

By: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 21 June 2019

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 the Appendix.
2. The Quarter saw very strong performance from equity and fixed income markets. The Fund strongly outperformed the benchmark with a return of 7.34% against a benchmark of 5.42%. The Fund increased in value by £420m in the quarter.

INVESTMENT RETURN QUARTER TO 31 MARCH

2. The investment returns in the quarter were driven primarily by strong returns from the Global Equity managers; Baillie Gifford, Sarasin and M&G.
3. Both Fixed Income managers also outperformed well.
4. After a run of disappointing performance both Pyrford and Ruffer outperformed.

LONGER TERM INVESTMENT RETURN

5. The Fund outperformed its benchmark over 1 years (7.09% v 7.05%) and also over three years (10.76% v 9.89%). The latter is particularly significant in light of the actuarial valuation at 31 March 2019 with the return well ahead of that assumed by the actuary.
5. The strength of Global Equities drove the longer term returns and in the year Baillie Gifford continued to perform very strongly but M&G and Sarasin also produced strong returns. The main areas of concern are the Woodford UK Equities and Schroder Global Equities.
6. Elsewhere in these papers the strong performance of DTZ Direct Property is considered.

ASSET ALLOCATION

9. The Committee is formally required to consider asset allocation at each meeting. Additional investment in Multi Asset Credit is considered by members in the Investment Strategy report.

RECOMMENDATION

10. Members are asked to note this report.

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