

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

To: Superannuation Fund Committee – 17 March 2017

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 the Appendix.

### **QUARTER TO 31 DECEMBER**

2. The Fund returned +2.97% in the Quarter, behind the benchmark return +3.71%.
3. Once again there were good returns from equities, particularly Global equities in sterling terms. On Fixed Income, UK Index Linked and Corporate Bonds gave negative returns but the Fund has very little exposure to these markets.
4. The overweight position in Equities continued (68% v 64%) but the Overseas Equities overweight is +6%. Fixed Income is 4% underweight.
5. Generally our active equity managers struggled and underperformed; the exception being both Schroders mandates and M&G Global Equities. After a period of outperformance Pyrford had a poor quarter.

### **12 MONTHS TO 31 DECEMBER**

6. At Fund level the return of +16.91% compares with a benchmark of +15.55%. Within the equity managers there were some extremes of under and over performance:
  - Woodford +3.31% against a benchmark of +16.76%.
  - Sarasin +19.64% against a benchmark of +28.66%.
  - Schroders GAV +33.08% against a benchmark of +28.67%.
  - M&G +41.13% against a benchmark of +29.40%.
7. Both Fixed Income managers outperformed.

8. Pyrford also outperformed in the year.

### **ASSET ALLOCATION**

9. The Committee will be reviewing asset allocation in detail later this year. At the current time it is recommended that no changes are made.

### **RECOMMENDATIONS**

10. Members are asked to note this report.

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