

Pension Fund Investment Sub Committee

12 Dec 2017

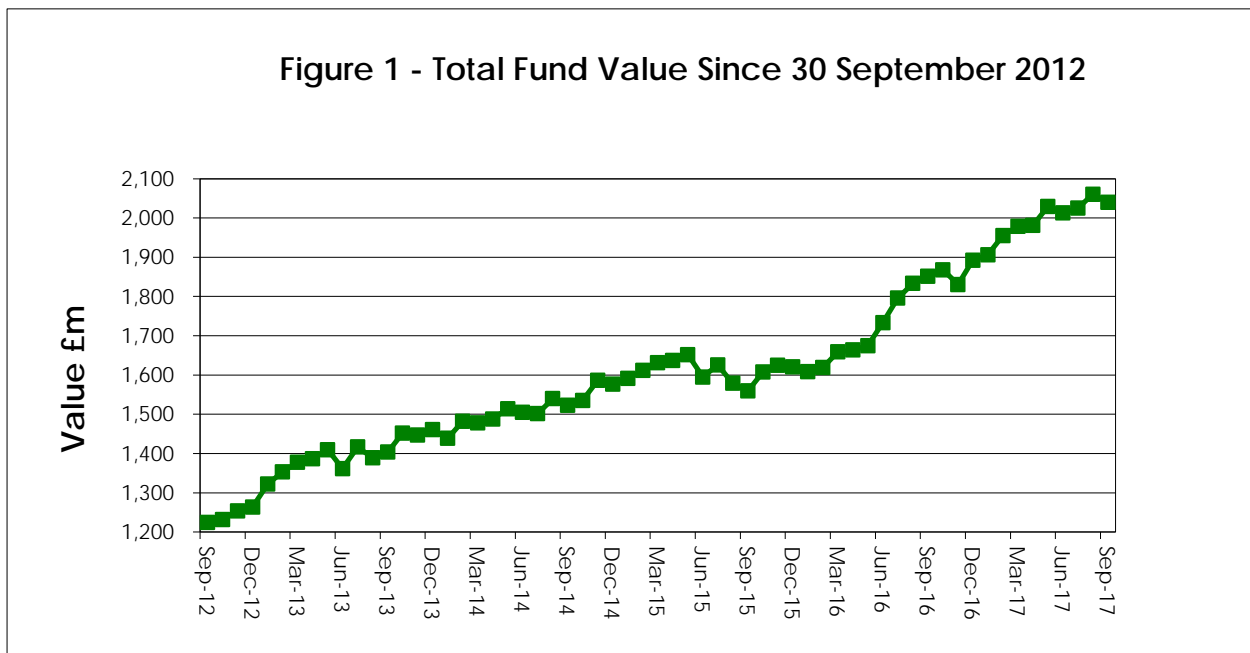
Investment Performance

Recommendation

That the Pension Fund Investment Sub Committee note the fund value and investment performance for the first quarter of 2017/18 to 30 Sep 2017.

1. Fund Value at 30 Sep 2017

- 1.1 The fund value was £2,039.4 at 30 Sep 2017 an increase of 1.32% on the previous quarter as shown in Figure 1.



2. Fund Asset Allocation

2.1 The performance of the Fund against its asset class benchmarks for the quarter ending 30 Sep 2017 is shown in Table 1.

Table 1: Fund Asset Allocation

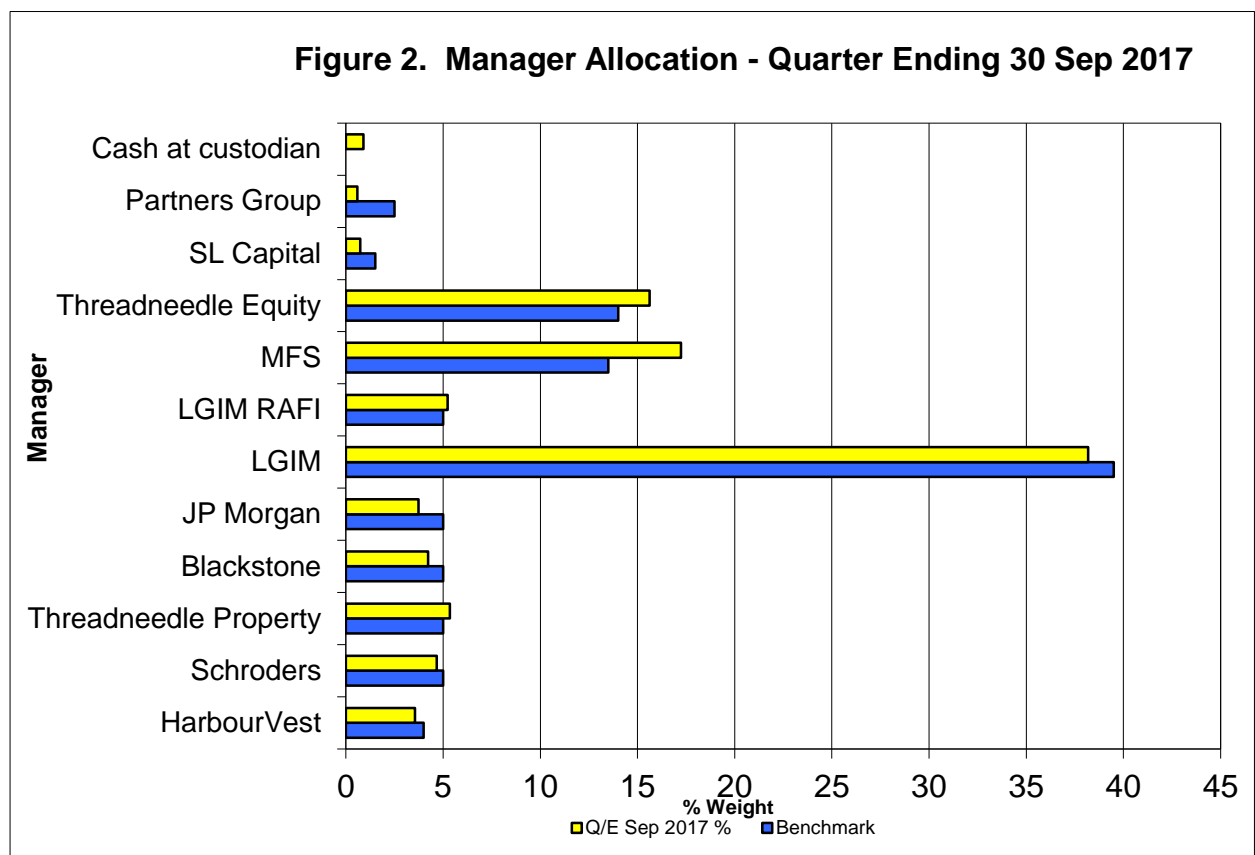
Asset Class	Q/E Sep 2017	Fund policy	Over/under weight
	%	%	%
Equity	57.9	54.5	3.4
UK	25.2	23.0	2.2
Overseas	27.5	26.5	1.0
Fundamental Global Equity	5.2	5.0	0.2
Fixed Income	17.9	17.5	0.4
UK corporate bonds	10.3	10.0	0.3
UK government bonds	2.4	2.5	-0.1
UK index linked bonds	5.2	5.0	0.2
Hedge Funds	4.2	5.0	-0.8
Private Equity	3.6	4.0	-0.5
Property	9.8	10.0	-0.2
Absolute Return Bonds	3.7	5.0	-1.3
Infrastructure	1.3	4.0	-2.7
Cash	1.5	0.0	1.5

2.2 The fund managers' asset allocation against the benchmark for the quarter ending 30 Sep 2017 is shown in Table 2.

Table 2: Fund Asset Allocation by Manager

Manager	Q/E Sep 2017 %	Benchmark	Variance
HarbourVest	3.6	4.0	-0.5
Schroders	4.7	5.0	-0.3
Threadneedle Property	5.4	5.0	0.4
Blackstone	4.2	5.0	-0.8
JP Morgan	3.7	5.0	-1.3
LGIM	38.2	39.5	-1.3
LGIM RAFI	5.2	5.0	0.2
MFS	17.2	13.5	3.7
Threadneedle Equity	15.6	14.0	1.6
SL Capital	0.7	1.5	-0.8
Partners Group	0.6	2.5	-1.9
Cash at custodian	0.9	0.0	0.9
Total	100.0	100.0	0.0

2.3 Fund asset allocation against each manager is shown in Figure 2.



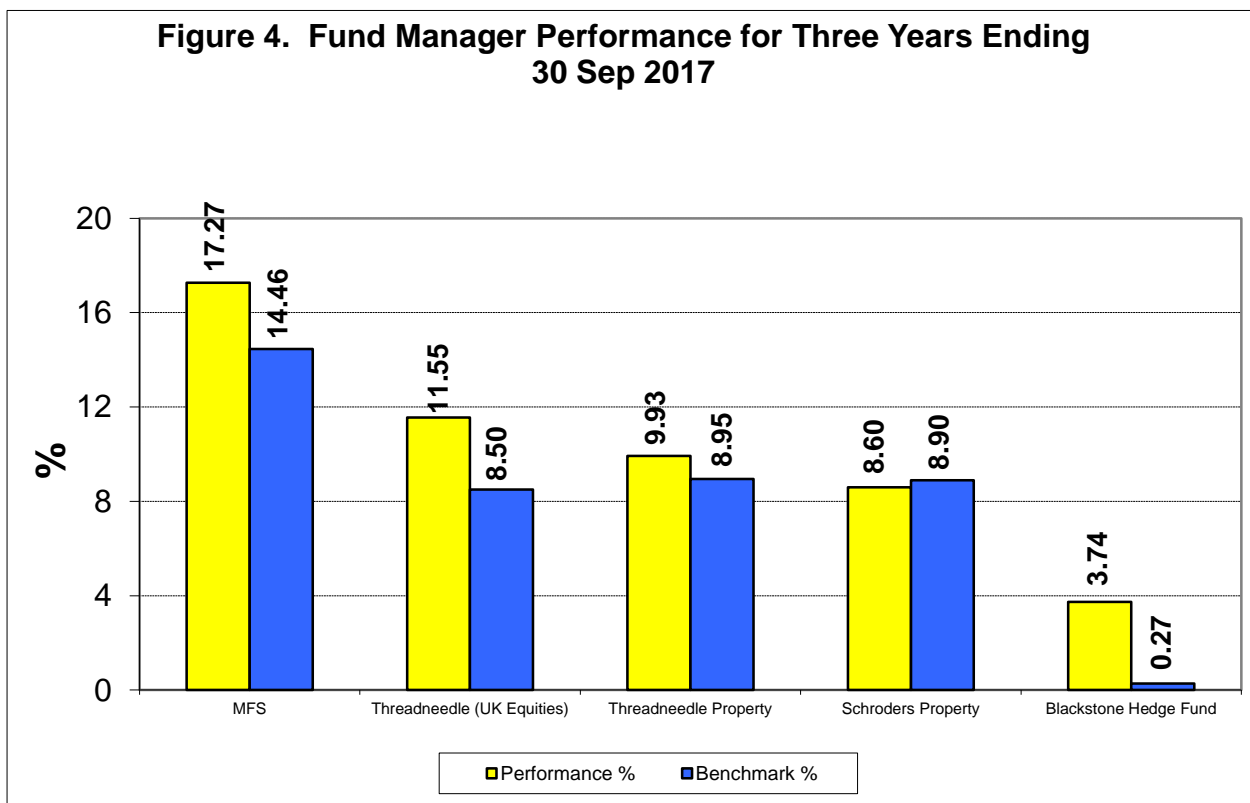
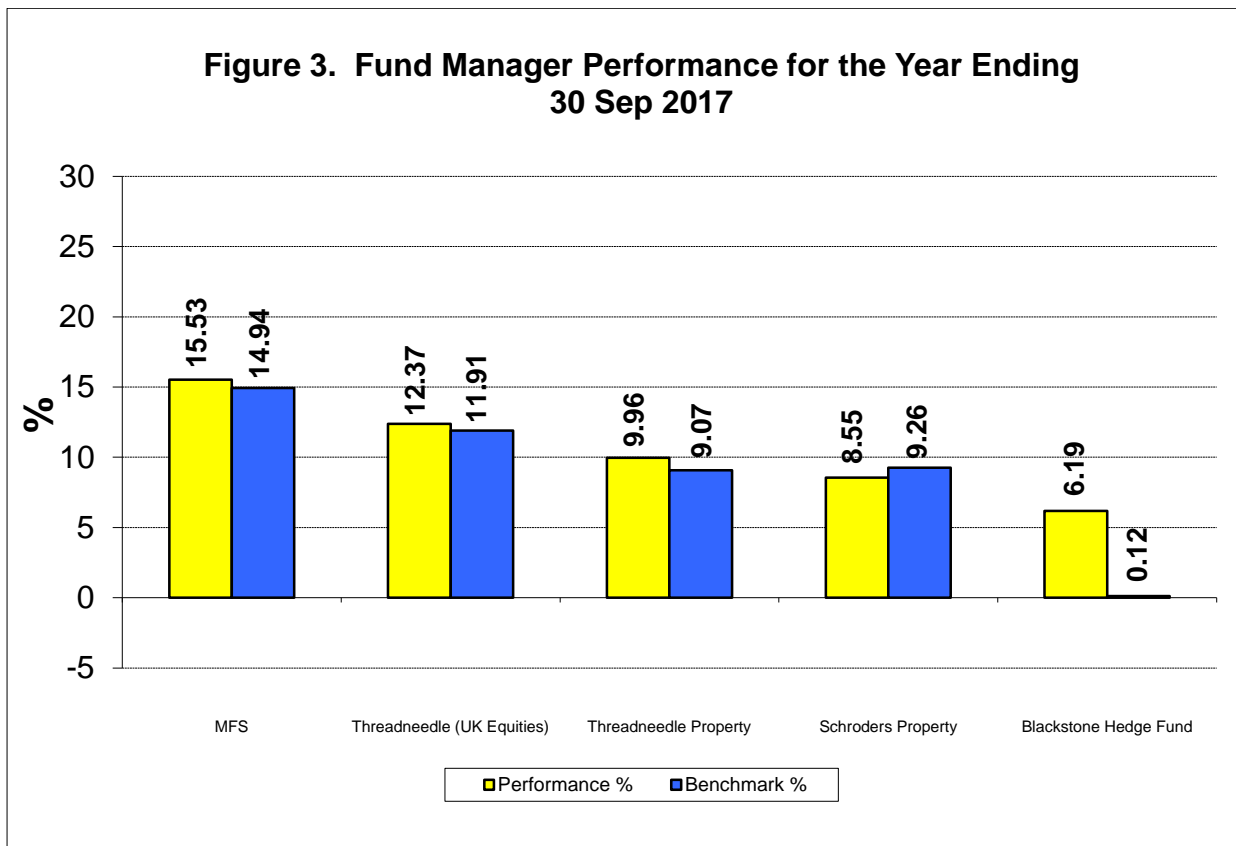
3. Fund Performance

3.1 Overall the fund under-performed its overall benchmark by 0.31%. The performances of managers against their benchmarks for the quarter ending 30 Sep 2017 were:

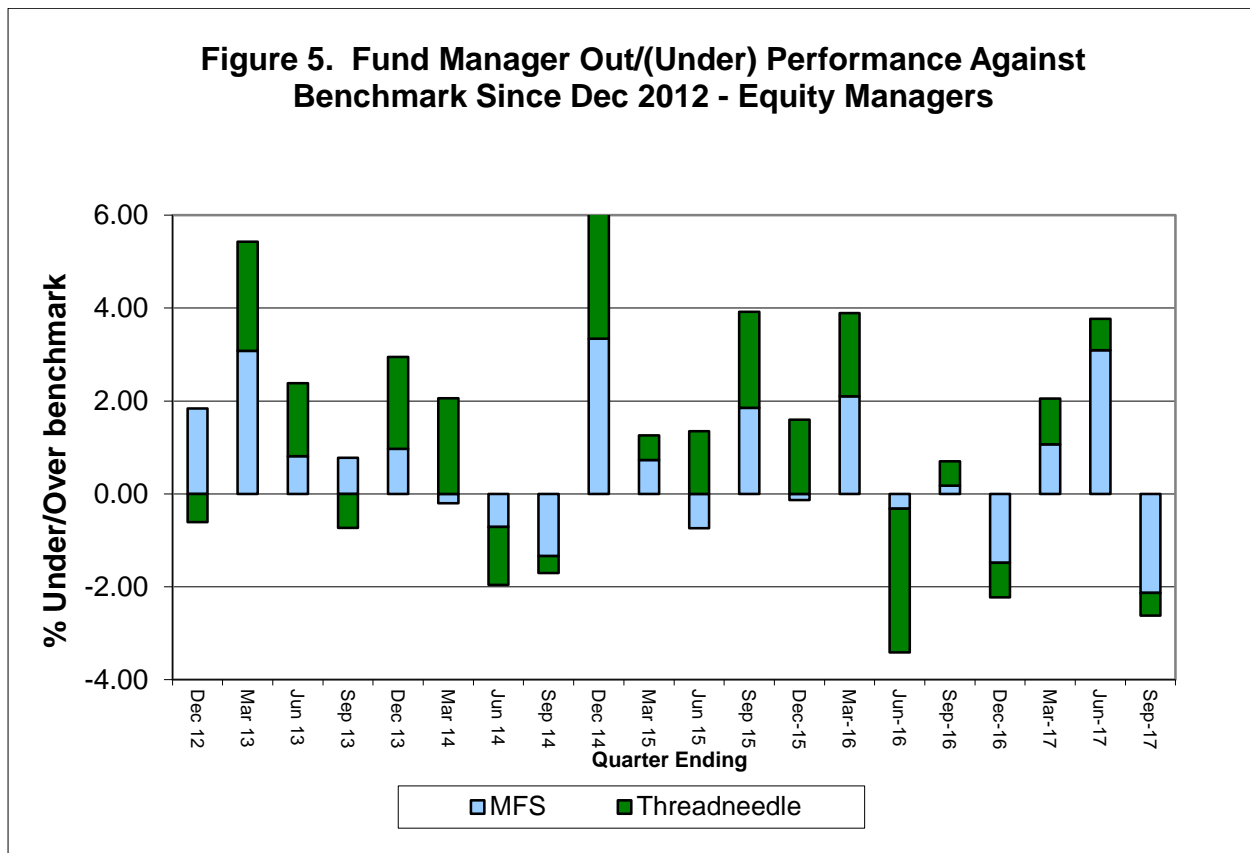
Table 3: Performance by Fund Manager

Manager	Benchmark Measure	Q/E Sep 2017	Benchmark	Variance
		%	%	%
MFS	Global Equity Benchmark	-0.26	1.87	-2.13
Threadneedle	FTSE All-Share	1.68	2.17	-0.49
Legal and General (Global Equities)	LGIM Benchmark	2.68	2.92	-0.24
Legal and General (Fixed Interest)	LGIM Benchmark	-0.21	-0.03	-0.18
Threadneedle Property	Customised Benchmark	2.65	2.31	0.34
Schroders Property	Customised Benchmark	3.12	2.37	0.75
Blackstone Hedge	Customised Benchmark	1.73	0.03	1.70
JP Morgan Strategic Bond	Customised Benchmark	0.95	0.06	0.89
Total	WCC Total Fund Benchmark	1.33	1.64	-0.31

3.2 Annualised return for the fund managers to 30 Sep 2017 is summarised in Figure 3. The three year annualised return is summarised in Figure 4.



3.3 Equity Managers performance against their benchmarks are summarised in Figures 5.



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