Investment Dashboard at 30 June 2023

1. Investment Strategy

	Objective	Commentary	RAG	Trend
1	**Funding level**	• 97%. Estimated to be c.6% higher over year to 30 June • £155m deficit		⇧
2	**Investment Performance**	• Behind strategic benchmark over 1 and 3 years		⇩
	Qtr return	• Negative quarter of -0.1% protection assets lead detractor		⇩
	1 Year return	• Behind funding objective at -0.3% p.a.		⇧
	3 Year return	• Behind funding objective at 3.2% p.a.		⇧
3	**Risk Management**			
	LDI	• Trigger framework currently suspended, in process of being reinstated • Hedge ratio c.24% due to LDI assets falling relative to other assets • Mandate performed as expected. Manager in compliance with investment guidelines		⇔
	EPS	• Detracted c.1.19% from equity returns over Q2 2023 • Currently under review – recommendations to be brought to Dec Panel meeting		⇔
	FX	• Additive to returns over 1 year, flat over 3 years		⇔
	Collateral adequacy	• TPR and the Central Bank of Ireland (as the regulator of the QIF) have issued guidance on collateral requirements following significant market volatility in Sept/Oct. • FRMG have worked with the manager to ensure collateral 'headroom' and monitoring levels are in line with current best practice.		⇔
4	**Rebalancing/ cashflow**	• JPM Hedge Fund wind down on track • £125m drawn by Secured Income portfolio (funded from cash) • £100m redemption from core infra mandate to align with SAA		⇔

2. Portfolios

	Objective	Commentary	RAG	Trend
1	Brunel Listed Market portfolios	• Equity portfolio underperformance driven by quality, ESG bias, underweight large tech in Q2 23 • Credit portfolios benefitting from higher yields and favourable lending conditions		⇧

		• Portfolios benchmarked vs cash+ underperform due to higher interest rates – expected to readjust over time		
2	**Private Markets Portfolios**			
	Infrastructure (Brunel)	Performance: n/a - portfolio in build-up Capital deployment: • Cycle 1: 73% • Cycle 2: 31% • Cycle 3: 14%		⟺
	Secured Income (Brunel)	Performance: • Underperformed due to underlying movements in gilt prices causing a softening of values. • Portfolio still well positioned for current environment with high quality tenant base and inflation linked leases. • Cycle 1: 100% • Cycle 2: 100% • Cycle 3: 38%		⟺
	Private Debt (Brunel)	Performance: n/a – portfolio in build-up New Commitments: Cycle 2 fully committed Capital deployment: • Cycle 2: 55% • Cycle 3: 30%		⟺
	UK Property (Brunel)	• 100% in Brunel preferred funds • Underweight office and retail sectors / overweight industrials and alternatives • Outperformed benchmark SI		⇧
3	**Legacy portfolios**			
	IFM (infra)	• £100m redeemed in 2023 (to settle Oct 2023)		⟺
	Partners (Intl Property)	• Majority of funds in realisation phase. c.70% of unrealised value held in fund with 2029 contractual expiry.		⟺
	Schroder (UK Property)	• Single closed end debt fund (£12m) due to expire in 2025		⟺

3. Responsible investing

	Objective	Commentary	RAG	Trend
1	**Climate change targets**	• Fund currently reviewing climate targets with recommendations to be presented at Dec-23 Committee		n/a
2	**Equity fund held in Risk Management QIF**	• To replace equities in QIF with transition aligned solution. Panel delegate implementation to Officers Nov 22. ***COMPLETE***		n/a
3	**Local Impact Portfolio**	• Governance framework in development • Officers progressing multiple opportunities to deploy capital		⇧