

Investment Performance

Tamsin Rabbitts

Head of Pension Fund Investments



**Nottinghamshire
County Council**

Agenda

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

Investment returns to 31 March 2024

	1 year		3 years		5 years	
	Fund	BM*	Fund	BM*	Fund	BM*
	%	%	% pa	% pa	% pa	% pa
Listed Equities	12.9	16.8	7.1	9.8	8.0	9.4
Property	2.4	-1.0	2.5	1.1	0.9	0.8
Bonds	8.7	6.3	-0.6	-2.8	-0.2	-1.3
Total Fund	8.5	11.5	4.8	7.2	5.6	7.2

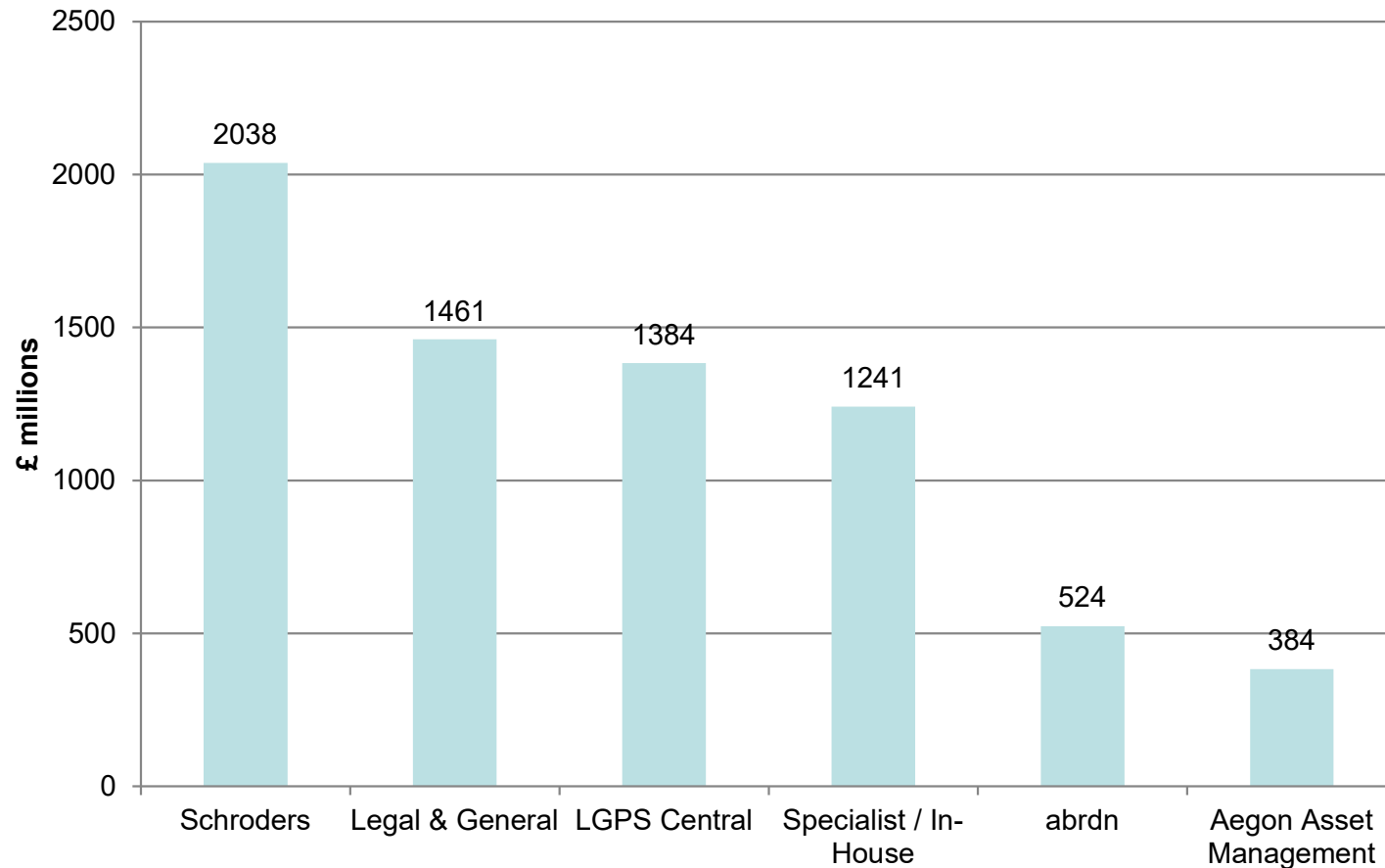
Source: Ortec

BM* Benchmark or for Property, the market comparator

Target return on assets 5.5% p.a. Discount rate 4.7%

Management arrangements as at 31 March 2024

Portfolio Structure

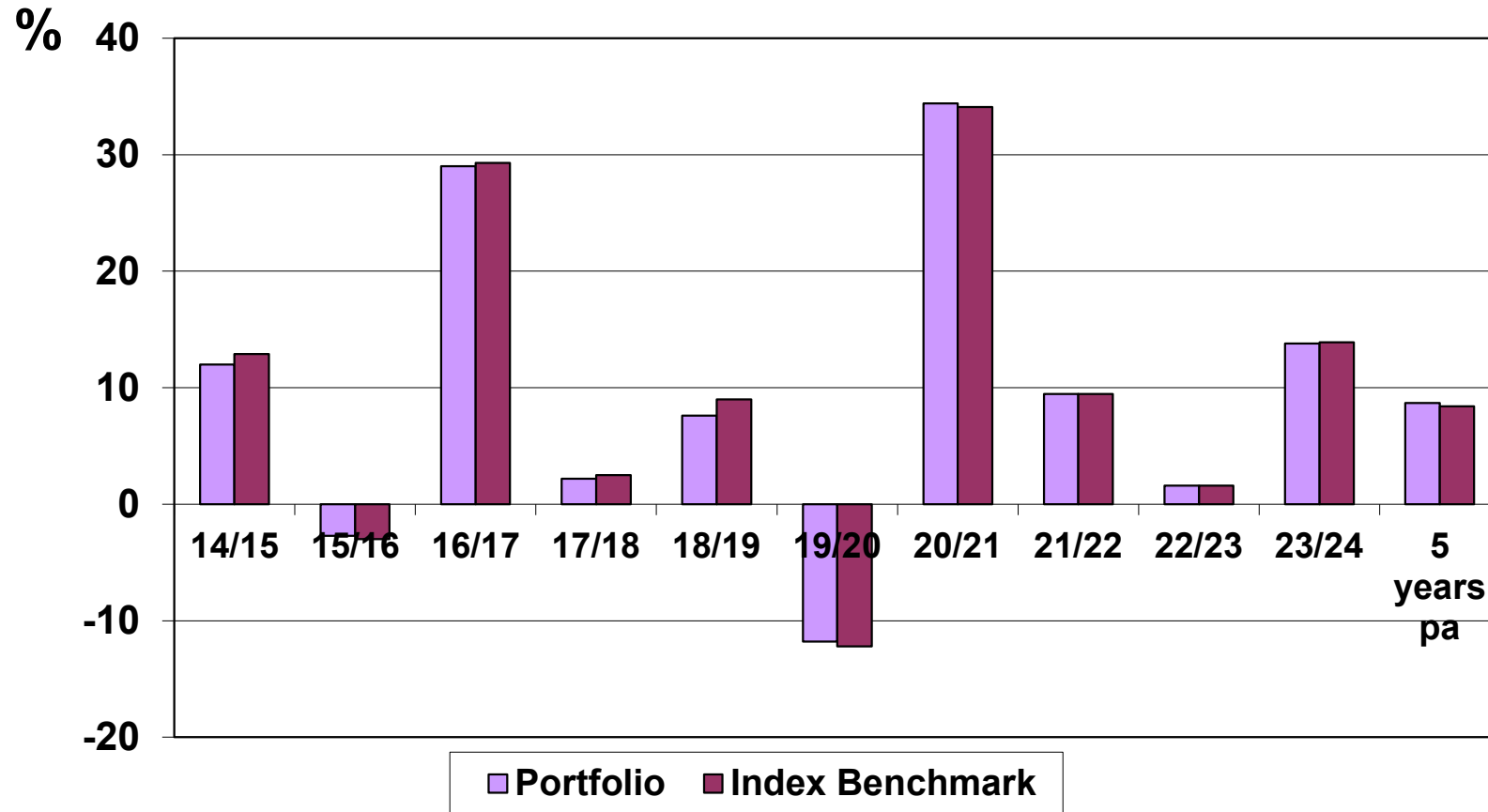


Strategic benchmark

- 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

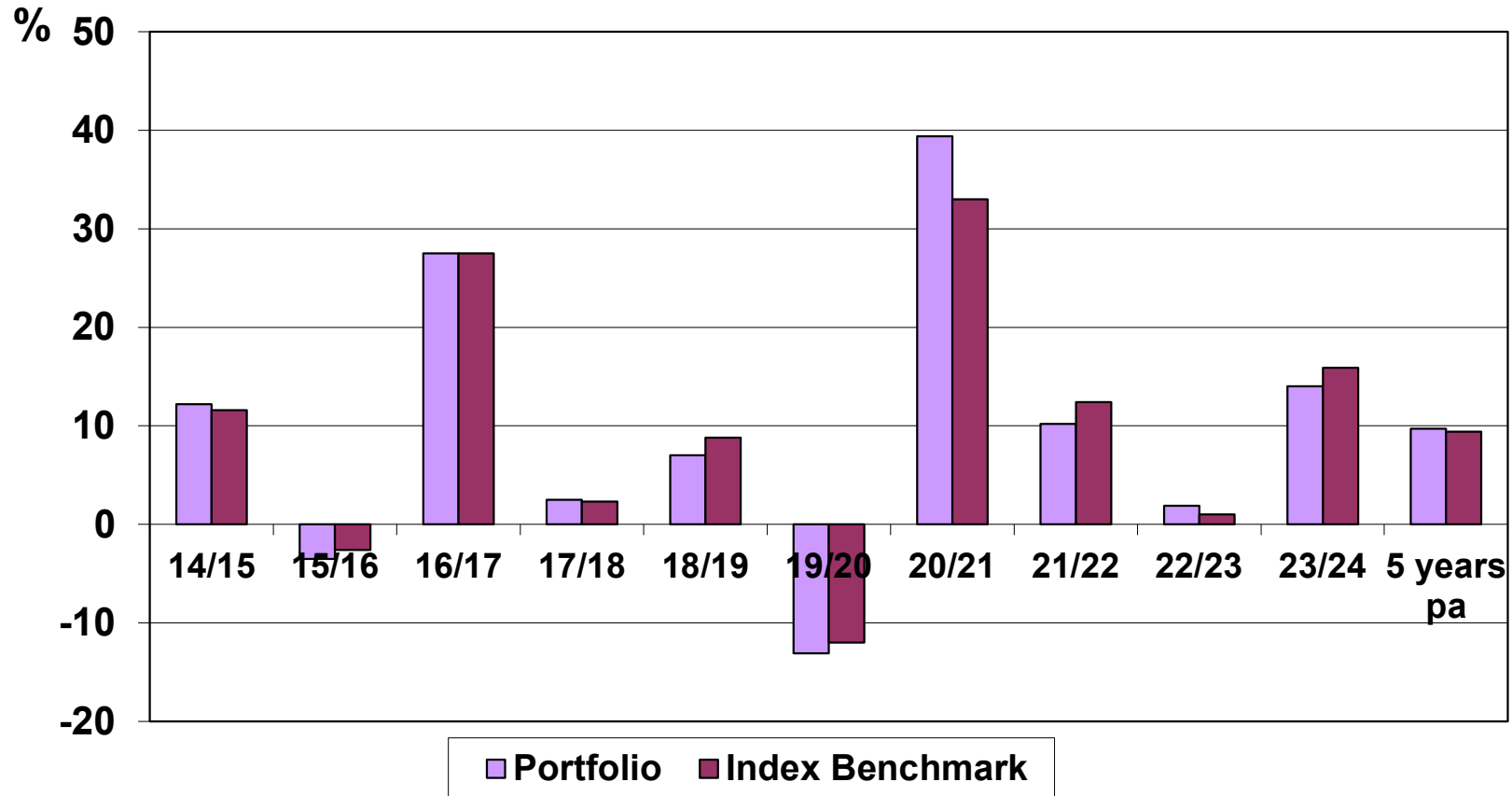
Outcome	Asset class	Allocation ranges	Strategic benchmark	
Growth	Listed and Private Equity	47% to 67%	65% FTSE World ex UK. 35% FT Allshare	57%
Inflation protection	Property, Infrastructure* and Index linked fund	23% to 33%	CPI	28%
Income only	Fixed income	6% to 16%	FTSE UK All Stock	11%
Liquidity	Cash, short term bonds	0% to 10%	SONIA	4%

Core Index – Equities



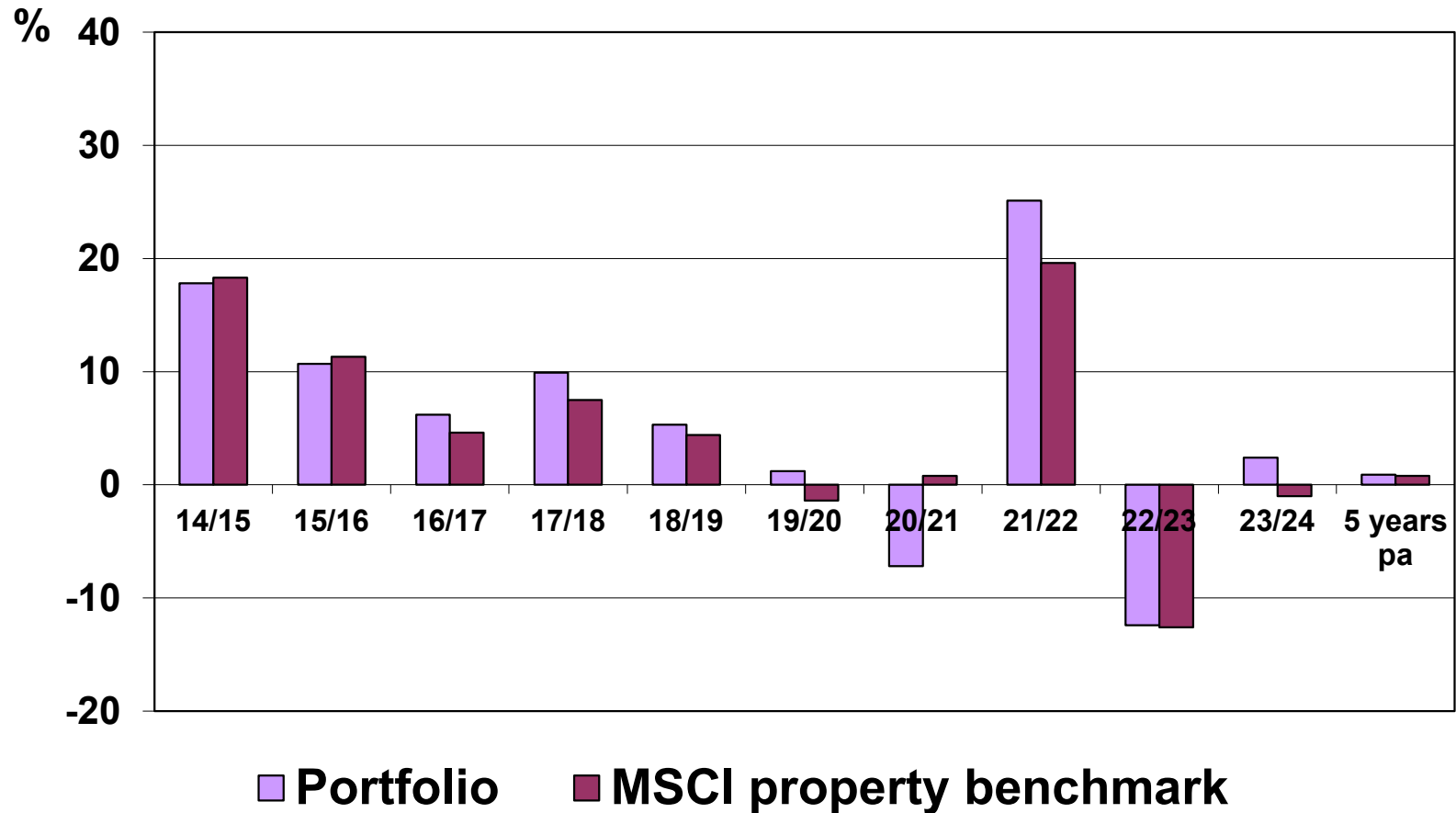
Performance target – to be within $\pm 0.3\%$ of benchmark

Schroders – Equities



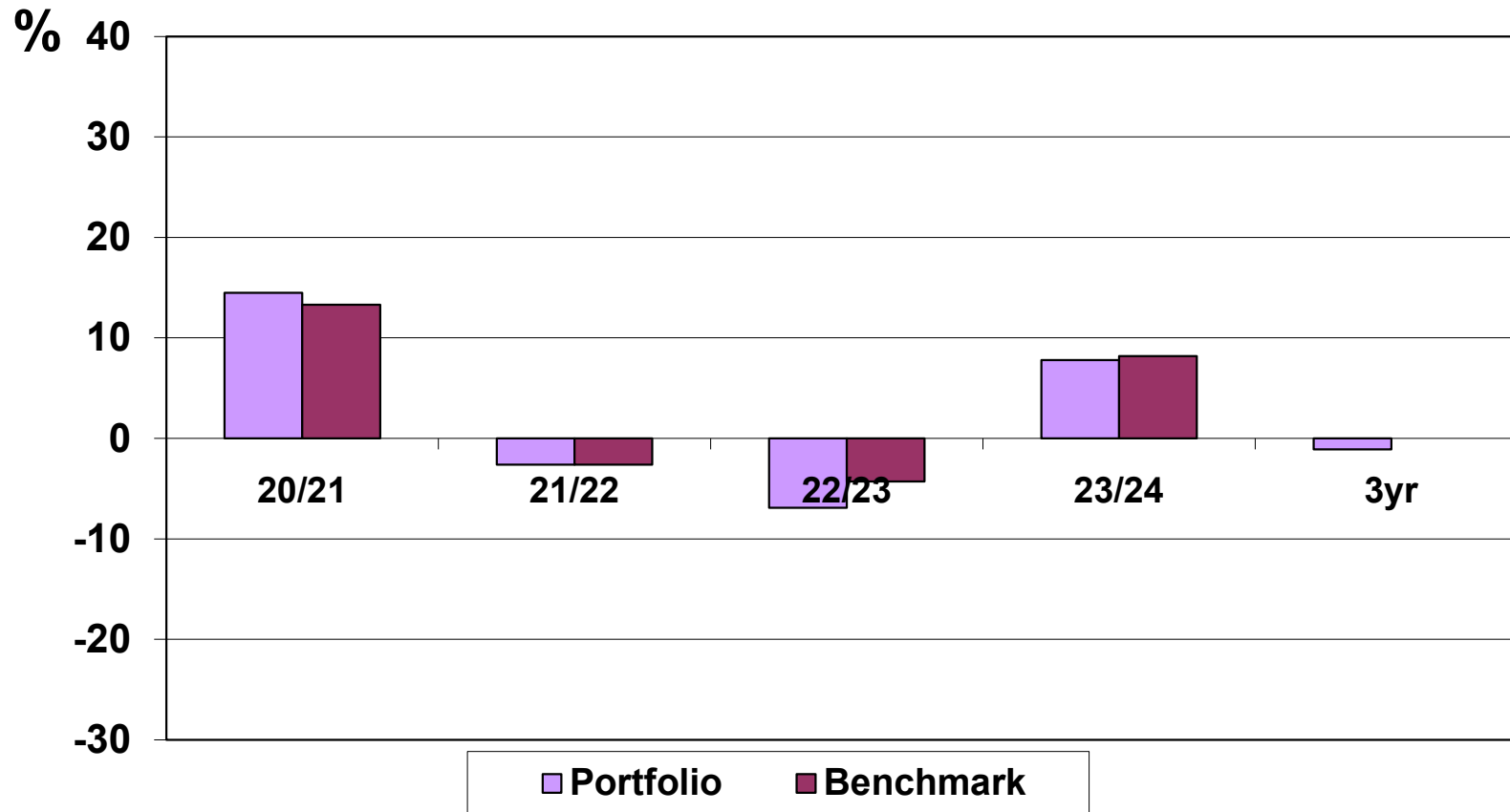
Performance target – to beat benchmark by 1% (net of fees)

Abrdn – Property



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

LGPS Central

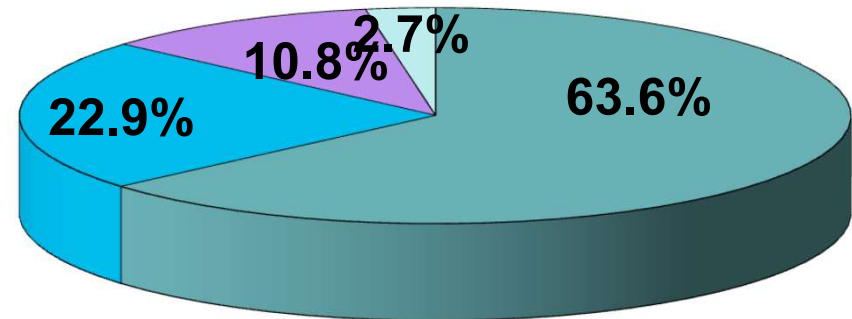


Asset allocation

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

Asset Class	Allocation Ranges
Growth	47% to 67%
Inflation Protection	23% to 33%
Income	6% to 16%
Liquidity	0% to 10%

Actual Allocation
31 March 2024



Summary

- The Fund's net assets increased during 23/24
- Total returns over 5 years remain ahead of the actuary's assumed return
- Asset allocation is the most important factor in driving long term investment returns