

Pension Fund Investment Sub Committee

10 December 2018

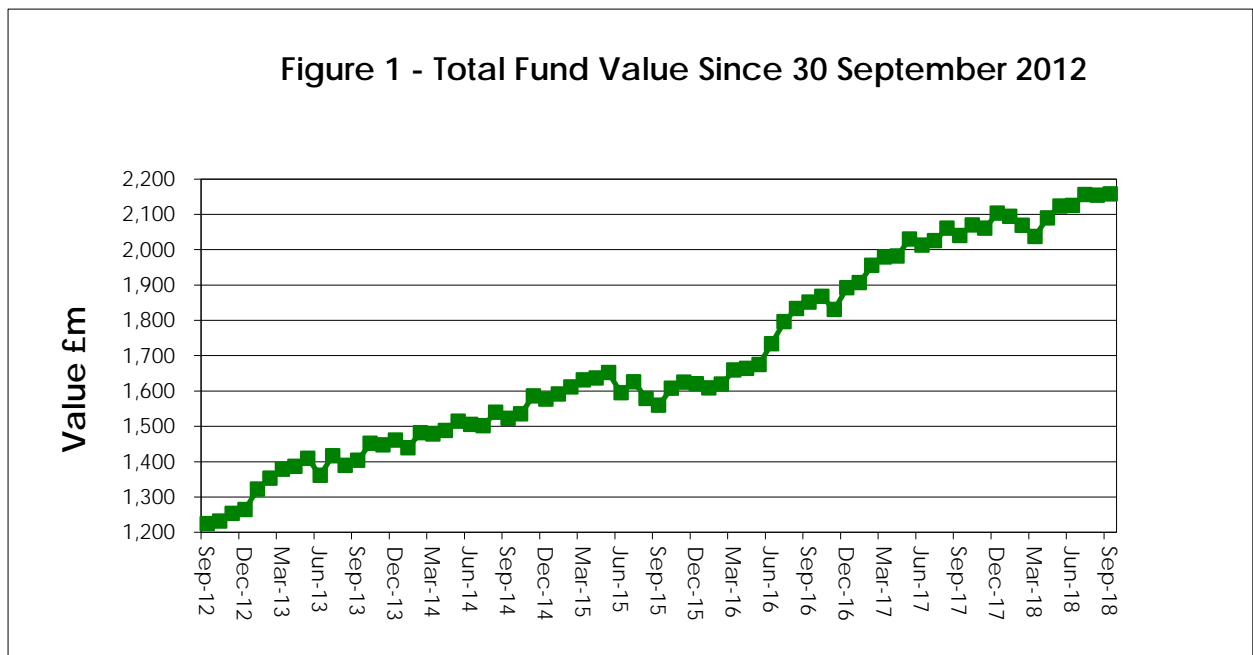
Investment Performance

Recommendation

That the Sub Committee notes the fund value and investment performance for the second quarter of 2018/19 to 30 September 2018

1. Fund Value at 30 September 2018

- 1.1 The fund value was £2,157.1 at 30 September 2018 an increase of 1.51% against the previous quarter of £2,124.9 at 31 June 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 September 2018 is shown in Table 1.

Table 1: Fund Asset Allocation

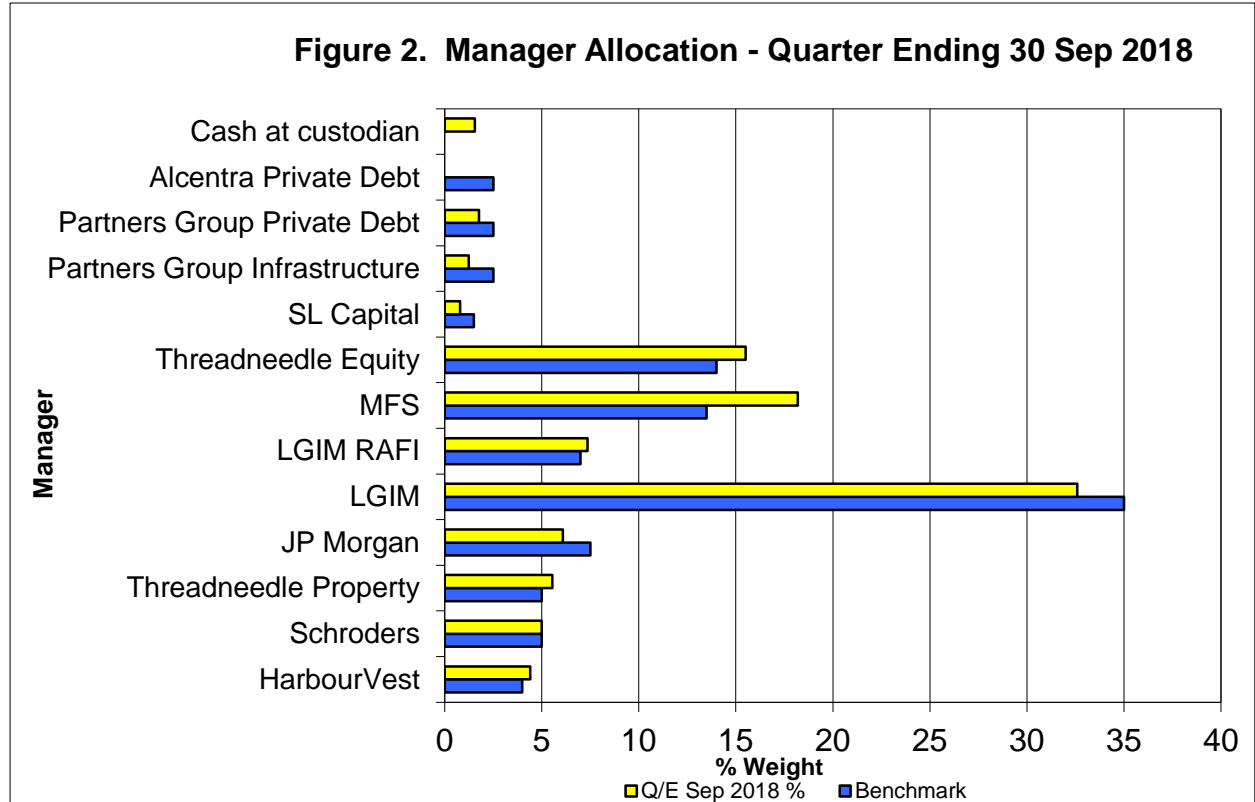
Asset Class	Q/E Jun 2018	Q/E Sep 2018	Variance Sep Qtr to Jun Qtr	Fund policy	Over/under weight
	%	%		%	%
Equity	57.6	58.3	0.7	54.5	3.8
UK	23.1	22.8	-0.2	20.0	2.8
Overseas	27.4	28.1	0.7	27.5	0.6
Fundamental Global Equity	7.2	7.4	0.2	7.0	0.4
Fixed Income	15.4	15.5	0.1	15.0	0.5
UK corporate bonds	10.3	10.4	0.1	10.0	0.4
UK index linked bonds	5.1	5.1	0.0	5.0	0.0
Private Equity	4.2	4.4	0.2	4.0	0.4
Property	10.1	10.3	0.2	10.0	0.3
Absolute Return Bonds	7.1	6.1	-1.0	7.5	-1.4
Infrastructure	1.7	2.0	0.3	4.0	-2.0
Private Debt	1.2	1.8	0.6	5.0	-3.2
Cash	2.7	1.6	-1.1	0.0	1.6

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

Table 2: Fund Asset Allocation by Manager

Manager	Q/E Jun 2018 %	Q/E Sep 2018 %	Variance Sep Qtr to Jun Qtr	Benchmark	Variance Sep to Benchmark
HarbourVest	4.2	4.4	0.3	4.0	0.4
Schroders	4.8	5.0	0.3	5.0	0.0
Threadneedle Property	5.5	5.5	0.1	5.0	0.5
JP Morgan	7.1	6.1	-1.0	7.5	-1.4
LGIM	33.0	32.6	-0.4	35.0	-2.4
LGIM RAFI	7.2	7.4	0.2	7.0	0.4
MFS	17.3	18.2	0.9	13.5	4.7
Threadneedle Equity	15.7	15.5	-0.2	14.0	1.5
SL Capital	0.7	0.8	0.1	1.5	-0.7
Partners Group					
Infrastructure	0.8	1.2	0.4	2.5	-1.3
Partners Group Private Debt	1.1	1.8	0.6	2.5	-0.7
Alcentra Private Debt	0.0	0.0	0.0	2.5	-2.5
Cash at custodian	2.7	1.6	-1.2	0.0	1.6
Total	100.0	100.0	0.0	100.0	0.0

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



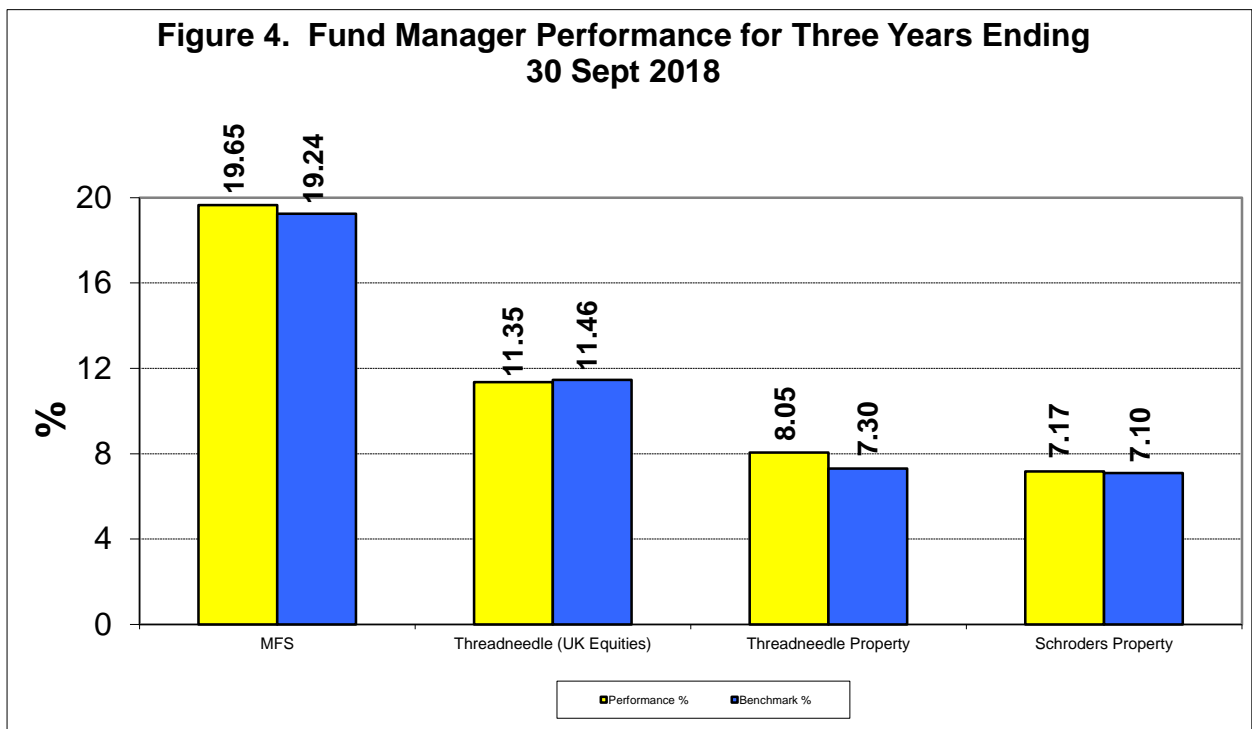
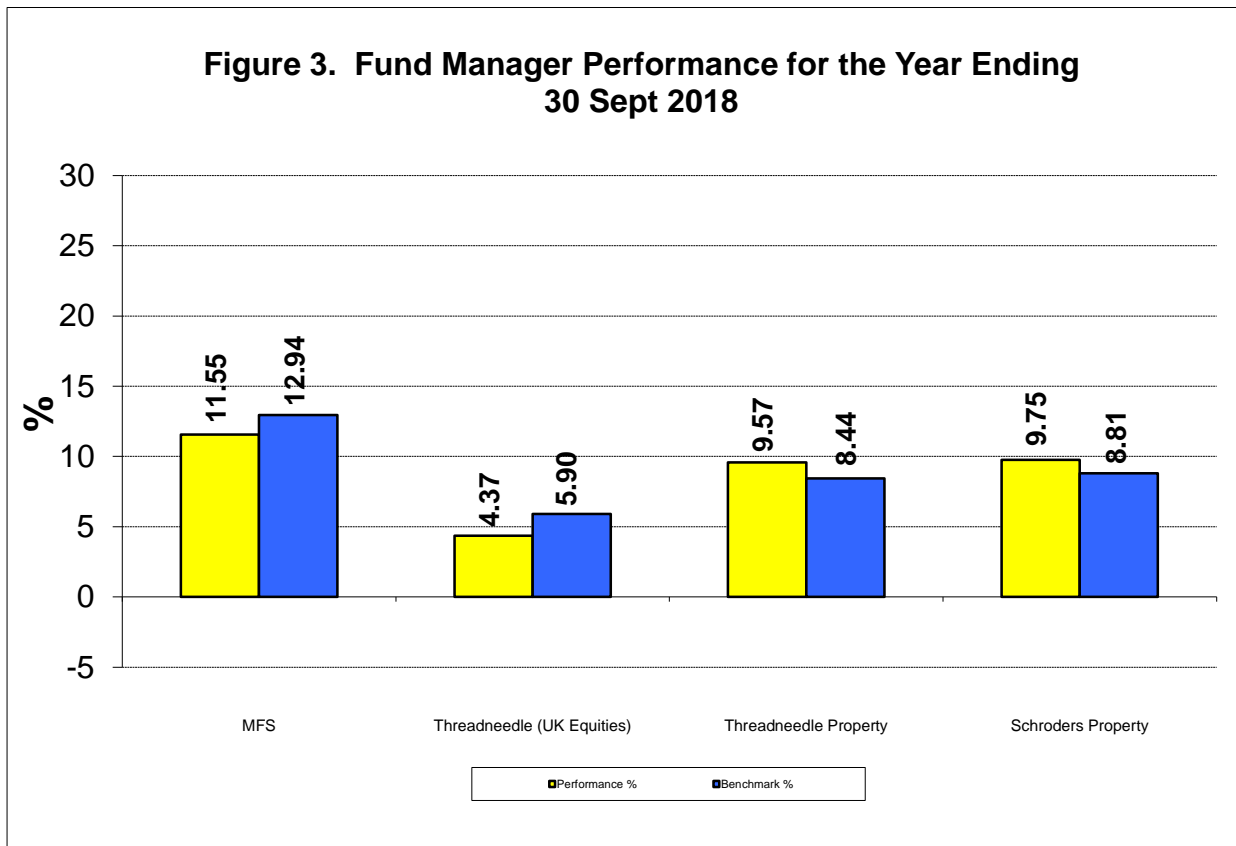
3. Fund Performance

3.1 Overall the fund outperformed its overall benchmark by 0.50%. The performances of managers against their benchmarks for the quarter ending 30 September 2018 were:

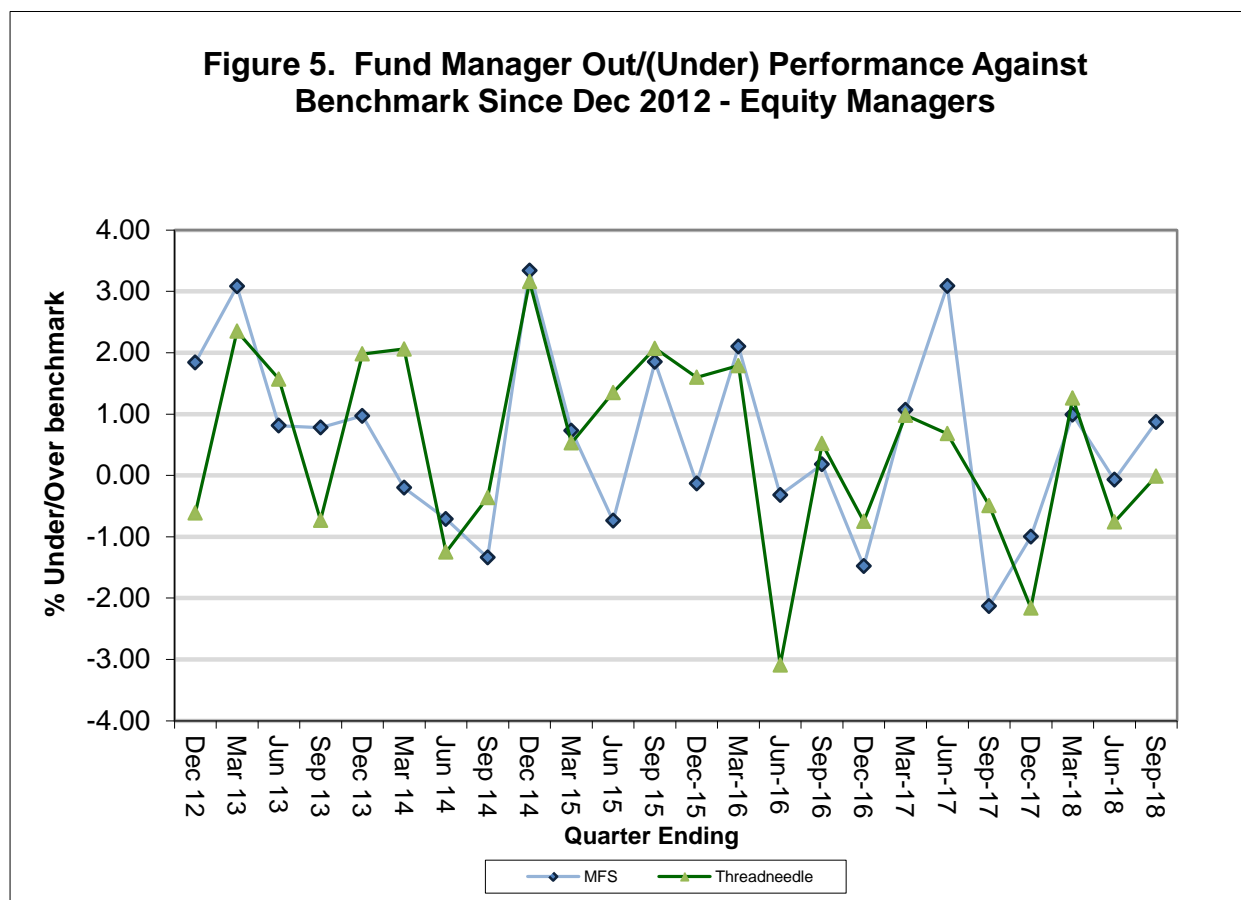
Table 3: Performance by Fund Manager

Manager	Benchmark Measure	Q/E Jun 2018	Benchmark	Variance
		%	%	%
MFS	Global Equity Benchmark	6.44	5.57	0.87
Threadneedle	FTSE All-Share	8.46	9.22	-0.76
Legal and General (Global Equities)	LGIM Benchmark	2.42	1.29	1.13
Legal and General (Fixed Interest)	LGIM Benchmark	-0.67	-0.63	-0.04
Threadneedle Property	Customised Benchmark	1.44	1.54	-0.10
Schroders Property	Customised Benchmark	1.82	1.57	0.25
JP Morgan Strategic Bond	Customised Benchmark	1.32	0.16	1.16
Total	WCC Total Fund Benchmark	2.19	1.69	0.50

3.2 Annualised return for the fund managers to 30 September 2018 is summarised in Figure 3. The three year annualised return is summarised in Figure 4.



3.3 Active equity managers performance against their benchmarks are summarised in Figures 5.



1. Background papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None
Other members: None