



LOCAL PENSION COMMITTEE – 25TH MAY 2018

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

**SUMMARY VALUATION OF PENSION FUND INVESTMENTS AND
INVESTMENT PERFORMANCE OF INDIVIDUAL MANAGERS**

Purpose of Report

- The purpose of this report is to present to the Committee a summary valuation of the Fund's investments at 31st March 2018 (attached as an appendix to this report), together with figures showing the performance of individual managers.

Summary Valuation

- The total market value of investments at 31st March 2018 was £4,071.4m compared to £4,146.0m at 31st December 2017, a decrease of £74.6m. In the three month period non-investment related net cash inflows amounting to £0.6m were received. After adjusting for non-investment related cash flows the Fund value decreased by £75.2m, or 1.8%, due to changes in the value of investments.
- The total returns of various indices since 31st December 2017 were as follows:-

	Local Currency %	Converted to Sterling %	Return with 50% hedge %
UK Gilts	+0.3	+0.3	+0.3
UK Index-Linked	+0.1	+0.1	+0.1
UK Equities	-6.9	-6.9	-6.9
North American Equities	-0.9	-4.5	-2.7
European Equities	-3.1	-4.6	-3.8
Japanese Equities	-4.7	-2.6	-3.6
Pacific (Ex Japan) Equities	-2.1	-6.1	-4.1

- The current split of investments over sectors is as follows:-

	31st March 2018		31st December 2017
	£m	%	%
UK Equities	305.8	7.5	7.9
Overseas Equities	1,561.9	38.3	39.6
Targeted Return/Credit/Opportunity Pool	979.1	24.0	23.6
Private Equity	145.1	3.6	3.5
Property	364.7	9.0	8.6
Cash	122.3	3.0	2.9
Inflation-Linked Assets	580.8	14.3	14.0
Active and Passive Currency	11.7	0.3	(0.1)
	4,071.4	100.0	100.0

5. The investment performance of the individual managers is laid out in the tables below, over various periods. For most managers the benchmark performance quoted is based on indices, for targeted return managers the benchmark is cash + 4% p.a. and for Millennium the benchmark is 1.5% p.a.

3 months

Manager/Portfolio	Actual (%)	B/mark(%)	Relative (%)
Legal & General (passive global equities)	-5.2	-5.2	-
Aviva Investors (property)	+2.0	+1.9	+0.1
Aspect Capital (managed futures)	-0.7	+1.1	-1.8
Delaware (emerging market equities)	-2.4	-2.2	-0.2
Kleinwort Benson (equity dividend)	-5.1	-4.5	-0.6
Kempen (equity dividend)	-5.9	-4.5	-1.4
Ruffer (targeted return)	-2.5	+1.1	-3.6
Pictet (targeted return)	-1.0	+1.1	-2.1
Ashmore (emerging market debt)	+1.2	+0.8	+0.4
Millennium (currency)	-0.6	+0.4	-1.0

One year

Manager/Portfolio	Actual (%)	B/mark(%)	Relative (%)
Legal & General (passive global equities)	+2.1	+2.1	-
Aviva Investors (property)	+11.0	+10.0	+1.0
Aspect Capital (managed futures)	+4.3	+4.4	-0.1
Delaware (Emerging market equities)	+13.4	+11.4	+2.0
Kleinwort Benson (equity dividend)	+0.9	+2.4	-1.5
Kempen (equity dividend)	+2.8	+2.4	+0.4
Ruffer (targeted return)	-0.6	+4.4	-5.0
Pictet (targeted return)	+3.3	+4.4	-1.1
Colliers Capital (Property)	+12.9	+11.0	+1.9
Ashmore (emerging market debt)	+9.6	+7.6	+2.0
Millennium (currency)	-0.7	+1.5	-2.2

Three years (performance per annum)

Manager/Portfolio	Actual (%)	B/mark(%)	Relative (%)
Legal & General (passive global equities)	+9.7	+9.7	-
Aviva Investors (property)	+8.8	+8.1	+0.7
Aspect Capital (managed futures)	-1.9	+4.5	-6.4
Delaware (Emerging market equities)	+17.2	+10.9	+6.3
Ruffer (targeted return)	+3.2	+4.5	-1.3
Kleinwort Benson (equity dividend)	+10.4	+10.2	+0.2
Kempen (equity dividend)	+11.7	+10.2	+1.5
Colliers Capital (Property)	+11.2	+8.8	+2.4
Ashmore (emerging market debt)	+9.7	+5.3	+4.4
Millennium (currency)	-1.2	+1.5	-2.7

Five years (performance per annum)

Manager/Portfolio	Actual (%)	B/mark(%)	Relative (%)
Legal & General (passive global equities)	+10.6	+10.6	-
Aviva Investors (property)	+12.1	+10.5	+1.6
Aspect Capital (managed futures)	+4.9	+4.5	+0.4
Delaware (Emerging market equities)	+10.5	+6.7	+3.8
Ruffer (targeted return)	+4.7	+4.5	+0.2
Kleinwort Benson (equity dividend)	+10.2	+10.9	-0.7
Kempen (equity dividend)	+9.6	+10.9	-1.3
Colliers Capital (Property)	+13.7	+11.5	+1.8
Millennium (currency)	+0.6	+1.5	-0.9

Recommendation

The Local Pension Committee is asked to note the report.

Appendix

Pension Fund Investments as at 31st March 2018.

Equality and Human Rights Implications

None.

Officers to Contact

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