

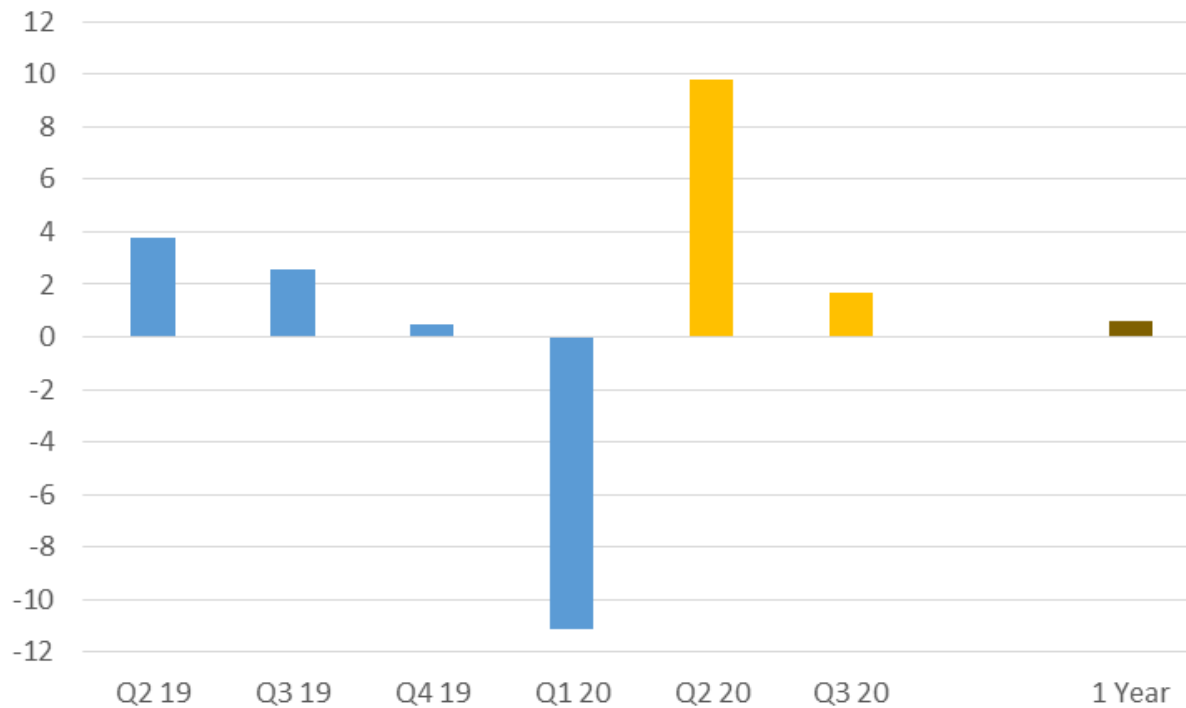


Performance to September 2020

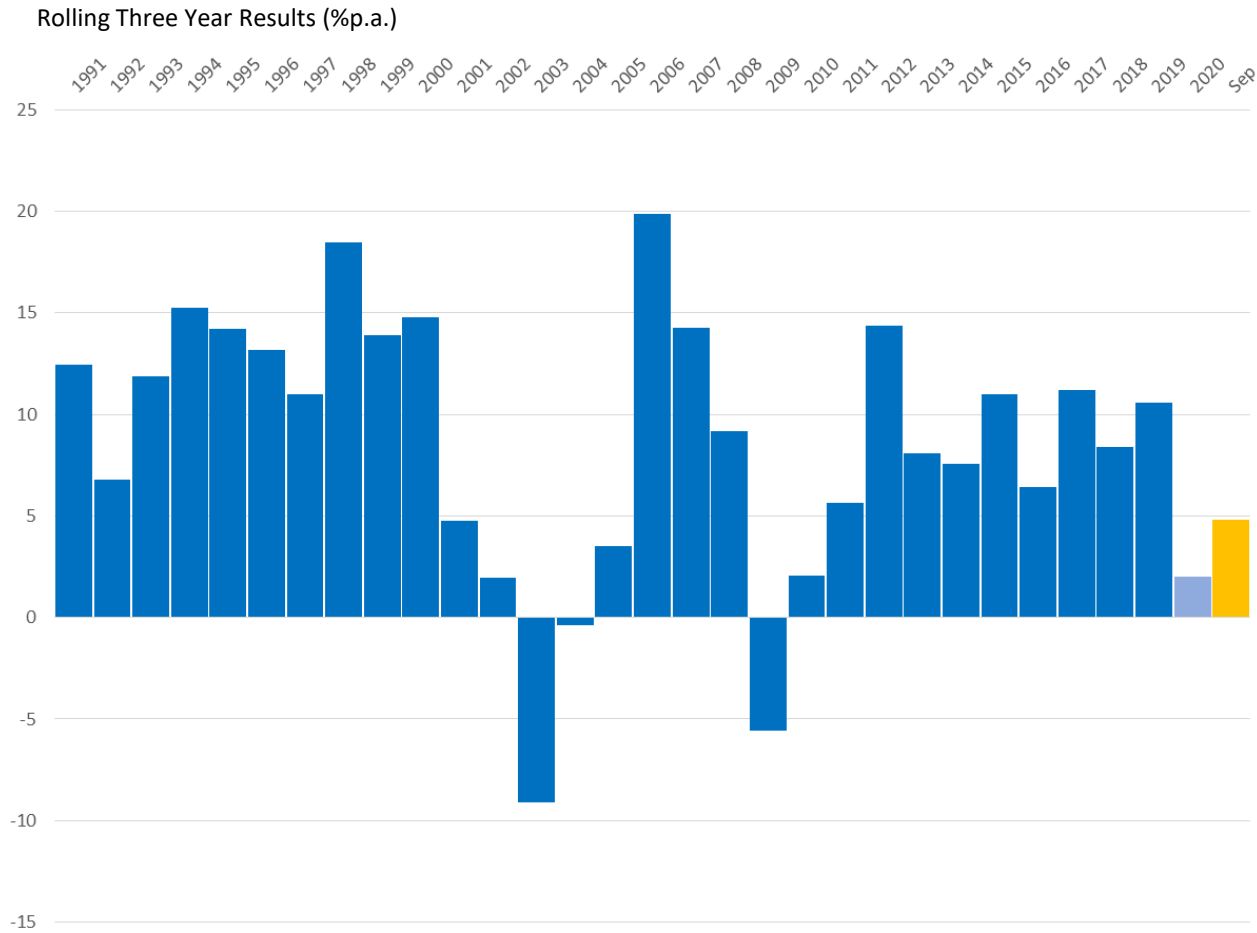
20<sup>th</sup> January 2021

Karen Thrumble & Neil Sellstrom

# Short and Sharp

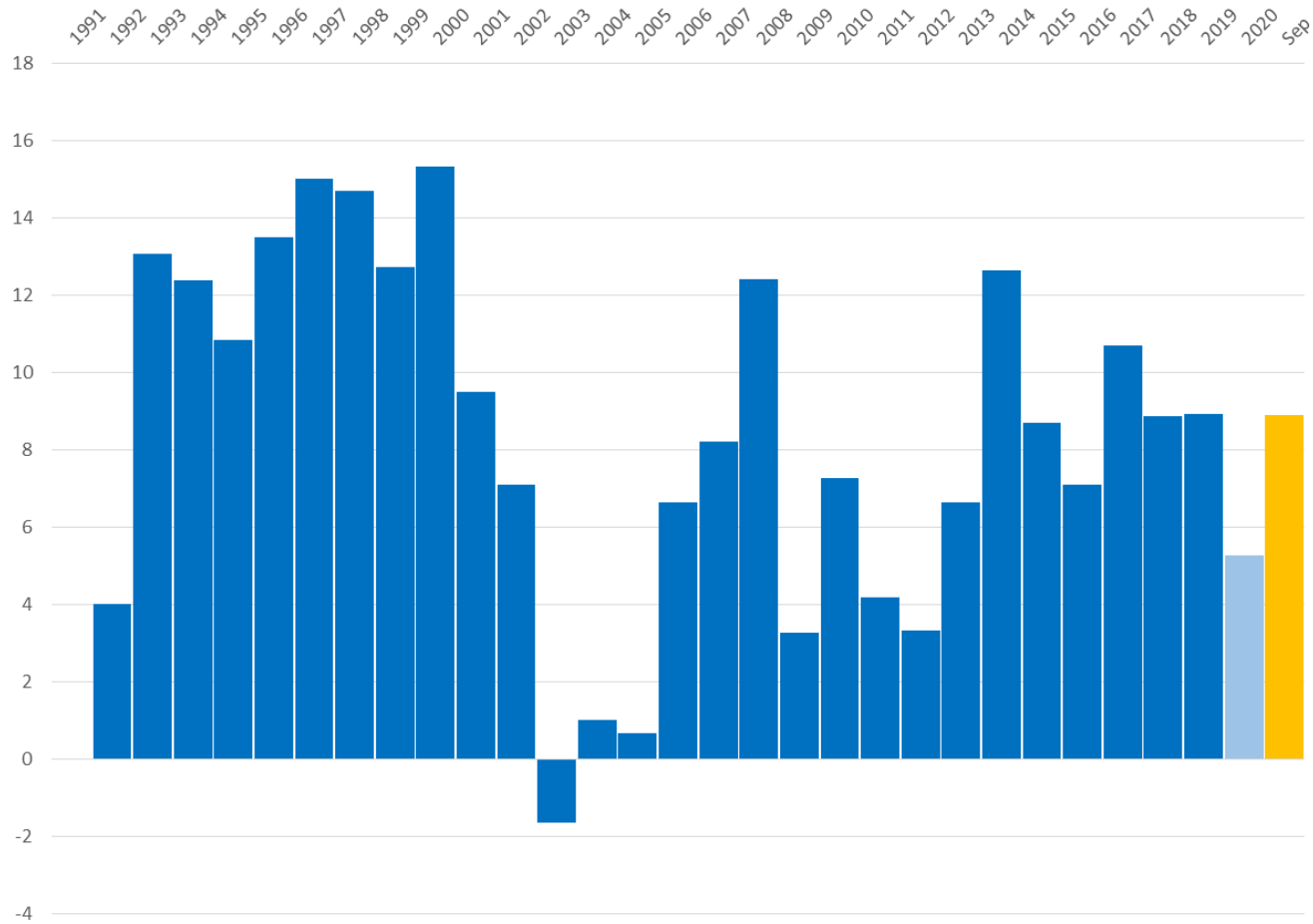


# Longer Term Results

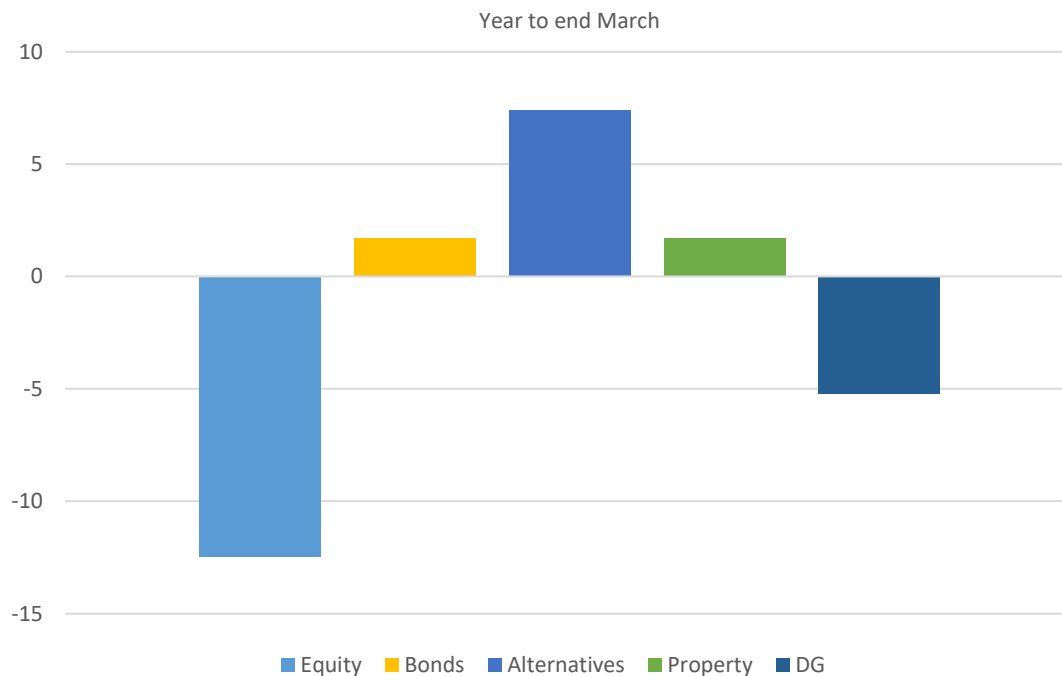


# Five Year Results Back in Line

Rolling Five Year Results (%p.a.)



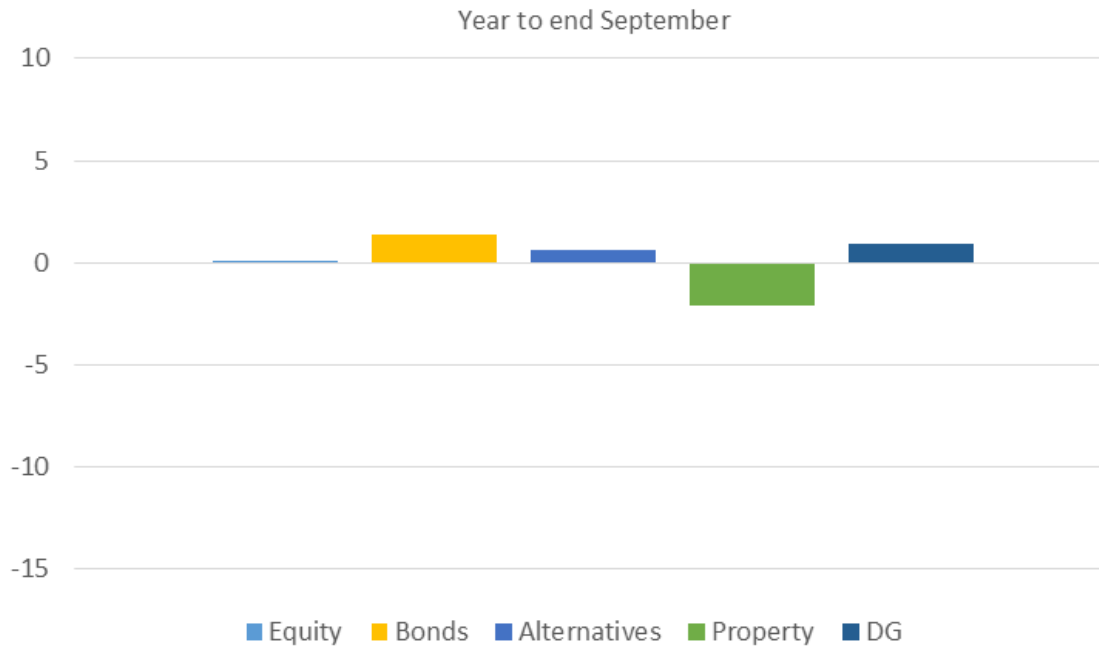
# Asset Class Performance to end March



The successful asset allocation for fiscal 2019/20:

- Low exposure to equities
- Equity protection
- High level of alternatives – particularly private equity

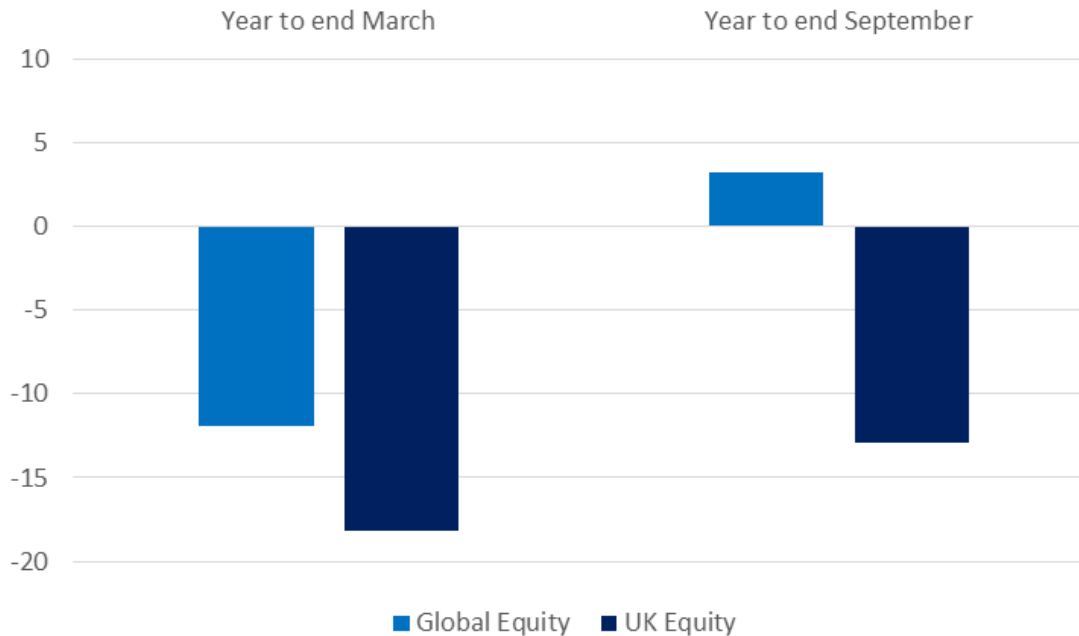
# Asset Class Performance to end September



Over the 12 months to September asset class returns came closely into line.

High level asset allocation decisions have had relatively little impact.

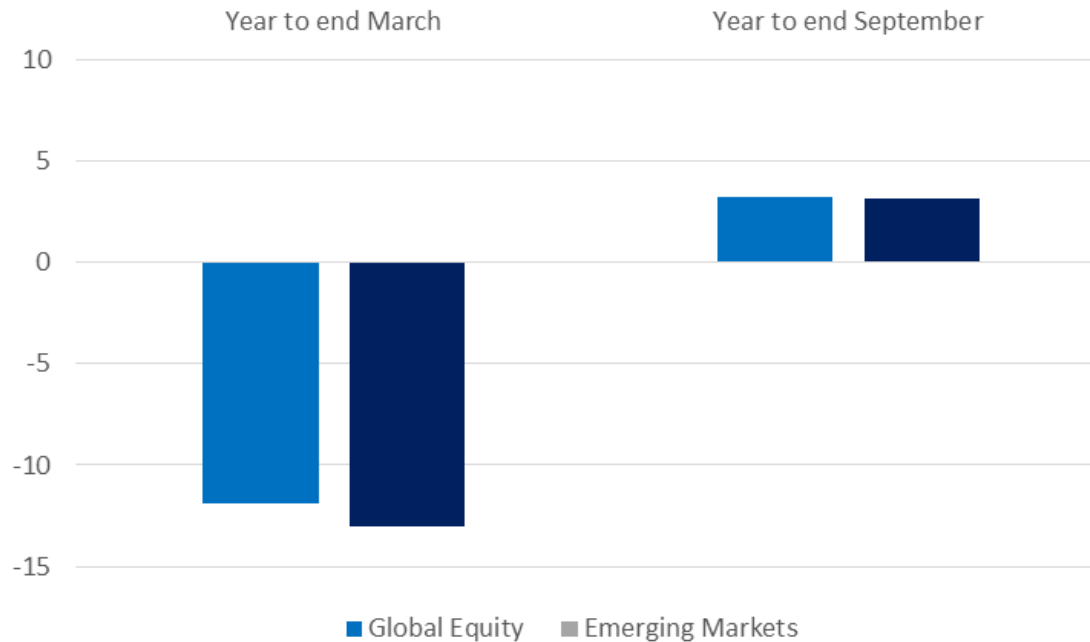
# UK Equities Still Trail Badly



While Global Equities have recovered strongly over the six months to September UK equity returns are still deeply negative.

Funds with a relatively high allocation to the UK will have produced returns well behind their peers.

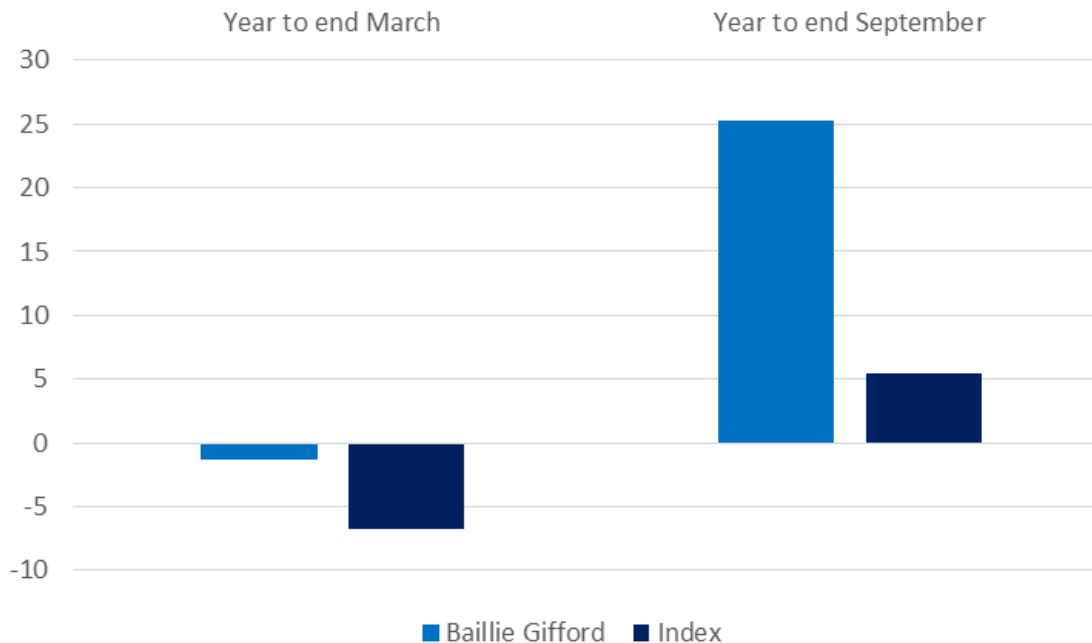
## But Emerging Markets Are In Line



Emerging markets had trailed developed markets over the fiscal year but are now back in line.

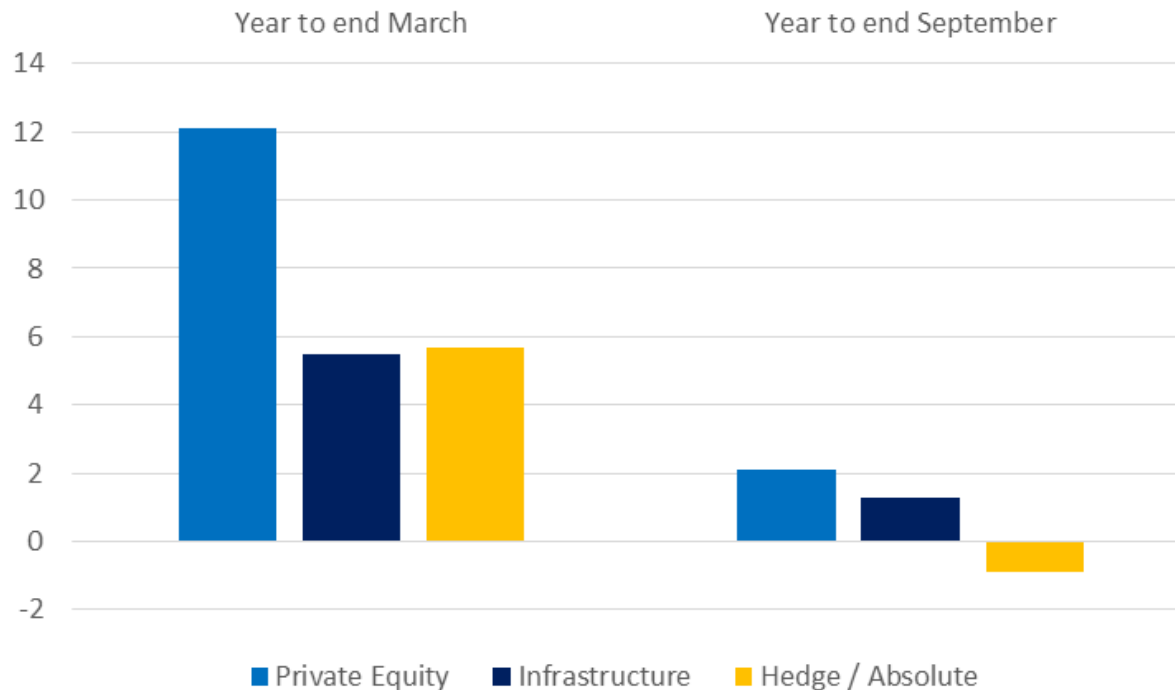


# Global Equities – Manager Selection Key



- Managers who outperformed over the 12 months to March generally outperformed over the period to September too. The same was true for the underperforming managers. Value strategies did particularly badly and Baillie Gifford performance remained exceptional.

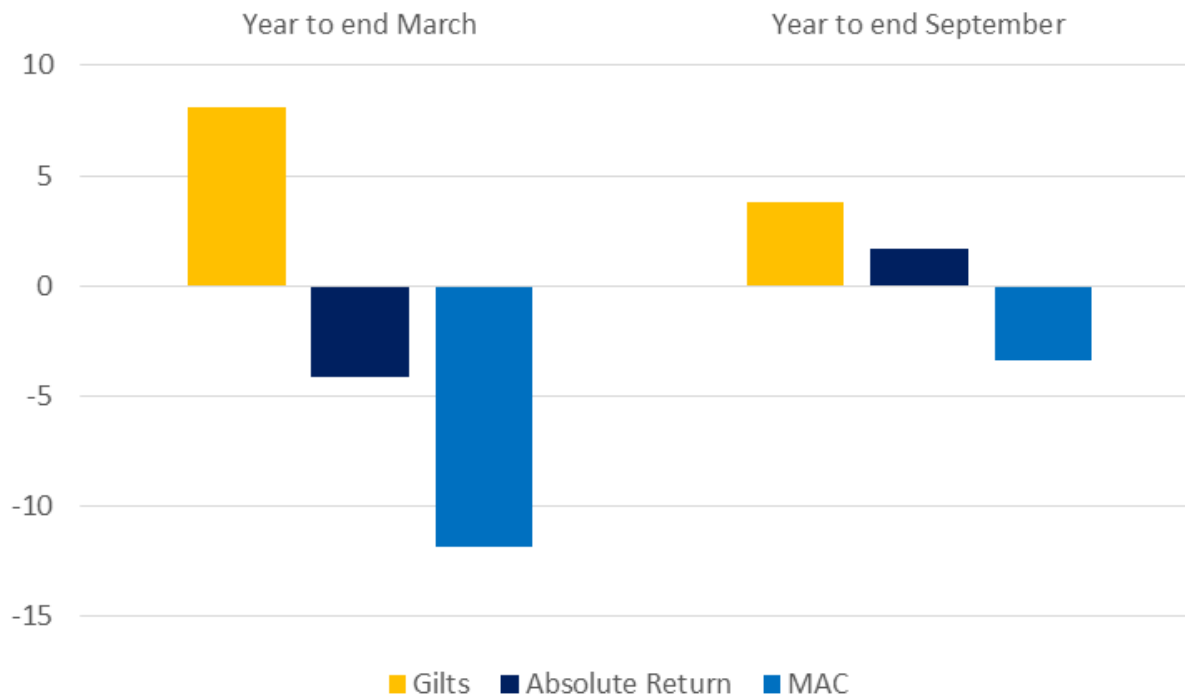
# Revaluations Reduced Alternative Results



Private equity had been the best performing asset in the fiscal year but as assets were revalued in the wake of COVID returns were sharply reduced.

A smaller correction was seen in infrastructure and hedge fund assets.

# Alternative Bond Strategies Still Struggle

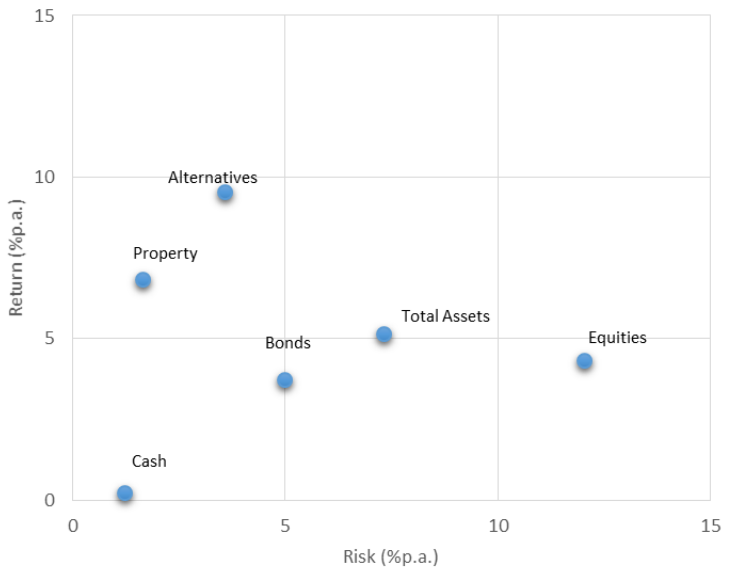


In the year to March both absolute bond strategies and Multi Asset Credit delivered negative results.

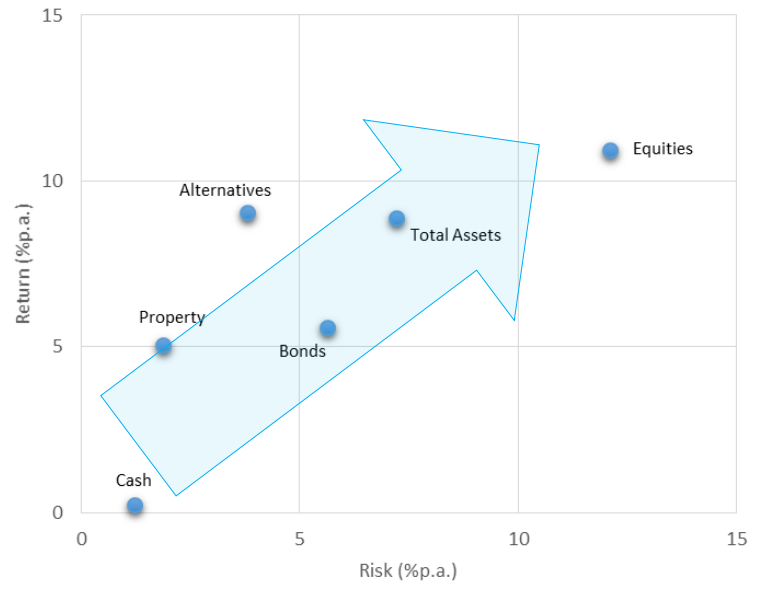
The returns to end September improved but are still behind those achieved from conventional Gilt portfolios.

# Risk Reward Relationship Reappearing

Five Years to March Risk and Return (%p.a.)

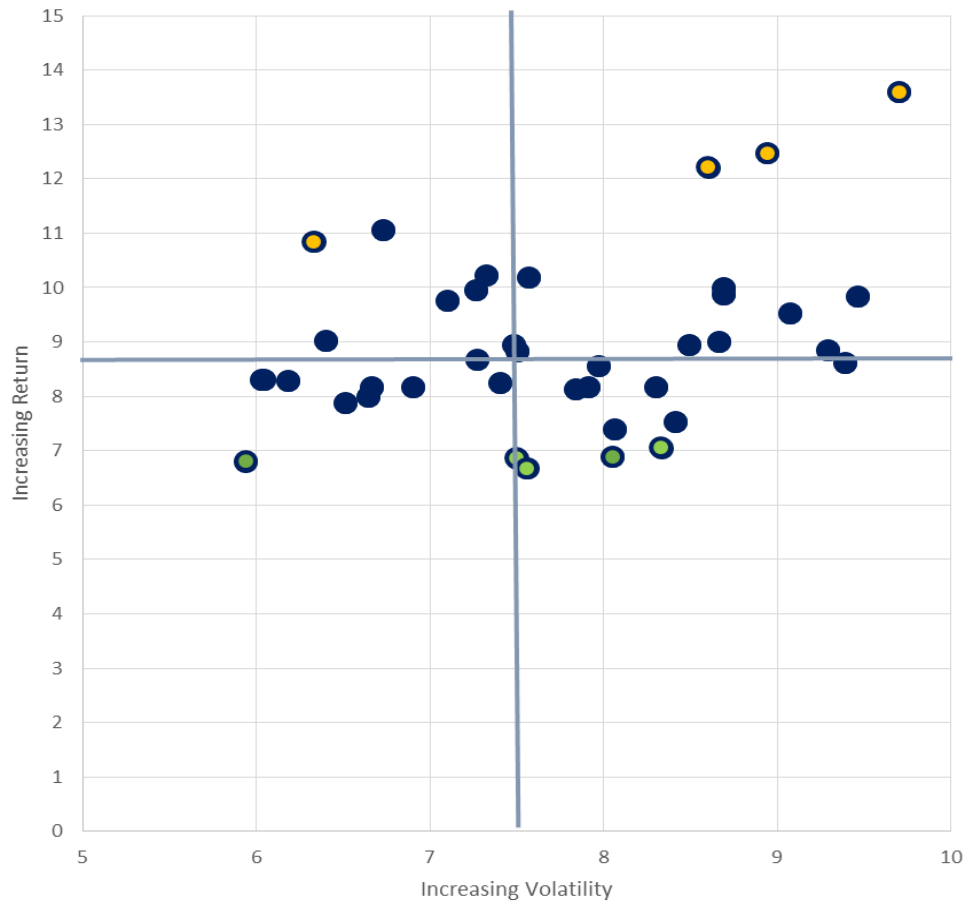


Five Years to September Risk and Return (%p.a.)



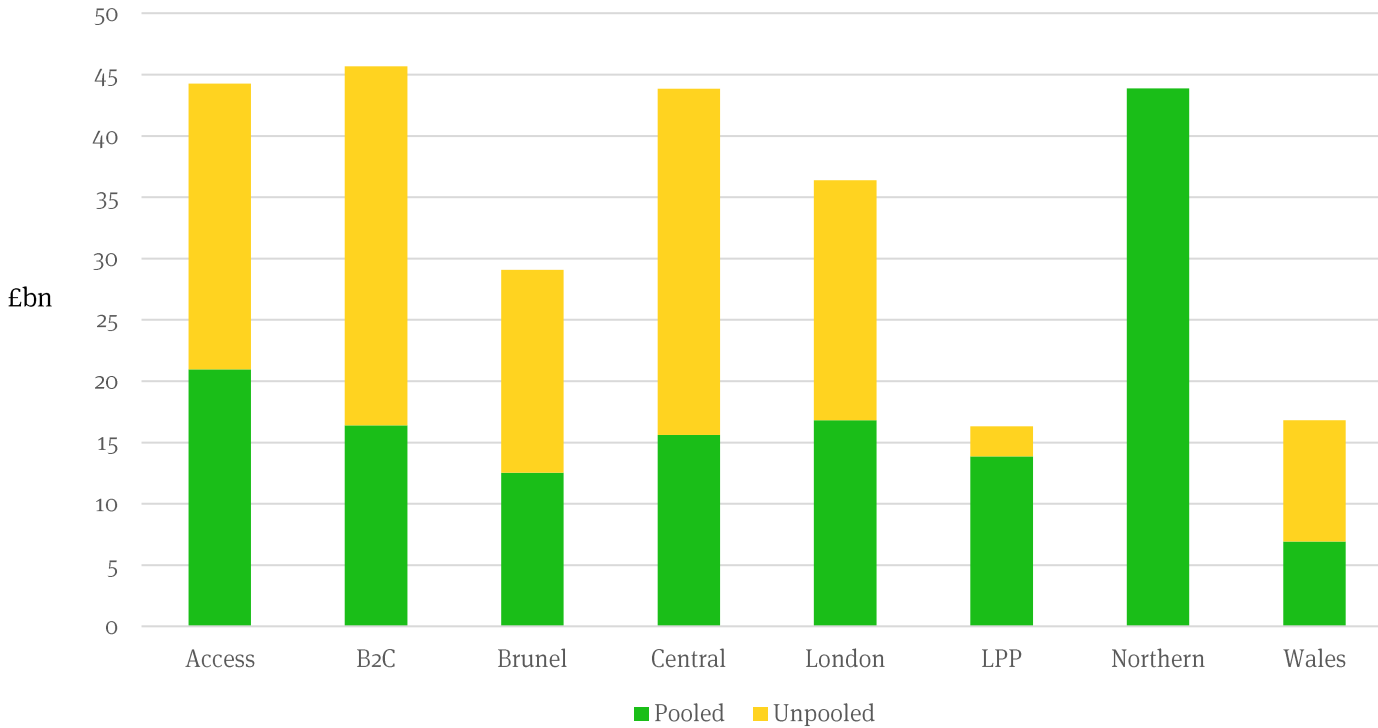
# Top and Bottom remain constant

Five Years to September Risk and Return (%p.a.)



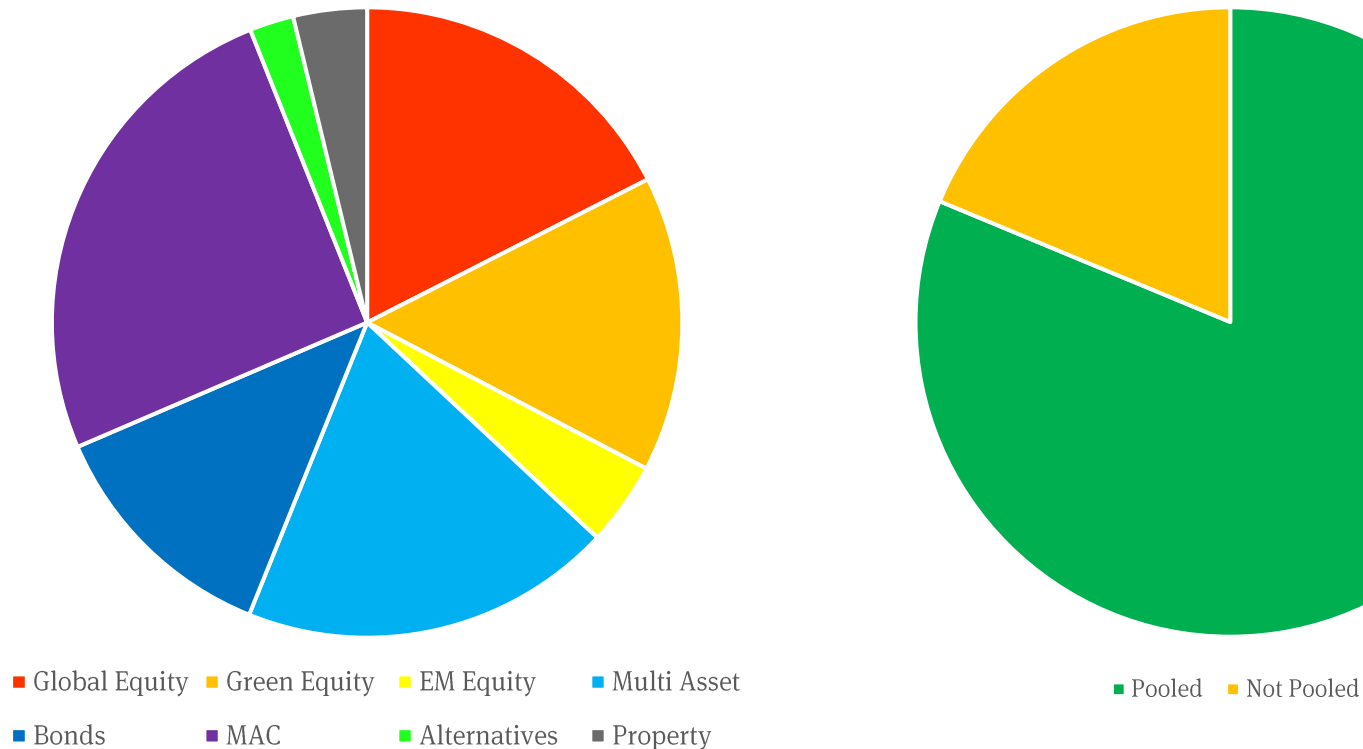
# Progress on pooling assets

Pooling progress 31/03/20



All Pools have now made significant progress in pooling assets. More than half of all assets now classed as “pooled”.

## New Mandates April – September 2020 (£5.5bn)



Over three quarters of new mandates were under ‘pooled’ structures. MAC was the most popular new asset class but also moves into ‘green’ equities and diversify asset strategies (Brunel)

This report is intended solely for the use of the participating funds. Whilst individual fund returns and rankings may be used, the report in its entirety should not be copied or distributed beyond these funds.

While all reasonable efforts have been made to ensure the accuracy of the information contained in this document there is no warranty, express or implied, as to its accuracy or completeness. Any opinions expressed in this document are subject to change without notice. The document is for general information only and PIRC Ltd accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

Pensions & Investment Research Consultants Limited (PIRC Ltd) is authorised and regulated by the Financial Conduct Authority (FCA Register number 144331, see FCA register for registration details) and registered in England and Wales No 2300269.