



# Barnet Pension Fund Performance to March 2021

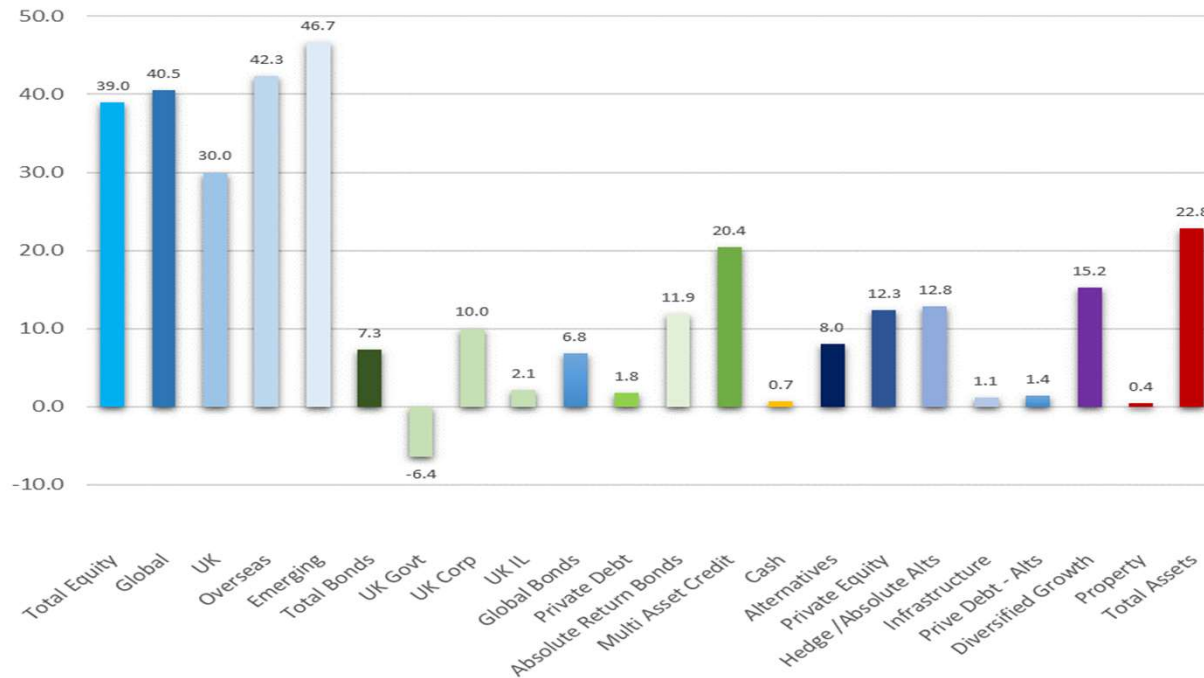
## Contents

Section 1            Pages 3-6  
Universe Performance

Section 2            Pages 7-9  
Fund Performance Tables

# 2020/21 What a Year .....

## Latest Year Returns



- After the sharp fall in global markets in the Quarter to March 2020, returns bounced back almost immediately despite the ongoing challenges of the COVID pandemic which has been larger and longer lasting than predicted.
- Funds returned an average of 22.8% for the year, but the range of results was far wider than usual.
- Performance was dominated by extremely strong equity returns, enhanced for many by active manager outperformance.
- Defensive assets performed more modestly with property being the most disappointing of the major assets, only just delivering a positive result

# Asset Allocation Impacted by Equity Strength

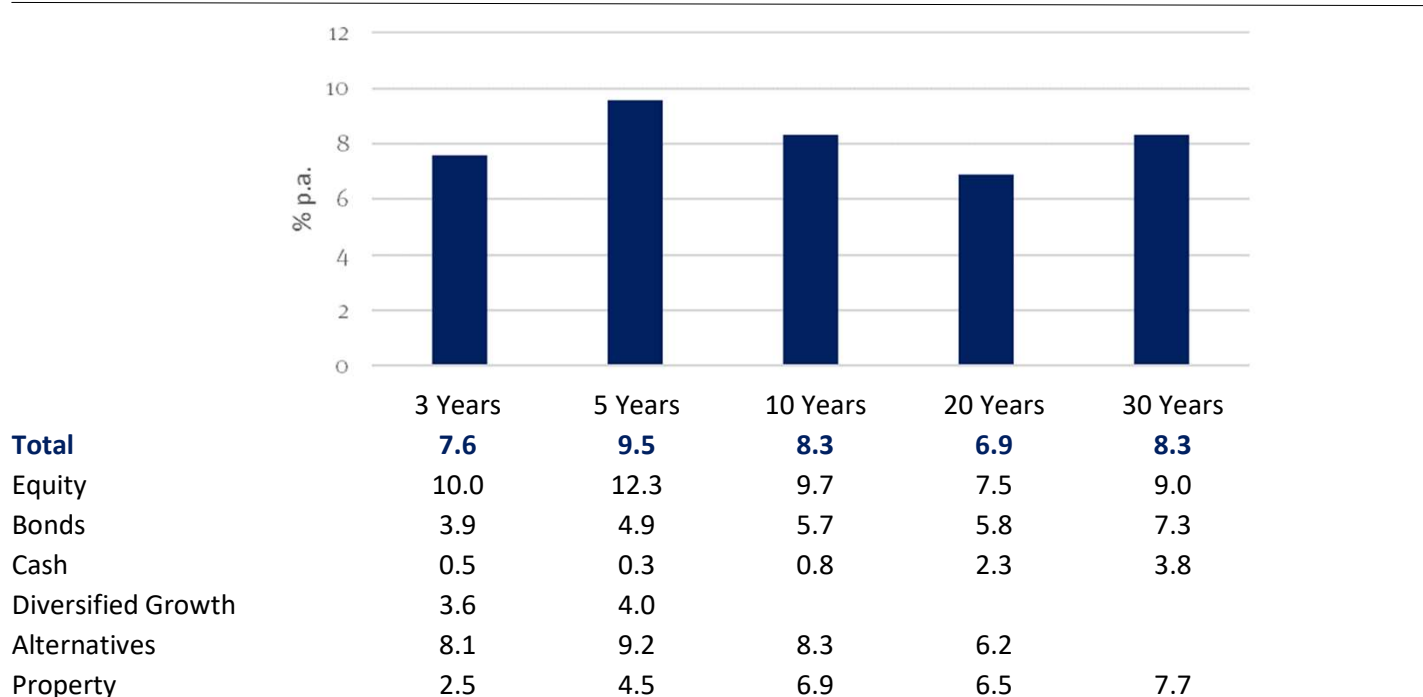
## Latest Year Asset Allocation

% Allocation	End March		Change
	2020	2021	
<b>Equities</b>	<b>51</b>	<b>56</b>	<b>5</b>
<i>UK</i>	<i>10</i>	<i>10</i>	<i>0</i>
<i>Overseas</i>	<i>41</i>	<i>46</i>	<i>5</i>
<b>Bonds</b>	<b>21</b>	<b>17</b>	<b>-4</b>
<i>UK</i>	<i>11</i>	<i>7</i>	<i>-4</i>
<i>Global</i>	<i>2</i>	<i>2</i>	<i>0</i>
<i>Absolute Return</i>	<i>6</i>	<i>5</i>	<i>-1</i>
<i>Multi Asset Credit</i>	<i>2</i>	<i>3</i>	<i>1</i>
<i>Private Debt</i>	<i>0</i>	<i>1</i>	<i>1</i>
<b>Cash</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>Alternatives</b>	<b>12</b>	<b>14</b>	<b>2</b>
<i>Private Equity</i>	<i>6</i>	<i>7</i>	<i>1</i>
<i>Infrastructure</i>	<i>3</i>	<i>5</i>	<i>2</i>
<i>Absolute Return</i>	<i>3</i>	<i>2</i>	<i>-1</i>
<i>Private Debt</i>	<i>0</i>	<i>1</i>	<i>1</i>
<b>Diversified Growth</b>	<b>4</b>	<b>2</b>	<b>-2</b>
<b>Property</b>	<b>10</b>	<b>8</b>	<b>-2</b>

- Most of the change to allocations at this level came about through relative market movements.
- Funds have not rebalanced following the strong equity returns over the year.
- Within Equities there was a significant switch into 'planet aware' investments.
- Elsewhere there was further diversification into multi asset credit, private debt and alternative income strategies.

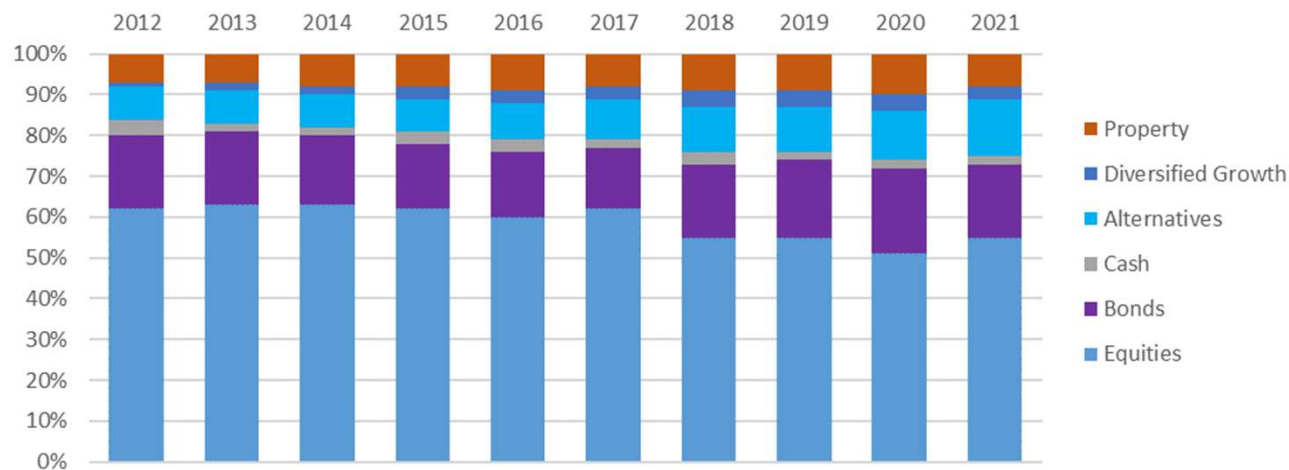
# Longer Term Results Back in Line

Long Term Asset Returns (% p.a.)



- Long term performance of the LGPS remains extremely strong.
- The average funds delivered a positive return in all but six of the last 30 years and delivered an annualised performance of over 8% p.a.
- Equities have driven the performance.
- Alternatives have performed strongly due in a large part to the excellent returns from private equity.

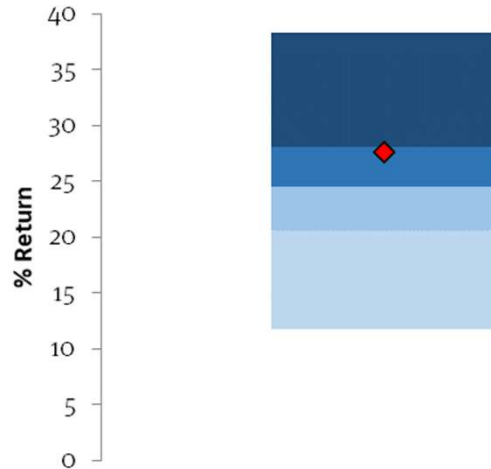
## Equities Continue to Dominate Fund Structures



- Equities remain the largest allocation within most fund's assets. Over 80% of this allocation is now invested overseas.
- The Bond exposure has remained steady but, within that the allocation has changed greatly as funds have moved from a principally UK index based approach towards more global, diversified absolute return strategies.
- Alternatives have increased over the decade. Private equity makes up a half of this allocation with infrastructure becoming an ever larger component of the average fund.

# Fund Performance

**Fund Performance Within Universe Range of Results**

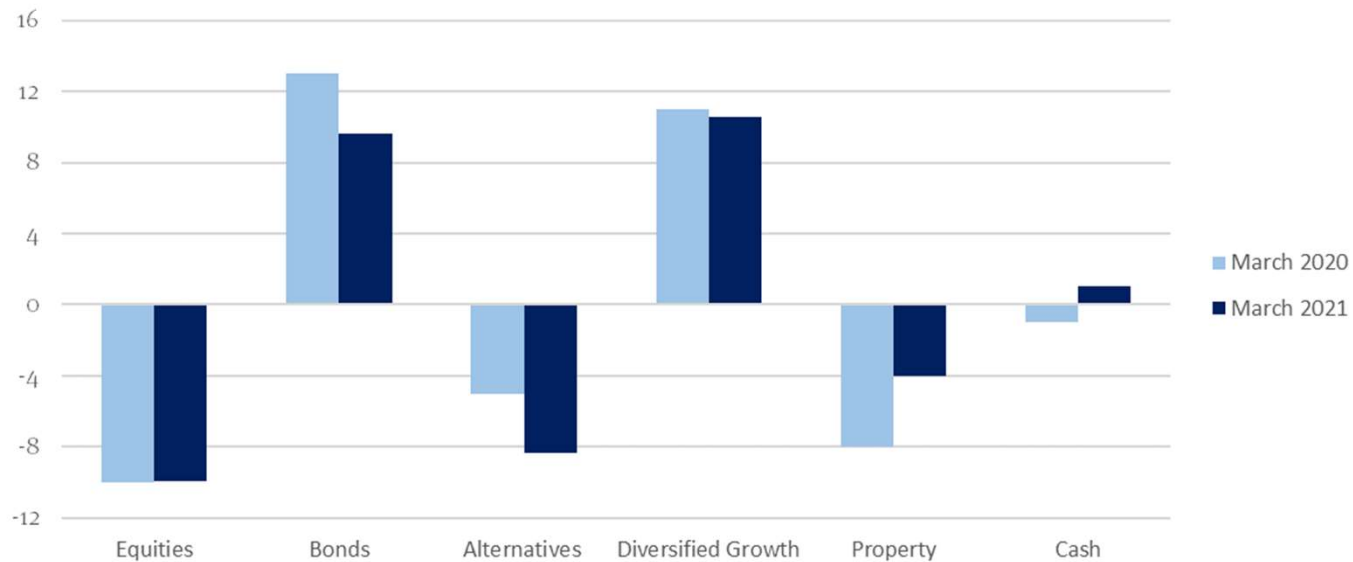


The figure shows the Fund return within the range of results achieved by the LGPS Universe in the latest year. The returns are divided into quarters (quartiles) and the fund is shown as a red diamond.

- The range of results was much wider in the latest year than is usually seen. This is mainly due to the large differences between asset classes.
- Funds with a higher equity allocation have outperformed their peers.
- In the latest year the Fund return of 27.6 % was well above the average of 22.7 % .
- This ranked in the 28<sup>th</sup> percentile of funds.

# Fund Asset Allocation

Asset Allocation Relative to Universe Average



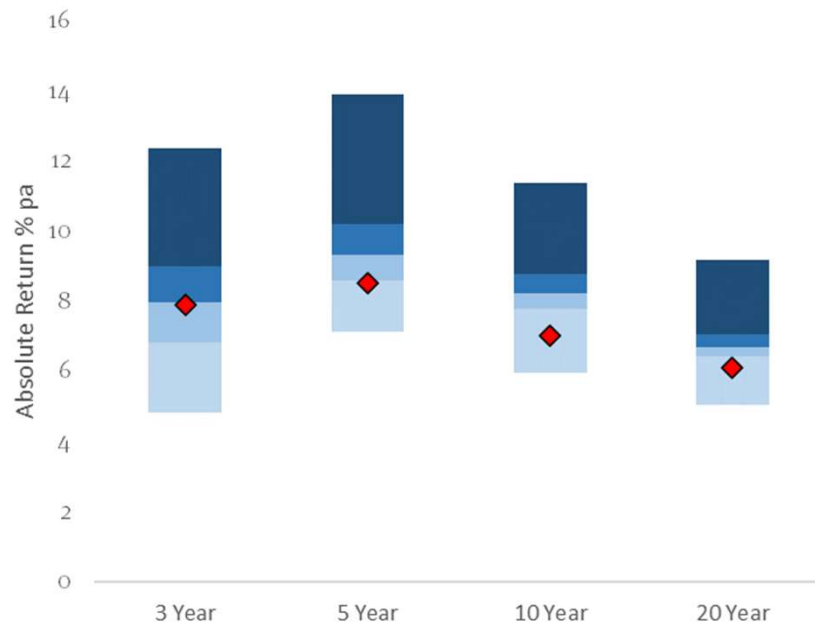
- The Fund is structured quite differently from the average allocation.
- The key difference is the relatively high level of bonds and low equity commitment.
- This allocation delivered a return well below average.
- This was more than offset though by strong results within equities (12<sup>th</sup> percentile), diversified growth (7<sup>th</sup> percentile) and bonds (36<sup>th</sup> percentile) this year.





# Fund Longer Term Performance

Longer Term Returns and Rankings



- The latest year results has lifted the 5 year ranking out of the bottom decile. The longer term results however remain there.

Fund	3 Year	5 Year	10 Year	20 Year
Universe Average	7.6	9.5	8.3	6.9
Ranking	(49)	(82)	(97)	(93)

This report is intended solely for the use of the participating funds. Whilst individual fund returns and rankings may be used, the report in its entirety should not be copied or distributed beyond these funds.

While all reasonable efforts have been made to ensure the accuracy of the information contained in this document there is no warranty, express or implied, as to its accuracy or completeness. Any opinions expressed in this document are subject to change without notice. The document is for general information only and PIRC Ltd accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

Pensions & Investment Research Consultants Limited (PIRC Ltd) is authorised and regulated by the Financial Conduct Authority (FCA Register number 144331, see FCA register for registration details) and registered in England and Wales No 2300269.