

By: Chairman Superannuation Fund Committee  
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 2 July 2014

Subject: **FUND POSITION STATEMENT**

Classification: Unrestricted

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Summary: To provide a summary of the Fund asset allocation and performance.

**FOR DECISION**

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**INTRODUCTION**

1. The Fund Position Statement is attached as at 31 March 2014. With the reports received from the WM Company it is possible to analyse the investment returns in more detail.

**QUARTER**

2. This was the worst quarters performance in relative terms for some time. The Fund underperformed its benchmark of +0.5% by -0.1%, but the strategic benchmark actually returned +0.8%. The Quarter's performance was in the 89<sup>th</sup> percentile on the WM Local Authority returns.
3. Baillie Gifford, Schrodgers Global Equities, Schrodgers Fixed Income and Goldman Sachs Fixed Income all outperformed. Schrodgers UK Equities gave back around a quarter of their outperformance in 2013 and M&G also started disappointingly.

**2013-14**

4. The financial year performance showed a return of +8.5% against the benchmark of +7.5%, although outperformance against the strategic benchmark of +7.1% was even higher. The Fund return was in the 10<sup>th</sup> percentile against the WM Local Authority returns.
5. This outperformance was led by Schrodgers UK Equities which outperformed the benchmark by +4.1%, Invesco (+6.7%12 months to December), Schrodgers Global Equities (+1.3%), Schrodgers Fixed Income (+2.2%) and of course DTZ. There was very limited under performance in the year – Baillie Gifford -0.1% and Goldman Sachs Fixed income -0.4%.

6. The Fund also received substantial transaction costs from the major changes to the fund managers which were made particularly in the January-March 2014 quarter..

### **LONG TERM**

7. The longer term performance figures are:

	<b>Fund %</b>	<b>Benchmark %</b>	<b>Relative %</b>	<b>Percentile</b>
3 Years	+8.5	+7.1	+1.3	25 <sup>th</sup>
5 Years	+13.7	+12.9	+0.7	26 <sup>th</sup>

So upper quartile performance over the 3 and 5 year periods.

8. The Fund has doubled in value over the 5 years since the low point of March 2009 adding £2bn.

### **RECOMMENDATION**

9. Members are asked to note this report.

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