

Agenda Item 10

**Pension Committee
23 September 2022**

LGPS Performance Benchmarking Report of the Head of Pensions

Summary

The Fund participates in the LGPS Investment Performance benchmark undertaken by PIRC.

For the 2021/22 analysis the universe comprised 63 LGPS Funds (64 in 2020/21), with a combined value of £250bn (£230bn in 2020/21). For information, five Funds, including Gloucestershire, who form part of the Brunel Pension Partnership, took part in the universe for 2021/22.

Below is a summary of the Total Fund Performance verses the universe average and range for 1, 3 and 5 years

	1 Year Performance %	3 Year Performance %	5 Year Performance %	10 Year Performance %
Gloucestershire	6.9	8.3	6.9	8.9
Universe average	8.6	8.3	7.1	8.9
<i>Range of Results</i>				
<i>Upper Quartile</i>	10.0	9.3	7.7	9.2
<i>Median</i>	8.0	8.6	7.0	8.8
<i>Lower Quartile</i>	6.0	7.6	6.5	8.3

The underperformance verses the universe average over the 1 year was primarily driven by the higher weighing in equities and bonds than the majority of universe. Developed equities performed well until the first Quarter of 2022 when the Ukraine war and fear of resulting inflation weighed heavily and markets fell, however, over the twelve months to 31 March developed markets were still positive. Emerging markets however, battered by a strong US Dollar and the continuing impact of COVID were the worst performing of all asset classes. Performance was also impacted by the Funds current lower levels of alternatives exposure, as these allocations continue to develop.

The Fund has been exposed to the high volatility associated with the slightly larger equity allocation, but over the last 10 this has delivered a return in line with the average.

Attached as appendix 1 to this report, is the full report on performance to March 2022, prepared by PIRC for the Gloucestershire Pension Fund.

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Recommendation

That the Committee notes the LGPS Performance Benchmarking Report as at 31 March 2022.

Contact Officer

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