



Mark Davies  
Senior Portfolio  
Manager

# Leicestershire Pension Fund

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## Local Pension Committee

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Conference Call

19<sup>th</sup> June 2019



# Agenda

- Global Equity Active Multi-Manager Fund
  - Q1 2020 Performance
  - Q1 2020 Attribution
  - Delegated Manager Performance
  - RI&E Approaches
  - RI&E Stewardship
  - Fund Risk
  - Summary
- Emerging Markets Equity Active Multi-Manager Fund
  - Q1 2020 Performance
  - Q1 2020 Attribution
  - Delegated Manager Performance
  - RI&E Approaches
  - RI&E Stewardship
  - Fund Risk
  - Summary



# Global Equity Active Multi-Manager Fund



## Fund Information

Strategy	LGPS Ltd Global Equity Active Multi-Manager Fund (GEAMMF)
Index	FTSE All-World Index
Managers	Harris, Schroders, Union
Intended Allocation to Managers	35.8% Harris, 30.8% Schroders, 33.3% Union
Total Fund AUM	c.£2.3bn
Inception Date	12 March 2019

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## Investment Objective

To outperform the FTSE All-World Index (total return, in Sterling) by 1.50% per annum (net of costs) over rolling 5 year periods.

## Leicestershire Pension Fund Valuation at 29 May 2020

Value (£)	Units	Price (p)
357,334,806	3,401,245	10506



# GEAMMF Q1 2020 Performance



## Quarterly Commentary

- Managers continue to perform differently to each other with low correlations. Performance is within tolerance levels.
- January** started brightly but sentiment turned as the coronavirus outbreak started. At this stage it predominantly hit companies with exposure to China. All portfolios underperformed the benchmark.
- February** brought more weakness as investors reacted to the lockdown across much of China and the negative impact on global supply chains. The Fund was broadly in line with the benchmark with Schroders and Union offsetting weak performance from Harris.
- March** saw conditions worsen as large parts of the world were placed under lockdown. Most of the quarterly decline for the Fund and Benchmark took place in this month. The Fund underperformed as good relative performance from Schroders and Union was more than offset by Harris.
- Much of the underperformance in the quarter resulted from "Value" performing poorly against "Growth". The Fund remains behind the benchmark and therefore the targeted return.

## Fund Performance up to 31/3/20

Performance (%)	Annualised Since Inception to end Q1 2020*	Q1 2020	March 2020	April 2020	May 2020 **
Benchmark	-3.80	-15.95	-10.86	8.80	6.60
Fund	-7.35	-18.85	-12.34	8.67	7.01
Vs Benchmark	-3.55	-2.90	-1.48	-0.13	0.41
Target	-2.30	-15.57	-10.73	8.93	6.73
Vs Target	-5.05	-3.28	-1.61	-0.26	0.28

Source: Northern Trust as at 31 March 2020. Returns in GBP./ Returns % pre Fees  
 \*Inception Date: 12/3/19.  
 \*\*unaudited numbers, liable to change

## Impact of Manager allocation vs. Default allocation (1/3<sup>rd</sup> per fund)

Performance (%)	Annualised Since Inception to end Q1 2020*	Q1 2020	March 2020
Benchmark	-3.80	-15.95	-10.86
Default Fund	-6.91	-18.44	-12.16
Impact of Allocation	-0.44	-0.41	-0.18

Source: Northern Trust as at 31 March 2020. Returns in GBP./ Returns % pre Fees  
 \* Inception Date: 12/3/19.

**Q1 Performance impacted by worst period for "Value" investing in a decade.**



# GEAMMF Q1 2020 Attribution



## Global Equity Active Multi Manager Fund Contributors Q1 2020

### Positive

Stock	Ave Relative Weight %	Relative Return %	Contribution to Active Return %
Regeneron Pharm	0.91	38.70	0.57
Alphabet	2.76	-7.44	0.28
NextEra Energy	0.88	7.04	0.22
Tencent	0.81	8.71	0.20
NVIDIA	0.53	19.37	0.20

### Negative

Stock	Ave Relative Weight %	Relative Return %	Contribution to Active Return %
Glencore	1.64	-47.22	-0.72
BNP Paribas	1.51	-45.42	-0.63
Lloyds Banking Group	1.29	-48.66	-0.61
Daimler	1.57	-41.35	-0.56
CNH Industrial	1.41	-44.39	-0.55

Source: Northern Trust as at 31 March 2020. Attribution figures are gross of sub-manager fees.

Sectors	Fund %	Benchmark %	Difference %	Contribution to return %
Basic Materials	4.64	3.73	0.91	-0.71
Consumer Goods	14.04	11.29	2.75	-0.44
Consumer Services	14.90	11.94	2.96	-0.77
Financials	19.26	19.11	0.15	-1.64
Health Care	11.64	12.69	-1.05	-0.19
Industrials	10.27	11.89	-1.62	-0.43
Oil & Gas	1.67	3.81	-2.14	0.57
Technology	19.17	19.14	0.03	0.09
Telecommunications	0.84	2.89	-2.05	-0.17
Utilities	2.21	3.52	-1.31	0.04
Cash	1.36	-	1.36	0.27

Regions	Fund %	Benchmark %	Difference %	Contribution to return %
Emerging	8.10	10.63	-2.53	0.53
Asia Pac ex Japan	3.96	4.89	-0.93	0.54
North America	54.65	57.97	-3.32	-0.55
Japan	4.76	8.13	-3.37	-0.09
Europe ex UK	20.39	13.81	6.58	-2.75
United Kingdom	6.79	4.58	2.21	-1.31
Cash	1.36	-	1.36	0.27

**High conviction portfolio positioning dominates leading contributors/detractors.**





# Delegated Manager Performance



## Global Equity Active Multi-Manager Fund

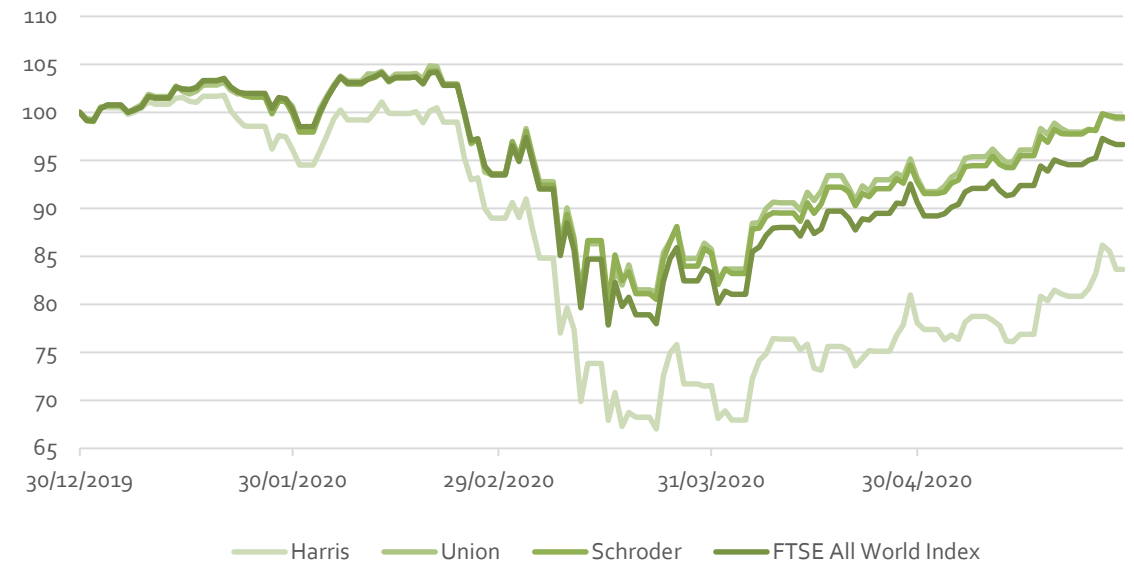
Performance (%)	Annualised Since Inception to end Q1 2020 (%)*	Q1 2020 (%)	March 2020 (%)	April 2020 (%)	May** 2020 (%)
Benchmark	-3.80	-15.95	-10.86	8.80	6.60
Harris	-16.90	-27.97	-19.55	9.03	7.25
Vs Benchmark	-13.10	-12.02	-8.69	0.23	0.65
Union	-2.98	-13.52	-8.13	8.40	6.43
Vs Benchmark	0.82	2.43	2.73	-0.40	-0.17
Schroders	-0.86	-13.83	-8.80	8.65	7.37
Vs Benchmark	2.94	2.12	2.06	-0.15	0.77

\*Inception date 12<sup>th</sup> March 2019

\*\* unaudited, liable to change

Source: Northern Trust

Global Equity Individual Delegated Manager Performance YTD



Source: Northern Trust, Bloomberg

### Relative performance since inception to end May\*\* (annualised):-

- Harris Associates: -12.31%. Driven predominately by their style, and high conviction positioning.
- Schroders: 3.41%. Diversified portfolio with strong performance from stock selection.
- Union Investments: 0.34%. Performed well following shift in market cap exposure. Found relative safety in mega/large cap companies.

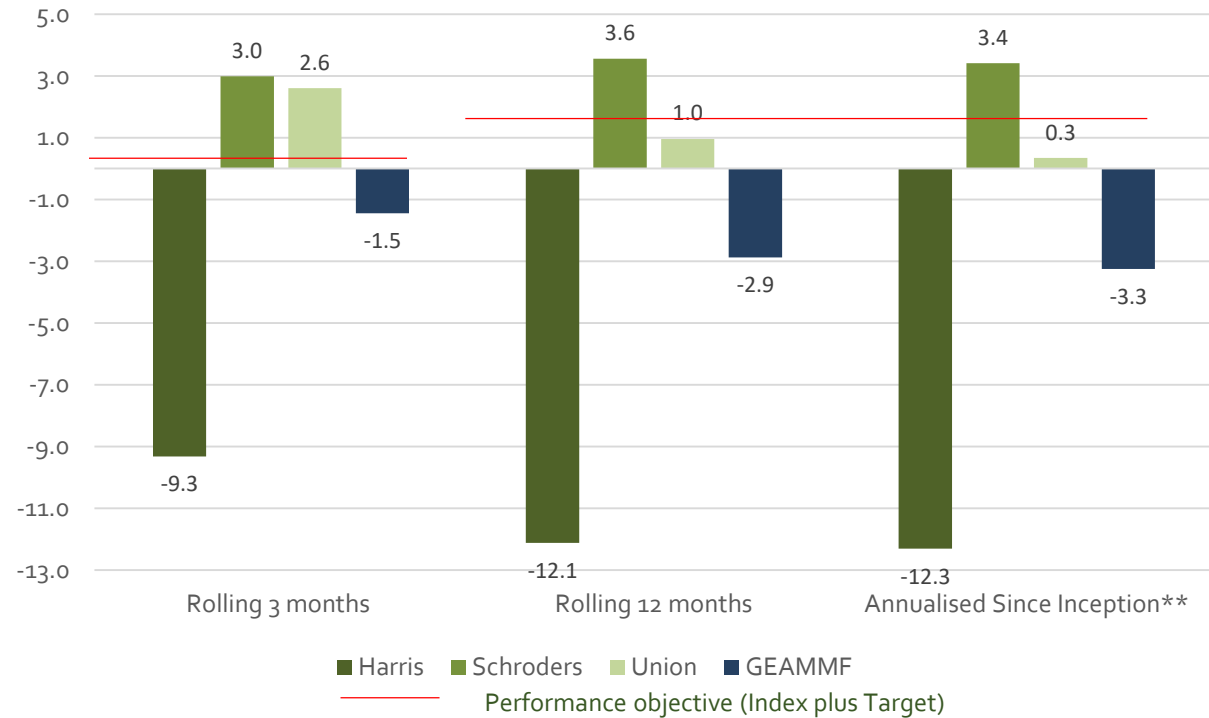
**Near term performance improving.**



# Delegated Manager Performance



Fund performance relative to benchmark end May\* 2020.



Manager Performance vs Peers at end April 2020.

Portfolio	3m Quartile vs Peers	12m Quartile vs Peers	3 year Quartile vs Peers	5 year Quartile vs Peers
Harris	4 (Value)	3 (Value)	4 (Value)	3 (Value)
Schrodgers	2 (Growth)	1 (Growth)	1 (Growth)	1 (Growth)
Union	2 (Core)	2 (Core)	2 (Core)	1 (Core)
GEAMMF	3 (All)	3 (All)	3*** (All)	2*** (All)

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Source: Bloomberg, NT, FTSE, eVestment, LGPS Central  
 \*Unaudited numbers for May, liable to change  
 \*\*Inception Date 12<sup>th</sup> March 2019.  
 \*\*\*Composite used of 1/3<sup>rd</sup> each prior to launch

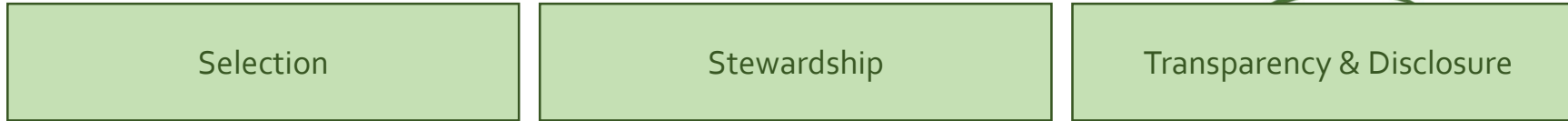
**Two managers outperforming, one significantly ahead of Performance objective.**



# RI&E Approaches



LGPS Central Limited



HARRIS ASSOCIATES

Seek to price financially material ESG factors for inclusion in estimates of intrinsic value for each holding.  
Led by PMs and Analysts.  
Very strong on governance, seeking management teams that “think and act like owners”.

Concentrated portfolio, long-term investors, with engagement a key part of the process.  
Engagement can unlock value.  
Excellent corporate access and willing to take engagements public.

Quarterly calls.  
Quarterly questionnaire.  
Joining TPI.



 **Schroders**

Global Sector Specialists (GSS) include ESG in stock analyses and valuation models.  
ESG considered by PMs in stock selection and portfolio construction.  
Proprietary ESG scores used within a broader risk framework, which can influence position sizing.

12-person in-house Sustainable Investment team, organised into sector specialists sitting alongside investment team.  
Climate-related engagement through Climate Action 100+, among other thematic areas.

Quarterly calls.  
Quarterly questionnaire.  
Quarterly Sustainability Reports  
Climate Progress Dashboard.



 **Union Investment**

PMs use proprietary ESG scores in fundamental stock analysis.  
ESG scores populated by internal Sustainability & Engagement Team.  
PMs trained at in-house ESG Academy.

Engagement undertaken by internal Sustainability & Engagement Team.  
Engagement learnings harnessed by PMs.

Quarterly calls.  
Quarterly questionnaire.  
Regular Sustainability Studies on website.  
Annual Engagement Report.



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# RI&E Stewardship



## Global Equity Active Multi Manager Fund RI&E Stewardship

- Engagement undertaken by LGPS Central, EOS (formerly Hermes EOS), and fund managers
- Votes cast by LGPS Central according to agreed Voting Principles, executed by EOS, using managers views as an input

We engaged with **74** companies over the last quarter.



- Environmental 24.6%
- Social and Ethical 22.0%
- Governance 31.3%
- Strategy, Risk and Communication 22.0%

We made voting recommendations at **25** meetings (**279** resolutions) over the last quarter.



- Total meetings in favour 44%
- Meetings against (or against AND abstain) 52%
- Meetings with management by exception 4%

We recommended voting against or abstaining on **22** resolutions over the last quarter.



- Board structure 31.8%
- Remuneration 31.8%
- Shareholder resolution 18.2%
- Capital structure and dividends 4.5%
- Amend articles 9.1%
- Audit and accounts 4.5%

Source: EOS, Q1 2020. Data does not include engagements by external fund managers. Total companies engaged by global active equity fund managers was 29 in Q1 2020.



# GEAMMF Risk at 30 April 2020



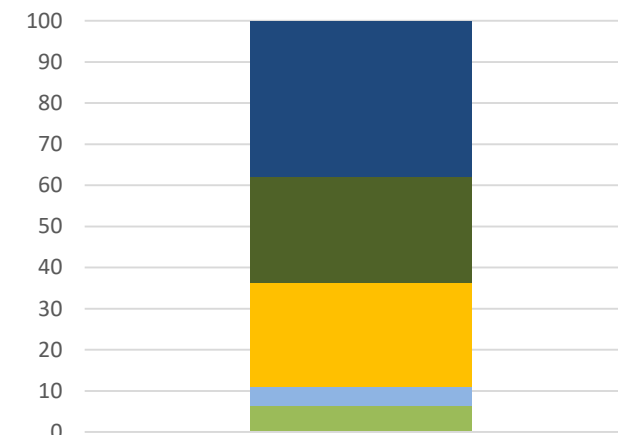
## STYLE SKYLINE™



Portfolio: LGPS Central Limited Global Equity Active Multi Manager Fund  
 Benchmark: FTSE All World Index  
 Snapshot Date: 30/Apr/2020  
 Currency: GBP



## Active Risk Summary



Active Risk Decomposition

Legend: Currency (Green), Market (Blue), Sector (Yellow), Style (Dark Green), Equity (Dark Blue)

- Biased towards "value" and away from "quality".
- Overweight "volatility".
- Stock selection single largest contributor to risk.
- Harris portfolio contributes the most to risk.
- Lower carbon footprint, good environmental and social score but biased away from governance.

Risk Measure	Estimate	Risk Measure	Estimate	Risk Measure	Estimate
Tracking Error	2.0%	Benchmark Volatility	12.4%	Portfolio Actual Stocks	210
Coverage	35.9%	Portfolio Volatility	12.7%	Benchmark Actual Stocks	3,956
Portfolio Beta	1.01	Correlation (Port, BM)	0.99	Portfolio Effective Stocks	99.6

Source: Style Analytics at 30 April 2020

**Greater focus on Factor allocations that are proven long term sources of excess return.**



# Summary



- Q1 performance was disappointing, driven by Harris who saw a large drawdown. This was the worst quarter in over a decade for “Value” investing.
- More recently Harris have outperformed the rising market, with the GEAMMF outperforming in May.
- Schroders continue to add excess returns and are ahead of performance objective in short time frame.
- Individual managers selected are following their investment processes.
- Expectation that history will repeat itself in the long run and “Value” will perform strongly as market recovers.
- Managers structural weights will be focused on risk contribution, and targeted at style factors that are proven to deliver long term excess returns over a full business cycle.

*Going forward we will adopt an increased focus on manager risk contributions.*





# Emerging Markets Equity Active Multi-Manager Fund

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# Emerging Mkt Equity Active Multi-Manager Fund



## Fund Information

Strategy	LGPSC Ltd Emerging Markets Equity Active Multi-Manager Fund (EMEAMMF)
Index	FTSE Emerging Markets Index
Managers	BMO, UBS, Vontobel
Allocation to Managers	33.3% BMO, 33.3% UBS, 33.3% Vontobel
Total Fund AUM	c.£585m
Inception Date	19th July 2019

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## Investment Objective

To outperform the FTSE Emerging Markets Index (total return, in Sterling) by 2.0% per annum (net of costs) over rolling 5 year periods.

## Leicestershire Pension Fund Valuation at 29 May 2020.

Value (£)	Units	Price (p)
167,694,852	1,845,843.17	9085



# EMEAMMF Q1 2020 Performance



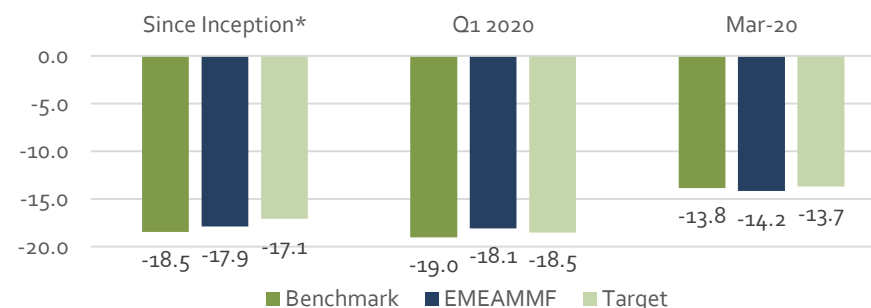
## Quarterly Commentary

- Managers continue to perform differently to each other, with certain managers showing negative correlations.
- In **January** all three managers outperformed in a falling market, with the Fund outperforming the benchmark. The beginnings of the Coronavirus outbreak was yet to hit markets fully so underperformance was broadly around an unwinding the strong December performance.
- February** performance was poor with the fund underperforming the benchmark. Only Vontobel saw outperformance in the period due to stock picking. Coronavirus was beginning to take hold and impact markets
- March** saw a very strong performance from Vontobel whose quality stance and lean into China drove strong outperformance versus the benchmark. A significant underperformance from BMO due to the overweight to India and poor performance from UBS led to an underperformance at overall Fund level.
- In a very poor quarter where returns fell 19% at benchmark level the Fund managed to outperform due to the incredibly strong run from Vontobel in February and March. Stock picking and China overweight drove significant returns.

## Fund Performance

Performance (%)	Since Inception to end Q1 2020*	Q1 2020	March 2020	April 2020	May 2020**
Benchmark	-18.46	-19.01	-13.84	7.43	3.02
Fund	-17.89	-18.09	-14.15	7.74	2.29
Vs Benchmark	0.57	0.92	-0.31	0.31	-0.73
Target	-17.06	-18.51	-13.67	7.59	3.18
Vs Target	-0.83	0.42	-0.48	0.15	-0.89

## Q1 2020 Fund Performance



Source: Northern Trust as at 31 March 2020. Returns in GBP./ Returns % pre LGPS Central fee.  
\* Inception Date: 18/7/19.

**Positive quarter in volatile markets.**





# EMEAMMF Q1 2020 Attribution



LGPS Central Limited

## Emerging Market Equity Active Multi Manager Fund Contributors Q1 2020

### Positive

Stock	Ave Relative Weight %	Relative Return %	Contribution to Active Return %
Ping An Healthcare	1.08	36.68	0.56
NETEASE ADR	1.43	12.17	0.33
Tingyi	1.05	2.31	0.30
Polymetal Intl	0.75	16.59	0.30
JD.com ADR	1.31	22.93	0.29

### Negative

Stock	Ave Relative Weight %	Relative Return %	Contribution to Active Return %
Petroleo Brasileiro ADR	0.71	-61.29	-0.45
Banco Bradesco ADR	1.03	-51.71	-0.50
LUKOIL PJSC	2.42	-35.69	-0.50
Bank Mandiri	2.04	-41.86	-0.53
YDUQS Participac Com	1.08	-61.19	-0.56

Source: Northern Trust as at 31 March 2020. Attribution figures are gross of sub-manager fees.

Sectors	Fund %	Benchmark %	Difference %	Contribution to return %
Basic Materials	2.00	5.80	-3.80	0.98
Consumer Goods	13.31	7.69	5.62	0.06
Consumer Services	18.43	15.39	3.04	0.27
Financials	28.59	27.06	1.53	-1.15
Health Care	0.96	3.02	-2.06	-0.19
Industrials	0.70	7.26	-6.56	0.13
Oil & Gas	5.49	6.66	-1.17	0.53
Technology	23.75	19.97	3.78	0.09
Telecommunications	1.81	4.38	-2.57	-0.26
Utilities	2.74	2.77	-0.03	0.48
Other Equity	0.32	-	0.32	-0.23
Cash	1.91	-	1.91	0.57

Regions	Fund %	Benchmark %	Difference %	Contribution to return %
Asia Pacific	66.66	75.74	-9.08	-1.04
Latin America	9.34	9.45	-0.11	0.74
EMEA	13.40	14.81	-1.41	0.77
Other	8.71	-	8.71	0.09
Cash	1.89	-	1.89	0.38

**Technology and Healthcare stock positions leading contributors. Allocation to Financials cost.**



# Delegated Manager Performance



## Emerging Markets Equity Active Multi-Manager Fund

Performance (%)	Since Inception to end Q1 2020 (%)*	Q1 2020 (%)	March 2020 (%)	April 2020 (%)	May** 2020 (%)
Benchmark	-18.46	-19.01	-13.84	7.43	3.02
BMO	-21.86	-20.44	-15.66	10.16	0.77
Vs Benchmark	-3.40	-1.43	-1.82	2.73	-2.25
UBS	-18.26	-20.24	-16.27	6.86	4.34
Vs Benchmark	0.20	-1.23	-2.43	-0.57	1.31
Vontobel	-13.44	-13.68	-10.68	6.35	1.86
Vs Benchmark	5.02	5.33	3.16	-1.08	-1.16

\* Inception date 19<sup>th</sup> July 2019

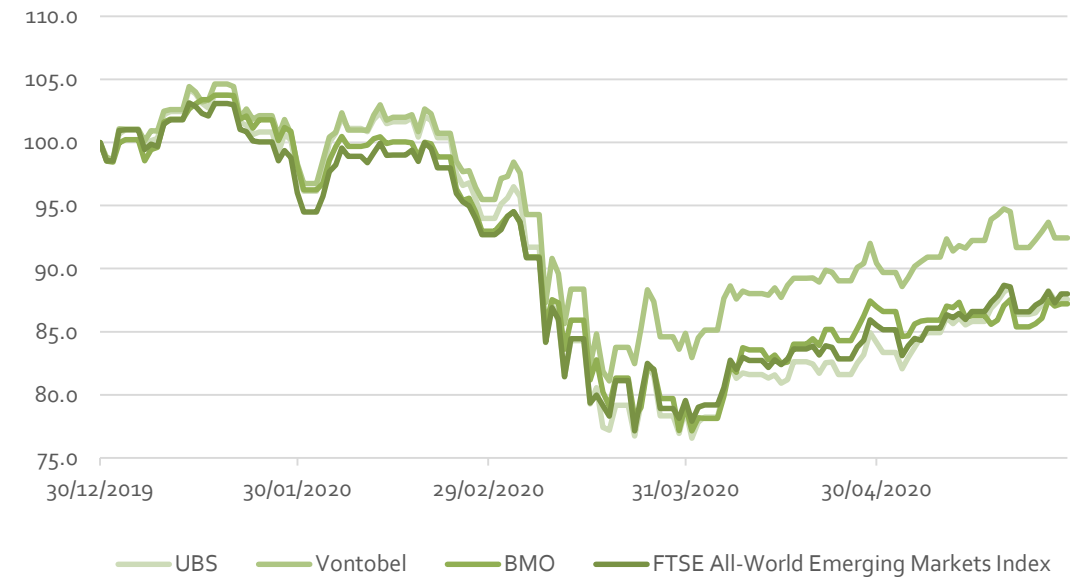
\*\* unaudited, liable to change

Source: Northern Trust

Relative performance since inception to end May\*\* :-

- BMO: -2.94%. Underweight positioning in China impacted performance.
- UBS: 1.25%. Mega/Large Cap focus on Technology companies.
- Vontobel: 3.61%. Performed strongly as markets focused on "Quality" companies in Q1.

Emerging Market Individual Delegated Manager Performance YTD



Source: Northern Trust, Bloomberg

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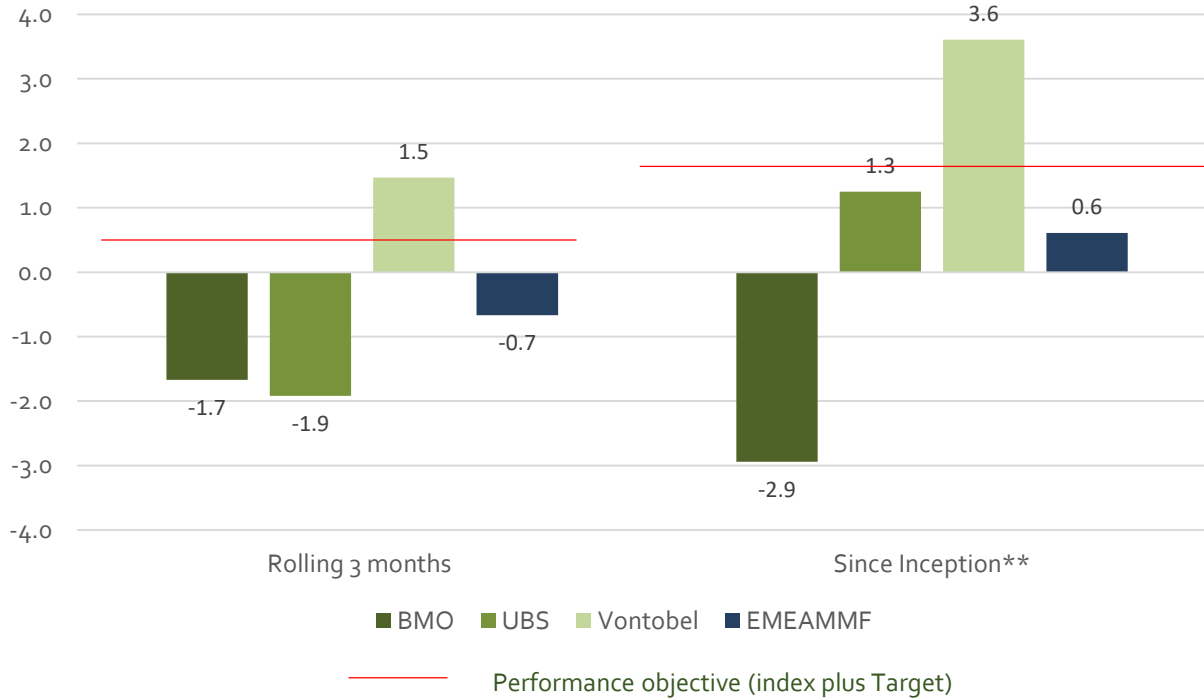
**High conviction portfolios can experience periods of underperformance but historically they mean revert.**



# Delegated Manager Performance



Fund performance relative to benchmark end May\* 2020.



Manager Performance vs Peers at end April 2020.

Portfolio	3m Quartile vs Peers	12m Quartile vs Peers	3 year Quartile vs Peers	5 year Quartile vs Peers
BMO	4 (Core)	4 (Core)	4 (Core)	4 (Core)
UBS	2 (Core)	2 (Core)	1 (Core)	1 (Core)
Vontobel	1 (Core)	1 (Core)	1 (Core)	1 (Core)
EMEAMMF	1 (All)	2*** (All)	1*** (All)	1*** (All)

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Source: Bloomberg, NT, FTSE, eVestment, LGPS Central  
 \*unaudited, liable to change  
 \*\*Inception Date 19<sup>th</sup> July 2019.  
 \*\*\*Composite used of 1/3<sup>rd</sup> each

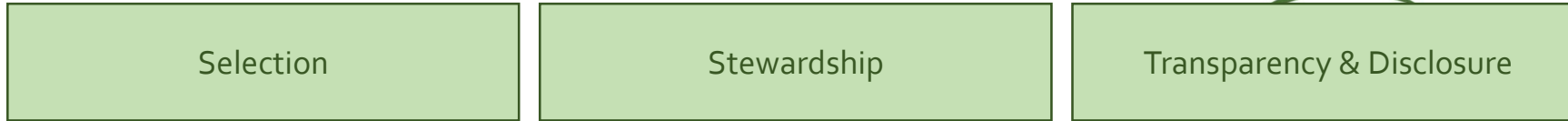
**Two managers outperforming, one significantly ahead of Performance objective.**



# RI&E Approaches



LGPS Central Limited



Bottom-up ESG analysis of each position led by portfolio managers & analysts. Objective is to identify impacts on quality of the business and opportunities for engagement.

Concentrated portfolio, long-term investors, with engagement a key part of the process. Supported by 15-person Governance and Sustainable Investment (GSI) team, with 1x FTE solely dedicated to Emerging Markets.

Quarterly calls. Quarterly questionnaire. Annual RI Review (public). Specific climate change policy. RI Advisory Council chaired by Archbishop of Canterbury.



Portfolio holdings must be scored using proprietary Quality Checklist, which includes governance and sustainability criteria. The quality score affects the investment decision. UBS ESG Risk Dashboard rolled out in 2020.

18-person in-house Sustainable and Impact Investing team. Climate-related engagement through Climate Action 100+.

Quarterly calls. Quarterly questionnaire. Annual Stewardship Report. Group-wide climate policy.



ESG factors explicit part of investment decision – stage 4 in a 4-stage process. All holdings assessed via proprietary Minimum Standards Framework (MSF), companies must score higher than 2.4 (out of 5). Objective is to uncover financially material ESG factors.

PM-led engagement trips both for existing and prospective holdings. In-house RI Team, recently expanded, sizeable for a boutique. Also utilise EOS (formerly Hermes EOS)

Quarterly calls. Quarterly questionnaire. Blogs/ White Papers/ thought leadership on website. Annual Voting & Engagement Report.



# RI&E Stewardship



LGPS Central Limited

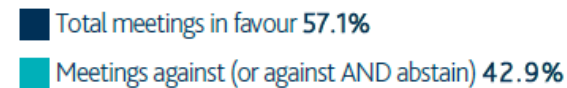
## Emerging Market Equity Active Multi Manager Fund RI&E Stewardship

- Engagement undertaken by LGPS Central, EOS (formerly Hermes EOS), and fund managers
- Votes cast by LGPS Central according to agreed Voting Principles, executed by EOS, using managers views as an input

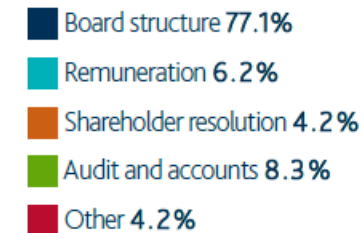
We engaged with 32 companies over the last quarter.



We made voting recommendations at 28 meetings (238 resolutions) over the last quarter.



We recommended voting against or abstaining on 48 resolutions over the last quarter.



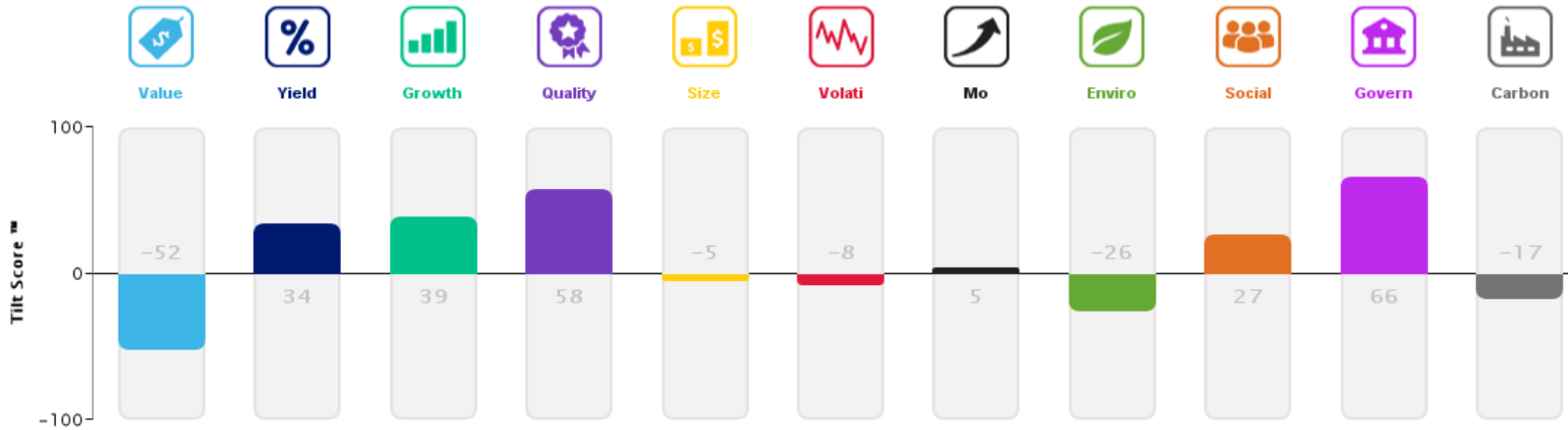
Source: EOS, Q1 2020



# EMEAMMF Fund Risk



## STYLE SKYLINE™



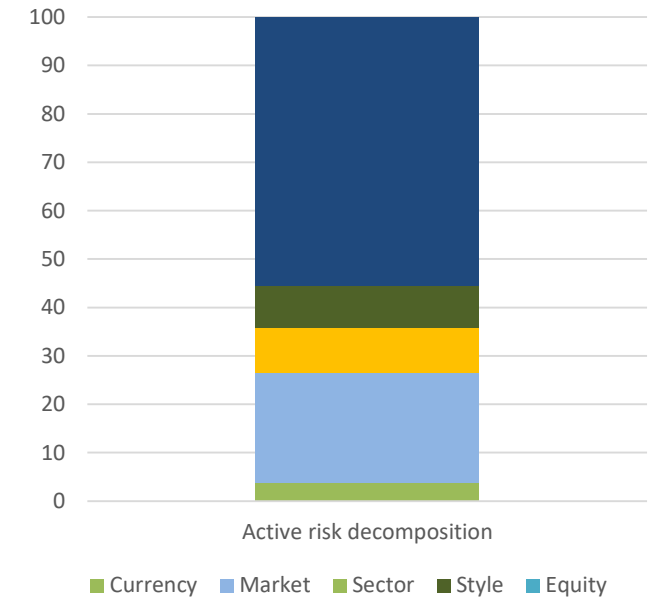
Portfolio: LGPS Central Limited Emerging Markets Equity Active Multi Manager Fund  
 Benchmark: FTSE Emerging Index  
 Snapshot Date: 30/Apr/2020  
 Currency: GBP



Risk Measure	Estimate	Risk Measure	Estimate	Risk Measure	Estimate
Tracking Error	2.8%	Benchmark Volatility	17.0%	Portfolio Actual Stocks	116
Coverage	34.0%	Portfolio Volatility	16.6%	Benchmark Actual Stocks	1787
Portfolio Beta	0.97	Correlation (Port, BM)	0.99	Portfolio Effective Stocks	63.8

Source: Style Analytics

## Active Risk Summary



- Biased towards “Quality Growth” companies.
- Tilted towards lower carbon emissions, with good Governance scores
- Risk dominated by stock selection.
- BMO consumes large part of risk budget.

**Greater focus on Factor allocations that are proven long term sources of excess return.**





# Summary



- In a very poor quarter at the benchmark level the Fund outperformed due to the incredibly strong run from Vontobel whose stock picking and their China overweight drove significant returns.
- BMO still lags the benchmark index, but UBS are generating excess returns since inception.
- Vontobel have underperformed quarter to date but are still significantly ahead of their investment objective.
- Individual managers are following their investment processes.
- BMO dominates the Fund's risk budget, with Fund risk metrics within acceptable tolerances.
- Underweight to "Value" is generally sensible in emerging markets due to the proliferation of companies with partial state-control, but a value rally would hurt performance if market recovers strongly driven by cyclical sectors.

*Going forward we will adopt an increased focus on manager risk contributions.*





# Appendix

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# Benefits of Value

- The role of your Multi-Manager Fund Manager should be to adjust positioning in managers and factors to capture all available excess return opportunities throughout market cycle.
- History demonstrates that value stocks lead the market out of a recession.
- Why has Value struggled?
  - The Global Financial crisis, and Q.E. has altered the definition of the economic cycle and how different factors behave.
  - Economic growth has remained firmly below trend with any sign of a dip being met with stimulus measures.
  - Growth stocks benefit more from low-interest rates than value stocks.
  - Absence of business cycle adjustments have been punishing value investors.



Value Factor Performance and Relative Valuations, US, Jul 1963-Mar 2020



Source: Research Affiliates

***Value remains a strategic factor exposure for GAEMMF and for long term value creation.***



# Harris Strengths



RELATIVE PERFORMANCE	DOT-COM BUBBLE 11/01/1999 - 06/30/2001	U.S. RECESSION 09/01/2001 - 03/31/2004	GLOBAL FINANCIAL CRISIS 08/01/2007 - 03/31/2011	EURO DEBT & JAPANESE EARTHQUAKE 05/01/2010 - 9/30/2013	STABILITY BUBBLE 01/01/2014 - 12/31/2017
HARRIS STRATEGY	GLOBAL ALL CAP	GLOBAL ALL CAP	GLOBAL	GLOBAL	GLOBAL
<b>DURING CRISIS</b>	<b>Underperformance</b>	<b>Outperformance</b>	<b>Underperformance</b>	<b>Underperformance</b>	<b>Underperformance</b>
	-3%	14%	-2%	-1%	-4%
Percentile (rank vs peers)	46 <sup>th</sup>	24 <sup>th</sup>	69 <sup>th</sup>	65 <sup>th</sup>	77 <sup>th</sup>
<b>POST CRISIS</b>	<b>Outperformance</b>	<b>Outperformance</b>	<b>Outperformance</b>	<b>Outperformance</b>	<b>Outperformance</b>
	46%	32%	16%	14%	8%
Percentile (rank vs peers)	3 <sup>rd</sup>	4 <sup>th</sup>	21 <sup>st</sup>	4 <sup>th</sup>	5 <sup>th</sup>
<b>ENTIRE PERIOD</b>	<b>Outperformance</b>	<b>Outperformance</b>	<b>Outperformance</b>	<b>Outperformance</b>	<b>Outperformance</b>
	35%	19%	5%	4%	1%
Percentile (rank vs peers)	1 <sup>st</sup>	10 <sup>th</sup>	32 <sup>nd</sup>	15 <sup>th</sup>	34 <sup>th</sup>

The Team remains confident in Harris' ability to provide true and consistent value exposure over time. In the OJEU procurement process their approach to RI & E risk scored well against peers whilst also mitigating some of the other issues with more traditional value approaches.

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Post Crisis time period defined as Dot Com (1.25 years), US Recession (1 year), Global Financial (2 years), Japan Earthquake (1.25 years), Stability Bubble (1.75 years).

Source: Harris, eVestment

Relative performance and annualised for periods over 1 year.

**Coming out of the last 5 crises Harris have outperformed.**



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All information is prepared as of **02/06/2020**

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