

By: Chairman Superannuation Fund Committee  
Corporate Director of Finance

To: Superannuation Fund Committee – 22 June 2018

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.

### **INVESTMENT RETURN QUARTER TO 31 MARCH**

2. The Fund returned -2.65% in the Quarter compared with a benchmark return of -1.72% decreasing in value by £158m.
3. All major Equity markets saw falls in the quarter.
4. Other than Baillie Gifford all the investment managers underperformed in the Quarter.
5. The falls in equity markets have been reversed in the current Quarter, for example, UK Equities are up 10.5% and the Dow Jones 4.7% (at 10 June).

### **INVESTMENT RETURN ONE YEAR**

6. The one year return at Fund level was slightly behind benchmark (4.74% against 4.80%). The long established core managers (Baillie Gifford Global Equities, Schroders UK Equities and DTZ UK Commercial Property) all outperformed with Baillie Gifford performing exceptionally well, Sarasin also produced good outperformance. Both Fixed Income mandates outperformed their benchmark although returns were low in absolute terms. The main manager under performance came from Woodford and the Schroder Global UK Equities and M&G Global Equities both underperformed.
7. For many years most LGPS Funds subscribed to the WM Performance Measurement service which allowed for comparisons with other local authority funds. This has now ceased but the Fund now subscribes to a similar service offered by PIRC and run by former WM staff. Whilst coverage is not as extensive, only 61 of 89 funds, it does give a perspective on the Fund's long term relative performance. The position of the Kent Fund is summarized below:

	1 Year	3 Years	5 Years	10 Years
Kent	4.7%	8.7%	9.2%	8.1%
Universe	4.5%	8.3%	8.8%	7.7%
Percentile Ranking	23rd	15th	30th	20th

8. On this basis the Kent Fund has seen Upper Quartile investment performance over 1, 3 and 10 years.

### **ASSET ALLOCATION**

9. The Committee is formally required to consider asset allocation at each meeting. This is considered more fully in the Investment Strategy report.

### **RECOMMENDATION**

10. Members are asked to note the report.

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