



Local Authority Pension Performance Initial Indicators to December 2018

Latest Quarter

With a return of -4.7% estimated for the Quarter most funds will experience their worst quarterly performance result since 2011.

The negative result has been driven by the fall in equity markets around the world. The large negative returns in this quarter wiped out the positive results of the year to date as investor confidence plummeted and investors tried to quantify the impact of rising global interest rates on their portfolios.

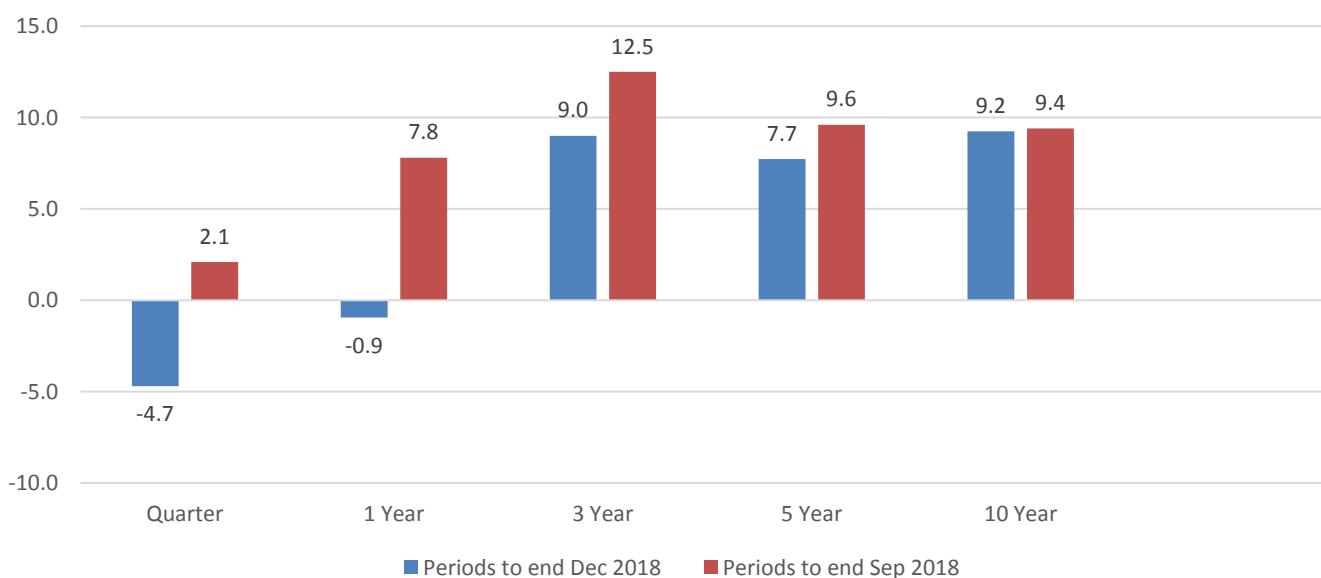
In this environment funds with more defensive asset allocations will have outperformed – bonds still managing to produce a positive result over the quarter.

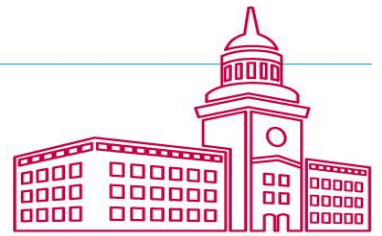
Longer Term

The latest quarter result has brought the one year average below zero.

Over the longer term the results are still extremely strong. The three year result, which is of interest because of the upcoming triennial revaluations in England and Wales, has reduced substantially since last quarter but is still well ahead of actuarial assumptions.

LOCAL AUTHORITY PENSION FUND RETURNS OVER TIME





The returns for the latest period are based on the asset allocation of the PIRC Local Authority Universe with index returns applied. The previous periods are updated to include actual Universe returns.

The PIRC Local Authority Universe is currently comprised of 62 funds with a value of £180bn.

For further details or for information about subscribing to this service please contact:

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