

# Quarterly Investment Dashboard Q4 2021

London Borough of Southwark Pension Fund



Prepared for: The Pensions Advisory Panel

Prepared by: Aon

Date: 1 March 2022

# At a glance...

## Assets

£2,138.8m 

Assets increased by £78.1m over the quarter.

## Funding

118% 

Funding level increased by 4.0% over the quarter.

## Surplus

£335m 

Surplus increased by £84m over the quarter

## Manager ratings

10 **Buy rated** 6 **Not rated**  
0 **Qualified** 0 **Not recommended**

## Performance (short term)

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We are not able to report the Scheme's performance over the quarter due to a delay in receiving the data

## Performance (longer term)

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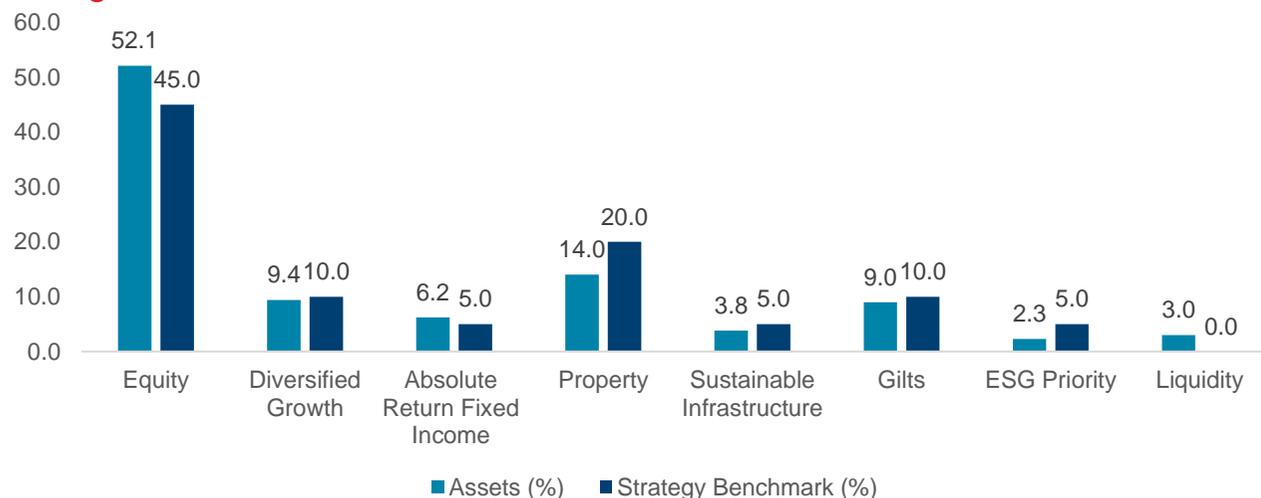
We are not able to report the Scheme's three-year performance due to a delay in receiving the data

## Comments

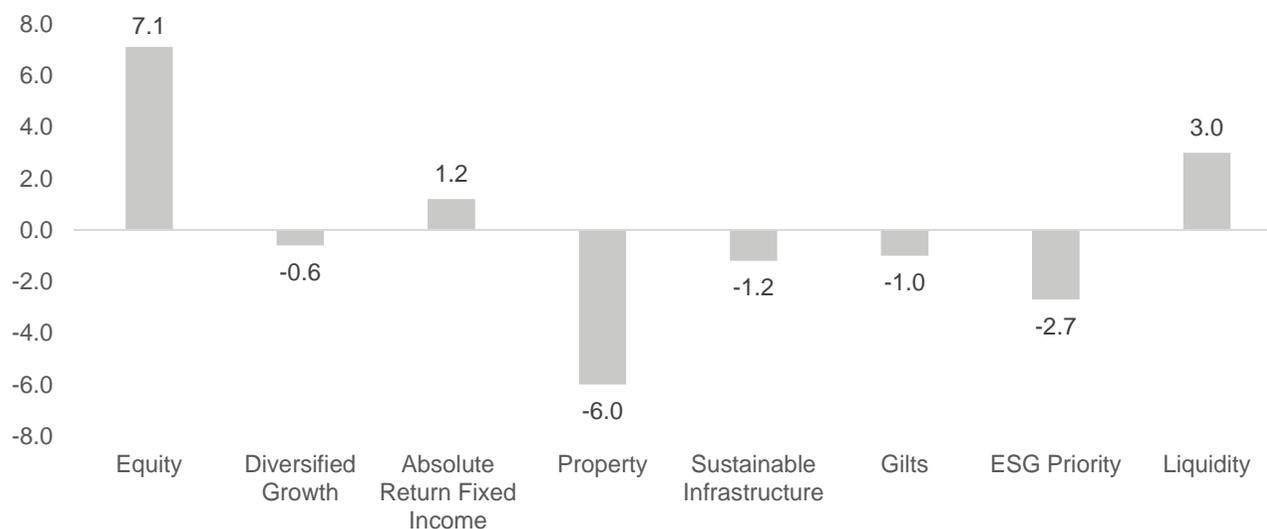
- The Fund's total assets increased by £78.1m over the quarter, from £2,060.7m to £2,138.8m.
- The Fund's funding level increased to 118% over the quarter. The surplus increased by £84m due to better than expected investment returns, which has been offset to a small extent by a slight fall in the net discount rate (discount rate less CPI) increasing liabilities.
- Over the quarter, the fund made the following investments:
  - £20m into the Darwin Bereavement Services Fund
  - \$40m capital commitment into the BTG Pactual OEF Fund
  - \$110m capital commitment into the Blackstone Strategic Capital Holdings (BSCH) GP Stakes Fund
  - Investment into the Temporis Impact Fund
- More information on notable developments are found in the Manager Review section

# Strategic allocation – Snapshot

## Strategic allocation & benchmark



## Relative allocation



## Assets

£2,138.8m ▲

Assets increased by £78.1m over the quarter.

## Comments

- Equity and absolute return fixed income remain overweight relative to strategic target for the asset class, while Sustainable Infrastructure, Property and ESG priority allocation are notably underweight target exposure.
- All asset classes remain well within the maximum strategic allocation limit.
- Over the quarter the Fund made investments into the Blackstone Strategic Capital Holdings (BSCH) GP Stakes Fund II, Temporis Impact Fund, Darwin Bereavement Services Fund & the BTG Pactual OEF Fund.
- Post quarter end, c.£32m was drawn down into the BSCH GP Stakes Fund II. As a result, we expect the allocation to the ESG Priority Allocation to be closer to target next quarter.

# Explanation of Ratings – Overall ratings

## Overall ratings

An overall rating is then derived taking into account both the above outcomes for the product. The table lists how the overall rating can be interpreted.

The comments and assertions reflect our views of the specific investment product and our opinion of its quality. Differences between the qualitative and Aon InForm outcome can occur and if meaningful these will be explained within the Key Monitoring Points section. Although the Aon InForm Assessment forms a valuable part of our manager research process, it does not automatically alter the overall rating where we already have a qualitative assessment. Overall rating changes must go through our qualitative manager vetting process. Similarly, we will not issue a Buy recommendation before fully vetting the manager on a qualitative basis.

Overall Rating	What does this mean?
Buy	We recommend clients invest with or maintain their existing allocation to our Buy rated high conviction products
Buy (Closed)	We recommend clients invest with or maintain their existing allocation to our Buy rated high conviction products, however it is closed to new investors
Qualified	A number of criteria have been met and we consider the investment manager to be qualified to manage client assets
Not Recommended	A quantitative assessment of this strategy indicates it does not meet our desired criteria for investment. This strategy is not recommended.
Sell	We recommend termination of client investments in this product
In Review	The rating is under review as we evaluate factors that may cause us to change the current rating

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