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**PIRC**

**LOCAL AUTHORITY  
PENSION PERFORMANCE ANALYTICS**

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**Harrow Pension Fund**

**Quarterly Performance Summary**

Periods to end June 2018

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## Performance Overview

### Fund Performance

	Quarter	1 Year	3 Years (% p.a.)	5 Years (% p.a.)
Fund	0.8	5.0	9.5	9.8
Benchmark	1.8	7.6	10.4	10.2
Relative	-0.9	-2.4	-0.8	-0.3

Fund has underperformed its strategic benchmark over the latest quarter and the longer term.

The key reason for this has been the relatively poor results from the Diversified Growth magers - particularly Standard Life.

### Manager Performance

	Latest Quarter			1 Year			3 Years (% p.a.)		
	Portfolio	BM	Relative	Portfolio	BM	Relative	Portfolio	BM	Relative
Longview	8.8	8.1	0.6	10.2	10.0	0.2	9.1	8.4	0.6
SSGA	6.8	6.8	0.0	9.3	9.3	0.0	15.2	15.2	-0.1
GMO	-3.6	-2.1	-1.6	2.0	6.4	-4.1	11.3	12.0	-0.7
Oldfield	5.4	8.1	-2.5	7.2	9.6	-2.3	14.4	15.2	-0.7
Pantheon*	12.1	6.8	4.9	13.4	8.9	4.2	18.2	15.1	2.7
Aviva	1.8	1.8	0.0	8.2	9.6	-1.2	6.6	7.9	-1.2
BlackRock	-0.9	-0.7	-0.2	0.9	0.9	0.0	7.4	7.1	0.3
Insight	0.1	1.2	-1.1	2.2	4.5	-2.2	2.6	4.5	-1.9
SLIM	-2.3	1.2	-3.5	-2.0	4.5	-6.2	-1.1	4.5	-5.3

\*The Pantheon performance uses the previous quarter value adjusted for cash flows in the month. As a long term investment the longer term results are the key indicators for this portfolio.



## Asset Allocation

### Asset Allocation

	Start Quarter			End Quarter		
	GBP'000s	%		GBP'000s	%	% BM
<b>Equity</b>	<b>430,169</b>	<b>52</b>		<b>452,211</b>	<b>54</b>	<b>50</b>
Longview	90,034	11		97,940	12	10
SSGA	196,717	24		210,080	25	24
GMO	77,182	9		74,409	9	8
Oldfield	66,236	8		69,782	8	8
<b>Private Equity</b>	<b>13,844</b>	<b>2</b>		<b>14,116</b>	<b>2</b>	<b>5</b>
Pantheon	13,844	2		14,116	2	5
<b>Property</b>	<b>67,656</b>	<b>8</b>		<b>68,371</b>	<b>8</b>	<b>10</b>
Aviva	67,656	8		68,371	8	10
<b>Bonds</b>	<b>102,446</b>	<b>12</b>		<b>101,866</b>	<b>12</b>	<b>13</b>
BlackRock	102,446	12		101,866	12	13
<b>Diversified Growth</b>	<b>189,579</b>	<b>23</b>		<b>187,210</b>	<b>23</b>	<b>22</b>
Insight	93,978	11		93,922	11	11
SLIM	95,601	12		93,288	11	11
<b>Cash</b>	<b>12,439</b>	<b>1</b>		<b>6,814</b>	<b>1</b>	<b>0</b>
<b>Total Fund</b>	<b>816,132</b>	<b>100</b>		<b>830,588</b>	<b>100</b>	<b>100</b>

The Fund asset allocation remained broadly unchanged over the quarter.

Equity allocation increased due to the relatively strong returns from the area over the period.



## Performance Attribution by Manager

	Longview	SSGA	GMO	Oldfield	Pantheon	Aviva	BlackRock	Insight	SLIM	Cash	Total
End June 2018 (£'000s)	<b>97,940</b>	210,080	74,409	69,782	14,116	68,371	<b>101,866</b>	93,922	93,288	12,204	<b>830,588</b>
<b>Latest Quarter</b>											
Fund	8.8	6.8	-3.6	5.4	12.1	1.8	-0.9	0.1	-2.3		0.8
BM	8.1	6.8	-2.1	8.1	6.8	1.8	-0.7	1.2	1.2		1.8
Relative	0.6	0.0	-1.6	-2.5	4.9	0.0	-0.2	-1.1	-3.4		-0.9
Manager Impact	0.1	0.0	-0.2	-0.2	0.1	0.0	0.0	0.0	-0.4		-0.7
Allocation Impact	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
<b>One Year</b>											
Fund	10.2	9.3	2.0	7.2	13.4	8.2	0.9	2.2	-2.0		5.0
BM	10.0	9.3	6.4	9.6	8.9	9.6	0.9	4.5	4.5		7.6
Relative	0.2	0.0	-4.1	-2.3	4.2	-1.2	0.0	-2.3	-6.3		-2.4
Manager Impact	0.0	0.0	-0.4	-0.2	0.3	-0.2	0.0	-0.3	-0.8		-1.7
Allocation Impact	0.0	-0.1	0.0	-0.1	0.1	0.0	0.0	0.1	0.1	-0.4	-0.3
<b>Three Years</b>											
Fund	9.1	15.2	11.3	14.4	18.2	6.6	7.4	2.6	-1.1		9.5
BM	8.4	15.2	12.0	15.2	15.1	7.9	7.1	4.5	4.5		10.4
Relative	0.6	-0.1	-0.7	-0.7	2.7	-1.2	0.3	-1.9	-5.3		-0.8
Manager Impact	0.1	0.0	0.0	0.0	0.1	-0.1	0.0	-0.2	-0.4		-0.6
Allocation Impact	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-0.2	-0.1
<b>Five Years</b>											
Fund	13.0	11.6			16.0	9.8	8.0				9.8
BM	10.9	11.6			11.6	10.8	8.0				10.2
Relative	1.9	0.0			3.9	-0.9	0.0				-0.3

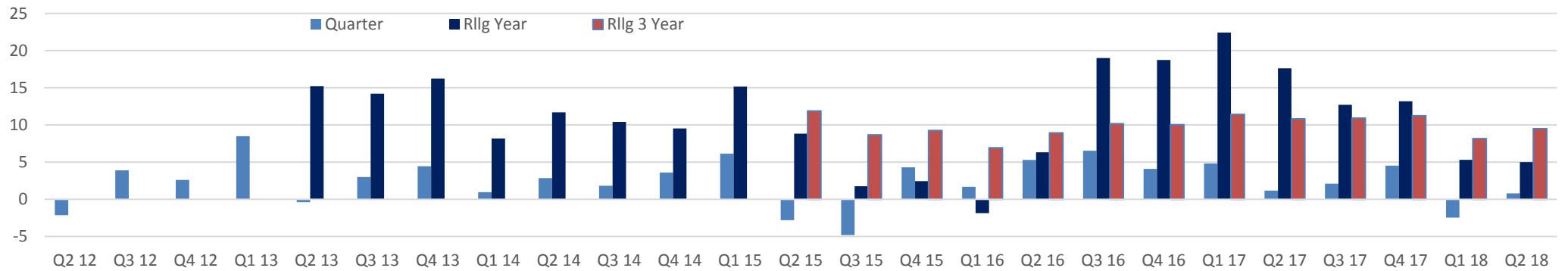
Insight was appointed in January 2015 therefore do not yet have 5 year performance available

GMO and Oldfields were appointed November 2014 and SLIM appointed June 2013 therefore no 5 year results available.



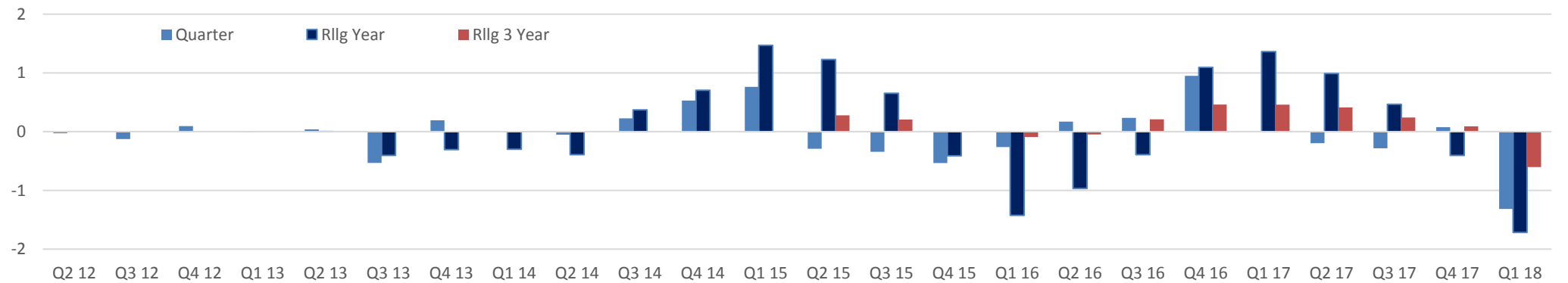
## Longer Term Performance

### Absolute Returns



The Fund has produced a positive return in almost every quarter of the last five years and most rolling one and three year periods.

### Relative Returns



The Fund has performed within a tight range of its Benchmark - within +/- 2% quarterly and longer term.

After a period ahead of Benchmark the Fund is now trailing as the latest quarter feeds in to the longer term.



## Benchmark Allocation

The Fund restructured in late 2017 and the Benchmark was altered from the start of 2018 to reflect the changes:

%	To 31/12/2017	From 1/1/2018	
Equity	62	50	
	31	24	FTSE AW (50% Hedged)*
	21	18	MSCI World NDR (50% Hedged)
	10	8	MSCI Emerging Markets
Bonds	13	13	
	10.4	10	BAML Eurosterling > 10 years
	2.6	3	FTSE Index Linked Gilts > 5 years
Property	10	10	IPD All Balanced Funds
Diversified Growth	10	22	3 Month LIBOR +4%
Private Equity	5	5	FTSE All World **

\* from Q2 2016, previously MSCI AW 50% Hedged

\*\*from Q2 2014, previously LIBID