Investment Dashboard at 30 September 2023

1. Investment Strategy

	Objective	Commentary	RAG	Trend
1	**Funding level**	Liability and risk values are currently unavailable as changes to the actuarial basis as part of the monitoring framework are taking place		
2	**Investment Performance**	• Behind strategic benchmark over 1 and 3 years		↓
	Qtr return	• Negative quarter of -2.9% equity and protection assets lead detractors		↓
	1 Year return	• Behind funding objective at -2.1% p.a.		↓
	3 Year return	• Behind funding objective at 1.5% p.a.		↓
3	**Risk Management**			
	LDI	• Trigger framework reinstated in October • Interest rate hedge ratio c.40% • Mandate performed as expected. Manager in compliance with investment guidelines		↔
	EPS	• Increased qrtrly net equity performance by 0.15% as markets moved toward the protection levels. Since inception the EPS has detracted c. 2.0% from equity returns and reduced volatility by c. 25%. • Recommendation to reduce coverage ratio to be ratified by Committee		↔
	FX	n/a		↔
	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)	Capital deployment: • Cycle 1: 89% • Cycle 2: 48% • Cycle 3: 15%		⇔
	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: 53%		⇔
	Private Debt (Brunel)	Capital deployment: • Cycle 2: 61% • Cycle 3: 15%		⇔
	UK Property (Brunel)	• 100% in Brunel preferred funds • Underweight office and retail sectors / overweight industrials and alternatives		⇔
3	**Legacy portfolios**			
	IFM (infra)	• £100m redeemed in 2023 (settled 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**	• Climate targets to be approved 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**	Panel approved initial 1% of assets to local renewable infrastructure fund at July meeting – currently on track to make first investment by end of 2023		⇧