

ITEM

London Borough of Enfield

REPORT TO;	Pension Policy & Investment Committee
SUBJECT:	Quarterly Investment Report 2018
LEAD OFFICER	Paul Reddaway

1. RECOMMENDATIONS

To note the Aon quarterly Investment report ended 30th June 2018.

2. EXECUTIVE SUMMARY

The Fund value has grown by 3.45% over the quarter ended 30th June. The majority of the gains has been through global equities. The individual managers performance is also highlighted.

3. Key performance Highlights

Our investment consultants Aon Investment Report is set out in Appendix 1.

The Enfield Fund increased in value by £38m (3.45%) over the quarter ended 30th June 2018. The value of the fund stands at £1,138.7m. This was mostly driven by global equities and UK property gains in the quarter. The Funding level has now been assessed to be at 95%.

The Aon report sets out the performance for each manager. The report highlights some of the key issues that the arise from it.

Global Equities

In general, global equities have performed well in the quarter, but it should be noted that **MFS** have continued to underperform for the quarter and are now -5.1% behind the benchmark for the year.

Alternatives

The distressed debt and event driven strategies (**York & Davidson Kempner**) have benefited from currency gains from being held in dollars, otherwise their performance is flat for the quarter.

Lansdowne continues to underperform over the year, but their long-term performance is strong. This type of volatility is expected with this type of investment.

Bonds

Bonds in general have struggled because credit spreads widened in the UK resulting in underperforming gilts. This had an impact on **Western Asset Management**.

Insight losses over the quarter continue to be post negative returns and their longer-term performance is also disappointing. As this is an absolute return mandate, there is need to consider whether this strategy is still appropriate. This will be considered in a separate agenda item.