

Quarterly Investment Dashboard Q2 2022

London Borough of Southwark Pension Fund



Prepared for: The Pensions Advisory Panel

Prepared by: Aon

Date: 30 June 2022

At a glance...

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Assets

£1,994.0m 

Assets increased by £3.5m over the quarter.

Funding

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Comments

- The Fund's total assets increased by £3.5m over the quarter, from £1,990.5m to £1,994.0m.
- More information on notable developments are found in the Manager Review section

Surplus

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Manager ratings

10 **Buy rated** 9 **Not rated**
1 **Qualified** 0 **Not recommended**

Performance (short term)

-0.2% 

The scheme returned 0.0% vs 0.2% over the quarter.

Performance (longer term)

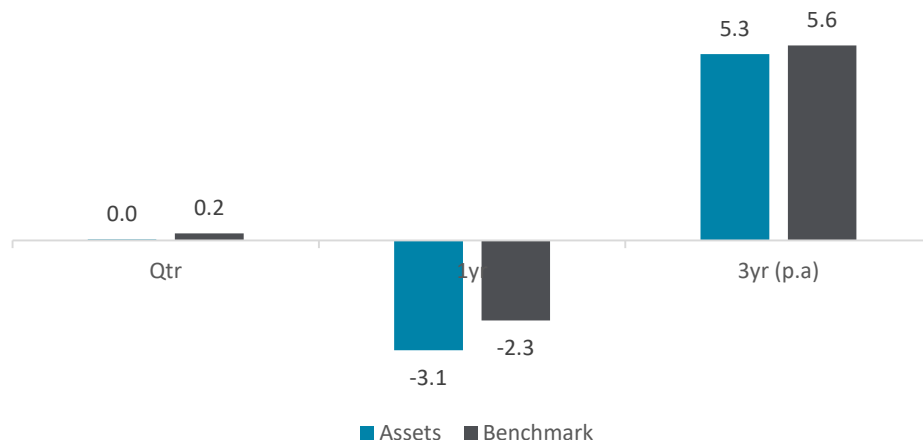
-0.3% 

The scheme returned 5.3% vs 5.6% over the three-year period.

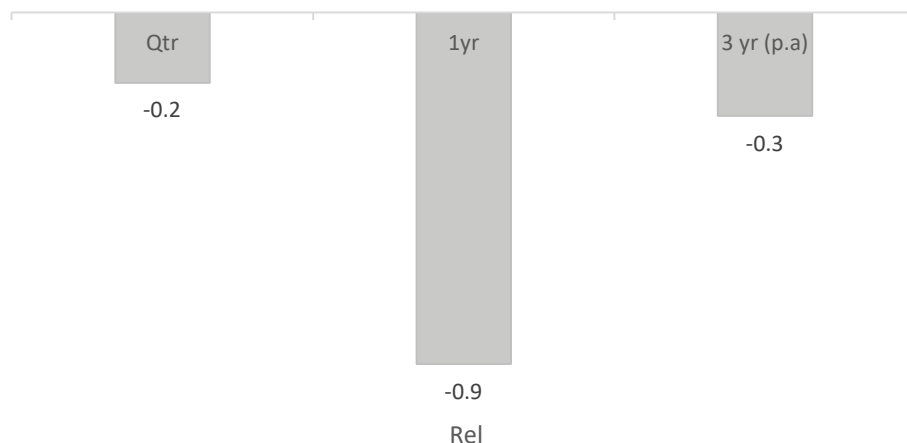
Fund performance – Snapshot

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Fund performance & benchmark



Relative performance



Quarterly (relative)

-0.2%



The scheme returned 0.0% vs 0.2% over the quarter.

3 year (relative)

-0.3%



The scheme returned 5.3% vs 5.8% over the period.

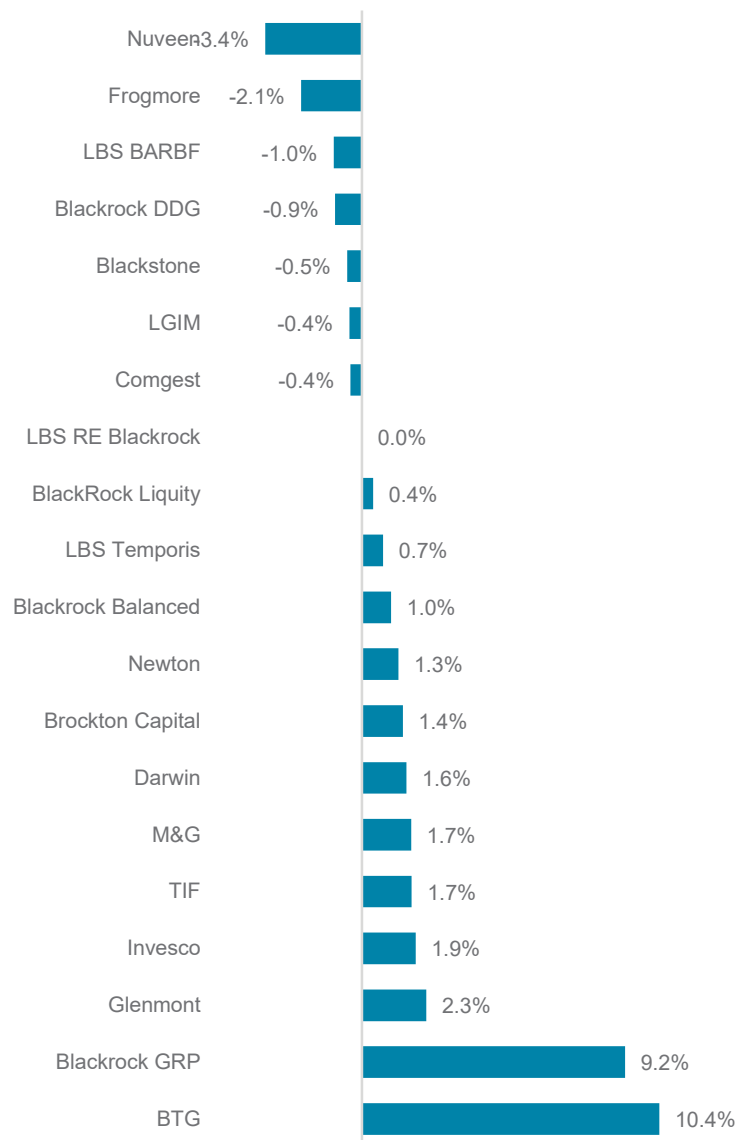
Comments

Over the quarter, the Fund marginally underperformed the benchmark

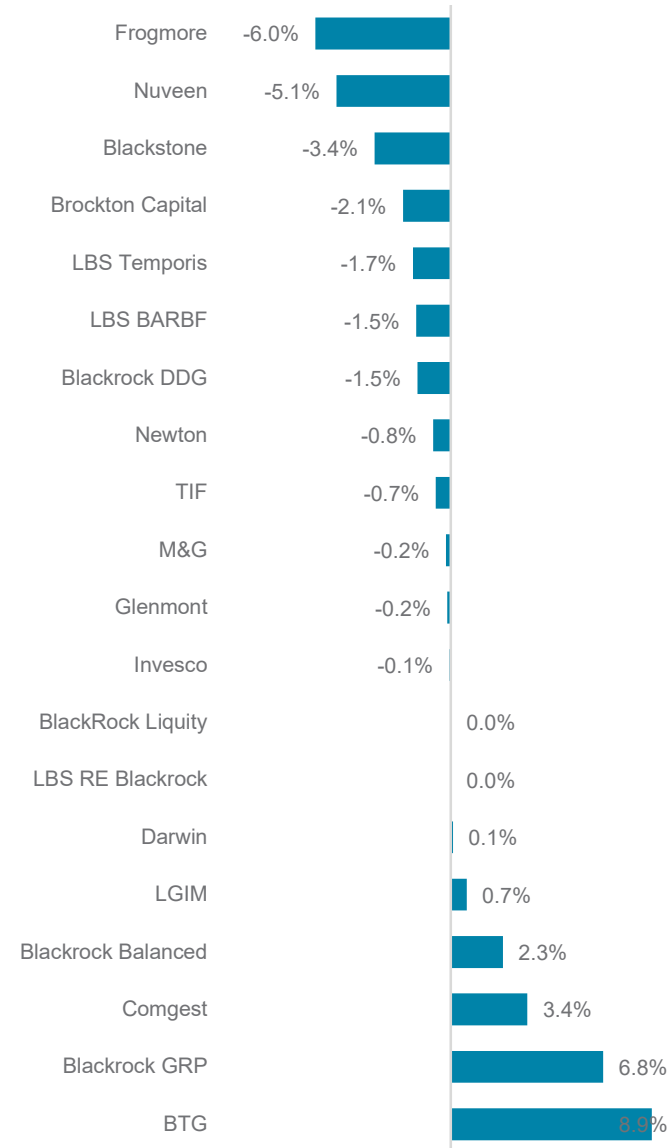
Notable detractors to performance were the Blackrock Dynamic Diversified Growth Fund, Brockton Capital III Fund, and the Blackstone GP Stakes Fund II while positive contributors included the Frogmore Real Estate Partners Fund III and the Glennmont Clean Energy Fund

Manager performance

Absolute performance



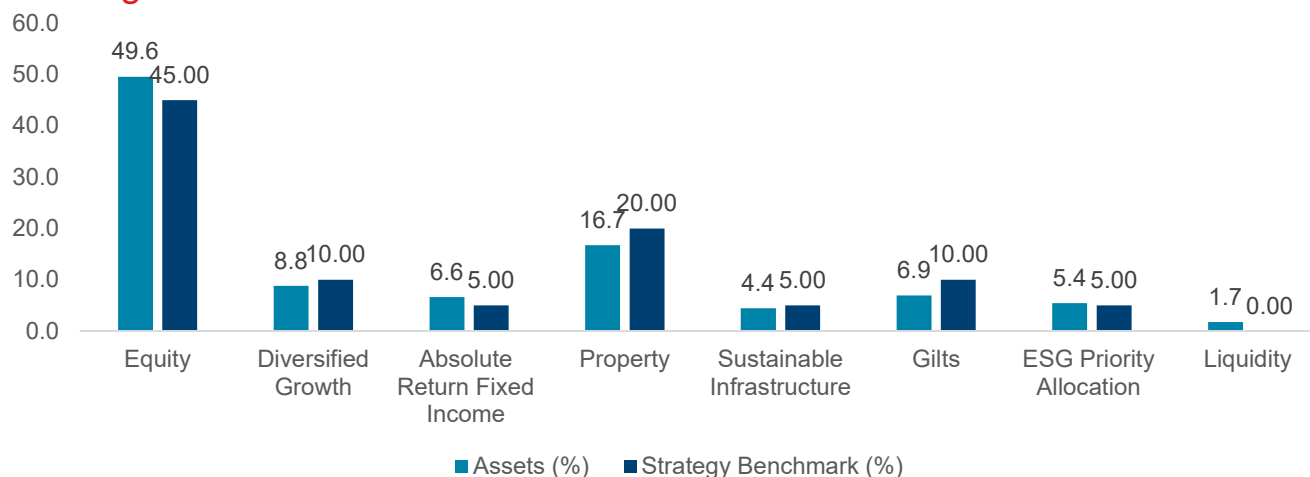
Relative performance



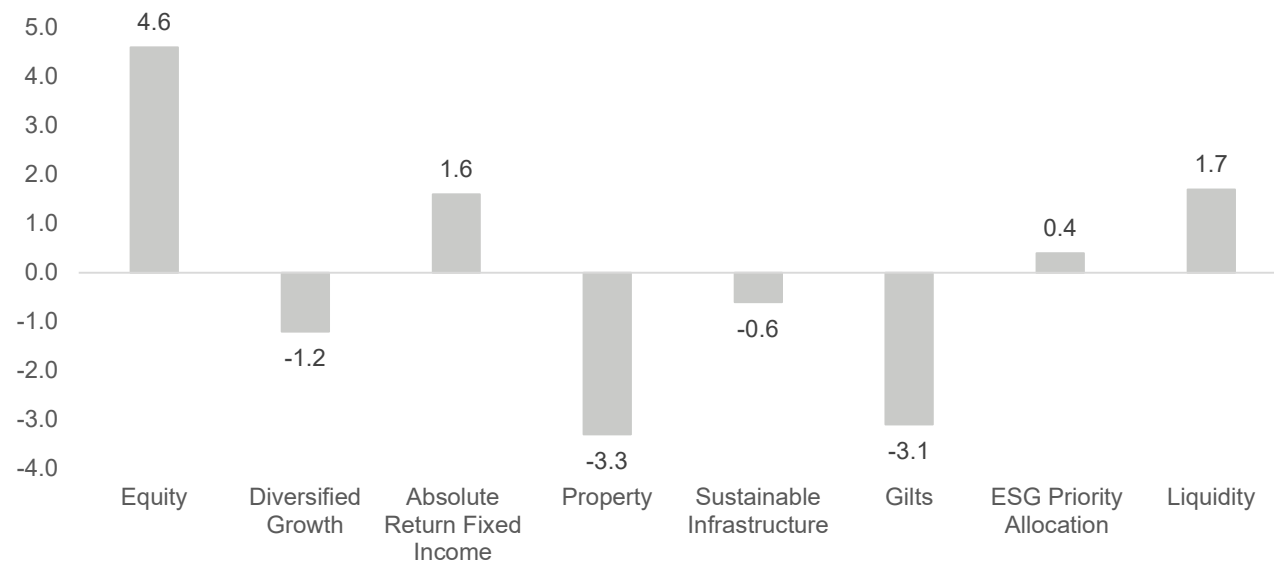
Strategic allocation – Snapshot

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Strategic allocation & benchmark



Relative allocation



Assets

£1,994.0m ▲

Assets increased by £3.5m over the quarter.

Comments

- Equity, absolute return fixed income and the ESG Priority Allocation are overweight relative to strategic target for the asset class, while Property, Diversified Growth and Gilts are notably underweight target exposure.
- All asset classes remain well within the maximum strategic allocation limit.
- Post-quarter end, the PAP agreed to invest £30m in the Temporis Renewable Energy Fund (“TREF”) thus increasing the allocation the Fund’s allocation to the sustainable infrastructure portfolio.
- Aon will look to review the Fund’s strategic asset allocations as part of the triennial investment strategy review following the results of the 2022 Actuarial Valuation.

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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