

By: Chairman Superannuation Fund Committee  
Corporate Director of Finance & Procurement

To: Superannuation Fund Committee – 18 March 2016

Subject: **FUND POSITION STATEMENT**

Classification: Unrestricted

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

## **FOR INFORMATION**

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### **INTRODUCTION**

1. The Fund Position Statement is attached in Appendix 1 and the January investment performance in Appendix 2.

### **INVESTMENT PERFORMANCE**

2. The Fund increased in value in the Quarter by £222m or 5.0%, well in excess of the benchmark of 4.5% (or 4.2% for the strategic benchmark).
3. At asset class level there were positive returns in all equity markets, Overseas Equities performed once again more strongly than UK Equities. Bond returns were very low or negative.
4. At investment manager level the main issues were:
  - (1) Outstanding performance from Woodford Investment Management with a 12 month return of 16.3% against a benchmark of 1%.
  - (2) Baillie Gifford returning 11.0% for 12 months against a benchmark of 4.5%.
  - (3) Schroders UK Equities and Sarasin Global Equities were slightly behind the 12 month benchmark.
  - (4) M&G Global Equities continued to lag over 12 months as did the Schroders Global Active Value mandate. Both these funds have investment styles that will underperform in these market conditions.
  - (5) Both Fixed Income managers underperformed.

5. So once again the Fund's performance is being driven by Woodford, Baillie Gifford and Property.
6. The January 2016 performance figures are also attached and February figures should be available for the meeting. Benchmark returns of -2 to -3% for equity mandates in January are much less severe than looked likely at one stage.

### **RECOMMENDATION**

7. Members are asked to note the report.

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**Background documents - none**