

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 2021

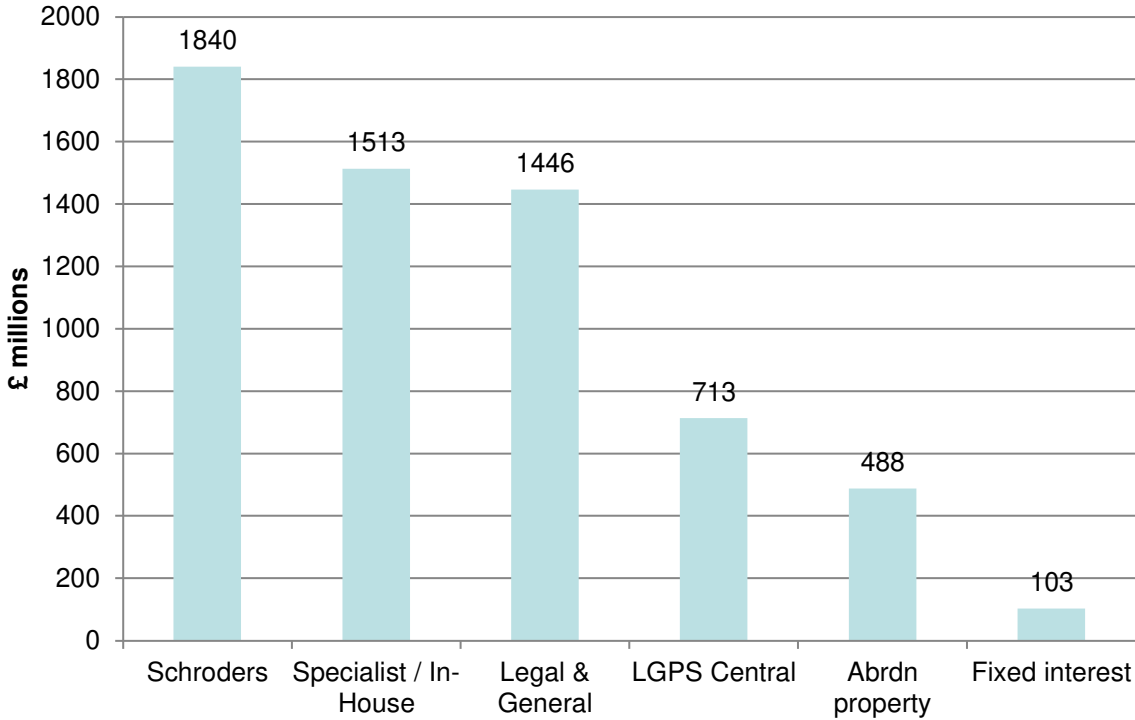
	1 year		3 years		5 years	
	Fund	BM	Fund	BM	Fund	BM
	%	%	% pa	% pa	% pa	% pa
Equities	38.4	33.8	8.3	8.6	11.2	11.0
Property	-4.9	0.8	0.4	1.6	3.6	3.8
Bonds	2.1	-5.5	3.6	2.5	4	2.9
Total Fund	21.8	20.0	6.5	5.9	8.8	7.9

Source: Performance Evaluation

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

Management arrangements as at 31 March 2021

Portfolio Structure 2020/21

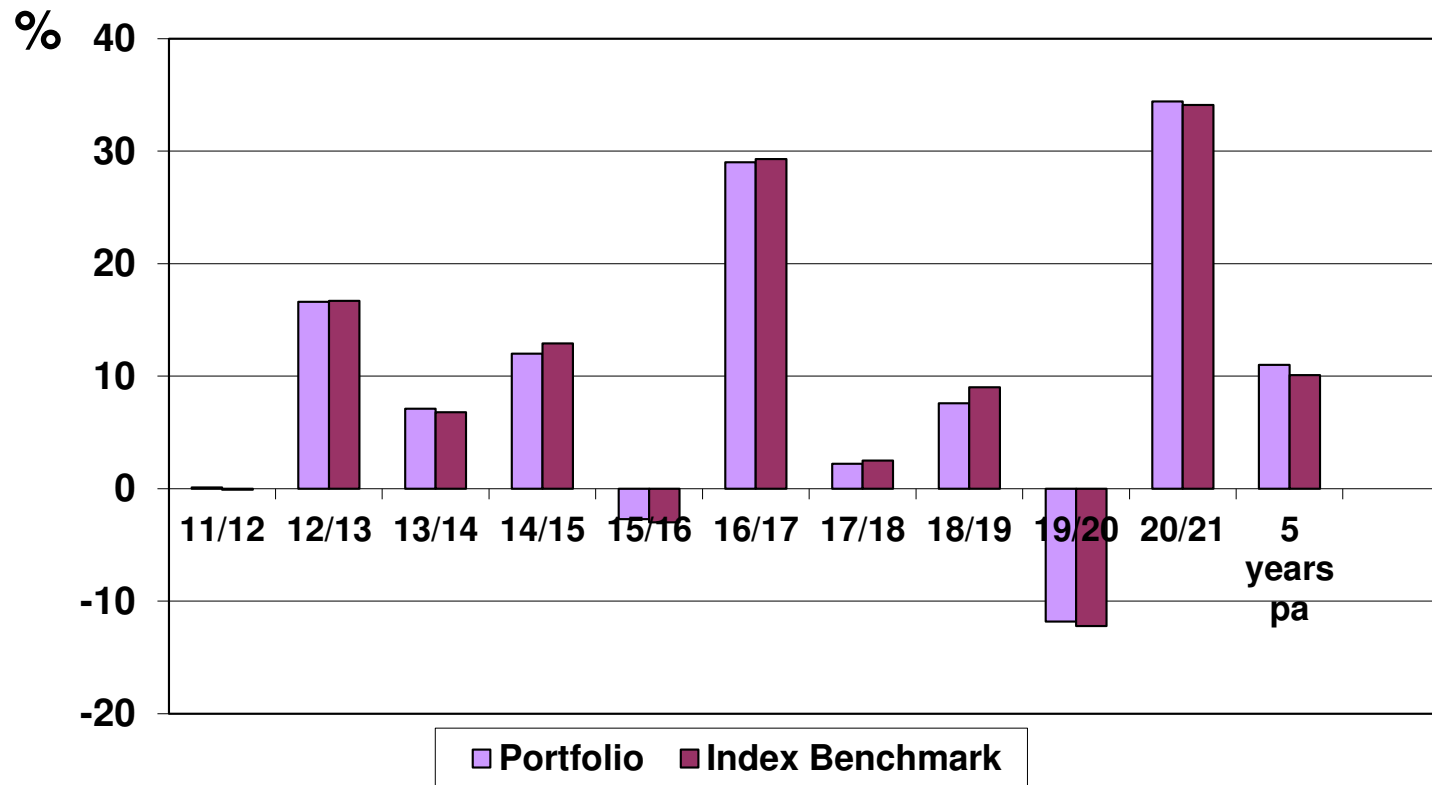


Strategic benchmark

- 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

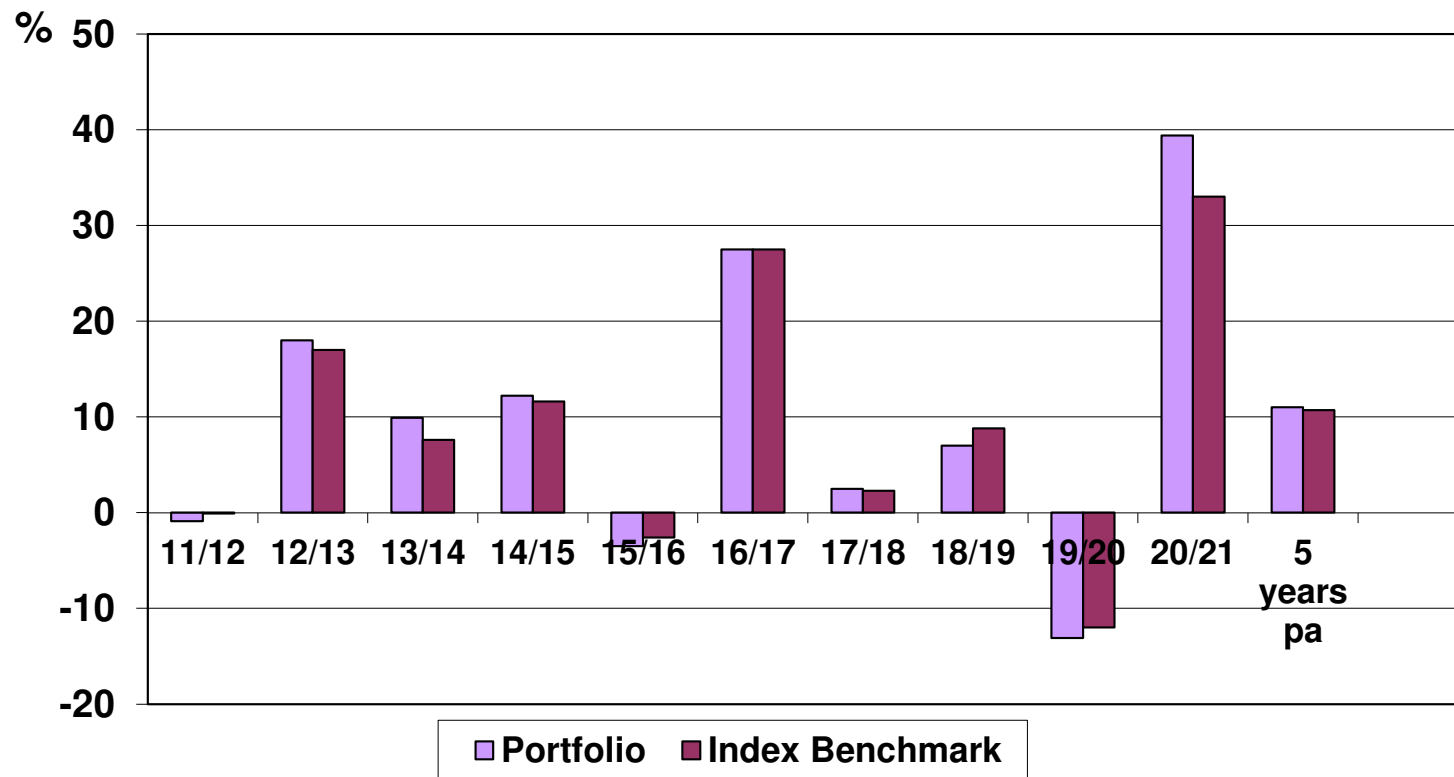
Outcome	Asset Class	Allocation Ranges	Strategic Benchmark	
Growth	Listed and Private Equity	57.5% to 67.5%	55% FTSE All World ex UK 45% FTSE All Share	60%
Income and inflation protection	Property and Infrastructure	15% to 25%	IPD Annual	23%
Income only	Fixed income	5% to 15%	FTSE UK All Stock	10%
Inflation protection only	Index linked fund	3% to 15%	RPI	5%
Liquidity	Cash, short term bonds	0% to 10%	LIBID 7 Day	2%

Core Index – Equities



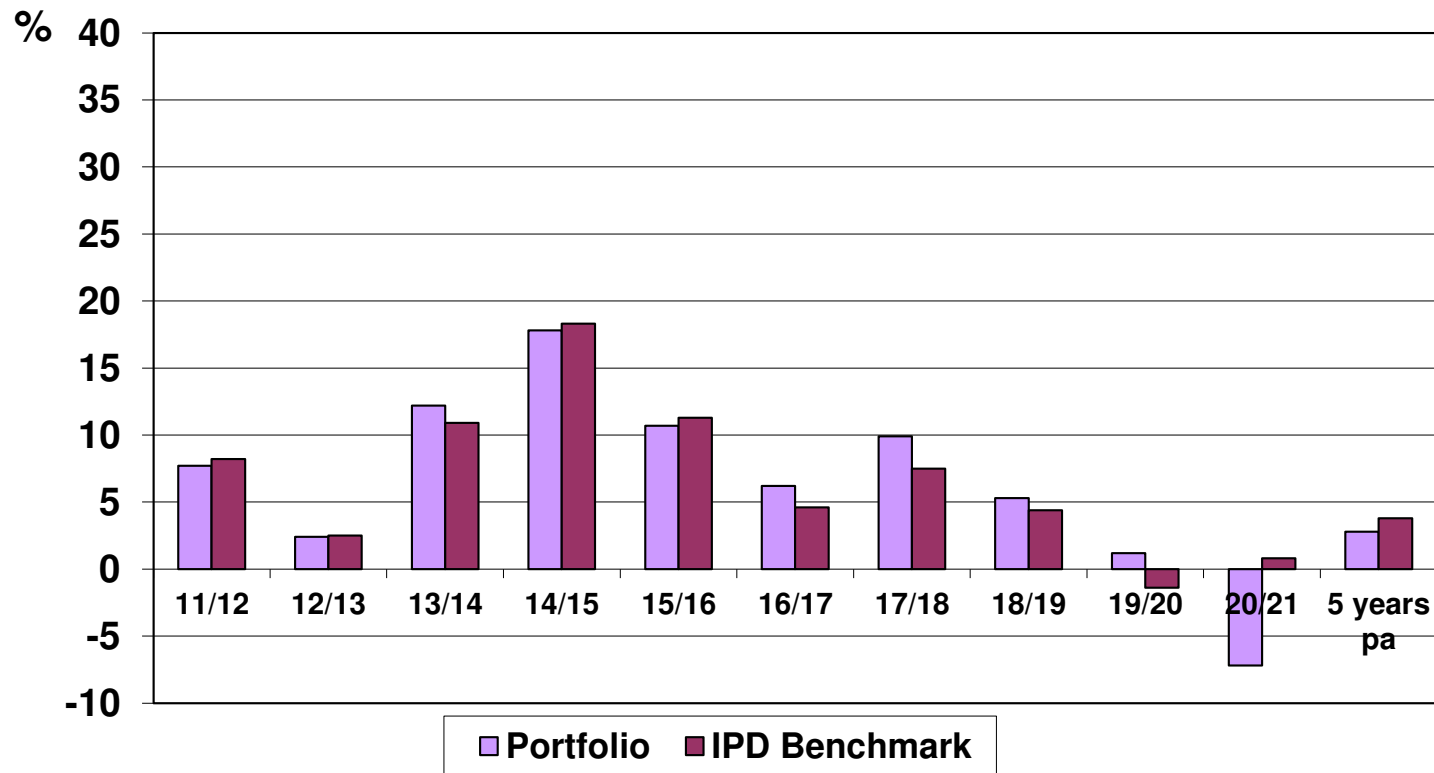
Performance target – to be within $\pm 0.3\%$ of benchmark

Schroders – Equities



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

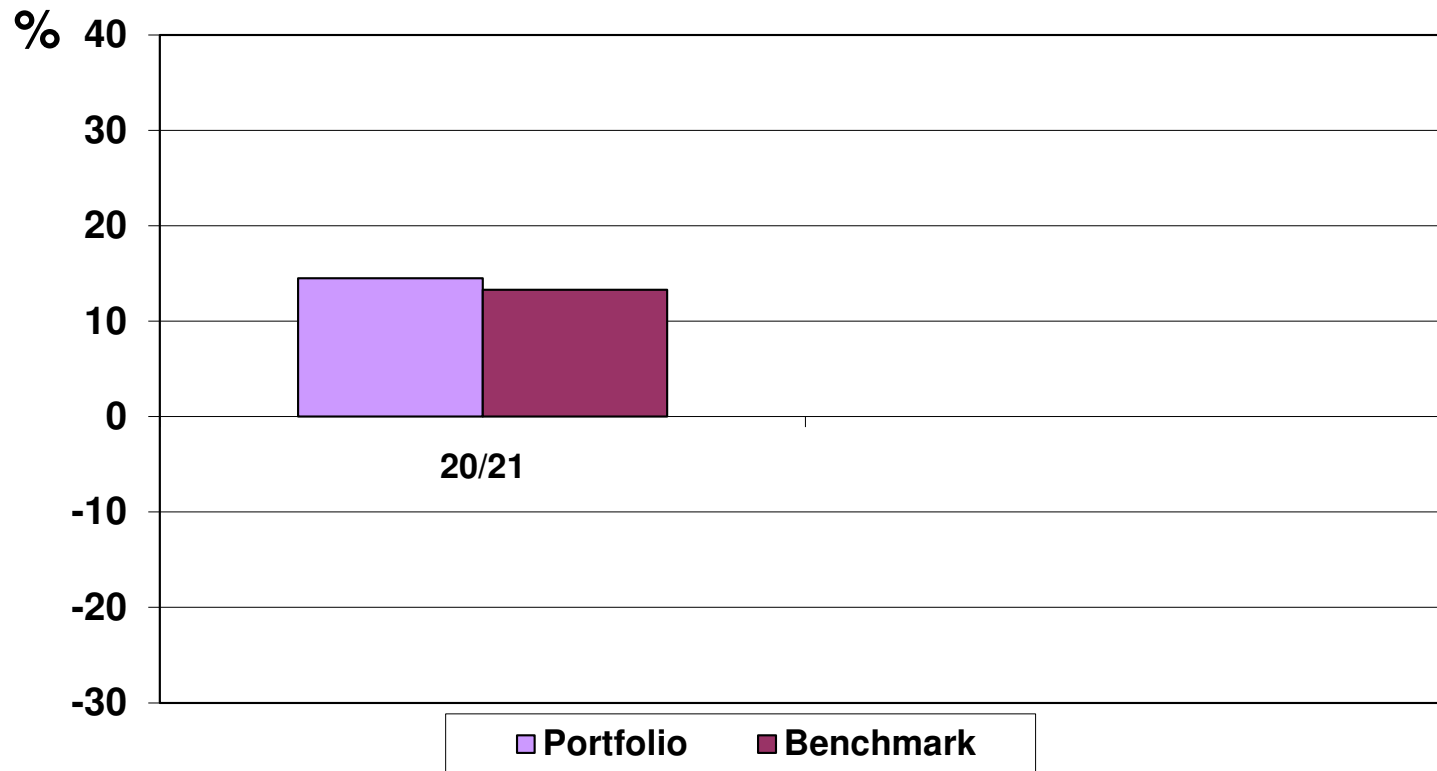
Abrdn – Property



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







LGPS Central

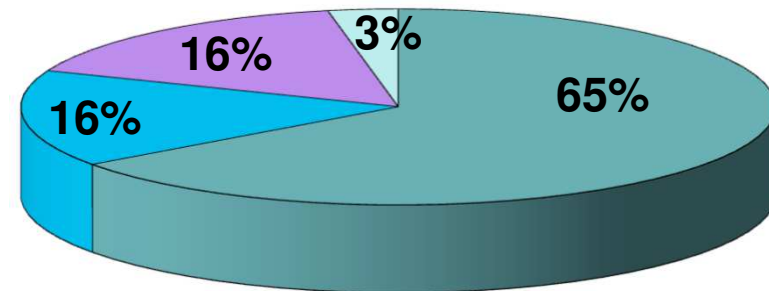


Asset allocation

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

Asset Class	Allocation Ranges
Equities 	57.5% to 67.5%
Property & Infra 	15% to 25%
Bonds 	8% to 30%
Cash 	0% to 10%

Actual Allocation
31 March 2021



Summary

- Low valuations at the last year end due to the market fluctuations caused by the global pandemic have recovered.
- Consequently the fund's net assets increased significantly during 20/21
- 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