

## Pension Fund Investment Sub Committee

10 September 2018

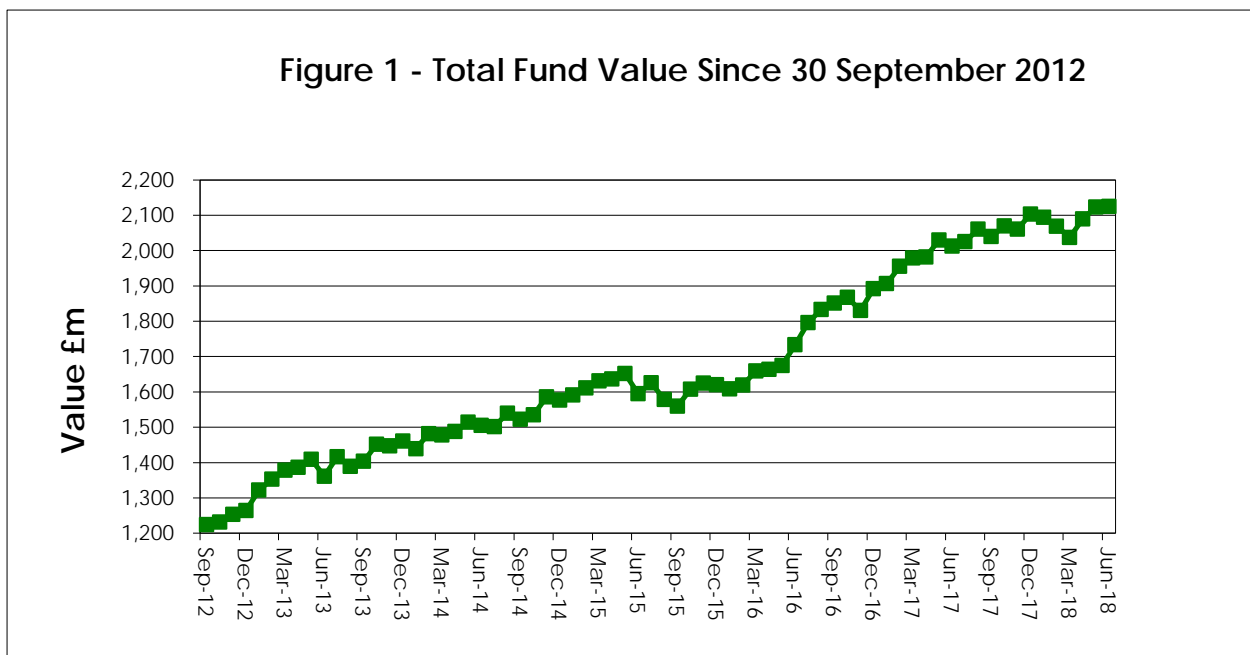
### Investment Performance

#### Recommendation

That the Sub Committee note the fund value and investment performance for the first quarter of 2018/19 to 30 June 2018.

#### 1. Fund Value at 30 June 2018

1.1 The fund value was £2,124.9 at 30<sup>th</sup> June 2018 an increase of 4.34% against the previous quarter of £2,037.3 at 31<sup>st</sup> March 2018 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 June 2018 is shown in Table 1.

**Table 1: Fund Asset Allocation**

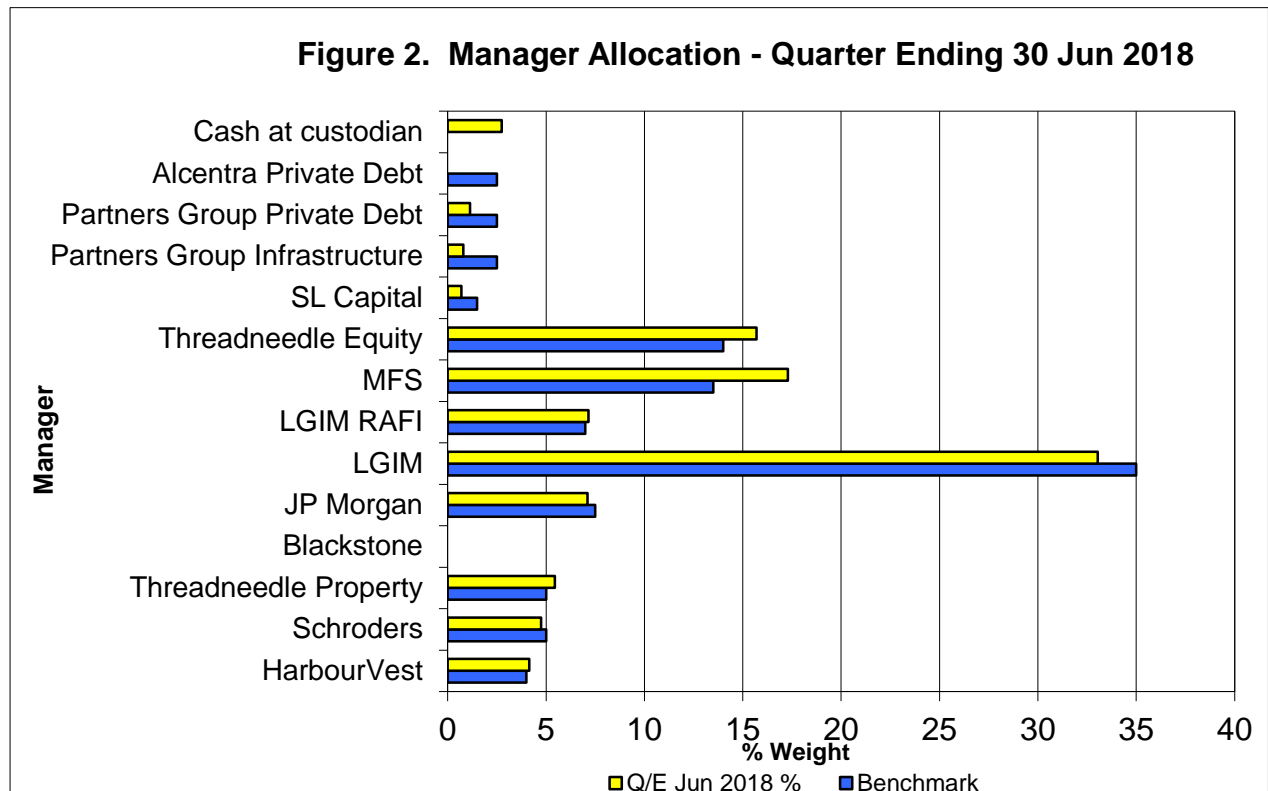
Q/E Mar 2018	Asset Class	Q/E Jun 2018	Variance Jun Qtr to Mar Qtr	Fund policy	Over/under weight
%		%		%	%
<b>56.9</b>	<b>Equity</b>	<b>57.6</b>	<b>0.7</b>	<b>54.5</b>	<b>3.1</b>
22.7	UK	23.1	0.4	21.0	2.1
27.1	Overseas	27.4	0.3	26.5	0.9
7.1	Fundamental Global Equity	7.2	0.1	7.0	0.2
<b>15.7</b>	<b>Fixed Income</b>	<b>15.4</b>	<b>-0.4</b>	<b>15.0</b>	<b>0.4</b>
10.3	UK corporate bonds	10.3	0.0	10.0	0.3
5.4	UK index linked bonds	5.1	-0.3	5.0	0.1
<b>3.8</b>	<b>Private Equity</b>	<b>4.2</b>	<b>0.4</b>	<b>4.0</b>	<b>0.2</b>
<b>10.2</b>	<b>Property</b>	<b>10.1</b>	<b>-0.1</b>	<b>10.0</b>	<b>0.1</b>
<b>7.8</b>	<b>Absolute Return Bonds</b>	<b>7.1</b>	<b>-0.7</b>	<b>7.5</b>	<b>-0.4</b>
<b>1.6</b>	<b>Infrastructure</b>	<b>1.7</b>	<b>0.1</b>	<b>4.0</b>	<b>-2.3</b>
<b>0.0</b>	<b>Private Debt</b>	<b>1.2</b>	<b>1.2</b>	<b>5.0</b>	<b>-3.8</b>
<b>4.0</b>	<b>Cash</b>	<b>2.7</b>	<b>-1.3</b>	<b>0.0</b>	<b>2.7</b>

2.2 The fund managers' asset allocation against the benchmark for the quarter ending 30 June 2018 is shown in Table 2.

**Table 2: Fund Asset Allocation by Manager**

Q/E Mar 2018 %	Manager	Q/E Jun 2018 %	Variance Jun Qtr to Mar Qtr	Benchmark	Variance Jun to Benchmark
3.8	HarbourVest	4.2	0.4	4.0	0.2
4.9	Schroders	4.8	-0.2	5.0	-0.3
5.6	Threadneedle Property	5.5	-0.1	5.0	0.5
0.2	Blackstone	0.0	-0.2	0.0	0.0
7.7	JP Morgan	7.1	-0.6	7.5	-0.4
33.5	LGIM	33.0	-0.5	35.0	-2.0
7.1	LGIM RAFI	7.2	0.1	7.0	0.2
16.9	MFS	17.3	0.4	13.5	3.8
15.1	Threadneedle Equity	15.7	0.6	14.0	1.7
0.7	SL Capital	0.7	0.0	1.5	-0.8
0.7	Partners Group Infrastructure	0.8	0.1	2.5	-1.7
0.0	Partners Group Private Debt	1.1	1.1	2.5	-1.4
0.0	Alcentra Private Debt	0.0	0.0	2.5	-2.5
4.0	Cash at custodian	2.7	-1.3	0.0	2.7
100.0	Total	100.0	-0.2	100.0	0.0

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



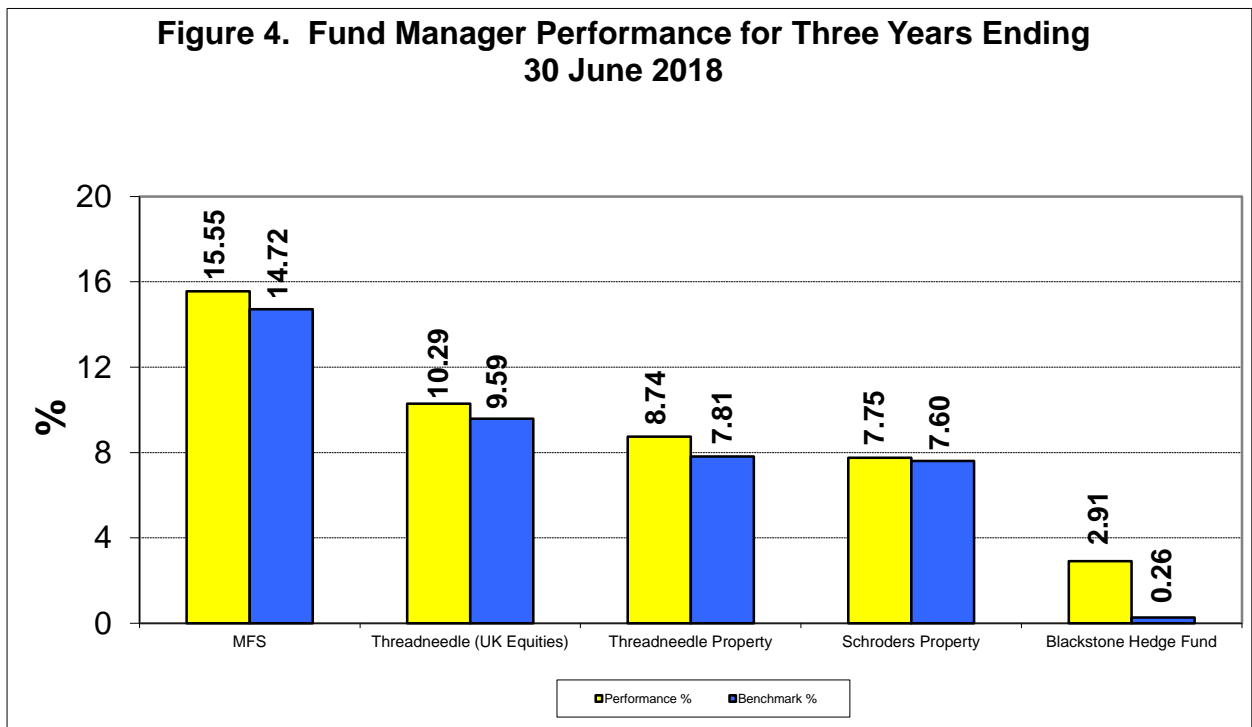
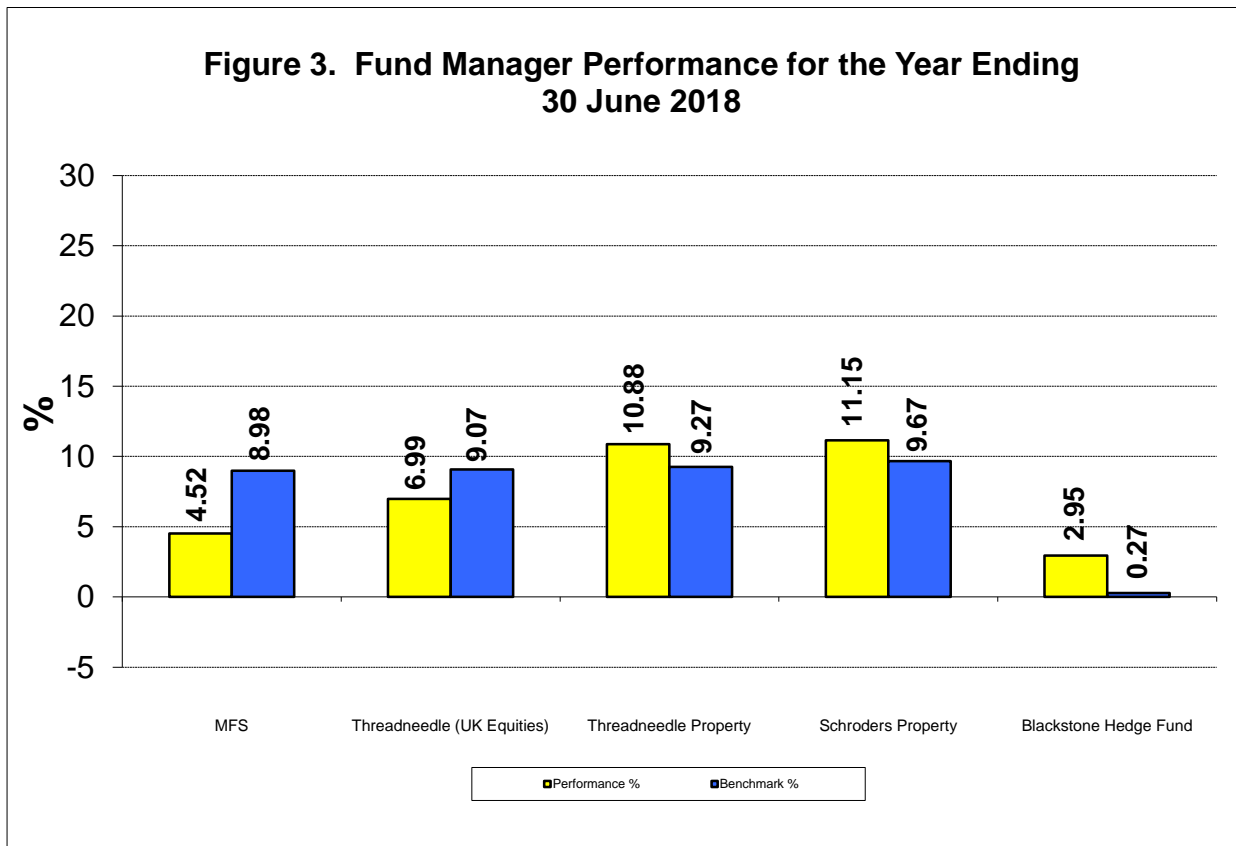
### 3. Fund Performance

3.1 Overall the fund under-performed its overall benchmark by 0.16%. The performances of managers against their benchmarks for the quarter ending 30 June 2018 were:

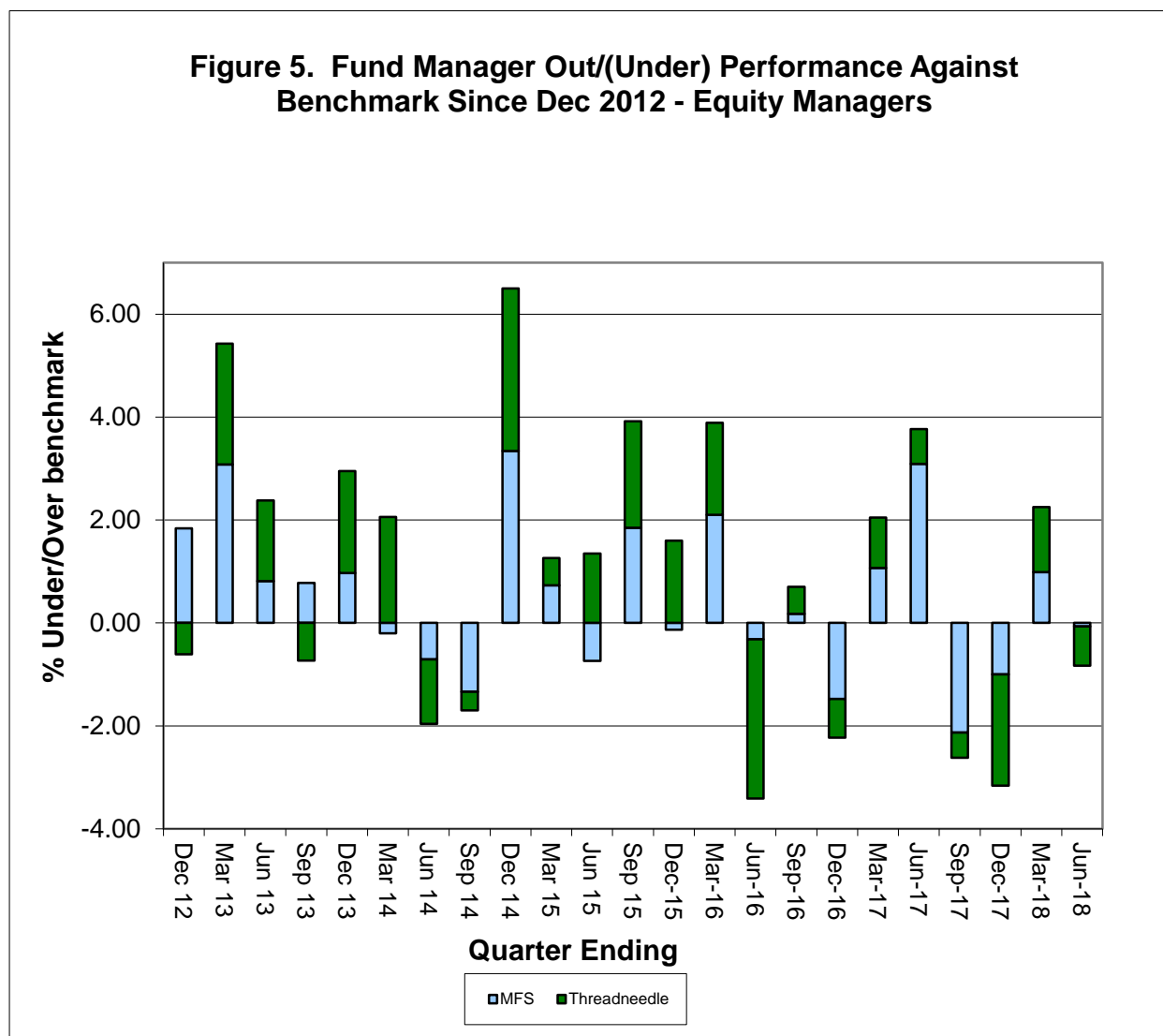
**Table 3: Performance by Fund Manager**

Manager	Benchmark Measure	Q/E Jun 2018	Benchmark	Variance
		%	%	%
MFS	Global Equity Benchmark	6.74	6.81	<b>-0.07</b>
Threadneedle	FTSE All-Share	8.46	9.22	<b>-0.76</b>
Legal and General (Equities)	LGIM Benchmark	5.04	5.38	<b>-0.34</b>
Legal and General (Fixed Interest)	LGIM Benchmark	-0.48	-0.11	<b>-0.37</b>
Threadneedle Property	Customised Benchmark	1.83	1.85	<b>-0.02</b>
Schroders Property	Customised Benchmark	2.25	1.96	<b>0.29</b>
Blackstone Hedge	Customised Benchmark	0.01	0.09	<b>-0.08</b>
JP Morgan Strategic Bond	Customised Benchmark	-1.03	0.13	<b>-1.16</b>
<b>Total</b>	<b>WCC Total Fund Benchmark</b>	<b>4.34</b>	<b>4.50</b>	<b>-0.16</b>

3.2 Annualised return for the fund managers to 30 June 2018 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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The report was circulated to the following members prior to publication:

Local Member(s): None  
Other members: None