

# **Investment Performance**

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**Nottinghamshire  
County Council**

# Agenda

- Whole Fund investment returns
- Management arrangements
- Benchmarks
- Individual manager returns
- Asset allocation
- Summary

# Investment returns to 31 March 2022

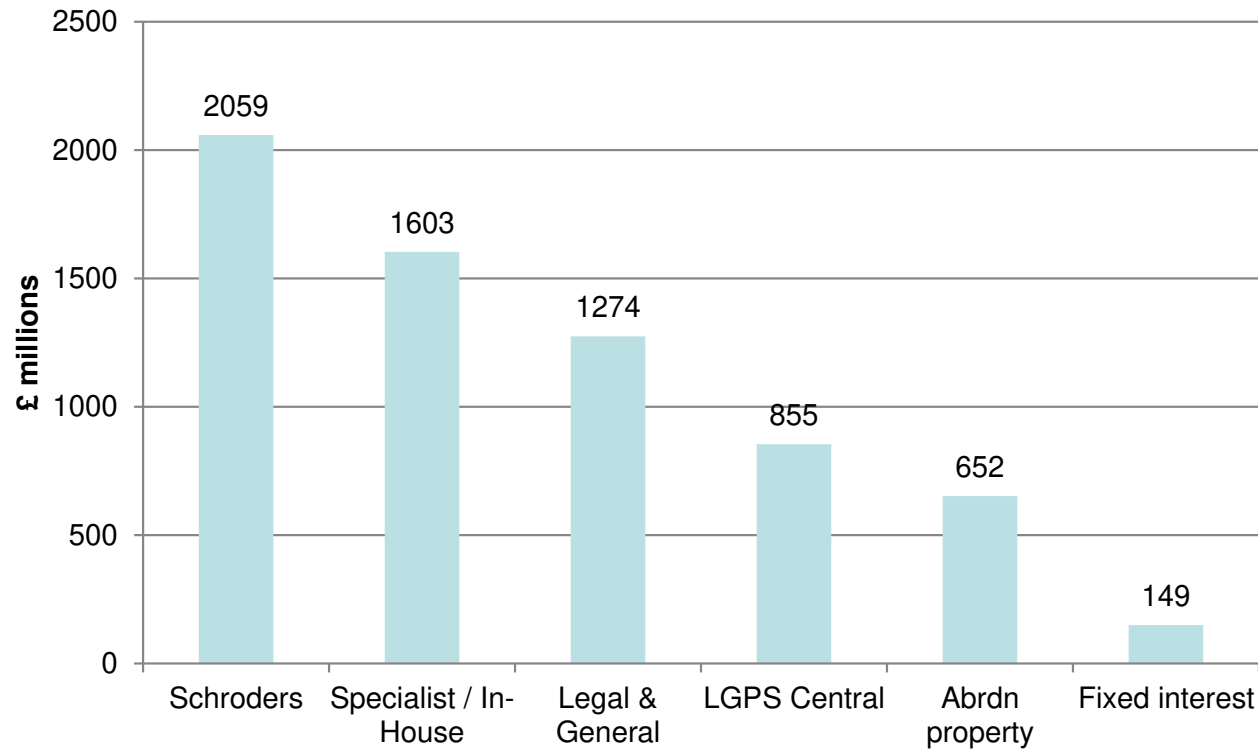
	1 year		3 years		5 years	
	Fund	BM	Fund	BM	Fund	BM
	%	%	% pa	% pa	% pa	% pa
Equities	7.8	12.7	8.7	9.9	7.3	8.1
Property	17.3	7.0	4.1	3.1	5.3	4.5
Bonds	2.1	-5.1	1.6	-0.5	1.3	0.5
<b>Total Fund</b>	<b>8.2</b>	<b>9.1</b>	<b>7.2</b>	<b>7.3</b>	<b>8.8</b>	<b>6.6</b>

Source: Performance Evaluation

Target return on assets following the last valuation was 5.8% p.a.

# Management arrangements as at 31 March 2022

## Portfolio Structure 2021/22

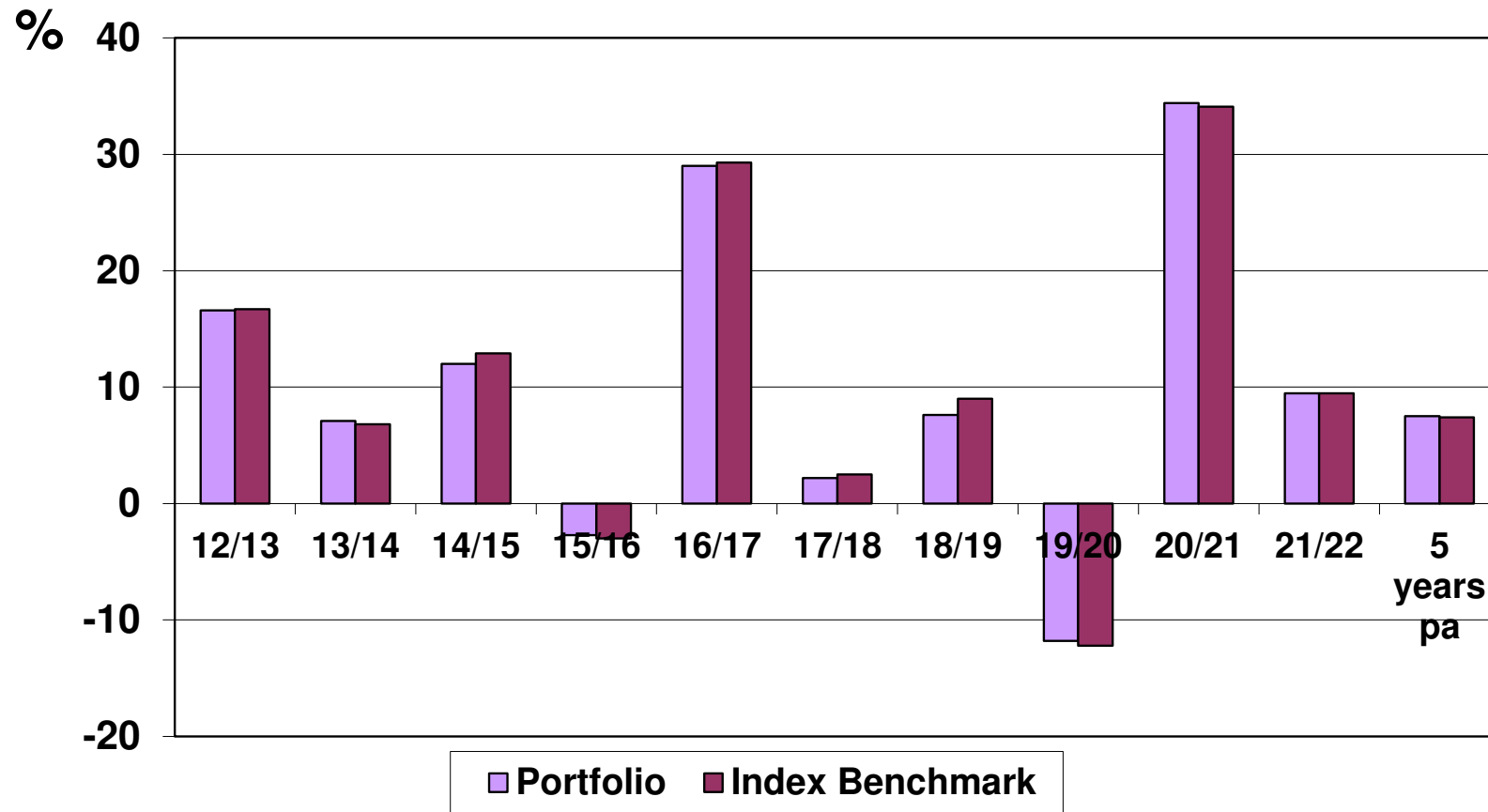


# Strategic benchmark

- The Fund's strategic benchmark is based on its agreed asset allocation strategy
- It uses a high level market index for each asset class and this helps to inform decisions regarding asset management

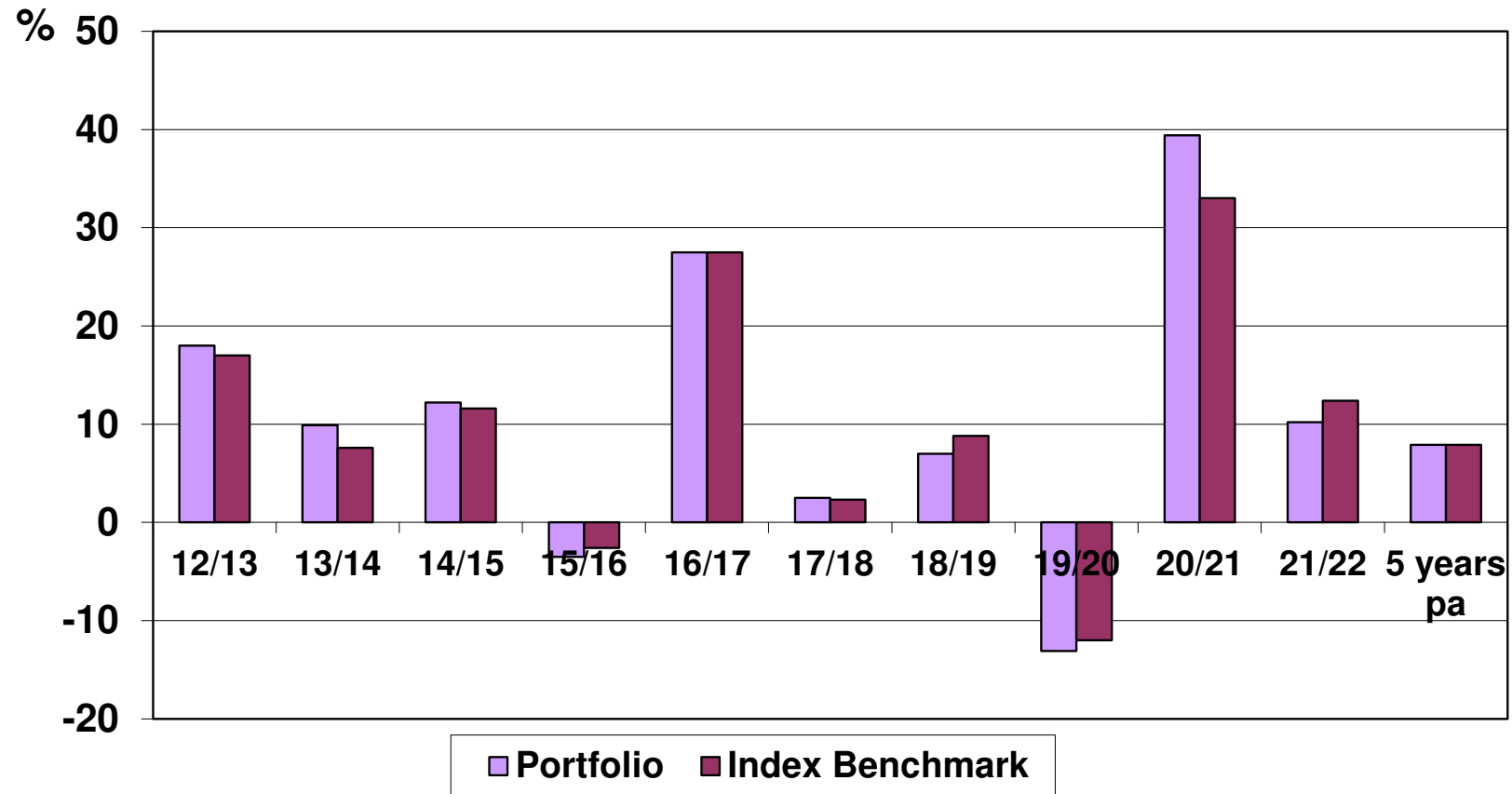
Outcome	Asset class	Allocation ranges	Strategic benchmark	
Growth	Listed and Private Equity	55% to 65%	65% FTSE World ex UK. 35% FT Allshare	60%
Inflation protection	Property, Infrastructure* and Index linked fund	18% to 35%	CPI	28%
Income only	Fixed income	5% to 15%	FTSE UK All Stock	10%
Liquidity	Cash, short term bonds	0% to 10%	SONIA	2%

# Core Index – Equities



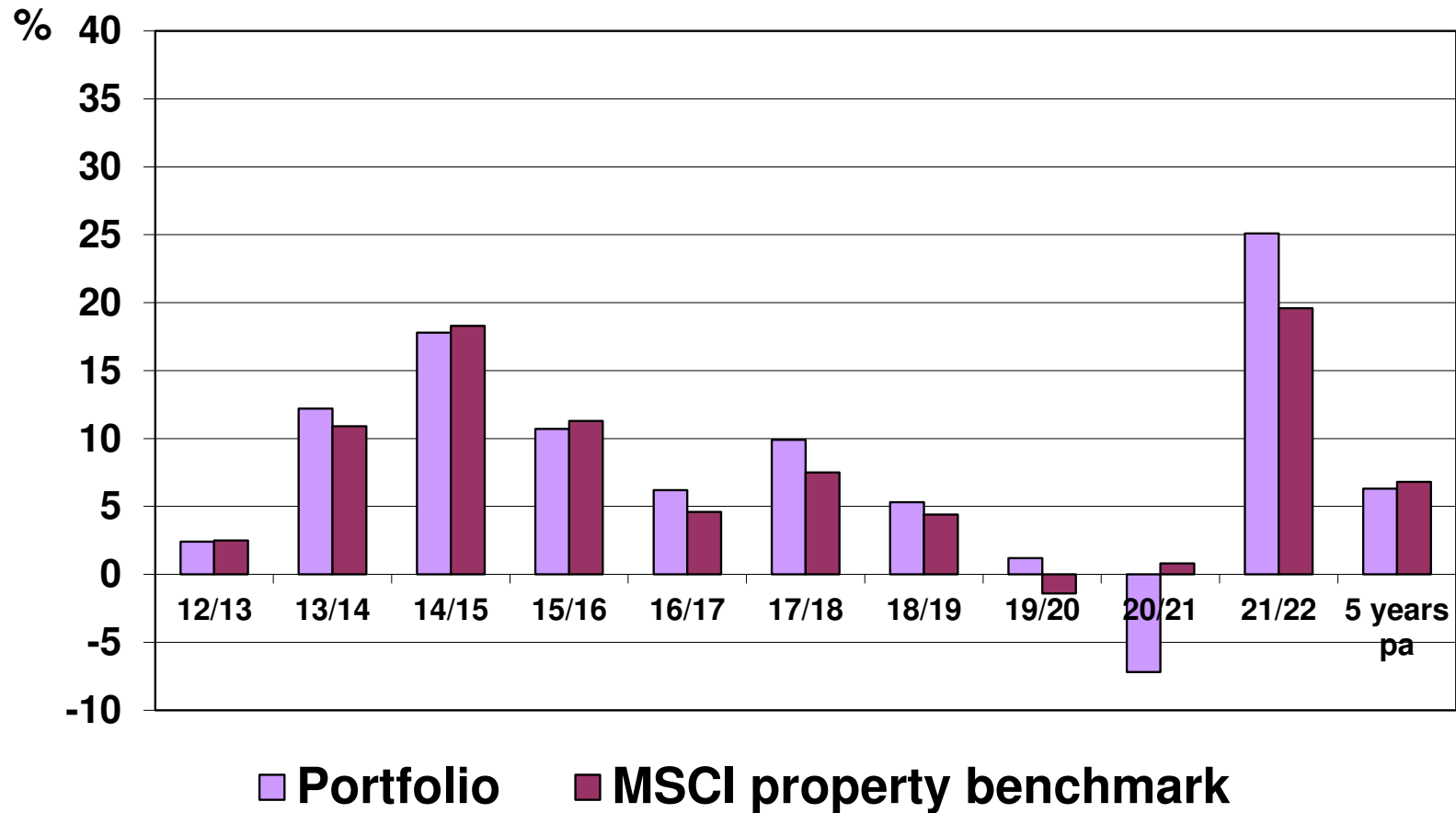
Performance target – to be within  $\pm 0.3\%$  of benchmark

# Schroders – Equities



Performance target – to beat benchmark by 1% (net of fees)

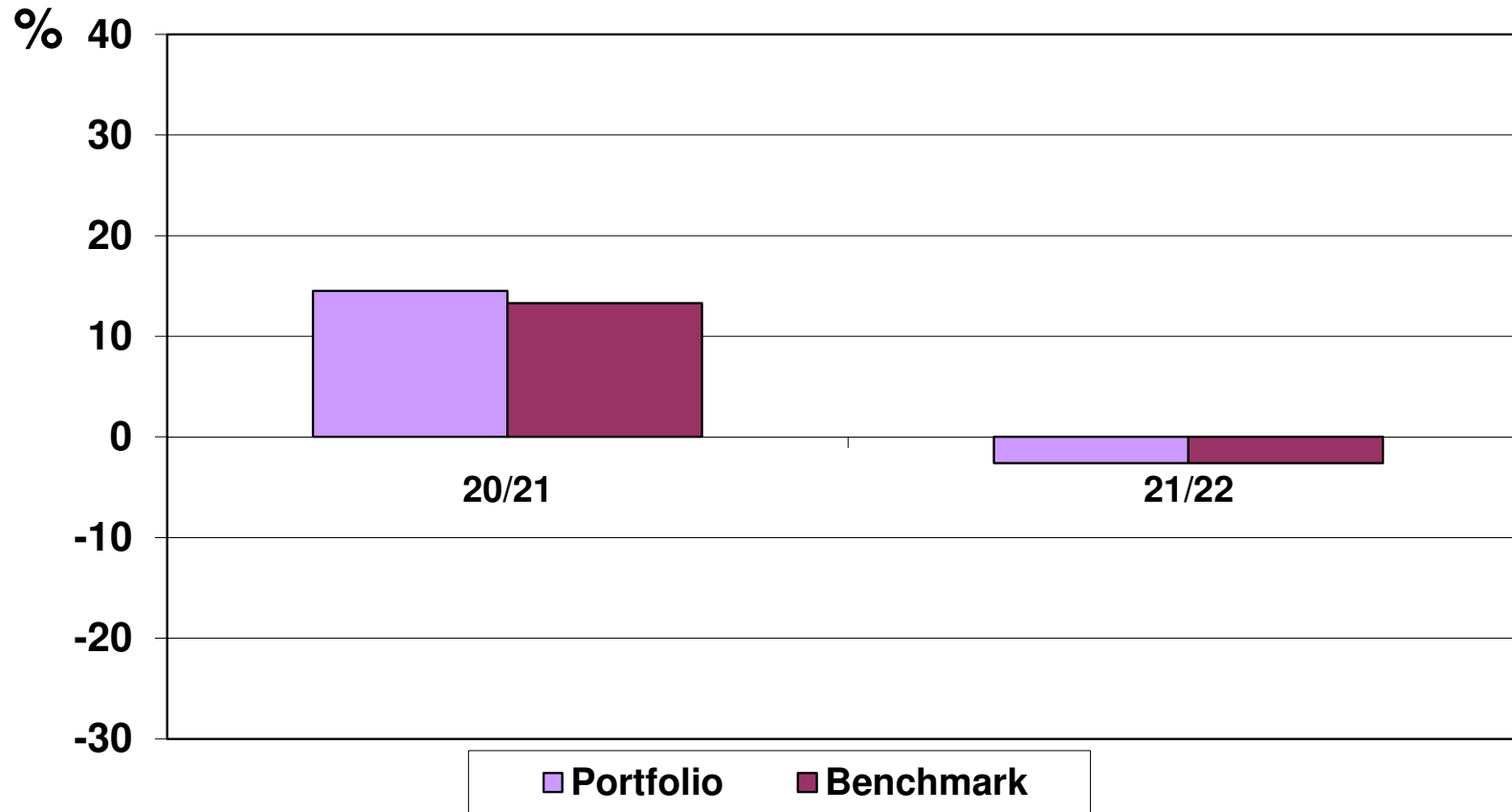
# Abrdn – Property



Performance target (since 2014) – to achieve 6.5% pa on long-term basis



# LGPS Central

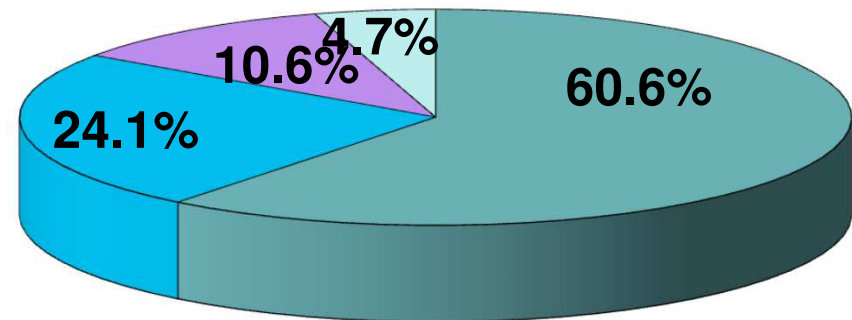


# Asset allocation

It is widely recognised that asset allocation is the most important factor in driving long term investment returns.

Asset Class	Allocation Ranges
Growth	55% to 65%
Inflation Protection	18% to 35%
Income	5% to 15%
Liquidity	0% to 10%

Actual Allocation  
31 March 2022



# Summary

- The recovery following the global pandemic continued, but increased volatility has been experienced.
- The fund's net assets increased during 21/22
- Total returns over 5 years are ahead of the actuary's assumed return
- Asset allocation is the most important factor in driving long term investment returns