

Item No. 6.	Classification: Open	Date: 6 March 2023	Meeting Name: Pensions Advisory Panel
Report title:		Asset Allocation December 2022	
From:		Divisional Accountant - Pensions & Investments	

Recommendation

1. The pensions advisory panel is asked to:

- Note the Fund's asset allocation at 31 December 2022

Asset Class	Manager	31 Dec 2022 £000	% of Total Fund	Strategic Benchmark %	Difference %
Global Equity	BlackRock	325,823	16.6	17.5	-0.9
	Legal & General	315,801	16.1	17.5	-1.4
	Newton	241,612	12.3	10.0	2.3
	Comgest	91,122	4.6	5.0	-0.4
Total Global Equity		974,358	49.6	50.0	- 0.4
Diversified Growth	BlackRock	126,115	6.4	0.0	6.4
Total Diversified Growth		126,115	6.4	-	6.4
Absolute Return Bonds	BlackRock	134,917	6.9	0.0	6.9
Total Absolute Return Bonds		134,917	6.9	-	6.9
Multi-Asset Credit	TBC	-	-	10.0	- 10.0
Total Multi-Asset Credit		-	0.0	10.0	- 10.0
Core Property	Nuveen	204,505	10.4	14.0	-3.6
Total Core Property		204,505	10.4	14.0	- 3.6
ESG Priority Allocation	Invesco	34,830	1.8	1.5	0.3
	M&G	43,562	2.2	1.5	0.7
	Frogmore	8,195	0.4	1.5	-1.1
	Brockton	7,179	0.4	1.5	-1.1
	Glennmont	23,059	1.2	1.1	0.1
	Temporis	86,627	4.4	3.5	0.9
	BlackRock	12,691	0.6	0.4	0.2
	Darwin	21,416	1.1	0.5	0.6
	Blackstone	46,373	2.4	3.5	-1.1
	BTG Pactual	34,943	1.8	1.0	0.8
Total ESG Priority Allocation		318,875	16.2	16.0	0.2
Index Linked Gilts	BlackRock	84,411	4.3	5.0	-0.7
	Legal & General	60,913	3.1	5.0	-1.9
Total Index Linked Gilts		145,324	7.4	10.0	- 2.6
Cash & Cash Equivalents	BlackRock	45,039	2.3	0.0	2.3
	Newton	7,887	0.4	0.0	0.4
	Nuveen	5,913	0.3	0.0	0.3
Total Cash & Cash Equivalents		58,839	3.0	-	3.0
Total Fund		1,962,933	100.0	100.0	-

Asset Class	Sub Category	31 Dec 2022 £000	Strategic Benchmark %	Actual Allocation %
Global Equities	Low Carbon Passive Equities	641,624	35.0	32.7
	Active Pooled Emerging Market Equities	91,122	5.0	4.6
	Segregated Active Global Equities	241,612	10.0	12.3
Total Global Equities		974,358	50.0	49.6
Total Diversified Growth		126,115	0.0	6.4
Total Absolute Return Bonds		134,917	0.0	6.9
Total Multi-Asset Credit		0	10.0	0.0
Core Property	UK Direct Property	201,575	14.0	10.4
	UK Commercial Property Pooled Funds	2,930		
Total Core Property		204,505	14.0	10.4
ESG Priority Allocation	Pooled Funds - UK Private Residential	78,392	3.0	4.0
	Pooled Funds - UK Opportunistic Property	15,375	3.0	0.8
	Sustainable Infrastructure	122,378	5.0	6.2
	Timberland	34,943	1.0	1.8
	Bereavement Services	21,416	0.5	1.1
	Private Equity	46,373	3.5	2.4
Total ESG Priority Allocation		318,877	16.0	16.2
Total Index Linked Gilts		145,324	10.0	7.4
Cash & Cash Equivalents	Sterling Liquidity Fund	45,039	0.0	2.3
	Fund Manager Held Derivatives	7,887	0.0	0.4
	Fund Manager Operational Cash	5,913	0.0	0.3
Total Cash & Cash Equivalents		58,839	0.0	3.0
Total Fund		1,962,935	100.0	100.0

2. Notes:

- There is a minor variance between this report and the asset allocation figures reported by Aon in their quarterly investment report. This is due to different approaches being taken to report the sustainable infrastructure allocations following the recent investment in the Temporis Renewable Energy Fund. Officers are working with Aon to agree a suitable approach to reporting on this going forward.
- Note that there are further variances given that this report has been prepared based on the updated strategic asset allocation agreed at the December 2022 pensions advisory panel meeting.

Community, Equalities (including socio-economic) and Health Impacts

Community Impact Statement

3. There are no immediate implications arising.

Equalities (including socio-economic) Impact Statement

4. There are no immediate implications arising.

Health Impact Statement

5. There are no immediate implications arising.

Climate Change Implications

6. There are no immediate implications arising.

Resource Implications

7. There are no immediate implications arising.

Legal Implications

8. There are no immediate implications arising

Consultation

9. There are no immediate implications arising.

Financial Implications

10. There are no immediate implications arising.

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Jack Emery, Divisional Accountant – Pensions and Investments	
Version	Final	
Dated	24 February 2023	
Key Decision?	N/A	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive – Governance and Assurance	N/A	N/A
Strategic Director of Finance and Governance	N/A	N/A
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Team	24 February 2023	