

Quarterly Investment Report

London Borough of Enfield Pension Fund



Prepared for: The London Borough of Enfield Pension Policy & Investment Committee

Prepared by: Daniel Carpenter

Date: 31 March 2022

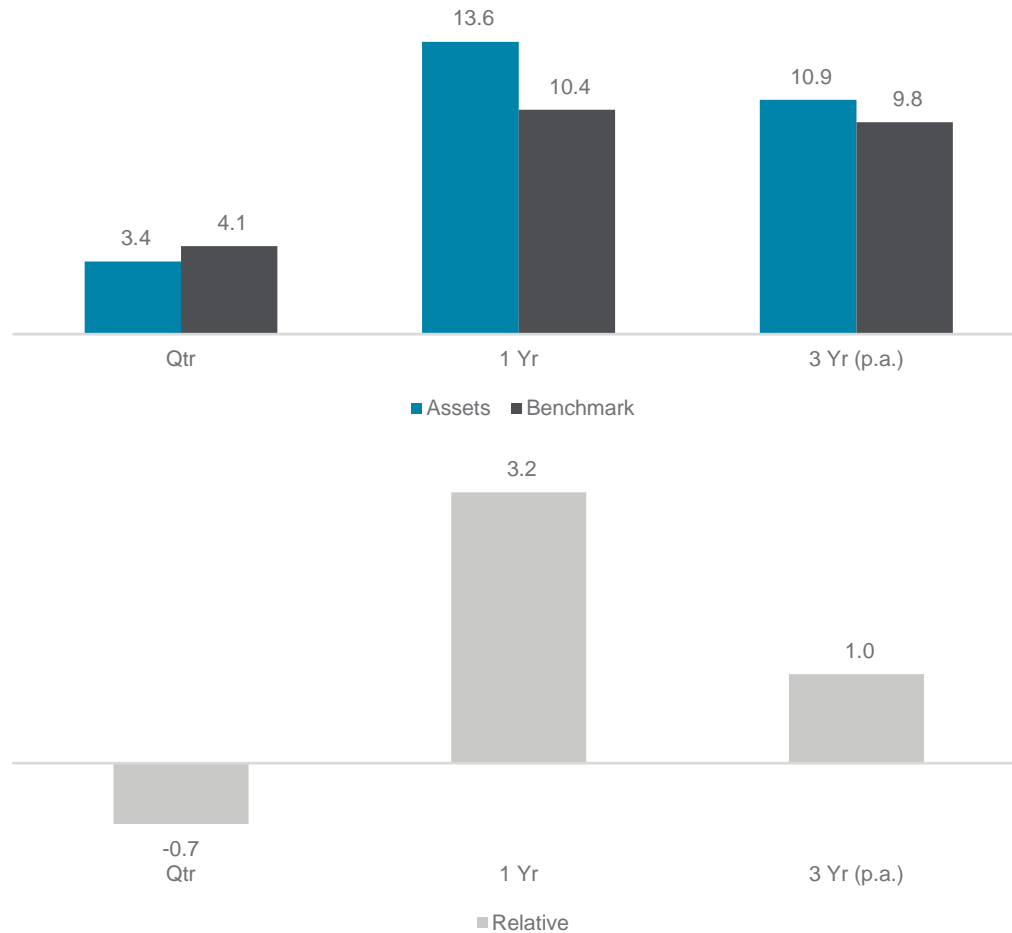


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At a glance...

Performance summary (%)



Assets

£1551.3m 

Assets increased by £50.9m over the quarter.

Key driver - equities

£687.6m 

Equities increased by £27.6m over the quarter.

Funding level

115% 

Funding level as at 31 December 2021 increased by 3% over the quarter.

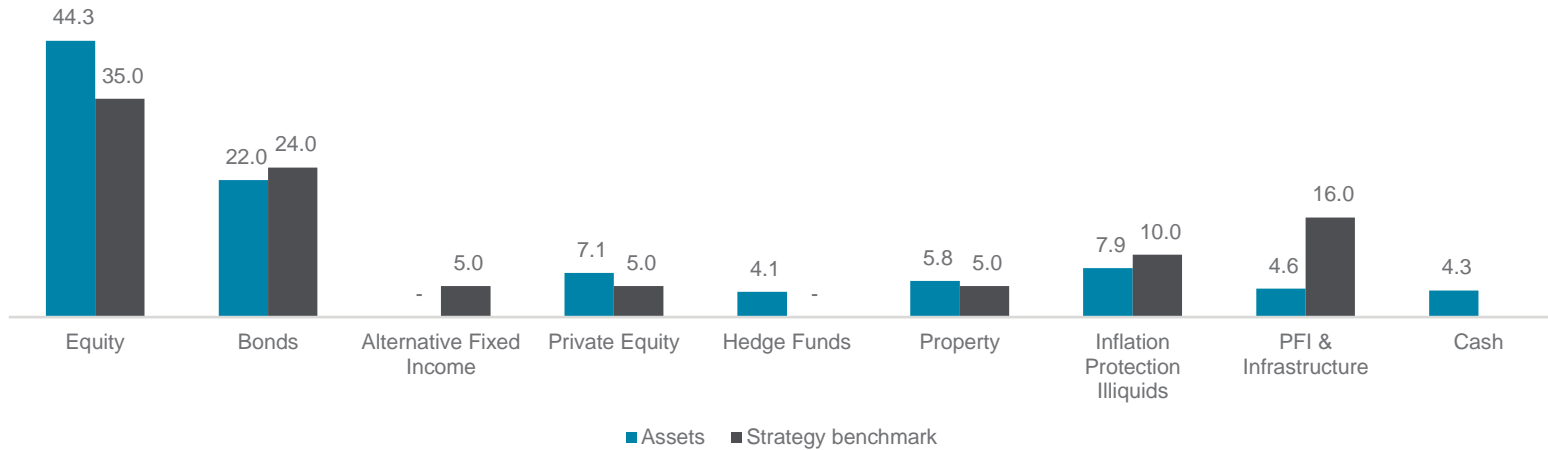
Strategic allocation



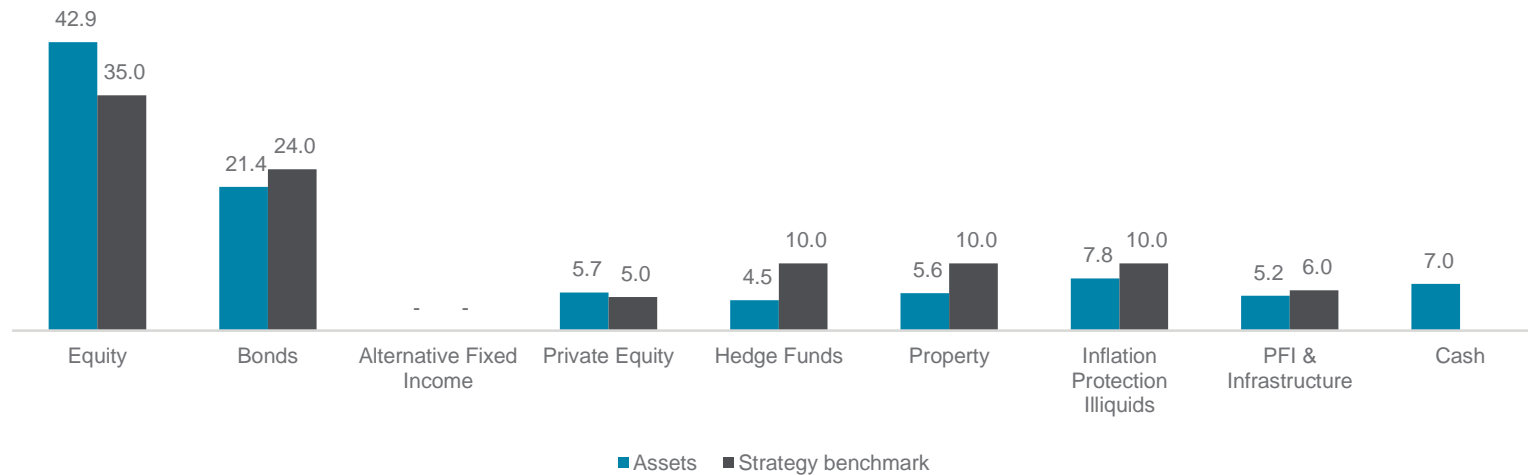
Strategic allocation

The strategic allocations shown are those agreed earlier in 2021.

31 December 2021 strategic allocation & benchmark (%)



31 December 2020 strategic allocation & benchmark (%)



Source: Northern Trust
 Note: Totals may not sum due to rounding.

Key developments



BlackRock UK Property Fund

John Benham has now taken over the role of Lead Portfolio Manager from Paul Tebbit with Paul taking on a newly created role of Chief Investment Officer (CIO) of BlackRock’s European Real Estate business. Justin Brown remains as Head of the EMEA Real Estate business. Fred Reynolds has left the firm and his responsibilities have been taken over by Richard Bryant, supported by Charlie Eastwood. They do not plan on making any further senior hires.

From our perspective, we have known John Benham as a Portfolio Manager for several years and he comes across as a capable individual with a solid background and competence in UK real estate investment and asset management.

As previously noted, we recommend that no action is required at this time.

LCIV Equity Focus Fund

We understand the LCIV have engaged in a soft market test to determine potential replacements for Longview within the LCIV Equity Focus Fund due to concerns in a number of areas including recent underperformance.

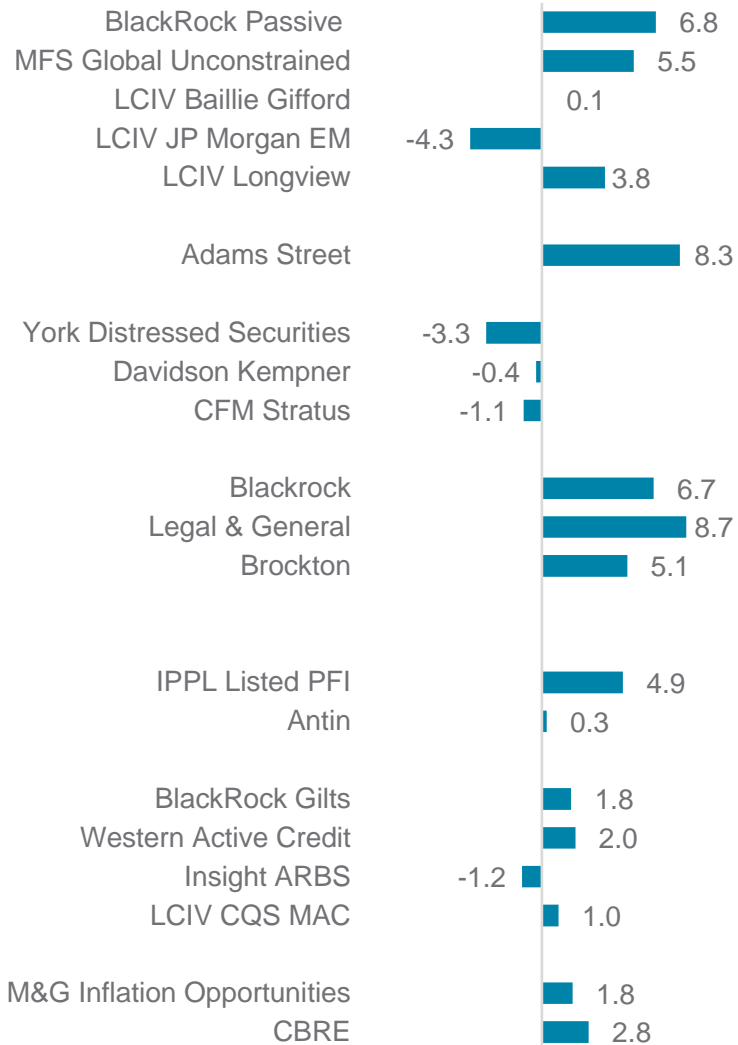
We will continue to keep the Committee updated on progress and any material developments.

	Rating	ESG	Change
Equities			
BlackRock World Low Carbon	Buy	Integrated	-
MFS Global Unconstrained	Qualified	Advanced	-
London CIV Baillie Gifford	Buy	Integrated	-
London CIV Longview Partners	Buy	Integrated	-
London CIV JP Morgan	Not Rated	-	-
Private Equity			
Adams Street	Qualified	-	-
Hedge Funds			
York Distressed Securities	Sell	-	-
Davidson Kempner International	Buy	Limited	-
CFM Stratus	Buy (closed)	Integrated	-
UK Property			
Blackrock	Buy	-	-
Legal & General	Qualified	-	-
Brockton	Buy (closed)	-	-
PFI & Infrastructure			
IPPL Listed PFI	Not rated	-	-
Antin	Buy (closed)	-	-
Bonds			
BlackRock Passive Gilts and ILGs	Buy	Integrated	-
Western Active Bonds	Not Recommended	-	-
Insight Absolute Return Bonds	Buy	Integrated	-
London CIV Multi-Asset Credit	Not Rated	-	-
Diversified Liquid Credit	Not Rated	-	-
Alternative Fixed Income			
Inflation Protection Illiquids			
M&G Inflation Opportunities	Buy (closed)	-	-
CBRE	Buy	-	-

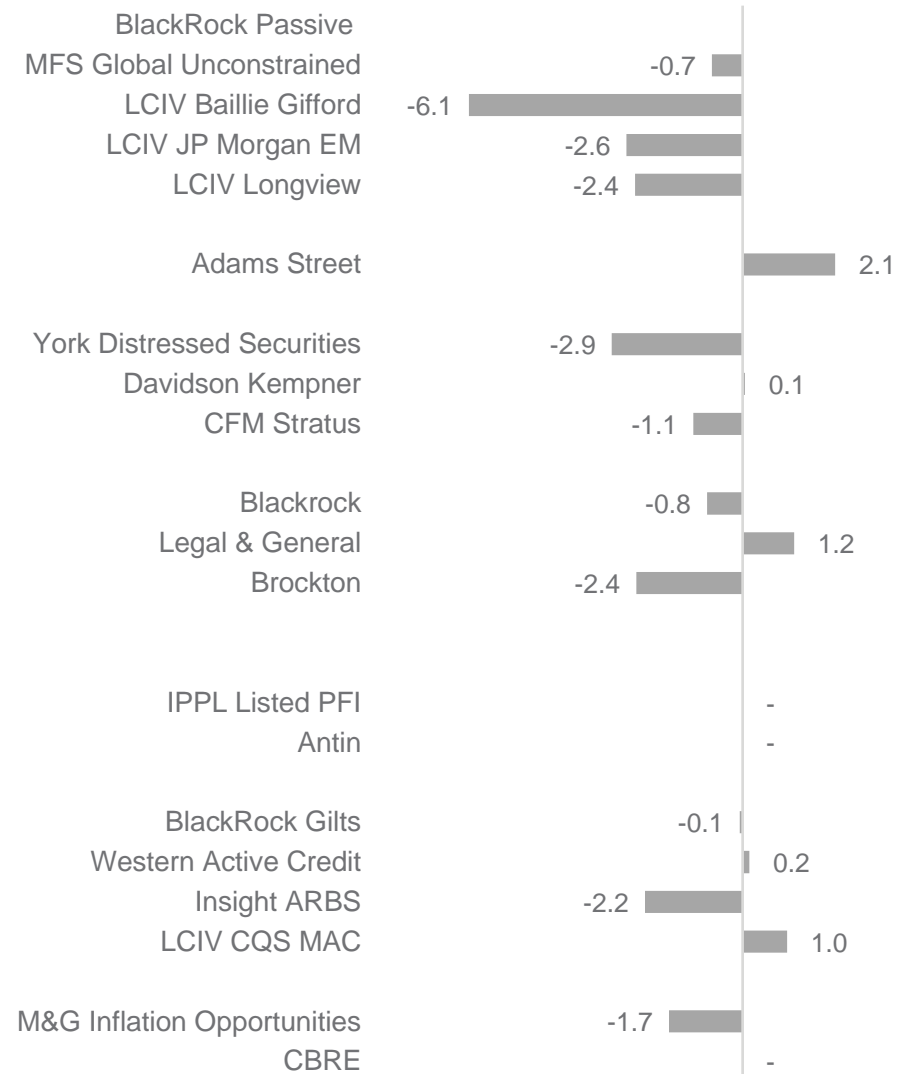
1. Aon does not rate the London CIV. Ratings are shown for underlying managers where appropriate.
2. Aon's process for reviewing property, private equity & infrastructure strategies has changed. Therefore, from 31 March 2019 onwards Aon's manager research specialists will not include sub-ratings for property, private equity & infrastructure strategies.
3. Ratings shown for BlackRock equity are for BlackRock's passive equity capabilities and not specific to the Low Carbon Index in which the Fund is now invested, which is yet to be approved by our research team.
4. The Aon rating for the Western Active Bonds holding has fallen away, following 12 months of 'Qualified' rating

Managers – Quarterly performance

Q4 2021 absolute performance (% pa)



Q4 2021 relative performance (% pa)

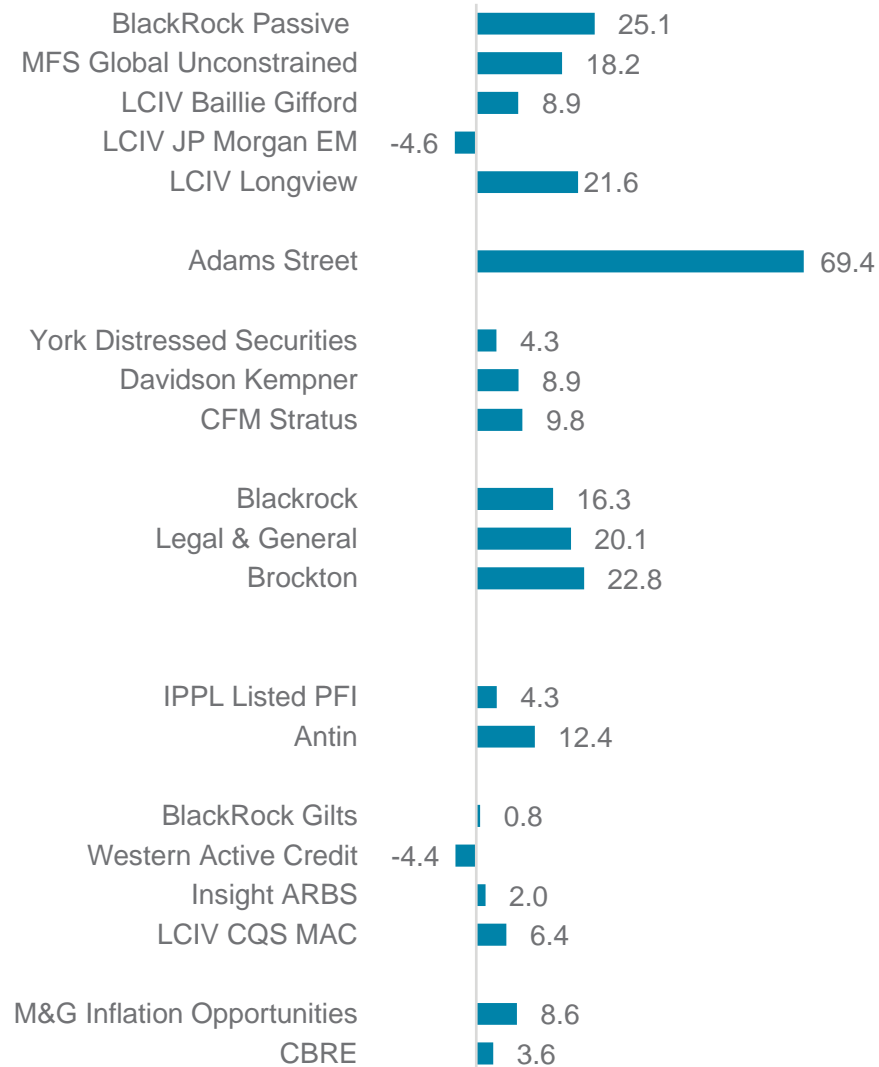


Source: Northern Trust. Performance is net of fees

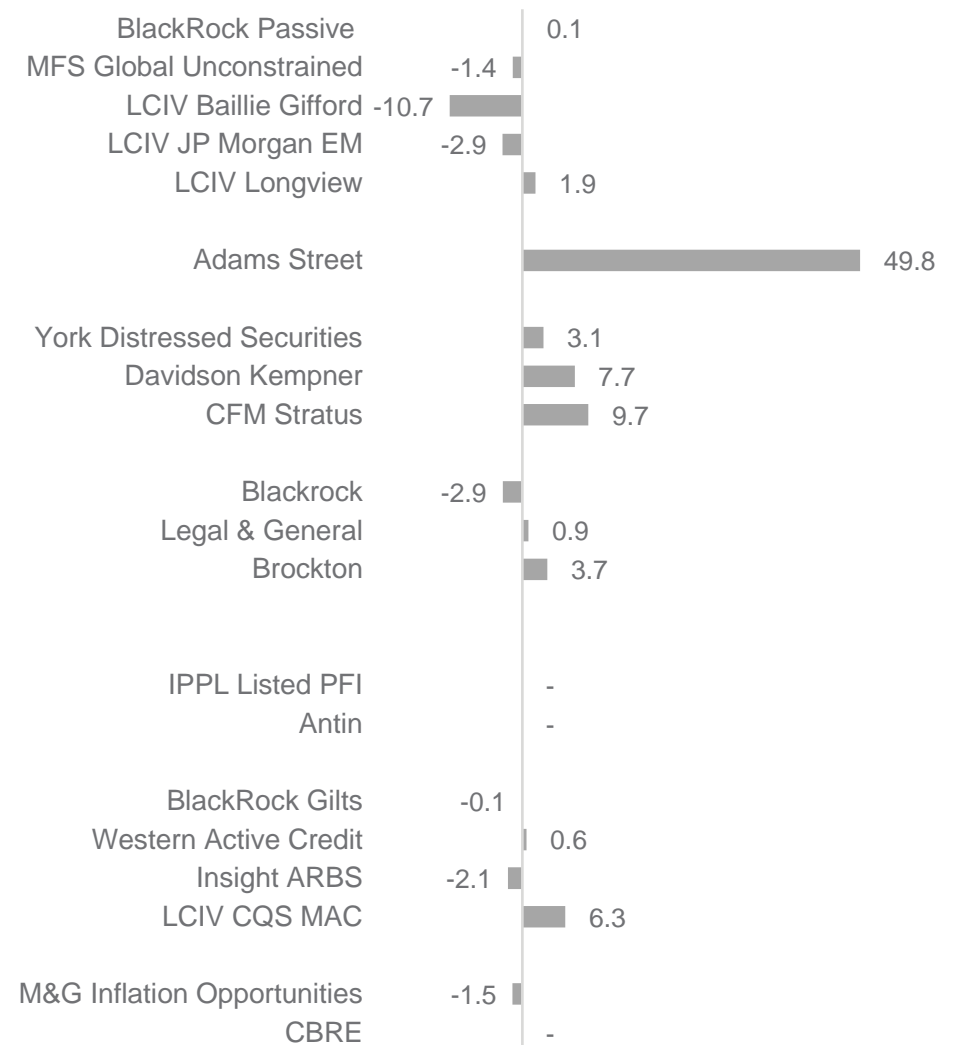
Note: On the 7 December 2021 the Scheme initiated an investment into Aon's Diversified Liquid Credit Fund. Performance for this fund will be shown next quarter.

Managers – Annual performance

1 year absolute performance (% pa)



1 year relative performance (% pa)



Source: Northern Trust.

Note: Performance is net of fees. 1 year figures are a composite of the current BlackRock ACS World Low Carbon Equity Tracker Fund (incepted in March 2021) and previous BlackRock UK and Global equity funds.



Appendix

Additional comments on performance data

Please note that BlackRock equity 1 year and since inception figures are a composite of the current BlackRock ACS World Low Carbon Equity Tracker Fund (incepted in March 2021) and previous BlackRock UK and Global equity funds.

IPPL is measured against the UK Retail Price Inflation (RPI) index.

Adams Street and Brockton are close ended funds and traditional time weighted returns are not reflective of true performance. Adam Street numbers are IRR figures. Returns are lagged by a quarter due to the nature of the asset class.

The Adams Street, Davidson Kempner, and York returns will partly reflect currency movements.

Fund benchmark is composed of 35% global equities 5% private equity (proxied by a global equity index), 10% property, 29% bond composite (based on underlying manager benchmarks) 6% infrastructure and 15% hedge funds.

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