SURREY COUNTY COUNCIL

SURREY PENSION FUND COMMITTEE

13

DATE: 22 MARCH 2024

LEAD OFFICER: ANNA D'ALESSANDRO, DIRECTOR OF FINANCE CORPORATE AND COMMERCIAL

SUBJECT: INVESTMENT MANAGER PERFORMANCE AND ASSET/LIABILITIES UPDATE

SUMMARY OF ISSUE:

This report is a summary of manager issues for the attention of the Pension Fund Committee, as well as an update on investment performance and the values of assets and liabilities.

RECOMMENDATIONS:

It is recommended that the Committee:

Notes the main findings of the report in relation to the Fund's valuation and funding level, performance returns and asset allocation.

REASON FOR RECOMMENDATIONS:

To assess and acknowledge performance of the Fund's investment managers against the Fund's target returns, and whether it is meeting its Strategic Investment objective.

DETAILS:

Funding Level

1. The funding level is derived as the ratio of the value of the Fund's assets to the value of its liabilities. The Fund's liabilities are the future benefit payments due to members in respect of their service accrued in the Fund. The Fund's assets are used to pay member benefits accrued to date.

2. For the purpose of providing the quarterly funding updates following the 2022 valuation, it is appropriate (and the Fund Actuary's recommendation) that the 70% level of prudence remains fixed in the determination of the discount rate. This dynamic discount rate each quarter-end would therefore reflect the change in investment return expectations since the 2022 valuation date.

3. Assessing the liabilities using the dynamic discount rate also ensures that the factors leading to a change in asset values are being reflected in liability values. There is not a direct relationship (ie assets and liabilities do not react in the exact same way to changes in market conditions) but measuring the liabilities using the dynamic discount rate means that the assets and liabilities are being measured on a consistent market basis over time.

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4. Results and assumptions

Dynamic Discount Rate	31 March 2022	30 September 2023	31 December 2023
Assets (£bn)	5.36	5.29	5.54
Past service liabilities (£bn)	5.26	3.79	4.26
Surplus (£bn)	**0.10**	**1.51**	**1.28**
Funding level	102%	140%	130%
Discount Rate	4.4%	6.8%	6.1%
Salary Increases	3.7%	3.3%	3.2%
Pension Increases	2.7%	2.3%	2.2%
Likelihood of success	70%	70%	70%
Required return to be 100% funded	4.3%	4.7%	4.5%

5. The liability value in the above table as at 30 September 2023 makes allowance for the April 2023 Pension Increase Order of 10.1%. Similarly, the liability values in the above table as at 31 December 2023 makes allowance for both the April 2023 Pension Increase Order of 10.1% and the expected April 2024 Pension Increase Order of 6.7%.

6. The funding level has decreased over the quarter from 30 September 2023, though remains higher than that reported at the 2022 valuation. Liability values have increased since 30 September 2023 due to a decrease in the assumed level of future investment returns (the discount rate) and the allowance for the 2024 Pension Increase order. On the flipside, the value of the assets at 31 December 2023 is slightly higher than that reported as at 30 September 2023, due to positive asset returns.

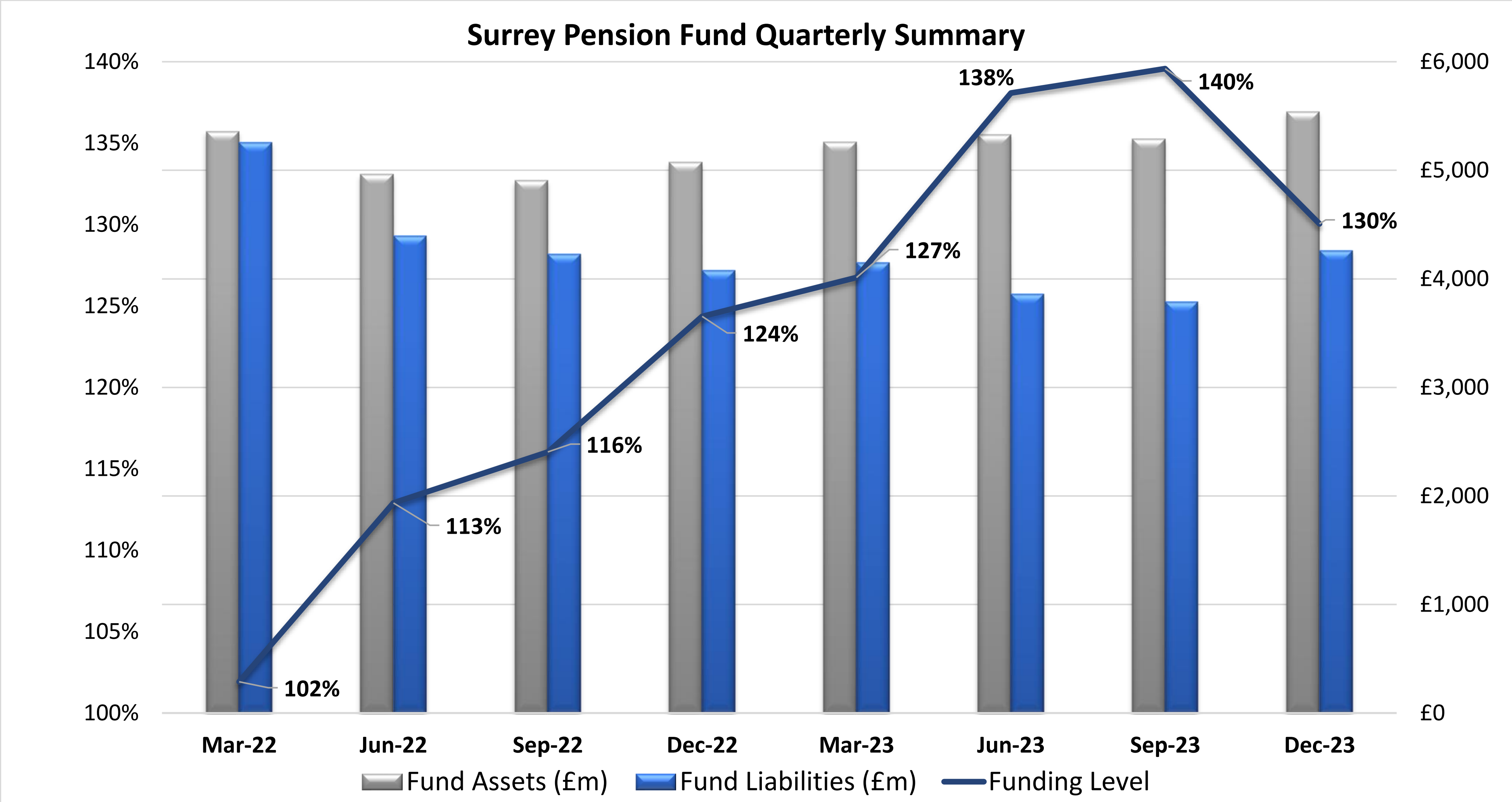
7. The net position has reduced from a surplus of £1.5bn at 30 September 2023 to a surplus of £1.3bn at 31 December 2023.

8. The improvement in the funding level since the 2022 valuation, whilst welcome, is primarily due to an increase in the expected rate of future investment returns, i.e. the discount rate. In the absence of these higher return expectations, it is likely that the funding level would have fallen since the 2022 valuation due to higher than expected inflation experience and lower than expected asset returns. To illustrate this, the required return (the level of returns required to ensure the Fund remains 100% funded) is higher as at 31 December 2023 (4.5%) than it was as at 31 March 2022 (4.3%) i.e. higher asset returns are now required to maintain a funding level of 100%

9. For comparison purposes, the actuaries have also estimated the updated funding position of the Fund as 31 December 2023 based on the fixed discount rate of 4.4%, which was set at the 31 March 2022 valuation. See table below.

Static Discount Rate	31 December 2023
Assets (£bn)	5.54
Past service liabilities (£bn)	5.70
Surplus (Deficit) (£bn)	**(0.16)**
Funding level	97%
Discount Rate	4.4%
Salary Increases	3.2%
Pension Increases	2.2%
Likelihood of success	87%

10. The graph below shows the development of the funding ratio since the last valuation.



Market Review

11. Global equities rallied strongly over the 3 months to end December 2023, as expectations violently swung from interest rates being ‘higher for longer’, towards reductions during 2024.

13 12. October was a challenging month; global equities continued to fall, bogged down by geopolitical fears about war in the Middle East and uncertainty over whether interest rates had peaked. In the final two months of the year, however, markets staged a strong rally, buoyed by the prospect that the US Federal Reserve (Fed) had concluded its rate rises and was likely to cut rates in 2024. The Fed’s optimistic outlook for a ‘soft landing’ for the economy was backed up by US economic data suggesting that inflation was steadily falling while economic activity remained robust. US inflation fell to 3.1% for November while the US composite purchasing managers’ index (PMI) rose to 51.0 in December, marking the third straight month of growth.

13. European equities outperformed global equities. Eurozone inflation fell to 2.4% in November (driven by falling energy costs), close to the European Central Bank’s (ECB’s) 2% inflation target. Economic weakness however, persisted, with the HCOB composite PMI remaining in contractionary territory. The combination of falling inflation and recessionary fears raised expectations that the ECB could cut rates in 2024. UK equities underperformed amid downbeat news on economic growth and comments from Bank of England Governor Andrew Bailey that it was “too early to be thinking about rate cuts”. Emerging markets also underperformed, weighed down by China, where policy meetings offered pro-growth signals but lacked specific plans to achieve this. Credit data showed lacklustre private-sector activity, and ratings agency Moody’s warned that China’s A1 credit rating may be downgraded.

14. Government bond yields fell, and so prices rose, over the quarter. Benchmark 10-year yields in the US, the UK, Germany and Japan all ended the quarter lower. Yields on the 10-year US Treasury fell significantly, from 4.57% to 3.87%. In December, the Fed signalled that it was prepared to cut rates, potentially even before inflation is brought fully to target, which justified the significant fall in bond yields over the previous weeks. The yield on the 10-year German bund fell from 2.81% to 2.00%. The ECB paused its interest rate hikes over the quarter, leading to expectations that the bank will cut rates in 2024. Ten-year gilt yields fell from 4.44% to 3.60%. UK inflation dropped to 3.9% in November, down from 6.7% in September, as costs declined for a wide variety of consumer products, including food, utilities, clothing and entertainment. The period saw yields on global corporate bonds fall in the US, the eurozone and the UK, reflecting the fall in government bond yields highlighted above and also a tightening of credit spreads.

15. The US dollar fell against the euro, sterling and the Japanese yen as the market speculated that the Fed may cut interest rates ahead of other regions. The Japanese yen rose against the US dollar, the euro and sterling, as the market priced in the end of rate rises in the US and Europe. However, Japanese Governor, Kazuo Ueda, said that the central bank was in no rush to exit its ultra-loose monetary policy.

Performance Review

16. Overall, the Fund returned 4.73% in Q3 2023/24 (September-December 2023), in comparison with the benchmark of 5.28%.

17. The performance from the actively managed equity mandates was mixed, with Newton Global Equity (Newton) and BCPP UK Equity Alpha (BCPP UK) outperforming their benchmarks and BCPP Global Equity Alpha (BCPP Global) and BCPP Emerging Markets Alpha (BCPP EM) underperforming. BCPP Global underperformed due to an underweight position to large US technology companies that did particularly well over the period, although the fund is still ahead of benchmark over 1 and 3 years. The impact of the strength of US technology shares can be seen across a number of portfolios, either negatively

or positively, depending on whether or not underlying positions to these companies are held. The level of exposure to Chinese equities was also a driver of performance as the Chinese market was weak over the period which impacted BCPP EM. On a brighter note, BCPP UK slightly outperformed over the period as expectations of rate cuts increased, supporting smaller capitalised stock's valuations and encouraging some takeovers by private equity companies. Disappointingly, the 3-year track record for BCPP UK remains poor. Newton outperformed over the 3 months, driven by stock selection in the Industrial sector and being underweight to Energy. Newton is ahead of benchmark over 1 and 3 years as well. 13

18. As discussed in the market review, interest rate expectations swung from 'higher for longer' to numerous reductions during 2024. This led to a re-pricing in the credit markets, generating stronger returns for the BCPP Multi-Asset Credit Fund (MAC), which benefited from both lower yields and a narrowing of spreads. This dynamic is particularly helpful to longer duration assets and MAC has a bias to high duration. The gilts switch to the Legal and General Investment Management Over 15 Year Gilts Index Fund took place during the quarter. Whilst there is no 3-month data, the fund returned 15.9% over November and December, benefiting from the same dynamic explained above and tracking the benchmark. This change in interest rate expectations also supported the BCPP Listed Alternatives Fund, especially as real estate share prices rallied.

19. Whilst all of the mandates mentioned above increased in value in absolute terms, there were both absolute falls and benchmark underperformance for private markets and real estate. The real estate benchmark was the only one over the period to have a negative return, indicating that the market remains difficult, and CBRE also underperformed this benchmark. The largest detractor relative to the benchmark was currency as the dollar weakened against sterling. CBRE was also impacted by building compliance and fire safety issues within one of their student accommodation investments and continued pressure on regional office valuations.

20. The private markets allocation has registered an absolute fall of -2.19% in value over the last 3 months, and -4.97% over the last 1 year. The most significant negative impact over the last 3 months and 1 year came from the BCPP Infrastructure sleeve of the BCPP private markets programme. This was driven by two companies involved in fibre network expansion which were negatively impacted by inflationary cost pressures and the availability and cost of debt.

21. The investment in Darwin was the other main negative driver over the full year, having been impacted by a change in the discount rate used in the valuation methodology, as discussed in the asset class review paper from the Independent Advisor at the December 2023 Committee meeting.

22. Measuring the return from private markets over short periods is difficult, especially if large parts of the investment are immature and suffering the J-curve effect, (capital and fees are drawn down but value creation strategies haven't had time to be effective) or if the transaction market is quiet, slowing disposals when value may be realised. Whilst the disappointments above have been noted, the vast majority of the private market allocation seems to be performing in line with expectations (see Independent Advisors report from Committee meeting 15 December 2023), but only a longer time frame will confirm or otherwise.

23. The Fund compares the return of private markets to the return from global listed equities in this report. While the expected return from private markets is expected to be higher than the long-term average return on listed equities, it is also less volatile. Therefore, over short periods when the listed equity market

falls significantly this asset class shows an outperformance and conversely an underperformance when listed equities rise significantly. As can be seen over the last year, at the same time as private markets have returned -4.97%, global listed equities have rallied 16.81%. This may not be a true reflection of ultimate returns and a case could be made that a low point for private markets is being compared to a recovered point for listed equities. The 3-year numbers show
13 that both private markets and the benchmark have returned between 9% and 10%.

24. This comparison has had a material effect on the reported relative performance of the Fund overall given the 15.3% weighting to private markets and the scale of the performance difference. Of the Funds overall underperformance of -268bp, private markets contributed, on this measure, -372bp. In other words, comparing private markets to global listed equities over the last year has produced 139% of the reported underperformance of the Fund overall.

Sector Weightings

25. As agreed at the Committee meeting of 15 December 2023, the sector positioning within the active listed portfolios and global Future World portfolio has been provided and can be found in Annexe 1.

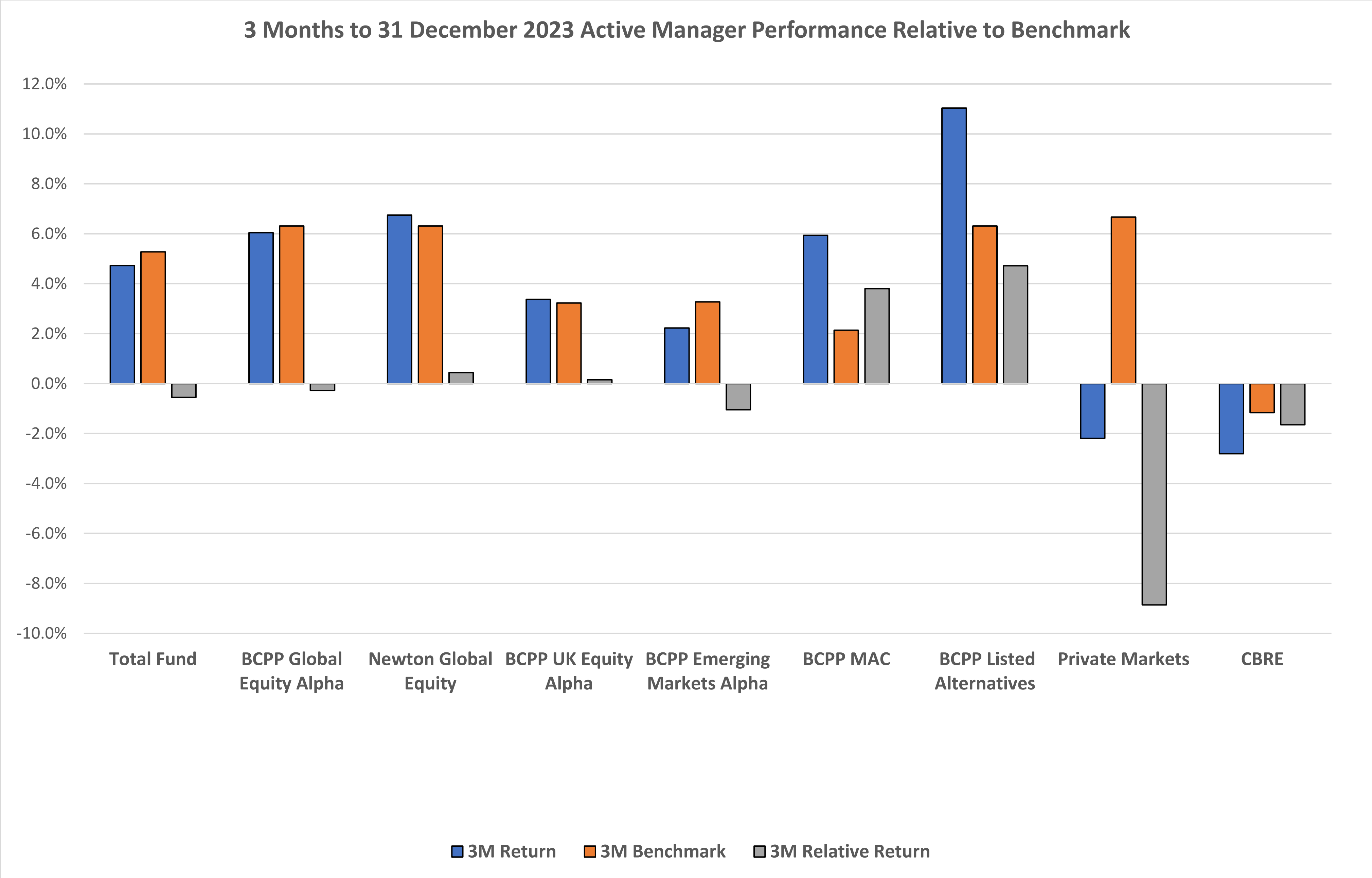
Fund Performance - Summary of Quarterly Results

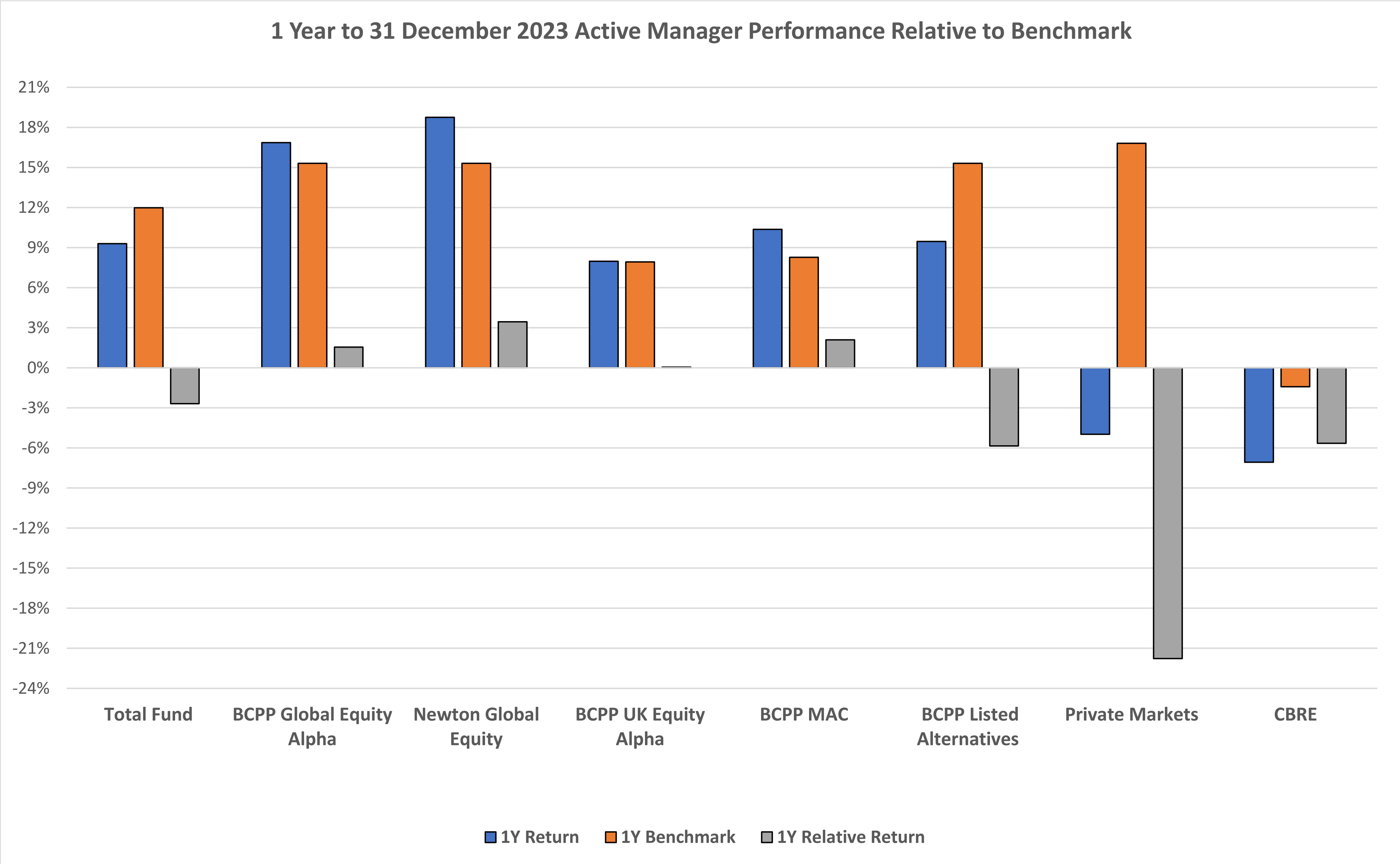
The table below shows manager performance for Q3 2023-24 (September 2023-December 2023), net of investment manager fees, against manager specific benchmarks using Northern Trust data.

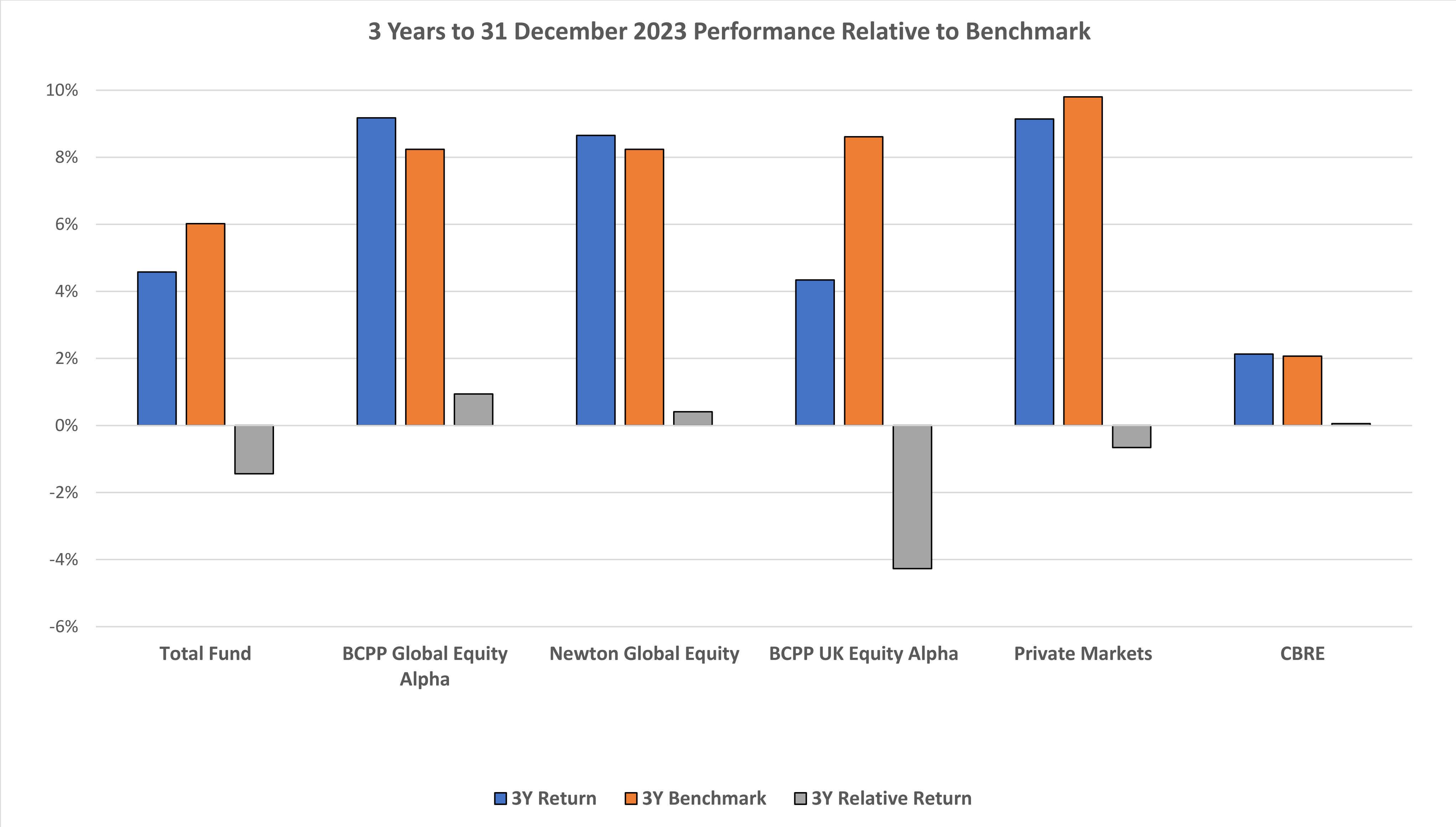
As at 31 December 2023	£m	3M Return	3M Benchmark	3M Relative Return	1Y Return	1Y Benchmark	1Y Relative Return	3Y Return	3Y Benchmark	3Y Relative Return
Total Fund	**5,556.9**	4.73%	5.28%	-0.55%	9.30%	11.98%	-2.68%	4.58%	6.02%	-1.44%
Active Global Equity	**1,296.5**	-	-	-	-	-	-	-	-	-
BCPP Global Equity Alpha	811.3	6.04%	6.31%	-0.27%	16.86%	15.31%	1.55%	9.18%	8.24%	0.94%
Newton Global Equity	485.2	6.75%	6.31%	0.44%	18.75%	15.31%	3.44%	8.65%	8.24%	0.41%
Active Regional Equity	**631.9**	-	-	-	-	-	-	-	-	-
BCPP UK Equity Alpha	358.7	3.38%	3.23%	0.15%	7.97%	7.92%	0.05%	4.34%	8.61%	-4.27%
BCPP Emerging Markets Alpha	273.2	2.23%	3.27%	-1.05%	-	-	-	-	-	-
Passive Global Equity	**1,175.1**	-	-	-	-	-	-	-	-	-
LGIM - Future World Global	1,175.1	7.07%	6.96%	0.12%	16.51%	16.15%	0.36%	-	-	-
Passive Regional Equity	**119.9**	-	-	-	-	-	-	-	-	-
LGIM - Europe Ex-UK	56.5	7.83%	7.86%	-0.03%	15.26%	15.60%	-0.33%	7.64%	7.77%	-0.13%
LGIM - Japan	17.5	3.31%	3.30%	0.01%	13.25%	13.26%	-0.01%	3.34%	3.38%	-0.03%
LGIM - Asia Pacific ex-Japan	46.0	7.75%	7.73%	0.02%	4.85%	4.87%	-0.02%	1.79%	1.86%	-0.07%
Fixed Income	**907.7**	-	-	-	-	-	-	-	-	-
BCPP MAC	778.5	5.94%	2.14%	3.80%	10.37%	8.27%	2.10%	-	-	-
LGIM - 15 Yr+ Gilts*	129.2	15.93%	15.92%	0.01%	-	-	-	-	-	-
Private Markets Proxy	**100.1**	-	-	-	-	-	-	-	-	-
BCPP Listed Alternatives	100.1	11.03%	6.31%	4.72%	9.46%	15.31%	-5.85%	-	-	-
Private Markets	**850.0**	-	-	-	-	-	-	-	-	-
Private Markets	850.0	-2.19%	6.67%	-8.86%	-4.97%	16.81%	-21.77%	9.14%	9.80%	-0.66%
Real Estate	**291.7**	-	-	-	-	-	-	-	-	-
CBRE	291.7	-2.81%	-1.16%	-1.65%	-7.07%	-1.42%	-5.65%	2.13%	2.07%	0.06%
LGIM Currency Overlay	18.4	-	-	-	-	-	-	-	-	-
LGIM Sterling Liquidity Fund	62.2	1.38%	1.33%	0.04%	-	-	-	-	-	-
Liquidity**	103.5	-	-	-	-	-	-	-	-	-

* Performance return from 1 November 2023

** Includes £38.4m of money market funds


3 Months to 31 December 2023 Active Manager Performance Relative to Benchmark
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
-2.0%
-4.0%
-6.0%
-8.0%
-10.0%
Total Fund
BCPP Global Equity Alpha
Newton Global Equity
BCPP UK Equity Alpha
BCPP Emerging Markets Alpha
BCPP MAC
BCPP Listed Alternatives
Private Markets
CBRE
3M Return
3M Benchmark
3M Relative Return


1 Year to 31 December 2023 Active Manager Performance Relative to Benchmark
21%
18%
15%
12%
9%
6%
3%
0%
-3%
-6%
-9%
-12%
-15%
-18%
-21%
-24%
Total Fund
BCPP Global Equity Alpha
Newton Global Equity
BCPP UK Equity Alpha
BCPP MAC
BCPP Listed Alternatives
Private Markets
CBRE
1Y Return
1Y Benchmark
1Y Relative Return


3 Years to 31 December 2023 Performance Relative to Benchmark
10%
8%
6%
4%
2%
0%
-2%
-4%
-6%
Total Fund
BCPP Global Equity Alpha
Newton Global Equity
BCPP UK Equity Alpha
Private Markets
CBRE
3Y Return
3Y Benchmark
3Y Relative Return

Recent Transactions

26. In February 2022 the Fund purchased units in the BCPP Listed Alternatives Fund to a value of £386.5m. This was funded from the disposal of units in the Baillie Gifford Diversified Growth Fund, units in the Aviva Investors Multi-Strategy Target Return Fund, and units in the Ruffer Absolute Return Fund.

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27. From the second half of 2022 the Fund has used BCPP Listed Alternatives, BCPP UK Equity Alpha and LGIM Liquidity Fund as a source of funds for private market capital calls.

28. As part of the new asset allocation agreed in the December 2022 Committee meeting, a series of transactions has taken place during 2023.

29. In April 2023, the Fund invested another £100m into the LGIM Future World Global Equity Index Fund. This was funded by the redemption of £89m from the BCPP UK Equity Alpha Fund and an £11m in specie transfer out of LGIM Future World Emerging Markets Fund, which itself was an in-specie transfer from the LGIM Emerging Markets Fund in March 2023. Also in April 2023, £60m was switched from LGIM Bespoke to the LGIM Sterling Liquidity Fund to reduce fees.

30. In July 2023, the Fund invested £267m into the BCPP Emerging Markets Equity Alpha Fund. This was funded by the complete redemption of the Fund's remaining holding in the LGIM Emerging Markets Fund.

31. Since December 2022, £240m has been redeemed from BCPP Listed Alternatives Fund to fund capital calls in private markets.

32. Following the Committee's approval of the Investment Strategy Statement in June 2023, the MAC fund exposure was increased. As at 30 September 2023, £60m of BCPP UK Equity Alpha had been sold and £60m of MAC purchased. In October 2023, £60m of Newton Global Equity was sold and £60m of MAC purchased. In November 2023, a further £60m of MAC was purchased.

33. The re-structure of the legacy LGIM Bespoke fund was approved by the Committee in September 2023. In November 2023, in line with that decision, the LGIM Bespoke Fund was liquidated, and a corresponding amount was purchased in the LGIM Over 15Y Gilt fund. The amount of the transaction was £111.4m.

34. To align the exposure to MAC to the Investment Strategy Statement (ISS), the final purchase was completed in January 2024. This amounted to a £60m purchase of MAC and takes the weighting to approximately 15%. There was a corresponding £60m sale of Newton Global Equity. These transactions took place after the reporting period for this paper.

35. A sale of £20m in Listed Alternatives was completed in January 2024 to help fund ongoing private market capital commitments and drawdowns.

36. Capital calls have predominantly been funded by the BCPP Listed Alternatives Fund. Going forward, these calls may increasingly be funded by Newton Global Equity and LGIM Sterling Liquidity Fund assets.

37. The expected private market commitments to the BCPP programme for April 2024 are £50m to Climate Opportunities, £80 to Private Credit and £90m to UK Opportunities.

Stock Lending

38. In the quarter to 31 December 2023, stock lending earned a net income for the Fund of £3,038 compared with £9,152 for the quarter ended 30 September 2023.

Asset allocation

39. The table and the graph below show the target and actual asset allocations for the quarter ending 31 December 2023. These allocations were agreed by the Pension Fund Committee in the June 2023 meeting.

As at 31 December 2023	Total Fund (£M)	Actual (%)	Target (%)	Advisory ranges %	Role(s) within the strategy
Listed Equities	**-**	**58.0%**	**55.8**	**52.8 – 58.8**	Generate returns in excess of inflation, through exposure to the shares of domestic and overseas companies.
UK	358.7	6.5%	6.7	-	-
Global Market Cap	1,296.5	23.3%	21.8	-	-
Global Regional	119.9	2.2%	2.2	-	-
Emerging Markets	273.2	4.9%	5.6	-	-
Global Sustainable	1,175.1	21.1%	19.5	-	-
Alternatives	**-**	**22.3%**	**27.3**	**22.3-32.3**	Generate returns in excess of inflation, through exposure to illiquid assets that are not publicly traded, whilst providing some diversification away from listed equities and bonds.
Private Equity	320.3	5.8%	5	2.0-8.0	-
Infrastructure	343.6	6.2%	6	3.0-9.0	-
Private Credit	146.9	2.6%	6	2.0-8.0	-
Climate Opportunities	39.2	0.7%	3	0.0-6.0	-
Listed Alternatives	100.1	1.8%			-
Real Estate	291.7	5.2%	7.3	4.3–10.3	-
Credit	**-**	**16.3%**	**16.9**	**12.1-21.7**	Offer diversified exposure to global credit markets to capture both income and capital appreciation of underlying bonds.
Multi Asset Credit	778.5	14.0%	15.1	12.1-18.1	-
Fixed Interest Gilts	129.2	2.3%	1.8	0.0-3.6	-
Cash & Currency Overlay	184.0	**3.3%**	-	-	-
Total	**5,556.9**	-	**100**	-	-

The graph below shows the asset allocation for the quarter ending 31 December 2023.

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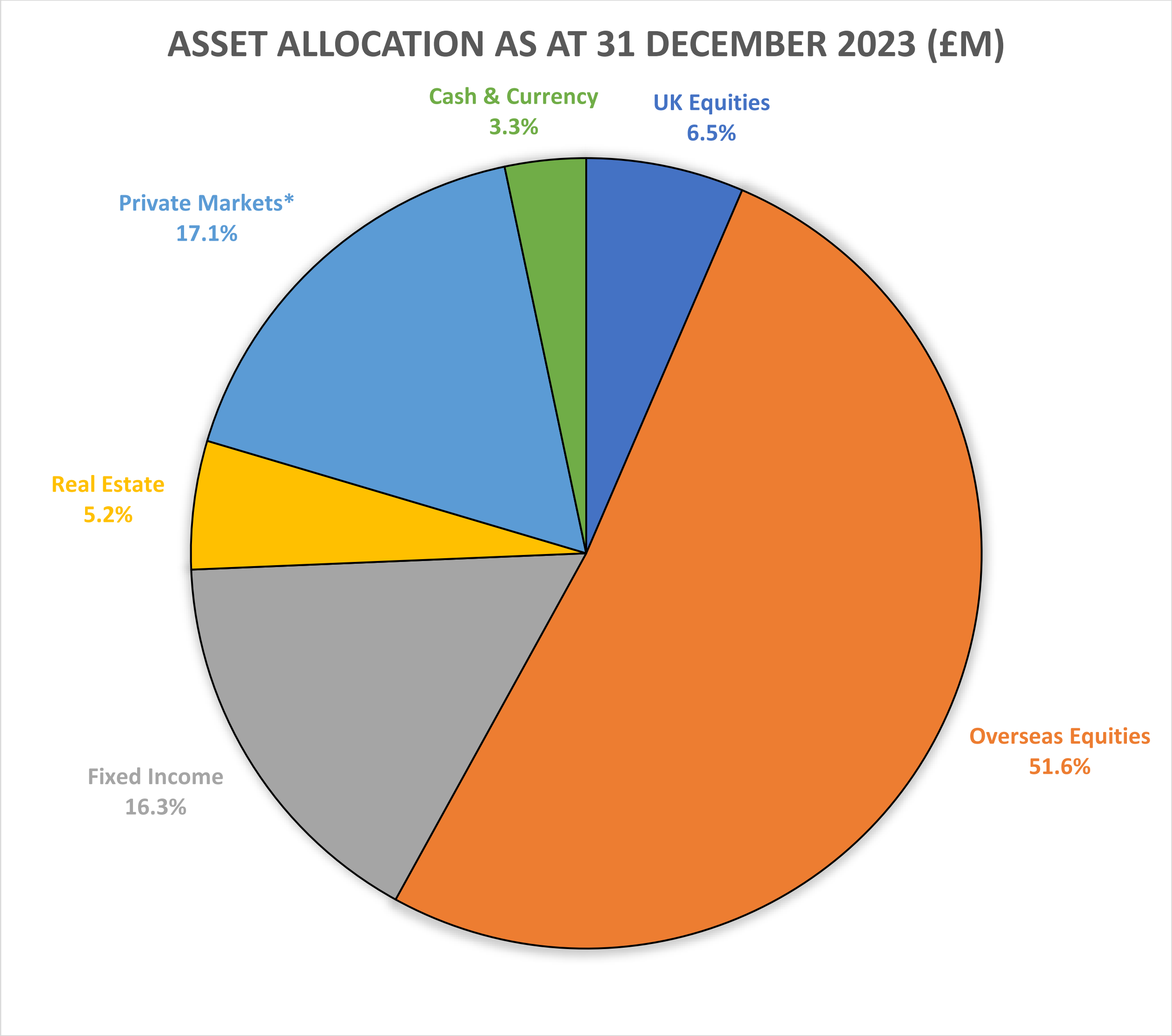
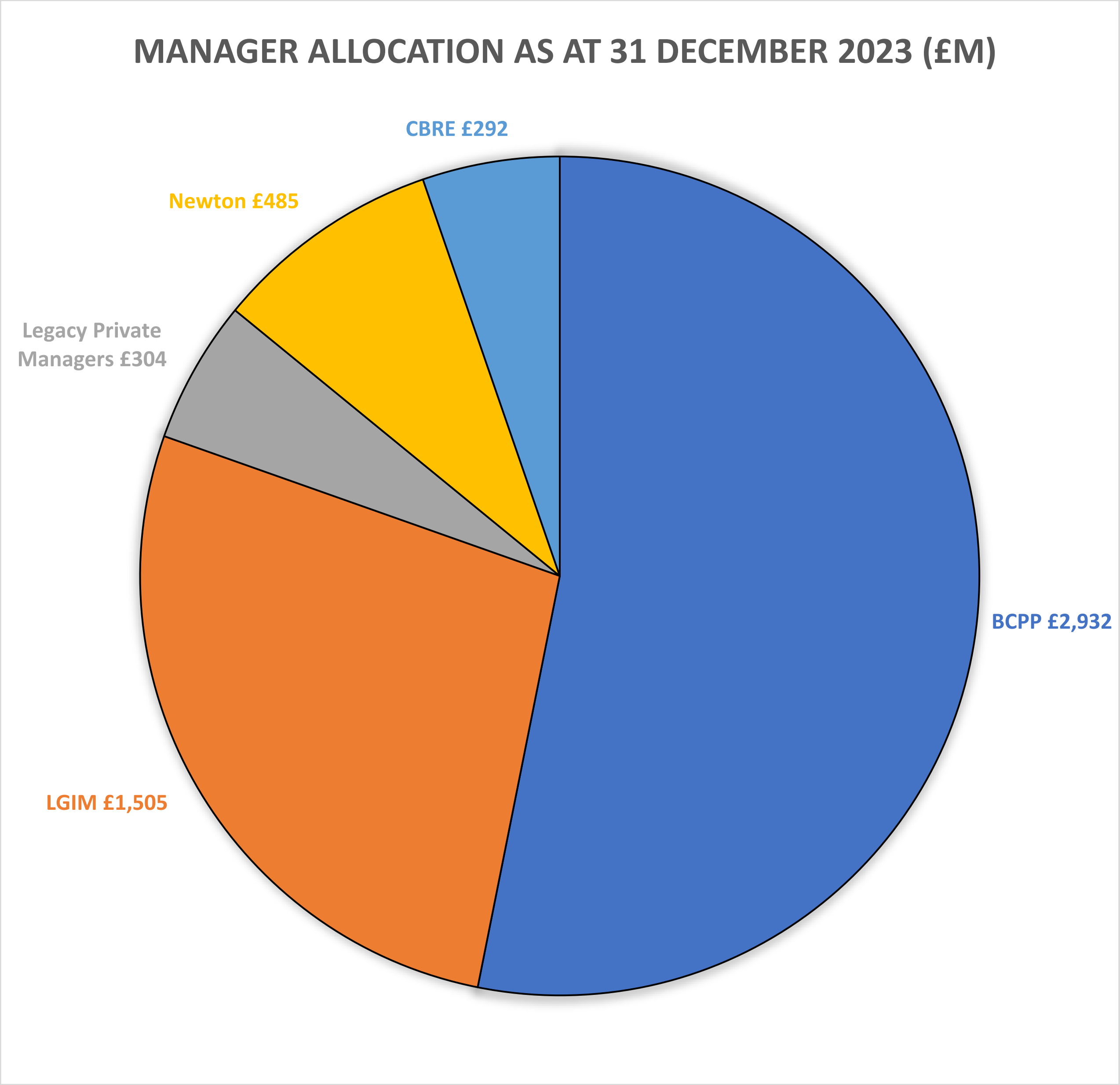
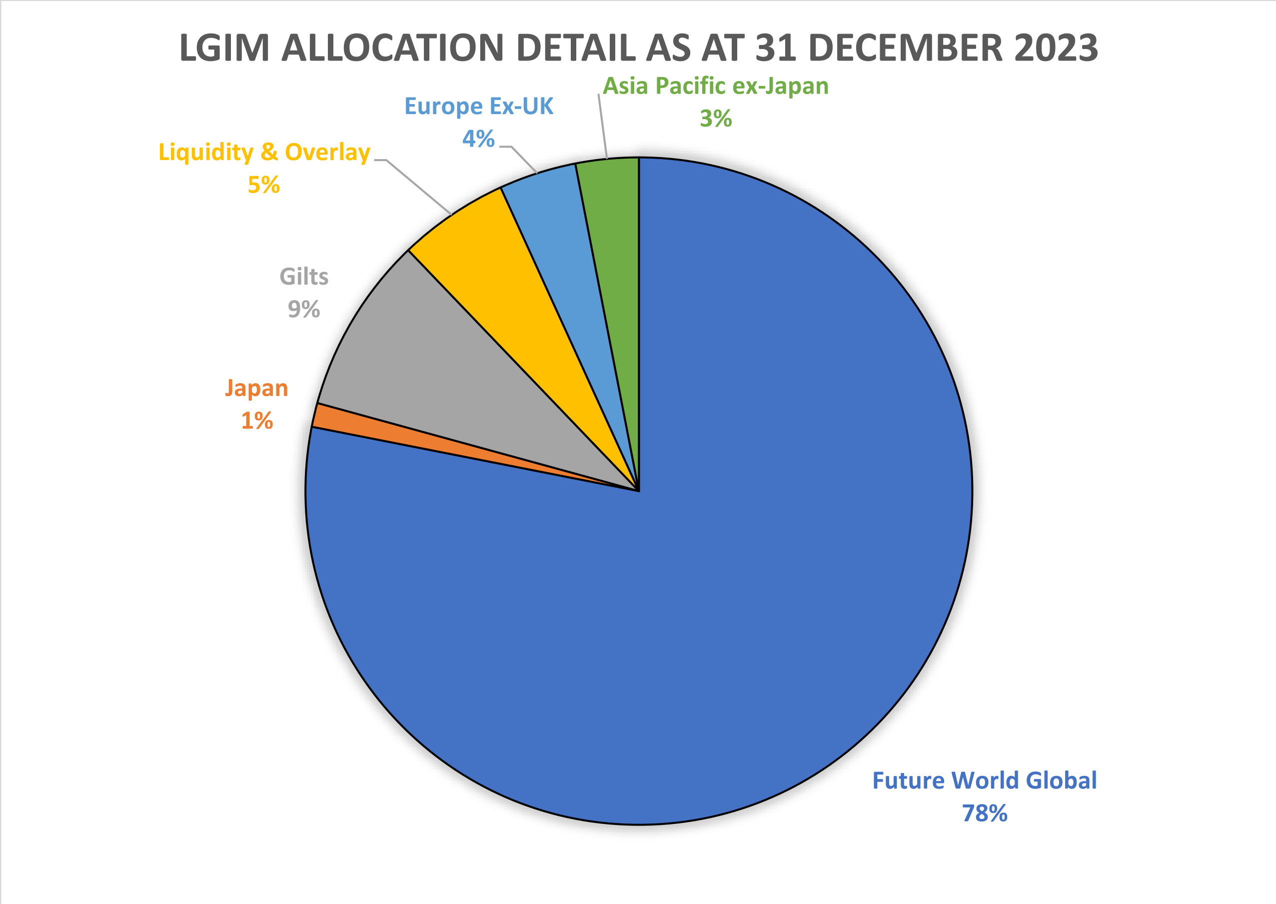


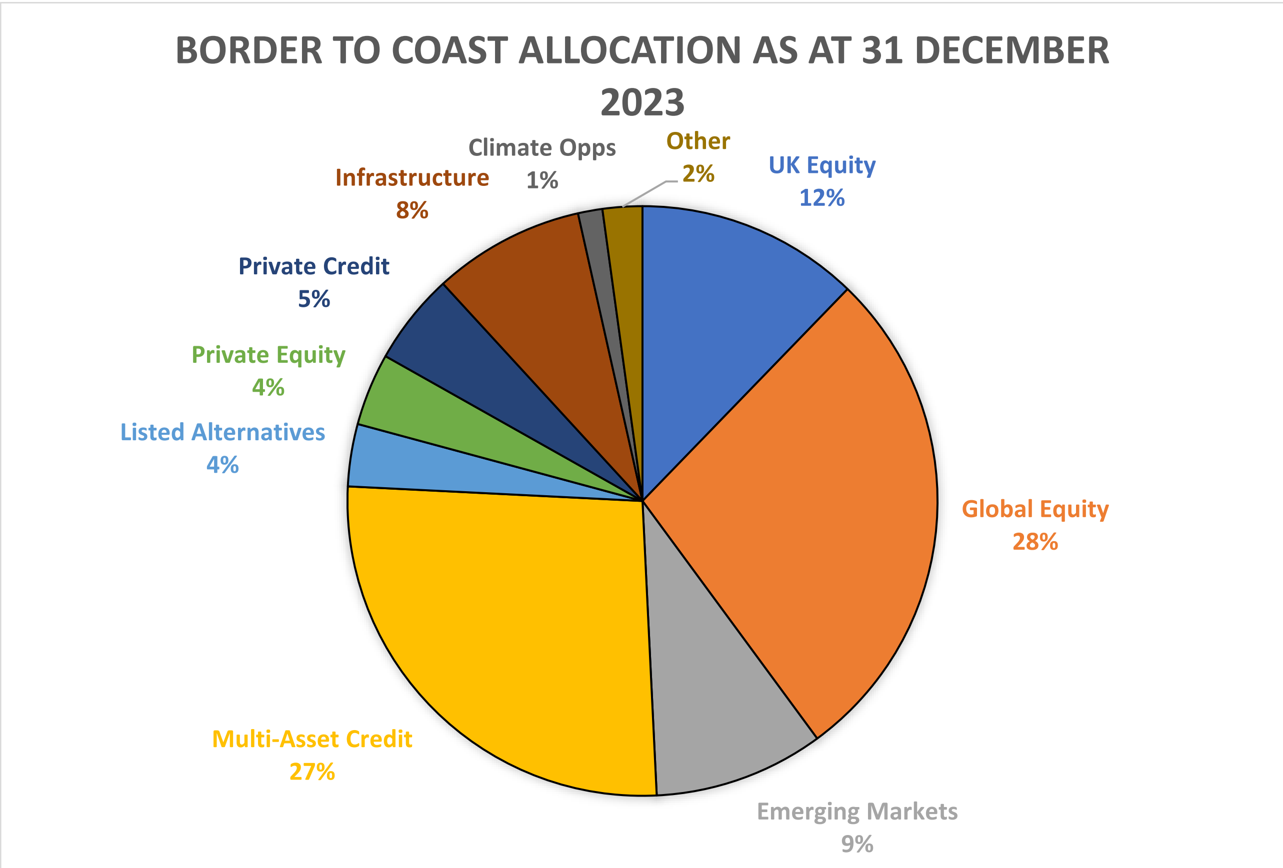
*Includes Listed Alternatives

Manager Allocation

13 The graph below shows the manager allocation for the quarter ending 31 December 2023.




LGIM ALLOCATION DETAIL AS AT 31 DECEMBER 2023
Asia Pacific ex-Japan
3%
Europe Ex-UK
4%
Liquidity & Overlay
5%
Gilts
9%
Japan
1%
Future World Global
78%


BORDER TO COAST ALLOCATION AS AT 31 DECEMBER 2023
Climate Opps
1%
Other
2%
UK Equity
12%
Infrastructure
8%
Private Credit
5%
Private Equity
4%
Listed Alternatives
4%
Global Equity
28%
Multi-Asset Credit
27%
Emerging Markets
9%

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Cashflow

40. Contributions are derived from employers and employees. Pension benefits are derived from pensions and lump sum benefits paid to retired members and benefits paid to employees on leaving the Fund.

Period	Total contributions received £m	Total pension benefits paid £m	Net cash-flow £m
Quarter 2 2023/24 (1 Jul 2023 – 30 Sep 2023)	57.5	66.5	-9
Quarter 3 2023/24 (1 Oct 2023 – 31 Dec 2023)	56.6	60.9	-4.3

Quarterly cashflow information has been derived from the finance system Unit4 / MySurrey so for the periods shown there may be timing differences due to issues with reporting.

41. An indication of the current membership trends is shown by movements in membership over Q2 and Q3. Member data listed below.

Period	Active members	Deferred members	Pension members	Total members
Quarter 2 2023/24 (1 Jul 2023 – 30 Sep 2023)	34,553	44,761	30,855	110,169
Quarter 3 2023/24 (1 Oct 2023 – 31 Dec 2023)	34,498	46,394	31,374	112,266

Fund Manager Benchmarks

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Fund	Portfolio	Benchmark Index	Performance Target relative to Benchmark
Surrey Pension Fund	Total Portfolio	Weighted across fund	+1.0%

Manager	Portfolio	Benchmark Index	Performance Target relative to Benchmark
BCPP	UK Equities Alpha	FTSE All Share	+2.0%
BCPP	Global Equities Alpha	MSCI ACWI	+2.0%
BCPP	MAC	SONIA	+3.5%
BCPP	Listed Alternatives	MSCI ACWI	
BCPP	Emerging Markets Equity Alpha	MSCI EM Index	+2.0%
Newton	Global Equities	MSCI ACWI	+2.0%
Various	Private Markets	MSCI World Index	+5.0%
CBRE	Real Estate	MSCI/AREF UK QPFI All Balanced Property Fund Index (for UK Assets) Global Alpha Fund Absolute Return 9-11%	+0.5%
LGIM	Europe ex-UK Equities Index Future World Global Equity Index Japan Equity Index Asia Pacific ex-Japan Development Equity Index Sterling Liquidity 15 Yr+ Gilts Index	FTSE Developed Europe ex-UK Net Tax (UKPN) Solactive L&G ESG Global Markets Net FTSE Japan NetTax (UKPN) FTSE Developed Asia Pacific ex-Japan NetTax (UKPN) SONIA FTA Over 15 Yr Total Return	To track the performance of the respective indices within a lower level of tracking deviation (gross of fees) over rolling 3-year periods

CONSULTATION:

42. The Chair of the Pension Fund Committee has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

43. Risk related issues have been discussed and are contained within the report.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

44. Financial and value for money implications are discussed within the report.

DIRECTOR OF FINANCE CORPORATE AND COMMERCIAL COMMENTARY

45. The Director of Finance Corporate and Commercial is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

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46. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

47. The approval of the various options will not require an equality analysis, as there is no major policy, project or function being created or changed.

OTHER IMPLICATIONS

48. There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

49. The following next steps are planned:

- Continue to implement asset allocation shifts as agreed by the Committee.
- Continue to monitor performance and asset allocation.

Contact Officer:
Lloyd Whitworth, Head of Investment & Stewardship

Consulted:
Pension Fund Committee Chair

Annexes:

1. Annexe 1 – Sector weightings

2. Annexe 2 - Manager Fee Rates (Part 2)

Sources/background papers: