

By: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 8 September 2017

Subject: **FUND POSITION STATEMENT**

Classification: Unrestricted

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

FOR INFORMATION

INTRODUCTION

1. The Fund Position Statement is attached in Appendix 1.

QUARTER TO 30 JUNE

2. The Fund returned +2.71% in the Quarter compared with a benchmark return of +0.99%.
3. All the main asset classes produced positive returns in sterling except North America equities and UK Index Linked Gilts.
4. The Quarter saw some strong performance for equity managers in-particular Baillie Gifford but also Schroders UK Equities, Woodford UK Equities and Sarasin. Schroders Global Active Value Equities and M&G Global Equities both underperformed.
5. Both Fixed Income managers outperformed.

LONGER TERM INVESTMENT RETURNS

6. PIRC have provided the summary of long term investment returns attached in Appendix 2. In summary:

| Period | Return | Percentile |
|---------------|---------------|-------------------|
| | % | |
| 1 year | +20.2 | 42 nd |
| 3 years | +10.9 | 49 th |
| 5 years | +11.2 | 24 th |
| 10 years | +7.0 | 47 th |
| 20 years | +7.2 | 43 rd |

Note: figures at 31 March 2017 and Universe is 60 funds

7. This shows slightly above average returns over most periods and upper quartile performance when measured over 5 years.
8. These figures show that the review of investment strategy is critical in increasing long term risk adjusted returns.

RECOMMENDATION

9. Members are asked to note the report.

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