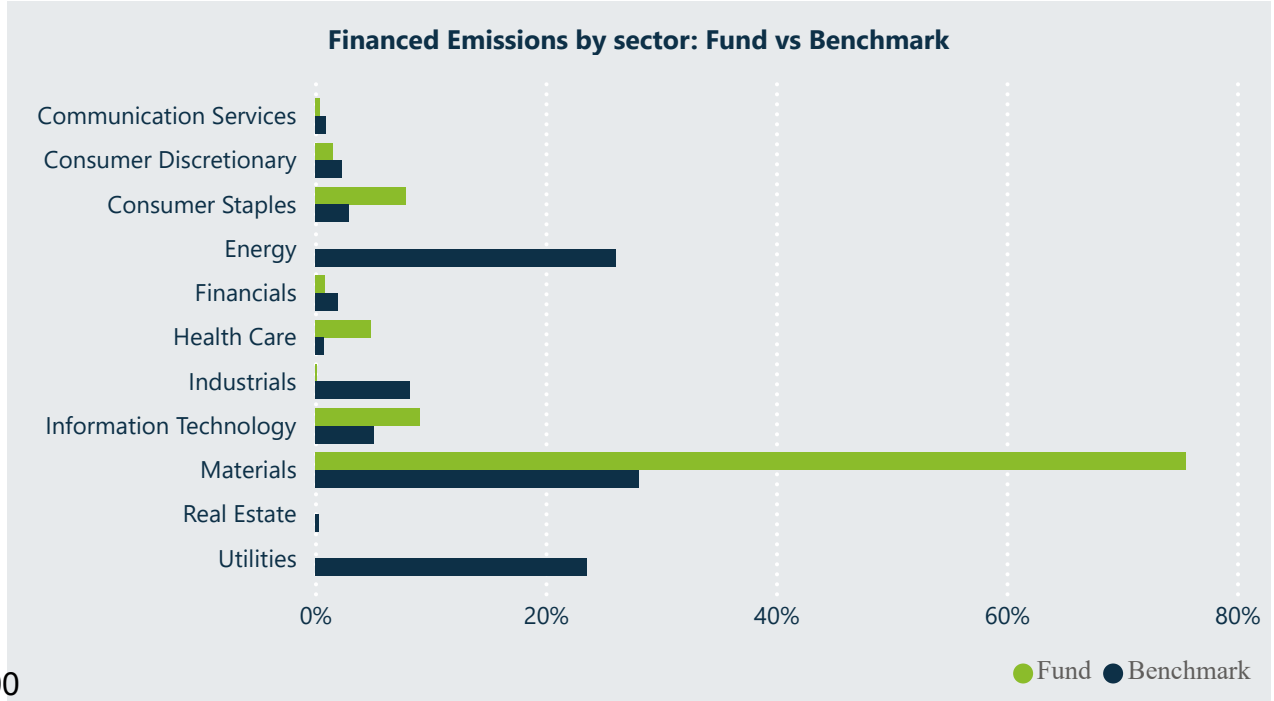
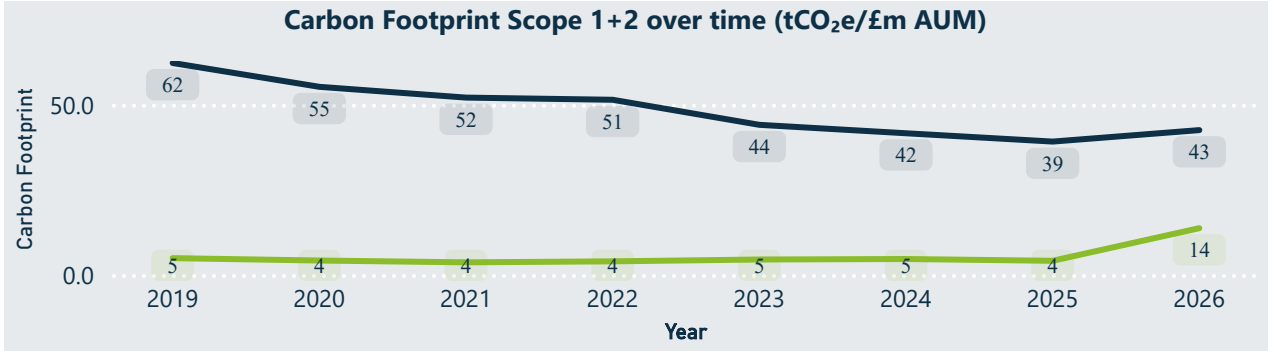
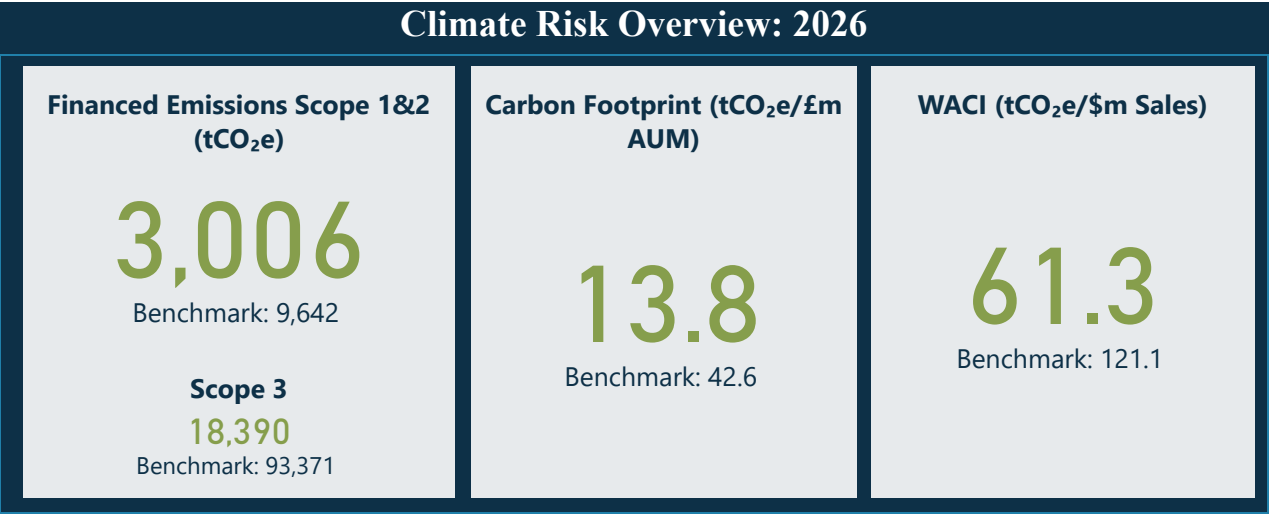
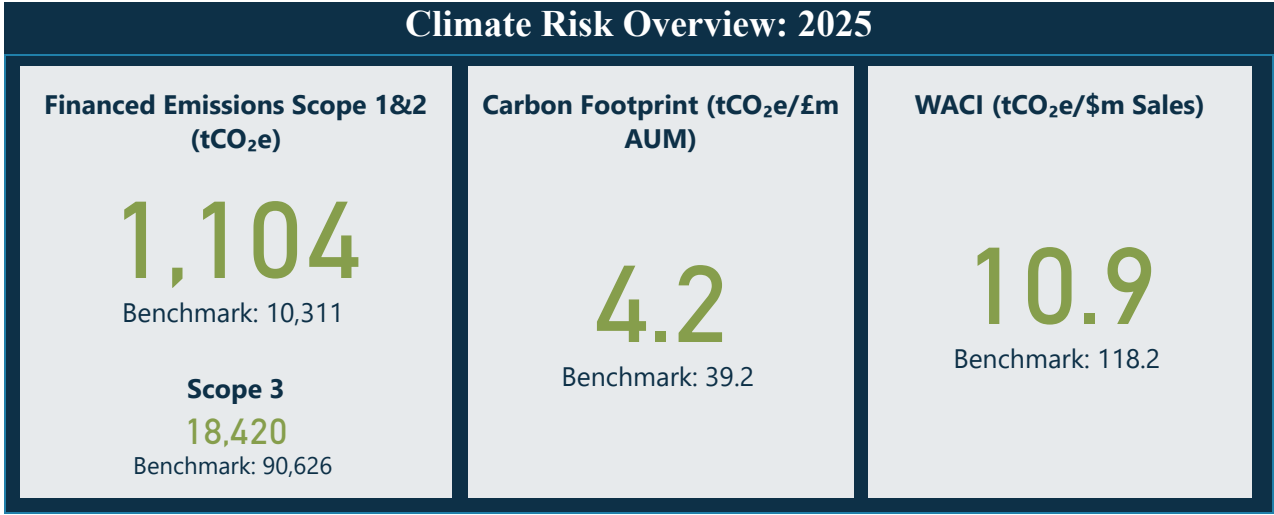
Baillie Gifford Long Term Global Growth



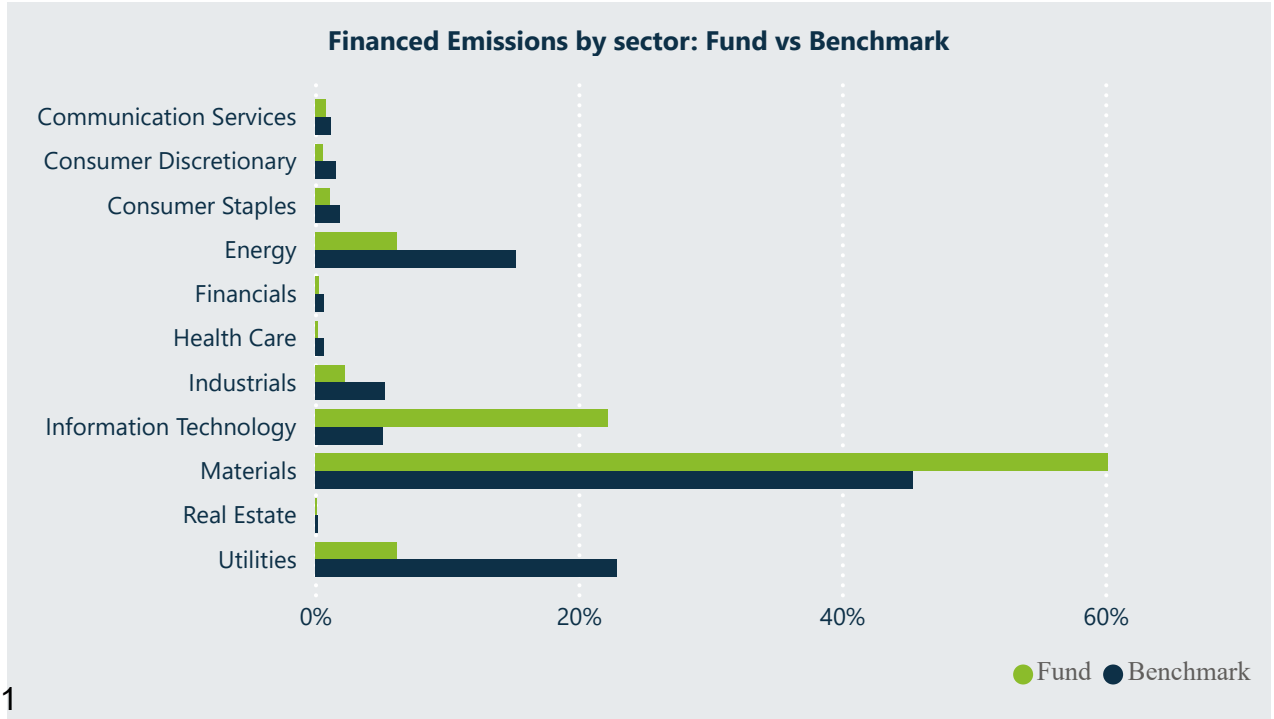
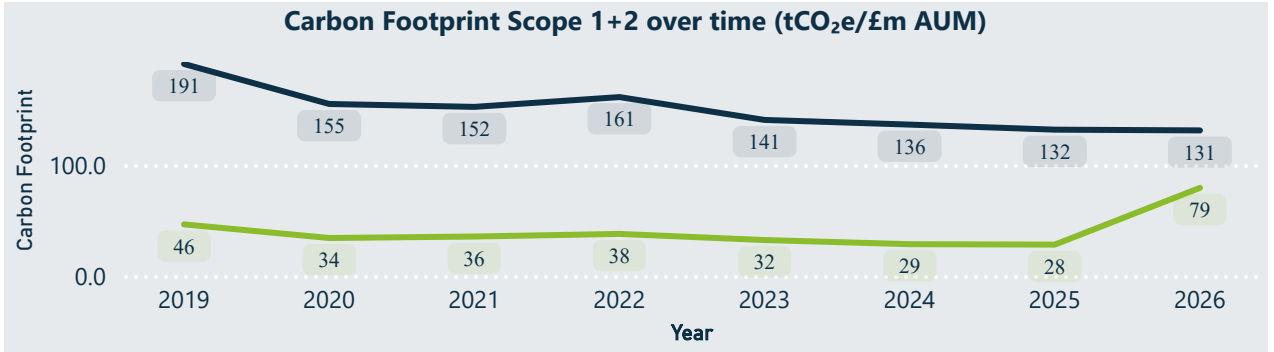
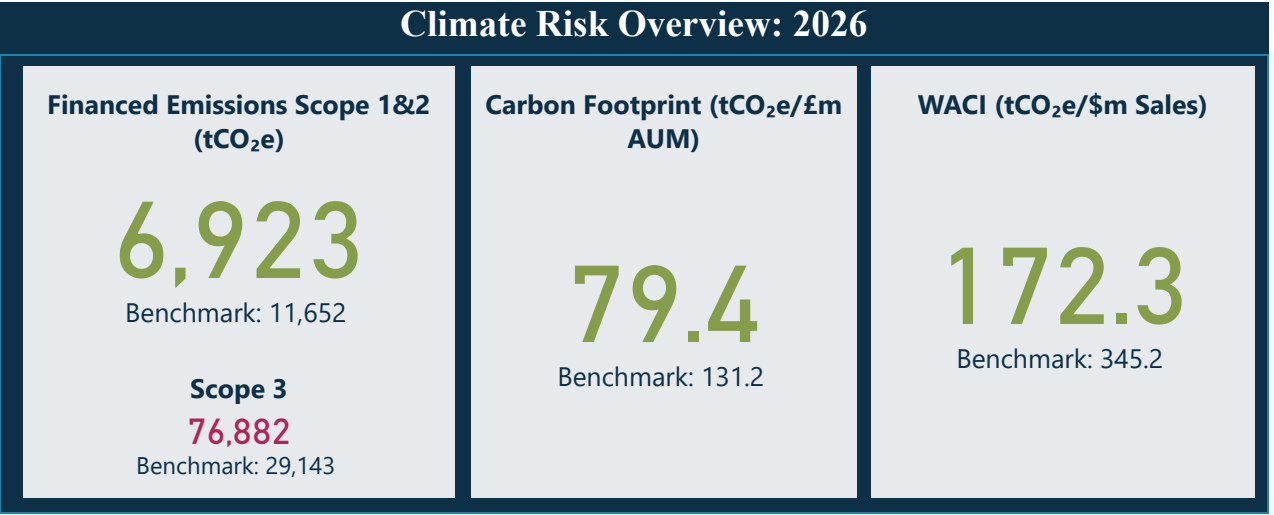
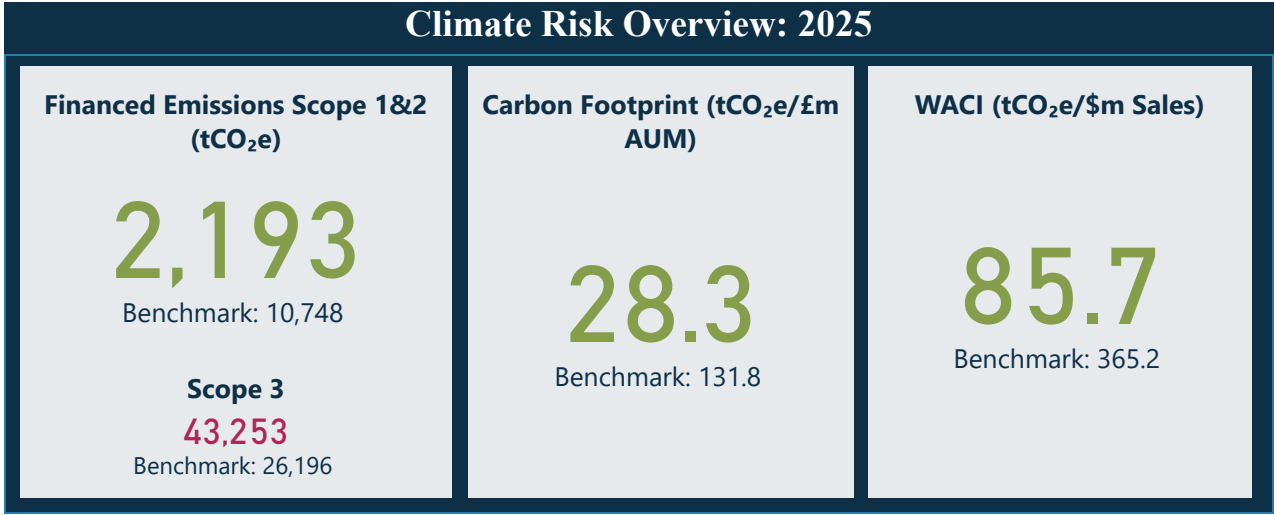
Newton Global Equity



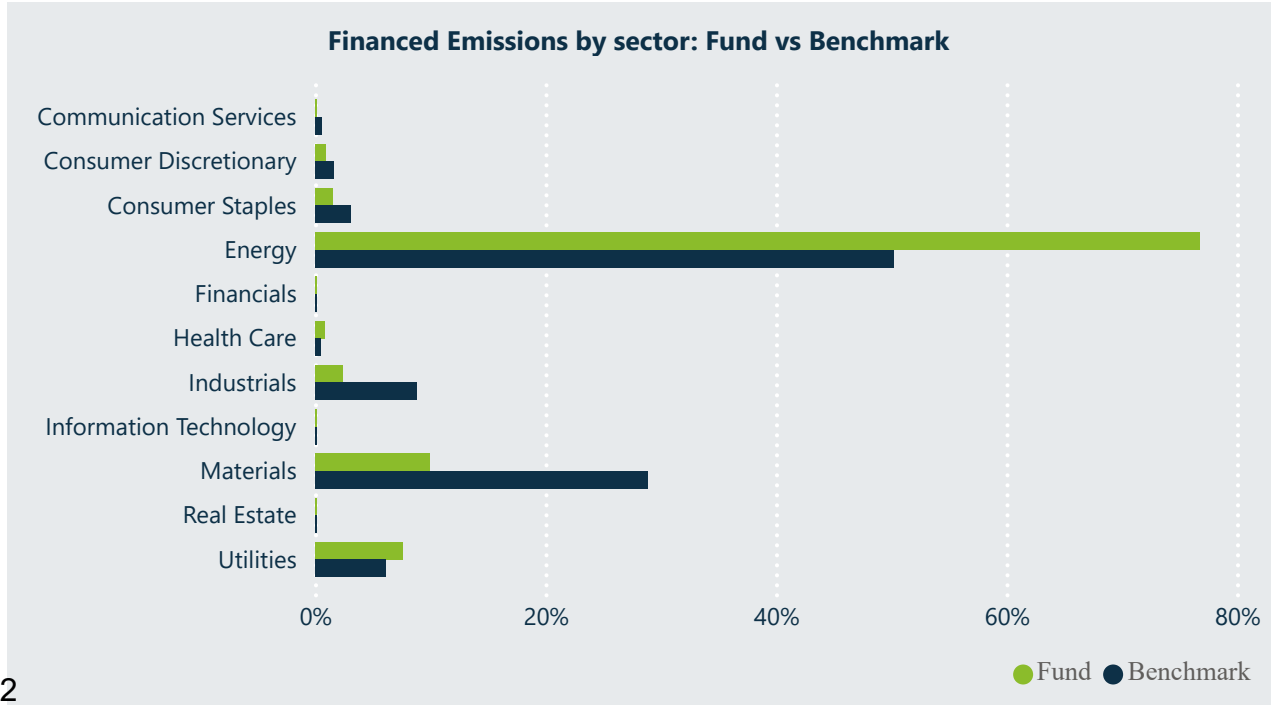
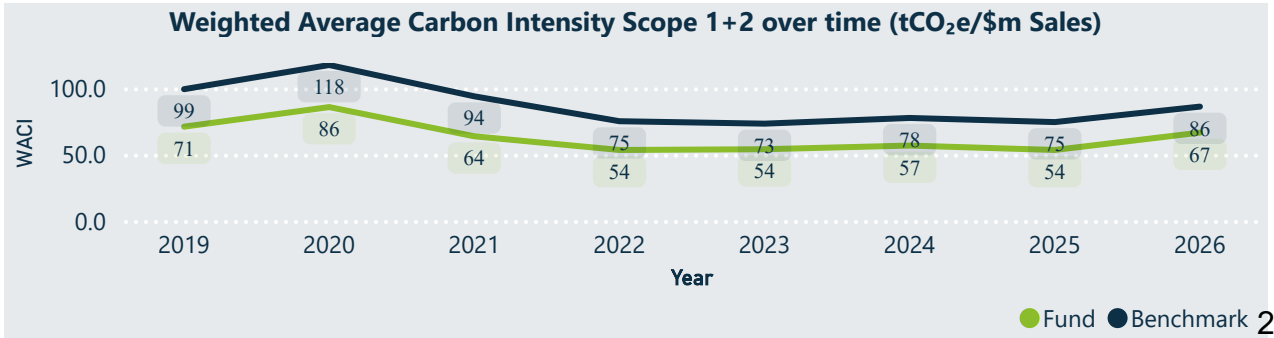
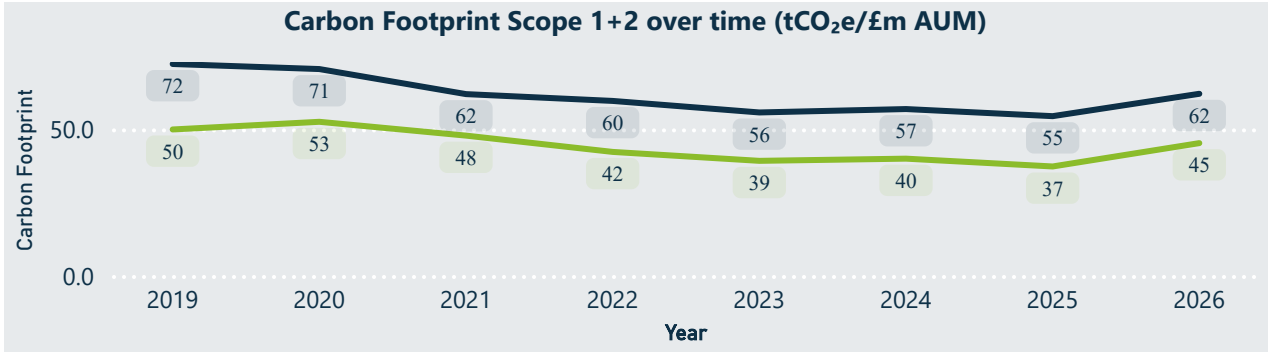
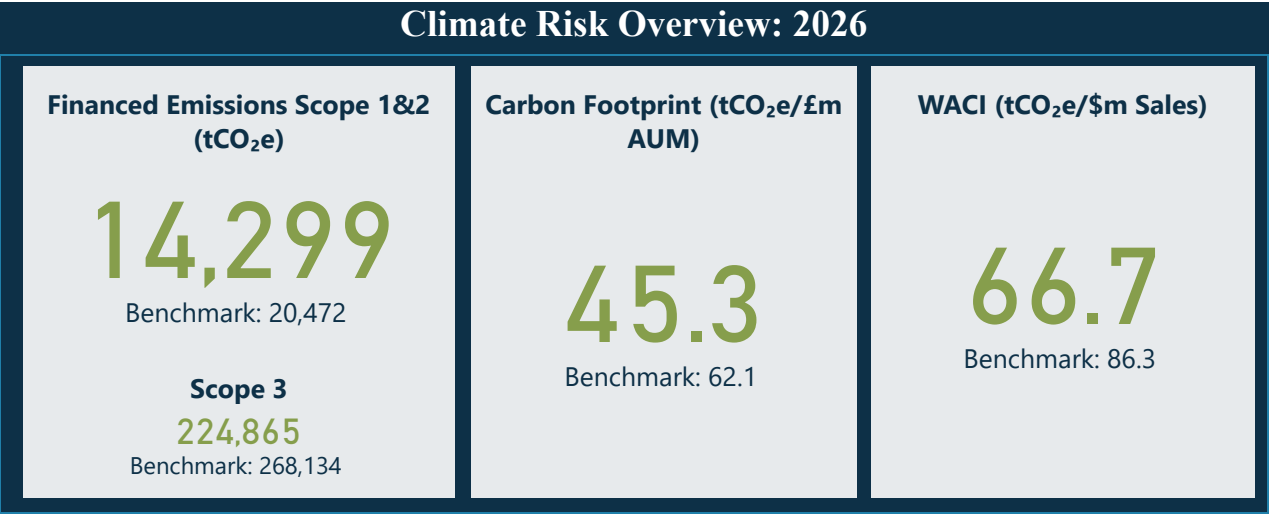
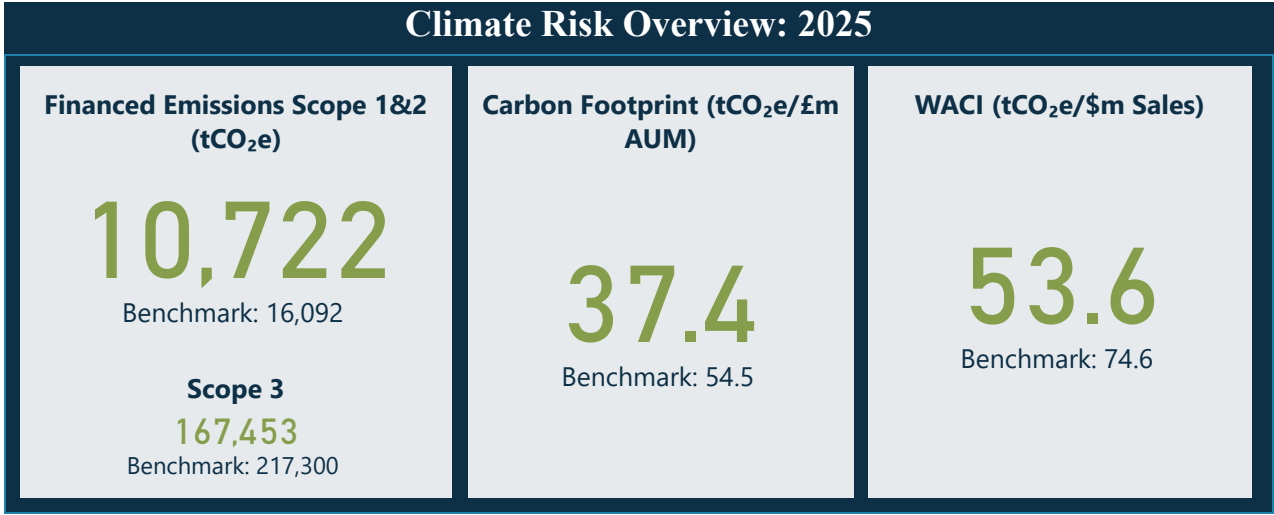
Longview Partners Global Equity Fund



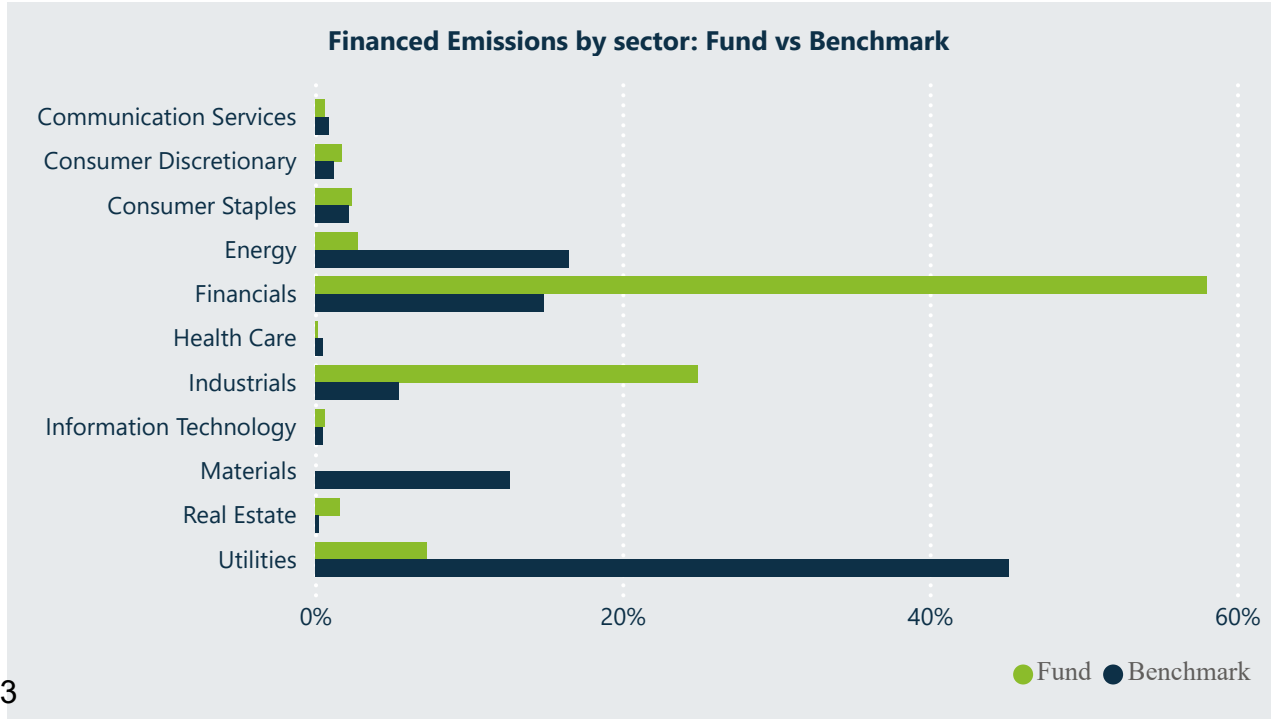
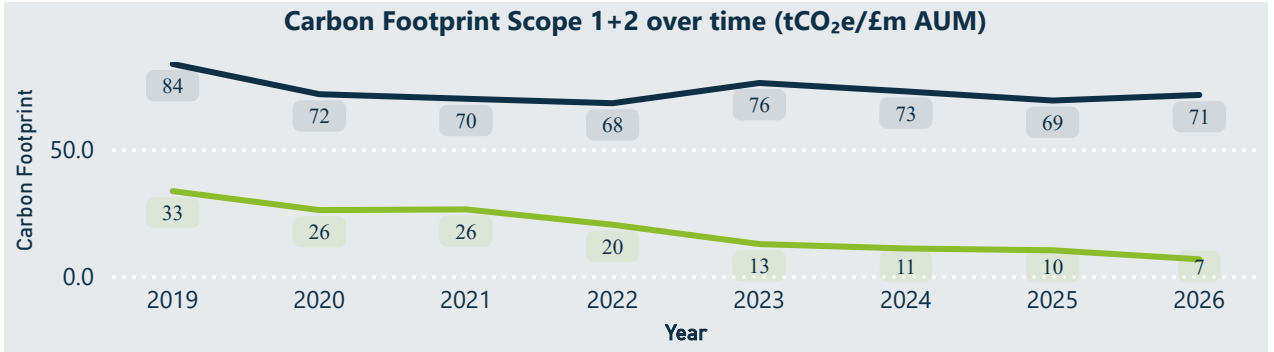
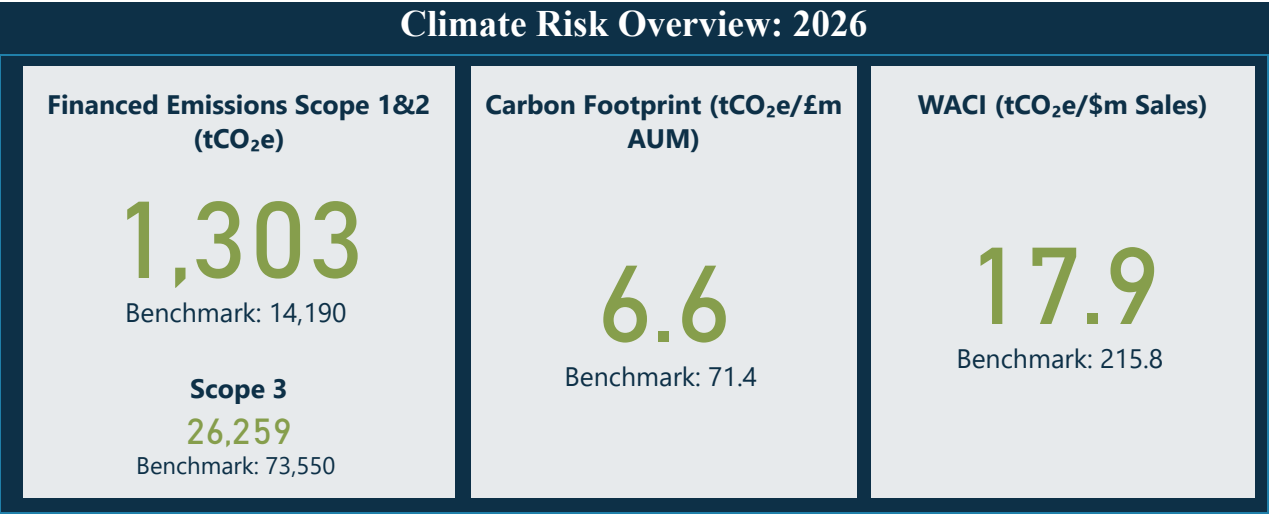
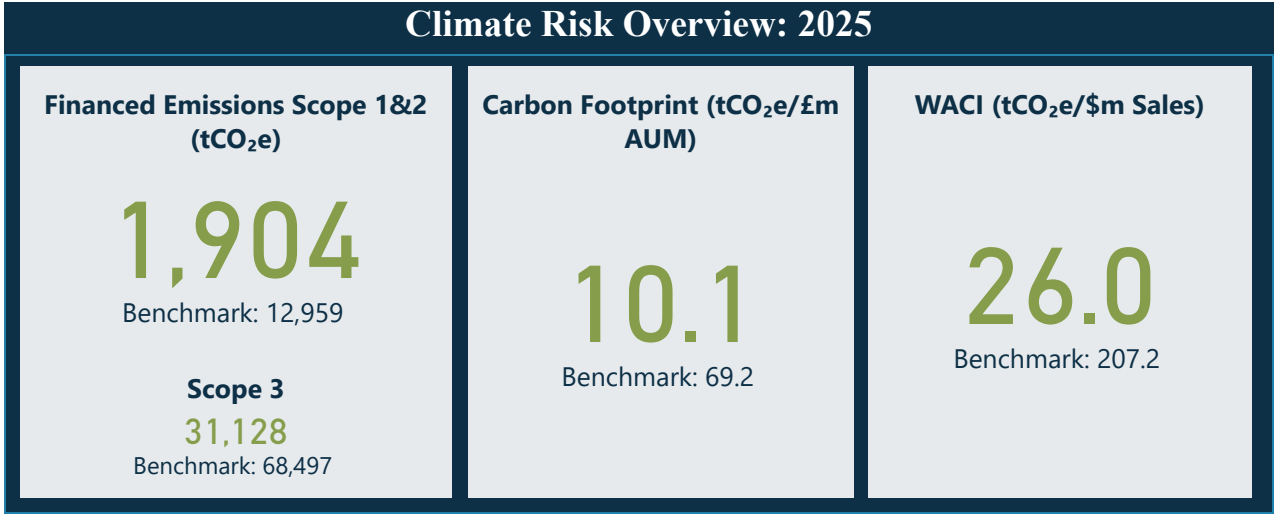
Columbia Threadneedle Emerging Markets



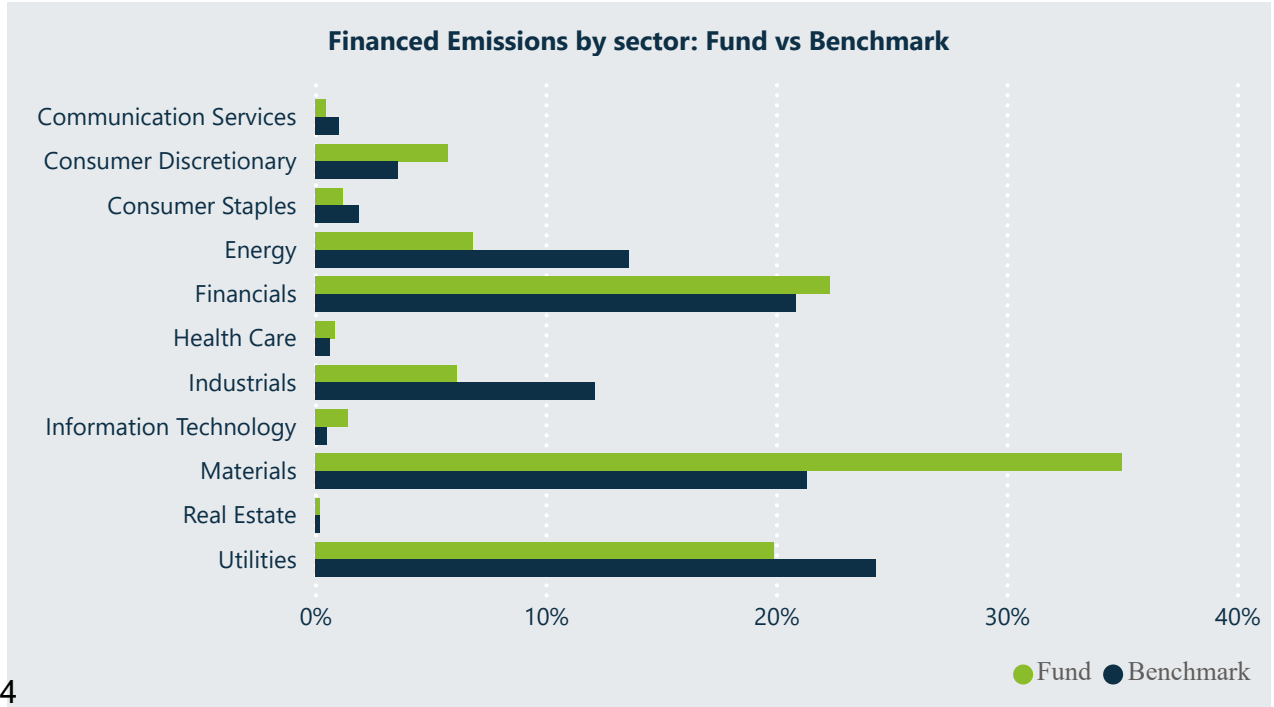
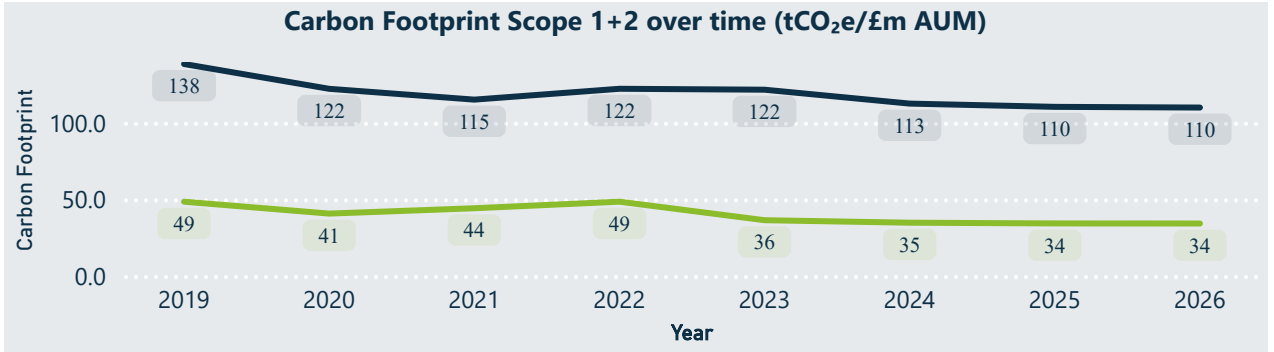
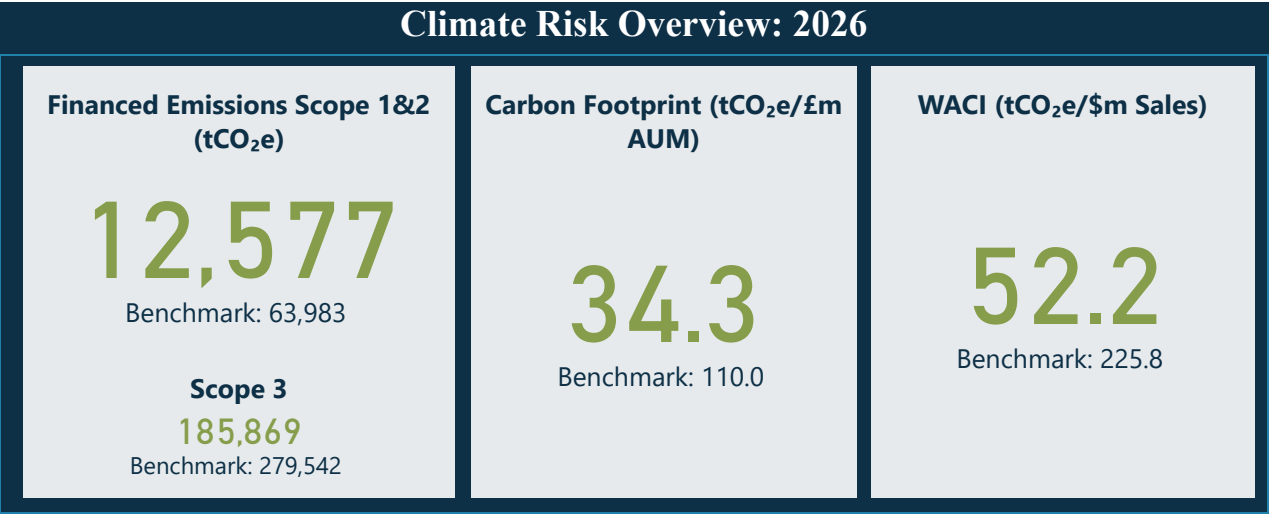
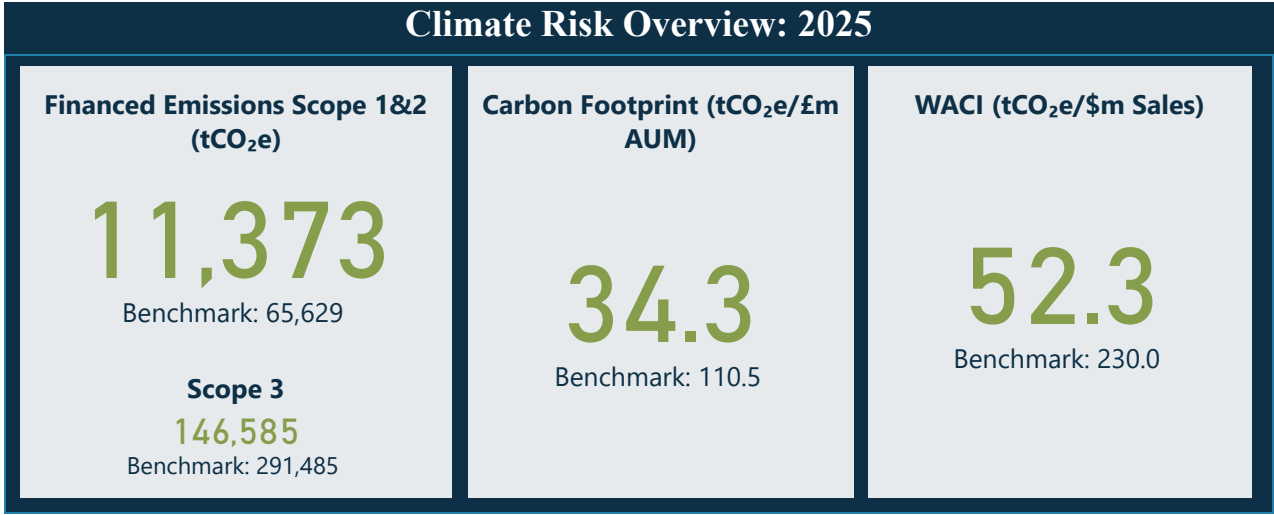
BlackRock UK Equity



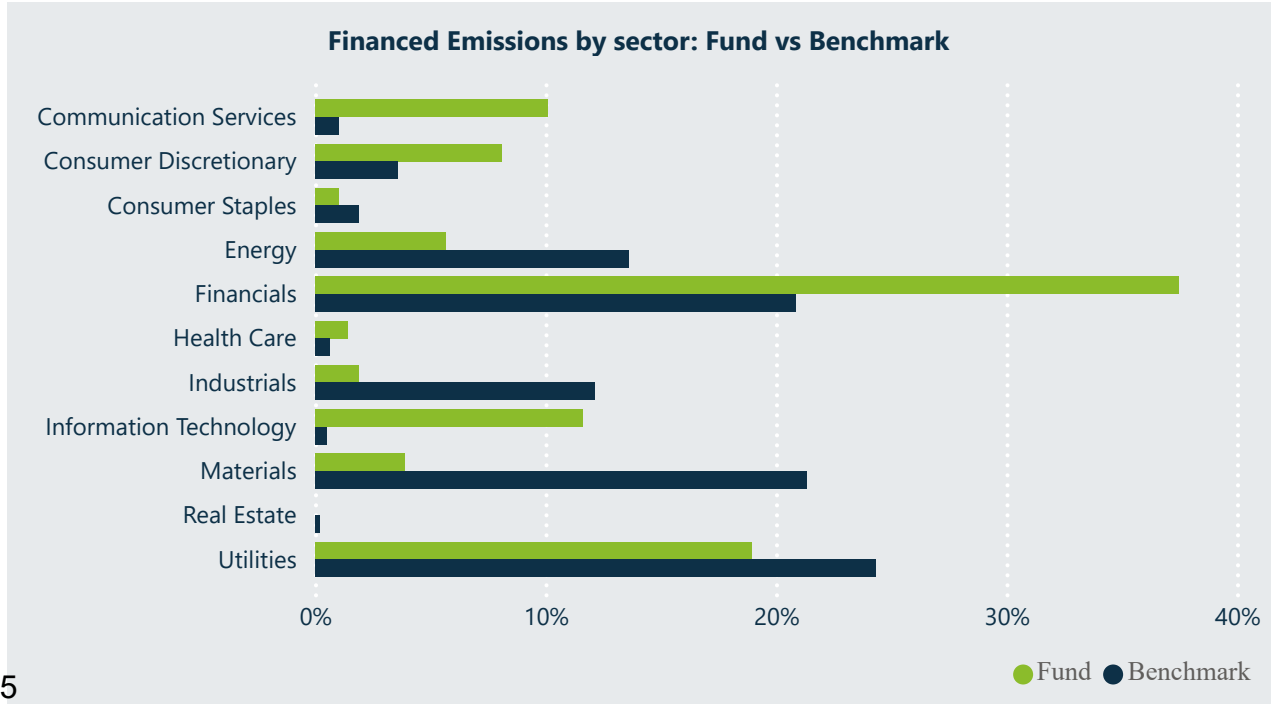
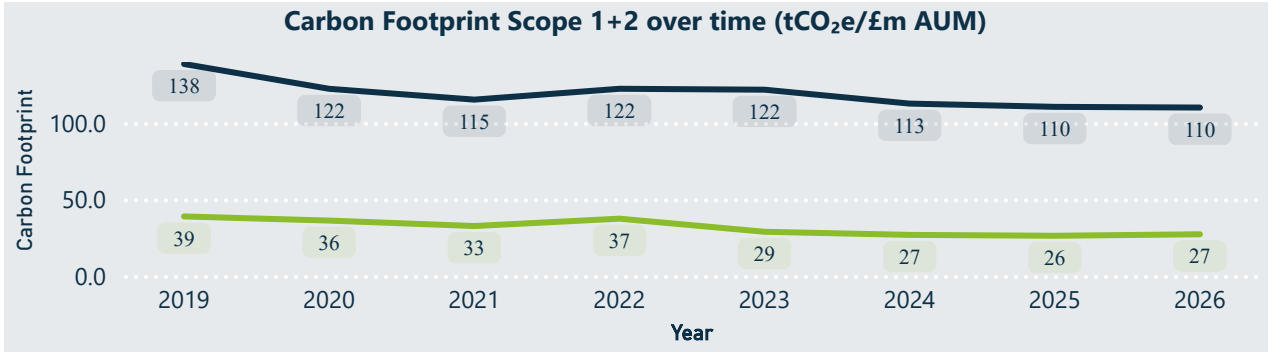
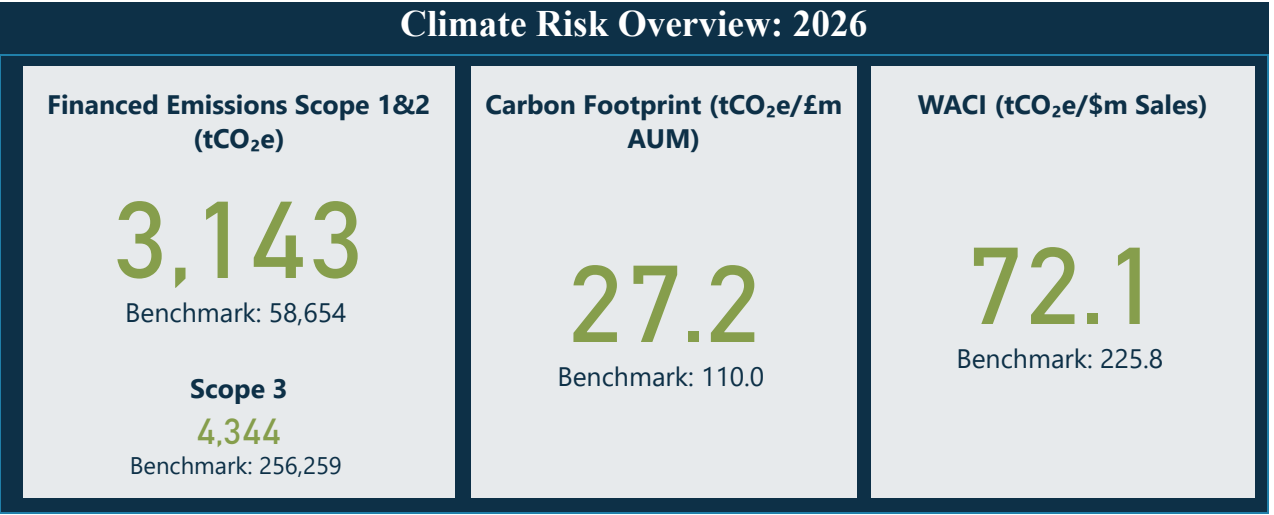
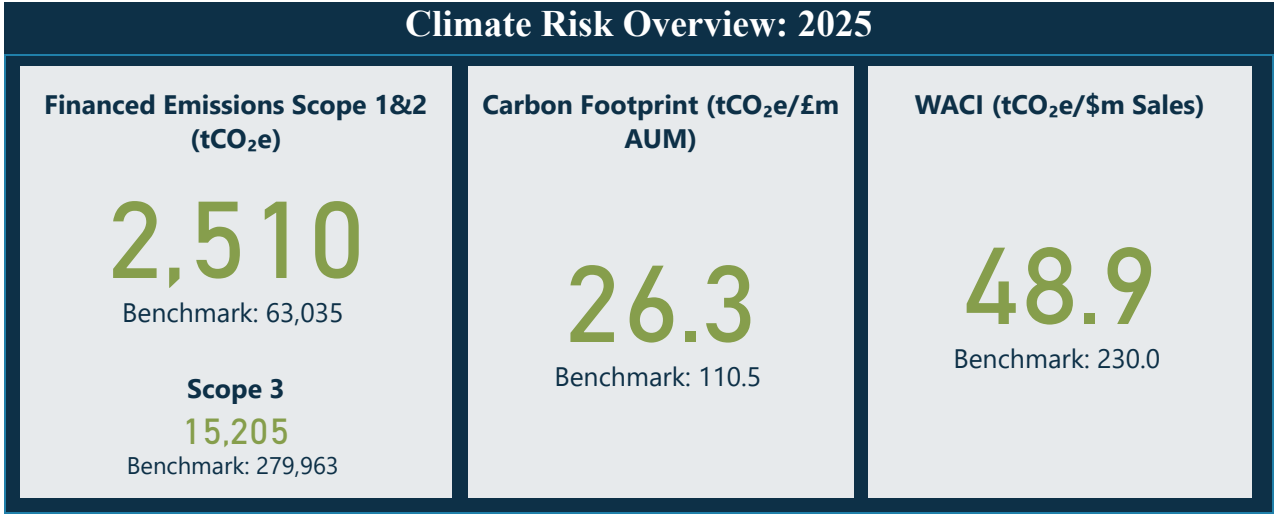
Fidelity IG Credit



M&G Alpha Opportunities Fund



Janus Henderson MAC





Appendix

Definition of Metrics

Financed Emissions

Measures the Fund's share of greenhouse gas emissions generated by underlying portfolio companies.

- **What does it tell me?**
How much carbon is associated with the Fund's investments in absolute terms.
- **Interpretation**
Useful for understanding the Fund's overall contribution to emissions and tracking progress over time.
- **Comparability**
As an absolute measure, larger portfolios will generally have higher financed emissions than smaller portfolios.

Carbon Footprint (tCO₂e per £m invested)

Measures the Fund's financed emissions relative to the amount invested.

- **What does it tell me?**
How carbon intensive the Fund is per unit of capital invested.
- **Interpretation**
Enables comparison between portfolios of different sizes and helps assess changes through time.
- **Comparability**
Adjusts for portfolio size, making comparisons with benchmarks and peer funds more meaningful.

Definition of Metrics (2)

Weighted Average Carbon Intensity (WACI) (tCO₂e per \$m sales)

Measures exposure to carbon-intensive companies based on their emissions relative to revenue.

- **What does it tell me?**

The extent to which the Fund is invested in companies with carbon-intensive business models.

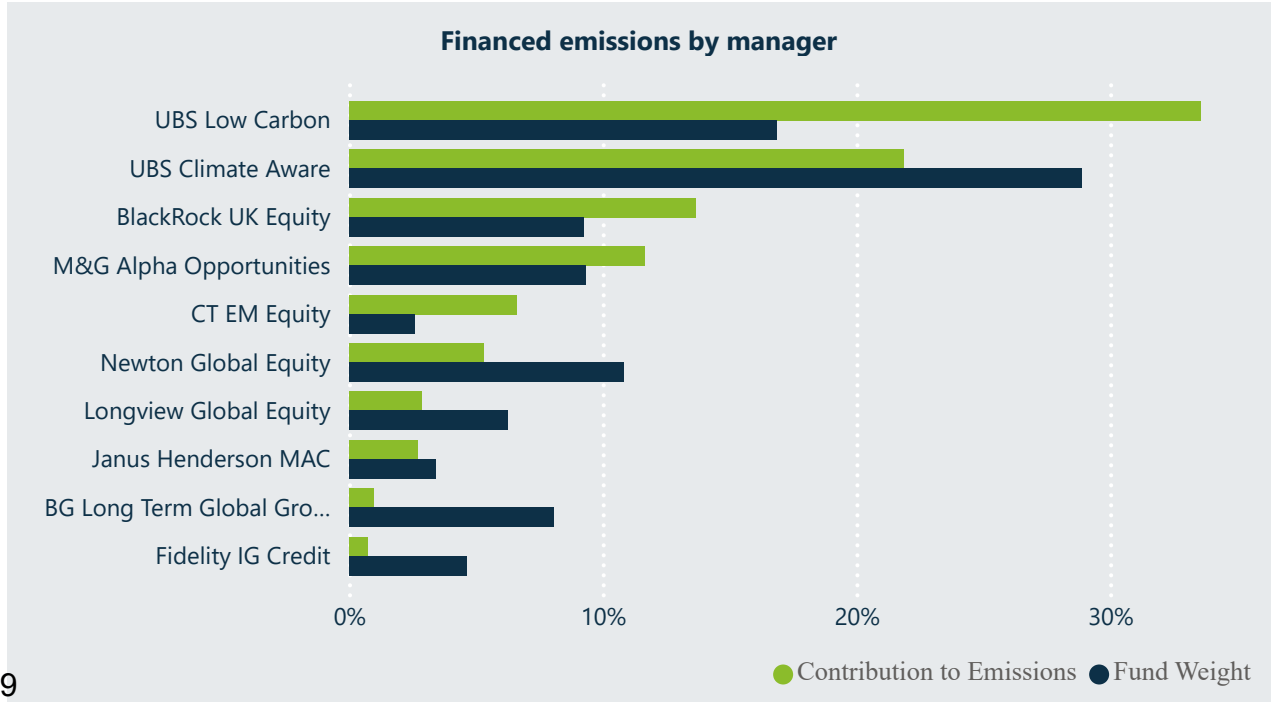
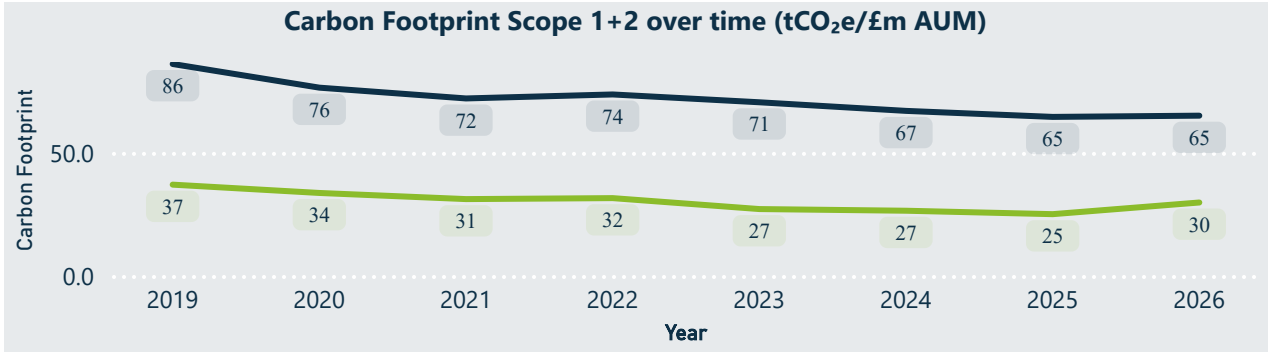
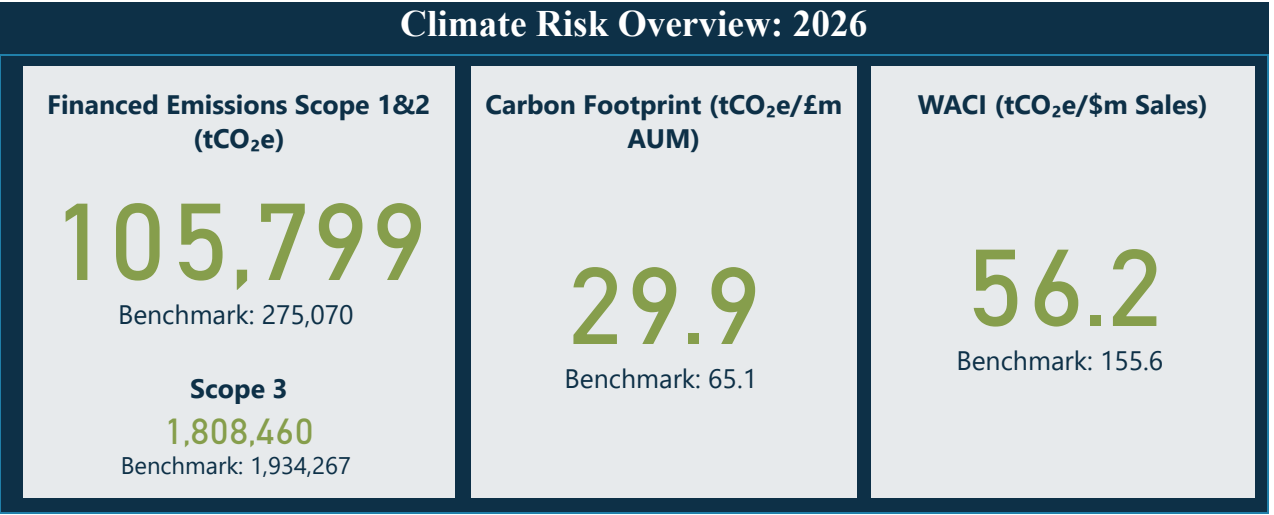
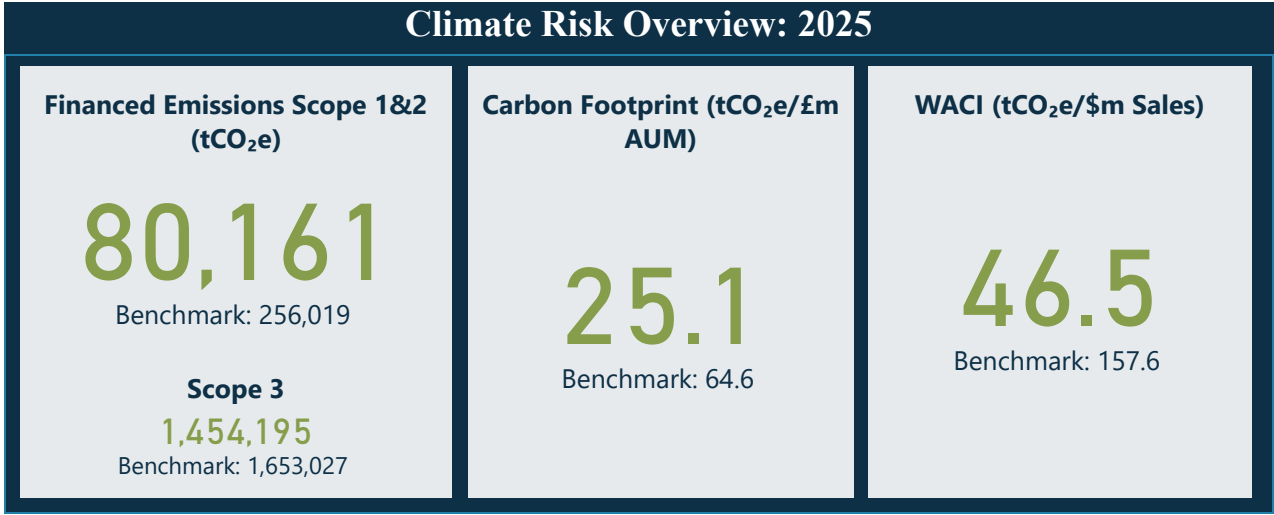
- **Interpretation**

Often used as an indicator of exposure to climate transition risk. Lower values suggest lower exposure to carbon-intensive sectors and issuers.

- **Comparability**

Less influenced by portfolio size and more focused on the carbon efficiency of underlying companies.

Suffolk County Council Pension Fund





Important Information

Please refer to our website for a glossary of terms used in this document. Our entity-level climate report can also be found on our website.

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All information is prepared as of 09 September 2026.

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Suffolk Pension Board

Report Title:	Pension Board Risk Register
Meeting Date:	15 October 2026
Lead Board Member:	Ian Blofield, Chair of the Suffolk Pension Board
Director:	Mark Ash, Joint Chief Executive (LGR, Devolution, Transformation and Change) and Executive Director Corporate Services
Assistant Director or Head of Service:	Louise Aynsley, Chief Financial (S151) Officer
Author:	Tracey Woods, Head of Pensions, 01473 265639, tracey.woods@suffolk.gov.uk

Brief summary of report

1. This report sets out the Risk Register for the Pension Board and how the risk control measures have been implemented against the risks.

Action recommended

- | |
|--|
| 2. The Board is asked to review and approve the Pension Board Risk Register. |
|--|

Reason for recommendation

3. Risk management is a key responsibility of those charged with Pension Fund governance with a duty to identify the range of risks that could affect the long-term sustainability of the Fund.
4. The effective management of risk is also an area which is covered within the CIPFA Knowledge and Skills framework which recognises the importance of having an understanding of the risks that could have an impact on the Pension Fund and what steps can be taken to mitigate such risks.

Alternative options

5. The Pension Board can include alternative risks to those set out in the Risk Register.

Main body of report

Background

6. The need for effective risk management is reflected throughout LGPS legislation, statutory guidance and the expectations of The Pensions Regulator. The Local Pension Board has an important role in assisting the administering authority to ensure that material risks relating to the governance and

administration of the Fund are appropriately identified, monitored and managed.

Risk Register

7. The risk register for the Pension Board to approve is attached as **Appendix 1**. The register identifies the key Employer, Scheme Member, Governance, regulatory, asset pooling and IT systems identified by the Board, together with the controls and actions in place to mitigate those risks. The Board is invited to review the current risk profile in its risk register and consider whether it is satisfied that risks are being appropriately managed and monitored.
8. Risks SPB06 and SPB07 relating to Asset Pooling, have been updated to reflect the progress in transitioning to LGPS Central since the Board last reviewed the risk register. The previous risks (SBP06a and SBP07a) are shown for comparative purposes and will be removed once the risk register is approved.
9. The probability and risk impact scores have been scored based on the criteria set out in **Appendix 2**.

Pension Fund Committee

10. The Pension Fund Committee received and approved a new risk register at its meeting on 15 June 2026 and receives a summary risk register at its quarterly meetings. A summary of the risk register agreed in June has been set out in **Appendix 3**.

Sources of further information

- a) The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (S.I. 2009 No.3093).
- b) Managing Risk in Local Government Pensions Funds - CIPFA 2019
- c) The Pensions Regulator General Code

Suffolk Pension Board Risk Register

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB01	Employer Employers' failure to carry out their responsibilities for paying contributions and providing information required for the administration team to fulfil their responsibilities. <u>Consequence</u> Could lead to incorrect information being used to make decisions in regards to the employer and the Pension Fund as a whole. The financial burden would have to be picked up by the rest of the employers in the Pension Fund.	3	1	3	Low	An effective Administration Strategy setting out the employers responsibilities. An effective Communications Strategy so that employers are engaged with the Pension Fund. Monitoring and reporting of the compliance of the employers. Vetting prospective employers in regards to financial security of funding streams. Seeking a funding guarantee or indemnity from the former scheme employer. Review to ensure Bonds are renewed when expiring and reflect current employer position. Non compliance is addressed.
SPB02	Scheme Members Scheme members are not in receipt of the correct benefit and/or paid on time. <u>Consequence</u> Additional administration time required to correct any errors. Reputational risk to the Suffolk Pension Fund and Suffolk County Council.	3	1	3	Low	The Pensions Administration team are required to keep up to date with pension benefit regulations and adhere to the stringent procedures required to comply with the benefits regulations. Knowledge and understanding is kept up to date by attending the relevant training courses and using guidance provided by professional bodies Calculations are independently checked and verified. Internal and external audit review the internal control arrangements in place.

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB03	Governance Failure to communicate or engage with employers and scheme members. <u>Consequence</u> Leading to non compliance with legislation and best practice. Inability to determine policy and effective decisions. Damaging to reputation and inefficient	3	2	6	Medium	Maintenance and implementation of a communication strategy. Regular communications to employers on LGPS matters are provided by Pension Fund officers in the form of newsletters, an annual employer meeting and specific communications on new regulations Regular meetings are held by the Pension Board with the papers published within statutory deadlines. A range of communication tools are available to enable effective communication such as newsletters, pension help desk, member self-service and the pensions website.
SPB04	Governance Pension Fund Board members do not have the appropriate skills or knowledge to discharge their responsibility. <u>Consequence</u> The Board does not discharge their duties to oversee the governance of the Pension Fund. Reputational risk to the Suffolk Pension Fund.	3	3	9	Medium	The Board has adopted the CIPFA Pensions Knowledge and Skills Framework as the basis for assessing its training and development needs. The Fund has a Training Strategy which covers how the training will be monitored, reported and how non-compliance will be addressed. The Board approves a formal training plan which is designed to cover the Board's responsibilities. This is reviewed annually and updated to include new topics of interest and any additional training requirements identified. The Board members have access to the Hymans online learning academy modules and relevant modules are advised in advance of the meeting. New Board members are fully briefed by a Pension Fund officer to enable them to participate in meetings. External advisers are employed to advise the Pension Fund Board as required.

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB05	Regulatory Changes to regulations or legislation not being adhered to. <u>Consequence</u> Could result in an increase in the cost of the scheme or increased administration time to correct. Reputational risk to the Suffolk Pension Fund.	3	3	9	Medium	The Pension Fund responds to all consultation papers regarding changes to the LGPS issued by the Ministry of Housing, Communities and Local Government (MHCLG). Pension Fund officers attend conferences, seminars and training to ensure the consequences of legislative changes are understood and implemented. New legislation is reported to the Pension Fund Committee and Board with regular updates on progress on implementation, the guidance produced, legal advice taken and any issues identified.
SPB06	Asset Pooling The ACCESS Pool does not have the appropriate governance in place to make the decisions needed for an orderly transition to the new asset pools. <u>Consequence</u> Could result in financial loss and/or unnecessary costs. Reputational risk to the Suffolk Pension Fund.	3	2	6	Medium	The Project Connect Programme Board has been established to see the ACCESS Pool through to closure and will make any decisions that are required. A new Inter Authority Agreement has been signed by each Fund, which sets out the operational procedures and agreed approach to sharing the costs of exit.
SPB06 a	Asset Pooling The ACCESS Pool does not have the appropriate governance in place to make the decisions needed for an orderly transition to the newly appointed asset pools. <u>Consequence</u> Could result in financial loss or underperformance. Breach of statutory obligations Reputational risk to the Suffolk Pension Fund.	5	3	15	High	The ACCESS Support Unit (ASU) continues to engage with the ACCESS Pension Fund's officers and Joint Committee to make appropriate decisions. The ACCESS Pool continues to engage professional advice to ensure that the exit arrangements of the Pool are understood by all ACCESS members and all costs are fairly apportioned amongst the Funds. These are being developed in consultation with the FCA, third party providers and the new pools. The ACCESS Pool have been in regular dialogue with MHCLG.

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB07	Asset Pooling The transition of assets and governance from the ACCESS Pool to LGPS Central is not well managed. <u>Consequence</u> May lead to operational, financial, and compliance risks, including delays, data integrity issues, and misalignment with investment objectives. Disruption to investment management and reporting Increased costs due to transition complexity	3	2	6	Medium	Pension Fund officers have regular meetings with LGPS Central to develop a timeline for each asset transition. Work is currently being undertaken to identify the most cost-efficient transition process for the Suffolk Pension Fund. There will be a planned phased asset migration into LGPS Central investment products. Waystone and Northern Trust are engaged in this. LGPS Central will implement the transition using subject matter experts.
SPB07a	Asset Pooling The transition of investment assets into LGPS Central products is not well managed. <u>Consequence</u> May lead to operational, financial, and compliance risks, including delays, data integrity issues, and misalignment with investment objectives. Disruption to investment management and reporting Increased costs due to transition complexity Potential breach of statutory deadlines	5	3	15	High	LGPS Central are in regular dialogue with ACCESS Support Unit (ASU), Waystone and Northern Trust to work out the best options for transitioning the assets. The Fund officers have regular meetings with LGPS Central who report on timelines, progress made and information required on the horizon to make a safe and legal transition into the Pool on 1 April 2026. Squires have been engaged to provide independent advice for the on boarding Funds into LGPS Central on the legal paperwork and agreements required to be in place to become a shareholder and client in LGPS Central. LGPS Central and the fund officers have been in regular dialogue with MHCLG.

Risk ID	Risk	Impact	Prob	Risk Score	Risk Rating	Risk Control Measures
SPB08	IT Systems The Pension Fund IT systems do not have appropriate cyber security in place and updates to systems are not appropriately tested before implementation. <u>Consequence</u> Could result in personal data not being secure or correct pension payments not being paid on time. Reputational risk to the Suffolk Pension Fund.	3	3	9	High	Heywoods (Pension Data and Pensioner payroll), Northern Trust (Custodian), Suffolk County Council (Network access, files and emails, financial ledgers) and Waystone (ACCESS Pool Operator) all have appropriate IT Security policies and frameworks in place to identify risk and implement appropriate testing. Heywood system updates are loaded into the test system for the Team to test. If any issues are found then the live launch is delayed until resolved. Heywood updates are reviewed by the Technical Pensions Specialist and communicated to the Pension Fund Officers and the Operations Manager for Pensioner Payroll updates. Work has been undertaken to produce specific reports from Oracle Fusion, reconciliation and further developments to the outputs are ongoing.

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Risk rating criteria

1. The impact of each risk has been assessed as:
 - Insignificant (1)
 - Minor (2)
 - Moderate (3)
 - Major (4)
 - Extreme (5)
2. The risk has then been assessed on the probability of the risk occurring.
 - Rare (1)
 - Unlikely (2)
 - Possible (3)
 - Likely (4)
 - Almost certain (5)
3. This has been used to allocate a risk score (multiplication of the score value in brackets above) to each risk which produces one of the risk ratings as follows:
 - Low (1-4)
 - Medium (5-9)
 - High (10-15)
 - Very High (16-25)

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Appendix 3

Risk No.	Risk and changes	Risk Rating
SPF06	Failure by Investment Managers to manage the risk Climate Change may have on the assets of the Fund Lowered Probability from Probable to Possible	Medium (6)
SPF07	LGPS Central investments do not meet the requirements of the Fund Increased Probability from Unlikely to Possible Risk Control Measure Updated Work is currently being undertaken to identify the most comparable investments within LGPS Central to match within reason the risk profile and investment strategies of the current investments of the Suffolk pension Fund. LGPS Central have identified areas within their investments that require additional offerings to ensure the investment needs of the Partner Funds can be met on a proportionality basis.	Medium (6)
SPF09	New Risk Financial loss or operational disruption during transition of assets into LGPS Central investments Risk Consequence Updated Could lead to high transaction costs and performance drag if market volatility and transition management is not well managed Risk Control Measure Updated Pension Fund officers have regular meetings with LGPS Central to discuss a timeline for each asset transition. Work is currently being undertaken to identify the most cost-efficient transition process for the Suffolk Pension Fund. There will be a planned phased asset migration into LGPS Central investment products. LGPS Central will implement the transition using subject matter experts.	Medium (6)
SPF10	New Risk Dependency risk with LGPS Central with an over reliance on pool company effectiveness Risk Consequence Updated Systematic failure risk affecting investment strategy, investments and cash flow management due to centralised investment management Risk Control Measure Updated Pension Fund officers have regular meetings to discuss how the Suffolk pension Fund will transition into the services to be operated by LGPS Central. Pension fund officers are engaged and contribute to company wide meetings to ensure that the Suffolk pension Fund is represented in the development of the services it will be utilising. KPI's and SLA's will be reported to the Pension Fund Committee. Robust governance oversight is being put in place with the other partner funds in the LGPS Central Pool.	Medium (6)

Appendix 3

Risk No.	Risk and changes	Risk Rating
SPF11	Changes to regulations or legislation not being adhered to Increased Probability from Unlikely to Possible	Medium (4)
SPF12	Failure to comply with Government expectations on asset pooling Risk Control Measure Updated The Pension Schemes Act 2026 is now in place and new regulations containing new pooling requirements will come into force at the end of June 2026. Suffolk Pension Fund became a shareholder of LGPS Central Ltd on 1 April 2026 in line with Government requirements. A fiduciary management agreement with LGPS Central Ltd has been put in place which covers all the services that the company will provide to the fund. his includes a power of attorney so that effective control of all the Suffolk Pension Fund assets is delegated to the pool company. Outstanding requirements will be met by March 2027 in line with the regulations.	Low (3)
SPF13	Failure of the Pension Fund to be able to undertake the work required to remedy the McCloud High Court ruling. Increased Probability from Unlikely to Possible Risk Control Measure Updated Regulations came into force on 1 October 2023. The period for implementing the McCloud remedy has been extended to 31 August 2026. Annual Benefit Statements will include the impact of the remedy and the team are working through recalculations where necessary. It is possible that not all recalculations will have been completed by 31 August 2026 but the fund will communicate with any impacted members if necessary.	Medium (4)
SPF17	Failure of the Pension Fund to complete the Annual Report & Accounts by the deadlines set. Risk Updated The Pension Fund audit commences on 27 May 2026. When all audit requests are expected to be submitted on the portal. A draft set of accounts is currently going through internal review and will be submitted to audit within the timescales agreed. Annual report will be produced in July ready for September Committee meeting.	Low (3)

Appendix 3

Risk No.	Risk and changes	Risk Rating
SPF21	Failure of the Employer to produce the data required to calculate the impact of the McCloud High Court ruling Risk Updated Regulations came into force on 1 October 2023. The period for implementing the McCloud remedy has been extended to 31 August 2026. Identification of records that need reviewing has taken place. Employer data was required so that all records are up to date in order to use a bulk function for calculations. As the range of members affected has changed from original communications however, there are some issues getting data from employers. However, there is guidance available for calculating these cases where employers no longer have the data to mitigate this risk.	Medium (4)
SPF30	Pension Fund Committee members do not have the appropriate skills or knowledge to discharge their responsibility. Risk Update Training Strategy has been drafted in line with the forthcoming regulations setting out the Fund's approach for ensuring the knowledge for individuals responsible for the management, delivery, governance and decision-making of the Pension Fund.	Low (3)
SPF31	Pension Fund officers do not have the appropriate skills or knowledge to complete statutory duties or advise the Pension Fund appropriately. Risk Control Measure Update Regulations came into force on 1 October 2023. The period for implementing the McCloud remedy has been extended	Low (3)
SPF35	Failure by the Pension Fund to manage Environmental, Social and Governance (ESG) risk within the investment strategy and implementation of investment decisions. Lowered Probability from Probable to Possible	Medium (6)

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Suffolk Pension Board, 15 October 2026

Information Bulletin

The Information Bulletin is a document that is made available to the public with the published agenda papers. It can include update information requested by the Committee as well as information that a service considers should be made known to the Committee.

This Information Bulletin covers the following items:

1. [Annual Employers Meeting](#)
2. [Governance Updates in the Council's Constitution](#)

1. Annual Employers Meeting

- 1.1 The Annual Employers meeting will be held on 5 November, online between 10am and noon. The agenda is attached as Appendix 1.

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2. Governance Updates in the Council's Constitution

- 2.1 The Governance arrangements for the Suffolk Pension Fund form part of the Council's constitution. Therefore, the changes required to comply with the new regulations need to be reflected. The changes were reviewed by The Constitution Working Party at its meeting on 14 September 2026. These were:
 - a) Updates to Part 1 Articles of the Constitution, Sections 14 and 15 and which set out the responsibilities of the Pension Fund Committee and the Suffolk Pension Board, and the removal of Section 16 covering the ACCESS Joint Committee.
 - b) Updates to Part 3 Officer Delegations to put in place an LGPS Senior Officer and amend the S151 Officer's responsibilities in relation to the Pension Fund.
 - c) Replace Part 4.3 The Pension Fund Governance Policy Statement with the Pension Fund Governance Strategy.
- 2.2 These will be put for approval at full council on 8 October 2026.

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For further information on any of the above items, please contact: Tracey Woods, Head of Pensions; Email: tracey.woods@suffolk.gov.uk; Telephone: 01473 265639.



SUFFOLK PENSION FUND ANNUAL EMPLOYERS MEETING

10.00 a.m. to noon, Friday, 5 November 2026

AGENDA

1. Welcome by Ian Blofield, Chairman of the Suffolk Pension Fund Board
2. Remarks by Councillor Paul Reeder, Vice Chairman of the Suffolk Pension Fund Committee
3. Actuary Update – Craig Alexander, Hymans Robertson, covering: -
 - Current Funding Level
 - What has changed
 - What this means for the Fund
4. Pension Fund Administration Update, including:-
 - Reminder of employer responsibilities and processes, including Ill Health Retirement, Flexible Retirement and Refunds
 - McCloud Update
 - Access and Fairness regulations
 - I-connect update
 - Engage self service
 - AVC's
5. Open Forum
 - Open session to raise additional questions
6. Closing Remarks by Ian Blofield, Chairman of the Suffolk Pension Fund Board

Suffolk Pension Board Forward Work Programme

Purpose

The purpose of this forward work programme is to support the Pension Board in promoting and strengthening corporate governance across the Council.

Terms of reference

The terms of reference of the Suffolk Pension Board are:

- a) to secure compliance with the Local Government Pension Scheme (LGPS) regulations and any other legislation relating to the governance and administration of the LGPS
- b) to secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator
- c) to secure the effective and efficient governance and administration of the LGPS for the Suffolk Pension Fund
- d) in such other matters as the LGPS regulations may specify
- e) to provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have a conflict of interest

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
Wednesday 9 December 2026	Added 28 July 2026	Complaints, Compliments and Administration Performance	To receive a report on the administration performance of the fund, including complaints and compliments.	Written Report
	Added 15 October 2026	Investment Pooling Update	To receive a report on investment pooling	Written Report
	Added 15 October 2026	Implementation of Governance Changes	To receive a report on the appointment of an LGPS Senior Officer and Independent person	Written Report
	Added 15 October 2026	Training Update	To receive a report on progress with training	Written Report
Wednesday 3 March 2027	Added 15 October 2026	Complaints, Compliments and Administration Performance	To receive a report on the administration performance of the fund, including complaints and compliments.	Written Report
	Added 15 October 2026	Independent Governance Review	To receive a report on commissioning an Independent Governance Review of the Fund	Written Report
	Added 28 July 2026	General Code of Practice Compliance	To receive a report on compliance with the General Code of Practice	Written Report

Meeting date (see Note)	Date added	Subject	Short description	How is it anticipated the Committee will deal with this issue?
	Added 15 October 2026	Implementation of Access and Fairness Regulations	To receive a report on delivery of the Access and Fairness Regulation changes	Written Report
	Added 15 October 2026	Treasury Management Strategy	To receive the Treasury Management strategy and practices for the Fund for 2027-28	Written Report

Note: Additions and amendments to previous Forward Agenda are marked in bold. If you have any questions or queries, please contact Tracey Woods. Email: tracey.woods@suffolk.gov.uk, Telephone: 01473 265639.

Revised: October 2026

Items for consideration/scheduling:

- Pensions Dashboard
- Business Plan 2027-28
- Administration and Management Expenses 2026-27 and 2027-28