

By: Chairman Superannuation Fund Committee  
Corporate Director of Finance

To: Superannuation Fund Committee – 16 November 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 Appendix 1.
2. October saw very significant falls in equity markets with America's technology-focused Nasdaq index from suffering its worst month in almost a decade, while the FTSE 100 saw its sharpest monthly decline since August 2015 (a fall of 5.1%). A short summary from UBS is attached in Appendix 2. Markets have at the time of writing this report recovered some of these losses.

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

2. The Fund returned 2.56% in the Quarter compared with a benchmark return of 1.92% increasing in value by £151m.
3. Global equities performed strongly but UK equity returns were negative.
4. Of the equity managers Baillie Gifford, Sarasin and M&G out performed their benchmarks and Woodford saw a welcome positive return.

### **INVESTMENT RETURN ONE YEAR**

5. The one year return at Fund level was slightly ahead of benchmark (9.83% against 9.47%). As in the last quarter for the one year Baillie Gifford, Sarasin and M&G all outperformed, both the Schroders equity mandates were slightly behind benchmark. Woodford was substantially behind the benchmark.

### **ASSET ALLOCATION**

6. The Committee is formally required to consider asset allocation at each meeting. The decisions taken in June by the Committee and the new asset allocation agreed in September will take time to implement given the time scales for the investments in private equity and infrastructure.

## **RECOMMENDATION**

10. Members are asked to note the report.

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