

Pension Fund Investment Sub-Committee

12th March 2018

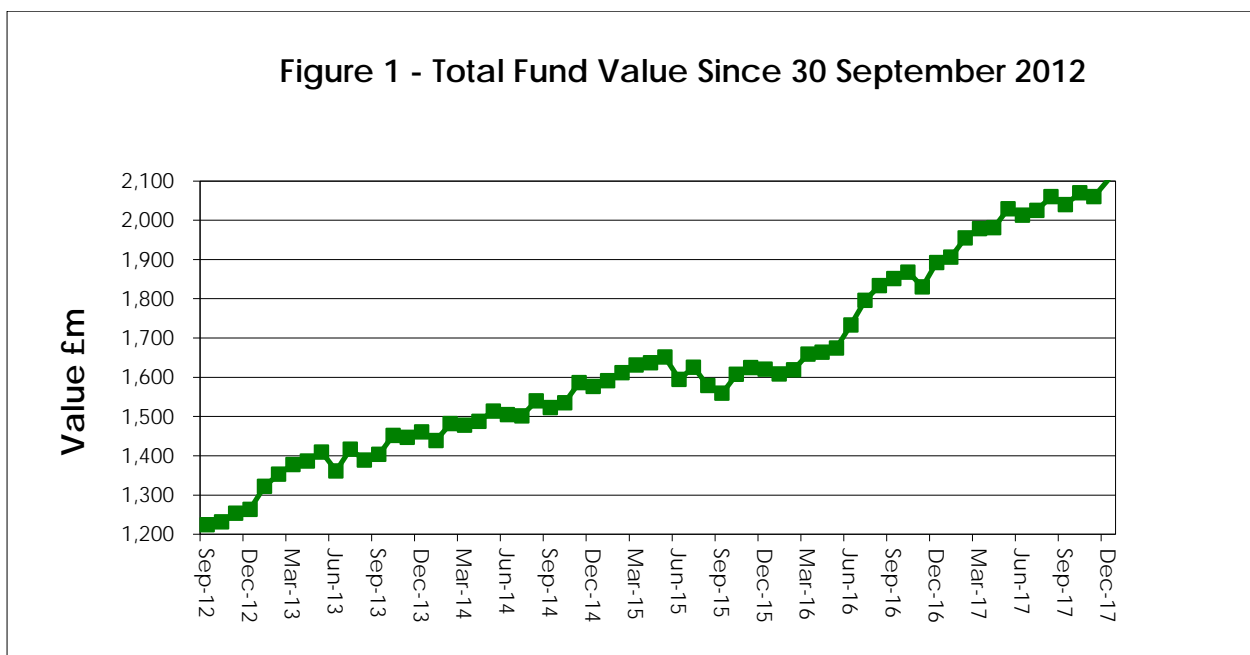
Investment Performance

Recommendation

- (1) That the Sub Committee note the fund value and investment performance for the third quarter of 2017/18 to 31 Dec 2017.

1. Fund Value at 31 Dec 2017

- 1.1 The fund value was £2,102.8 at 31 Dec 2017 an increase of 3.12% 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 31 Dec 2017 is shown in Table 1.

Table 1: Fund Asset Allocation

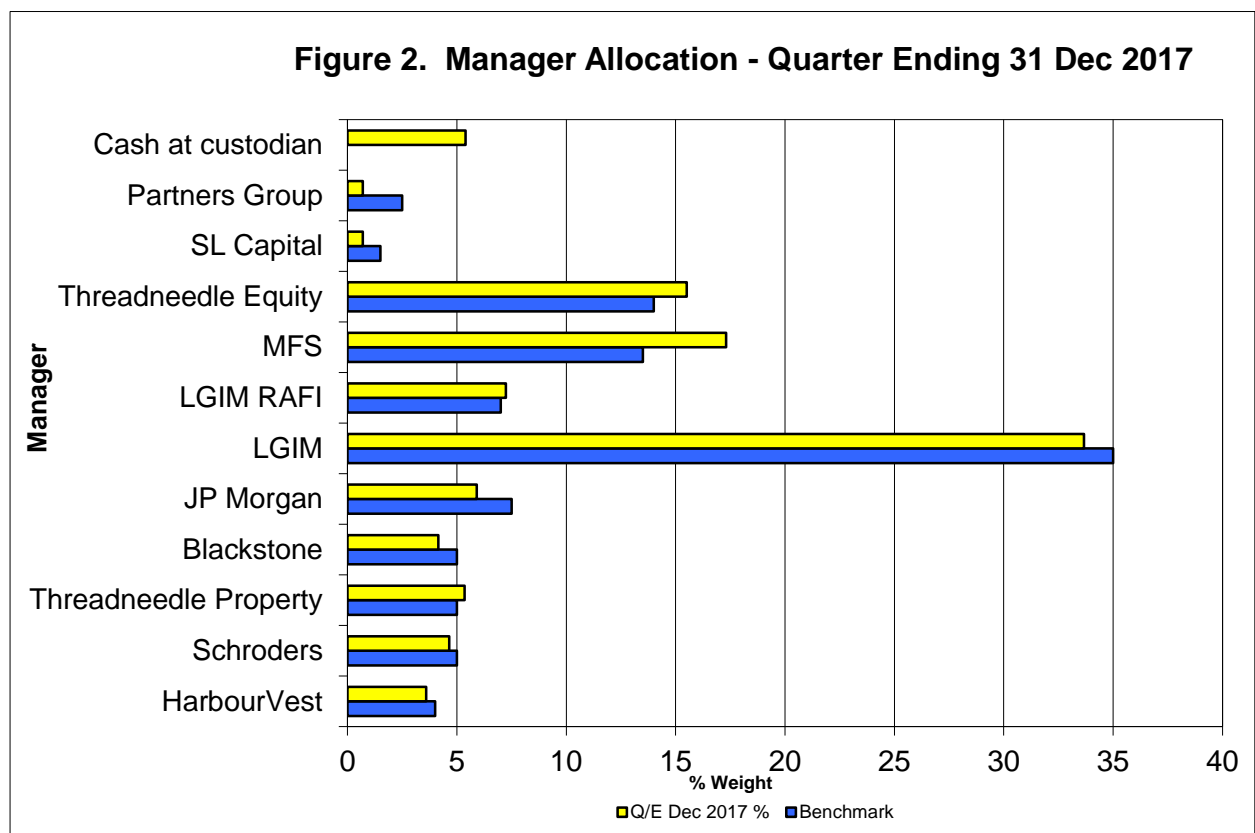
Asset Class	Q/E Dec 2017	Fund policy	Over/under weight
	%	%	%
Equity	58.3	54.5	3.8
UK	23.5	21.0	2.5
Overseas	27.6	26.5	1.1
Fundamental Global Equity	7.2	7.0	0.2
Fixed Income	15.3	15.0	0.3
UK corporate bonds	10.2	10.0	0.2
UK government bonds	0.0	0.0	0.0
UK index linked bonds	5.2	5.0	0.2
Hedge Funds	0.0	5.0	-5.0
Private Equity	3.6	4.0	-0.4
Property	9.9	10.0	-0.1
Absolute Return Bonds	6.0	7.5	-1.6
Infrastructure	1.5	4.0	-2.6
Cash	5.4	0.0	5.4

2.2 The fund managers' asset allocation against the benchmark for the quarter ending 31 Dec 2017 is shown in Table 2.

Table 2: Fund Asset Allocation by Manager

Manager	Q/E Dec 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 (Holding cash)	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.



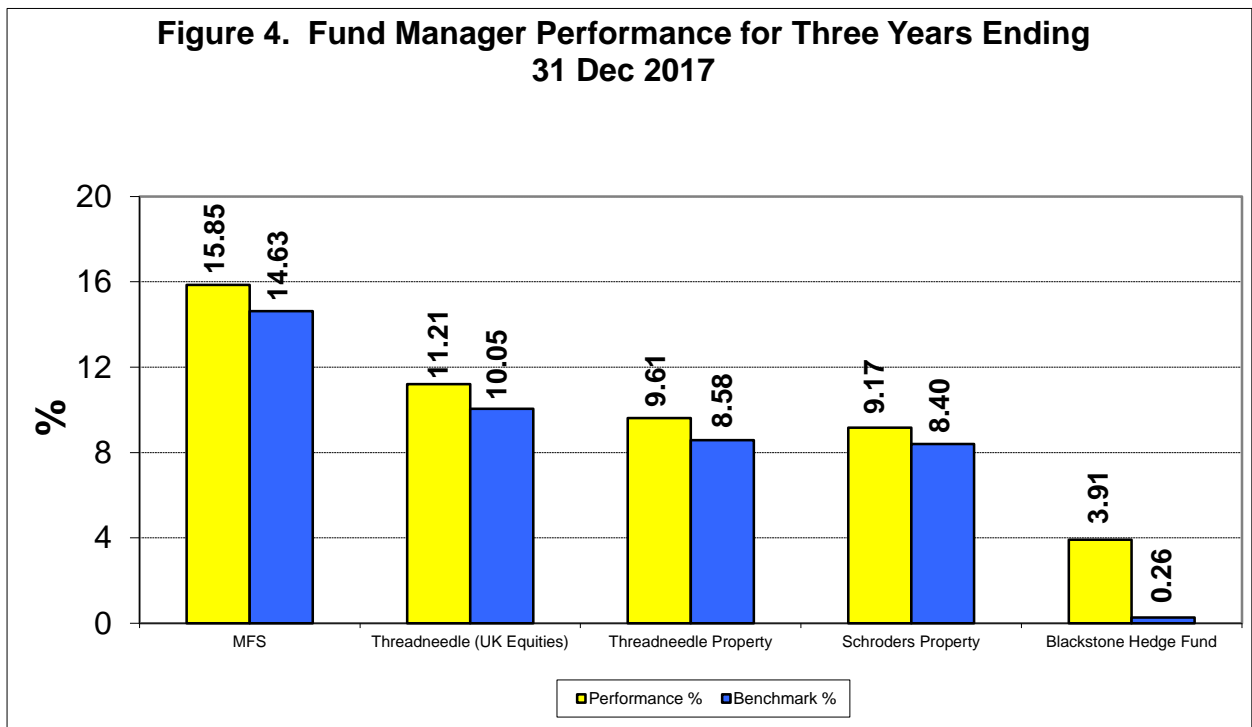
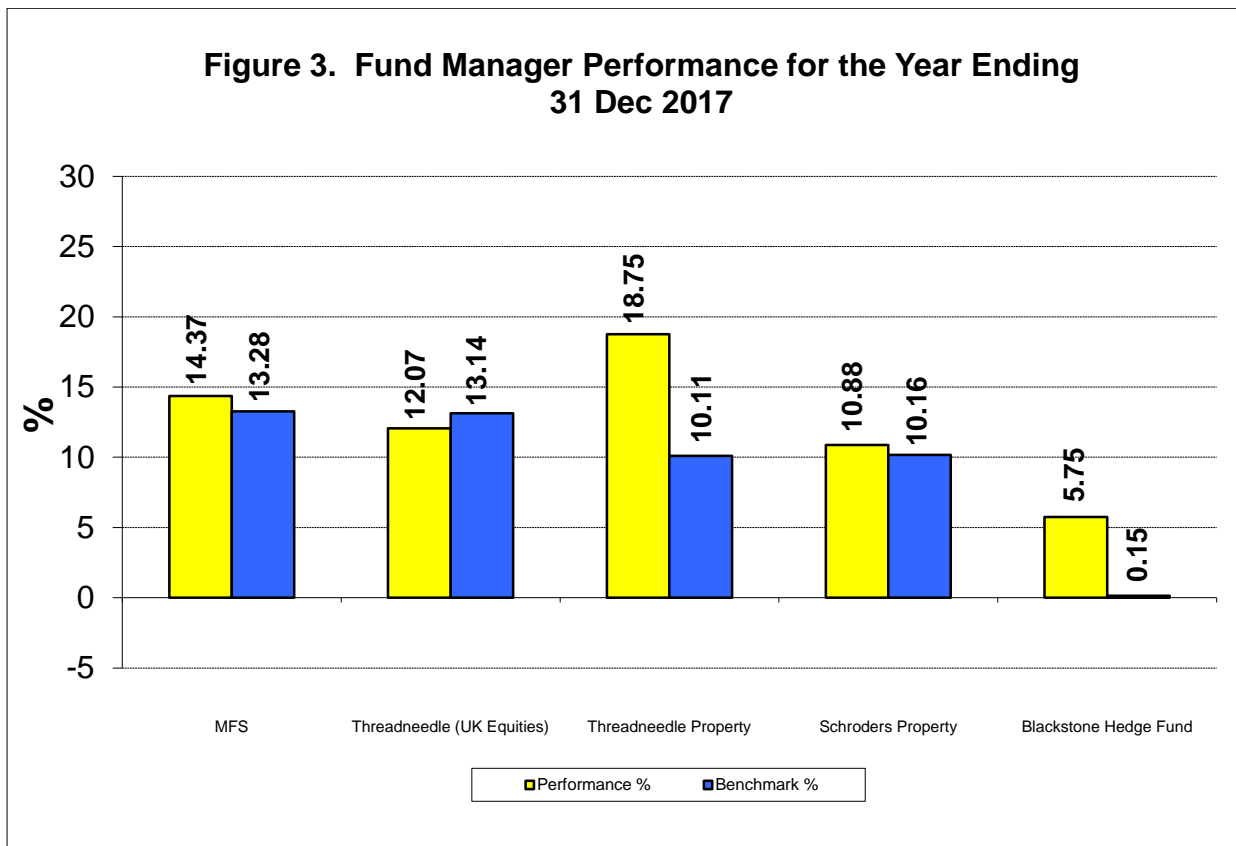
3. Fund Performance

3.1 Overall the fund under-performed its overall benchmark by 0.31%. The performances of managers against their benchmarks for the quarter ending 31 Dec 2017 were:

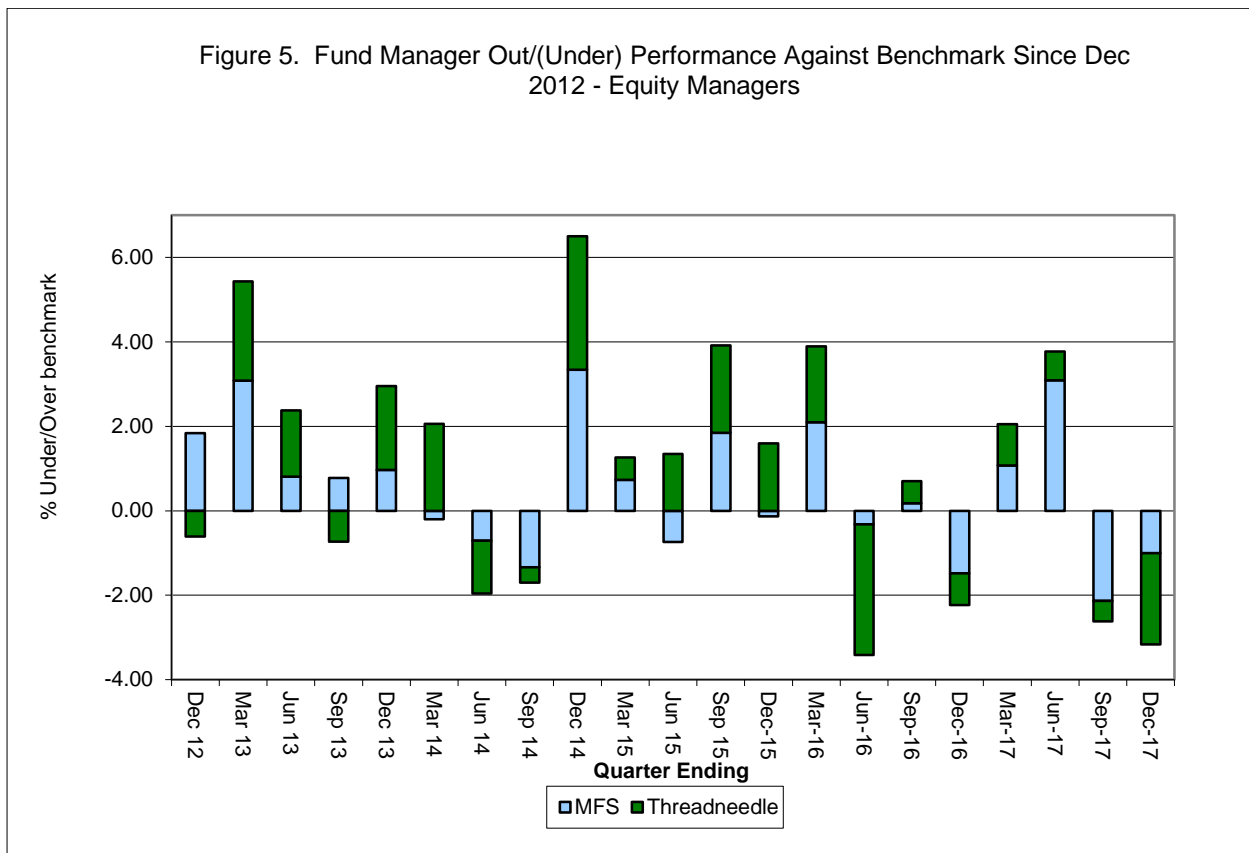
Table 3: Performance by Fund Manager

Manager	Benchmark Measure	Q/E Dec 2017	Benchmark	Variance
		%	%	%
MFS	Global Equity Benchmark	3.87	4.87	-1.00
Threadneedle	FTSE All-Share	2.80	4.96	-2.16
Legal and General (Global Equities)	LGIM Benchmark	4.02	3.60	0.42
Legal and General (Fixed Interest)	LGIM Benchmark	2.50	1.91	0.59
Threadneedle Property	Customised Benchmark	3.87	3.00	0.87
Schroders Property	Customised Benchmark	3.30	3.10	0.20
Blackstone Hedge	Customised Benchmark	1.23	0.06	1.17
JP Morgan Strategic Bond	Customised Benchmark	0.41	0.10	0.31
Total	WCC Total Fund Benchmark	3.12	3.58	-0.46

3.2 Annualised return for the fund managers to 31 Dec 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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