

Merton Council

Pension Fund Investment Advisory Panel Agenda

Membership

Councillors:

Owen Pritchard (Chair)
Adam Bush (Vice-Chair)
Mark Allison
Gwyn Isaac
Tina Pickard

Co-opted members:

Gwyn Isaac
Tina Pickard

Substitute Members:

Date: Thursday 26 September 2019

Time: 7.00 pm

Venue: Committee Rooms, 1st floor, Merton Civic Centre, London Road,
Morden, SM4 5DX

This is a public meeting and attendance by the public is encouraged and welcomed.
For more information about the agenda please contact
Merton.PensionFund@merton.gov.uk or telephone [020 8545 3458](tel:02085453458).

All Press contacts: communications@merton.gov.uk, 020 8545 3181

Pension Fund Investment Advisory Panel Agenda

26 September 2019

- | | | |
|----|--|---------|
| 1 | Apologies for absence | |
| 2 | Declarations of pecuniary interest | |
| 3 | Minutes of the previous meeting | 1 - 2 |
| 4 | Quarterly Performance Review | 3 - 18 |
| 5 | AOB | |
| 6 | Exclusion of the public
To RESOLVE that the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s). | |
| 7 | Minutes of the previous meeting (exempt) | 19 - 20 |
| 8 | Quarterly Fund and Investment Managers Performance Review | 21 - 68 |
| 9 | Presentation by Fund Manager | |
| 10 | Presentation by Investment Consultant | |
| 11 | AOB | |
| 12 | Future meeting dates <ul style="list-style-type: none">• 11th December 2019• 26th February 2020 | |

Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

Merton Pension Fund Advisory Panel (Part 1)

Minutes of the meeting held on

18 July 2019

Attendance:

Cllr. Owen Pritchard (Chair),
Cllr. Adam Bush
Gwyn Isaac (GMB Union Rep)
Caroline Holland (LBM)
Roger Kershaw (LBM)
Nemashe Sivayogan (LBM)

Apologies received from

Cllr. Mark Allison
Tina Pickard (UNISON Union Rep)

Additional Attendees:

Aniket Bhaduri and Adam Briggs (JLT)
Suresh Patel (EY)
Julie Baillie (BW)

1.0 MEETING (Part 1)

- 1.1 Introductions made by Chair.
- 1.2 Members Declaration of Interest – None.

2.0 PRESENTATION OF MINUTES OF LAST MEETING (28th March 2019)

- 2.1 Agreed as true record.

3.0 QUARTERLY FUND PERFORMANCE (Jan-Mar 2019)

- 3.1 Performance has been good. Over the 3 months to 31 March 2019, total Fund assets returned 8.0% compared to the target of 1.3%. Outperforming its target by 6.7%.
- 3.2 The Fund's total market value increased by £58.6m in the quarter, from £662.1m to £720.7m. Over the last 12 months, the Fund performance is 7.7%, and 3 year annualised performance is 10.6%. The annual performance target is 5.5%.

4.0 Merton Pension – 2018/19 Audit Report

4.1 SP presented the audit report on the Pension Fund accounts and thanked Council officers for their work during the audit. SP mentioned EY would issue a clean audit report on the Pension Fund accounts and the Annual Report

4.2 There have been two main changes:

1. LCIV transition, and;

2. McCloud ruling. (Accounts were produced before the Court ruling at end June 2019). The estimated total fund liability increase is £7m, which is 0.9% of the total fund assets.

5.0 Merton Pension Fund - March 2019 Triennial valuation update

5.1 JB stated we are on track with the valuation timetable.

5.2 Membership data is in a very good condition. Online data checker has return zero for all checks.

5.3 Expected to have the initial fund's result by the 1st week of sept. GMP equalisation and the McCloud case judgements impacts will be taken in to account as part of the calculation.

7.0 AOB

Committee:

London Borough of Merton Pension Committee Date: 26 Sept 2019

London Borough of Merton Pension Board Date: 26 Sept 2019

Wards: All

Subject: Merton Pension Fund Performance – June 2019

Lead officer: Caroline Holland - Director of Corporate Services

Lead member: Councillor. Mark Allison.

Contact officer: Roger Kershaw- AD Resources

This is a Public Document

RECOMMENDATION

Members are asked to note the content of this report, in particular, the market values and performance of the total fund and component portfolios for the quarter ending 30 June 2019, attribution of the results and the market environment during the period.

1.0 PURPOSE OF REPORT

- 1.1 To report the investment performance at total fund level, and of the individual fund managers, for the quarter to 30 June 2019. The report highlights the performance of the total Fund by asset class compared to the customised benchmark.
- 1.2 The report gives the Committee a consistent basis on which to review the performance of the Fund as at 30 June 2019 and provide information to support future actions including periodic rebalancing and review of investment strategy and investment management arrangement.

2.0 FUND PERFORMANCE

- 2.1 The attached Fund Analysis & Performance Report (**Appendix 1**) produced by the Fund's investment and performance consultants JLT Employee Benefits provides useful analysis and insights of the Pension Fund activities and results for the quarter to 30 June 2019.

The table overleaf shows the performance for the period 30 June 2019.

Manager / Fund	3 months %		12 months %		3 years % p.a.	
	Fund	Bmark	Fund	Bmark	Fund	Bmark
UBS- Passive Equity Fund*	6.5	n/a	6.6	n/a	11.8	n/a
UBS – Alternative Beta	6.2	6.1	n/a	n/a	n/a	n/a
LCIV RBC Sustainable Equity Fund	7.4	6.5	12.8	10.3	n/a	n/a
LCIV Global Alpha Growth Fund	7.7	6.2	9.2	10.5	n/a	n/a
BlackRock World Low Carbon Equity Tracker Fund	7.8	7.6	n/a	n/a	n/a	n/a
Global Equities						
Aberdeen Global Emerging Market Equities Fund	5.2	3.1	12.1	5.4	n/a	n/a
UBS – HALO EM Fund	2.9	3.0	n/a	n/a	n/a	n/a
Emerging Market Equities						
LCIV Global Total Return Fund	1.1	2.8	2.5	8.0	n/a	n/a
LCIV Diversified Growth Fund	1.0	1.1	2.4	4.3	n/a	n/a
DGF						
UBS Triton Property Unit Trust	0.7	0.6	4.7	3.4	6.8	6.3
BlackRock UK Property Fund	0.4	0.6	3.4	3.4	5.7	6.3
Property						
MIRA Infrastructure Global Solution II, L.P.**	n/a	n/a	n/a	n/a	n/a	n/a
Quinbrook Low Carbon Power LP	4.7	1.8	n/a	n/a	n/a	n/a
Infrastructure						
Churchill Middle Market Senior Loan Fund II	4.6	1.8	n/a	n/a	n/a	n/a
Private Credit						
Growth Assets						
Aberdeen Bonds Portfolio	2.9	3.0	9.0	9.0	5.0	4.8
Bonds						
LCIV MAC Fund	1.7	1.2	3.9	4.8	n/a	n/a
Multi-Asset Credit						
Stabilising Assets						
TOTAL MERTON PENSION FUND						
	4.8		7.9		9.7	
Strategic Target (5.5% p.a.)	1.3		5.5		5.5	

Returns for private market managers are approximate, and may be low initially due to the J-curve effect. Private market investment performance is calculated on an IRR basis. All other manager performance is calculated using time-weighted rate of return.

* Benchmark suspended in Q2 2018 as a result of transition activity. This impacts 3 month, 12 month and 3 year benchmark returns.

** Performance is not shown as June data is only available 120 days after quarter end. In future reports, returns for this manager will be included on a 1 quarter lagged basis

2.2 Over the 3 months to 30 June 2019, total Fund assets returned 4.8% compared to the target of 1.3%. This equates to outperformance by 3.5%. The Fund's total market value increased by £42m over the quarter, from £720.7m to £762.7m. Over the last 12 months, the Fund performance is 7.9%, and 3 year annualised performance is 9.7%. The annual performance target is 5.5%.

2.3 The table below shows the total fund valuation and the movements in investments during the respective quarter.

Manager / Fund	31-March-19				30-June-19	
	Valuation £000s	Weight %	Cashflow £000s	Growth £000s	Valuation £000s	Weight %
UBS - Passive Equity	89,659	12.4	-	5,792	95,451	12.5
UBS – Alternative Beta	70,606	9.8	-	4,398	75,004	9.8
LCIV RBC Sustainable Equity Fund	74,694	10.4	-	5,543	80,238	10.5
LCIV Global Alpha Growth Fund	71,067	9.9	-	5,470	76,537	10.0
BlackRock World Low Carbon Equity Tracker Fund	70,381	9.8	-	5,490	75,872	9.9
Global Equities	376,408	52.2			403,102	52.8
Aberdeen Emerging Market Equities Fund	29,050	4.0	-	1,859	30,910	4.1
UBS – HALO EM Fund	45,916	6.4	-	1,423	47,339	6.2
Emerging Market Equities	74,966	10.4			78,249	10.3
LCIV Global Total Return Fund	33,671	4.7	-	369	34,041	4.5
LCIV Diversified Growth Fund	32,924	4.6	-	342	33,266	4.4
Diversified Growth Fund	66,595	9.2			67,306	8.8
UBS Triton Property Unit Trust	16,967	2.4	-	110	17,077	2.2
BlackRock UK Property Fund	7,918	1.1	-	-	7,884	1.0
Property	24,885	3.5			24,961	3.3
MIRA Infrastructure Global Solution II, L.P.*	1,156	0.2	3,474	117	4,746	0.6
Quinbrook Low Carbon Power LP	4,385	0.6	887	220	5,492	0.7
Infrastructure	5,541	0.8			10,238	1.3
Churchill Middle Market Senior Loan Fund II	2,532	0.4	1,930	118	4,580	0.6
Private Credit	2,532	0.4			4,580	0.6
Growth Assets	550,925	76.4			588,436	77.1
Aberdeen Bonds	87,567	12.2	-	2,438	90,005	11.8
Bonds	87,567	12.2			90,005	11.8
LCIV MAC Fund	69,360	9.6	-	1,224	70,584	9.3
Multi Asset Credit	69,360	9.6			70,584	9.3
Stabilising Assets	156,927	21.8			160,589	21.1
Cash	12,819	1.8	885	-	13,704	1.8
TOTAL MERTON PENSION FUND	720,673	100.0			762,729	100.0

NOTE: INCOME REINVESTED BY LCIV FUNDS IN THE QUARTER AMOUNTED TO £0.5M.

* Valuation as at 30.06.2019 for MIRA Infrastructure Global Solution II, L.P. is based on the March valuation plus cashflows in Q2 2019. The growth in the quarter is therefore solely due to currency movements. Up to date manager data is not available until 120 days after quarter end.

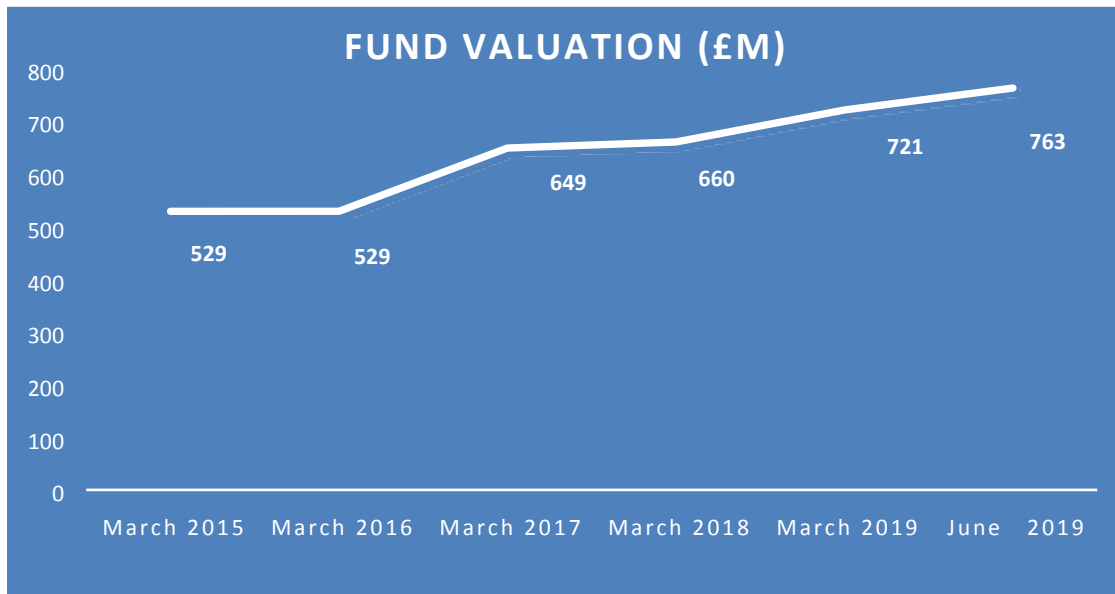
2.4 During the quarter the Fund continued implementing its new investment strategy and the chart below details the Fund's strategic asset allocation and the actual allocation to date.

2.5 In the quarter the Fund moved assets on to the private market investments. £4.4m was invested in infrastructure and £1.9m in Private debt. The full capital commitments will be drawn in stages as capital calls over 3-5 years.

Allocation by underlying asset class

Asset Class	Market Value £000s	Actual Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	403,102	52.8	40.0	12.8	15-85
Emerging Market Equities	78,249	10.3	10.0	0.3	0-20
Diversified Growth Fund	87,308	8.8	10.0	-1.2	0-20
Property	24,961	3.3	5.0	-1.7	0-10
Private Credit	4,580	0.6	7.5	-6.9	0-10
Infrastructure	10,238	1.3	7.5	-6.2	0-15
Long Index Linked Gilts	51,974	6.8	10.0	-3.2	0-30
Corporate Bonds	38,031	5.0	-	5.0	0-10
Multi Asset Credit	70,584	9.3	10.0	-0.7	0-20
Cash	13,704	1.8	-	1.8	-
TOTAL MERTON PENSION FUND	762,729	100.0	100.0	-	

2.6 The following graph illustrates the Fund’s market value trend over the past 5 years and as at 30 June 2019. It shows that in this period the Fund value has appreciated by £234m or 31%.



3.0 Market Background/Outlook

3.1 Global economic growth has continued to decelerate amid the uncertainty associated with trade and technology conflicts. The presence of ongoing geopolitical risks suggests the world economy is more likely to stabilise below trend in the second half of 2019 than above it. While we still expect the global economy to ultimately steady without a hard landing, it now looks to be slipping below trend over coming quarters.

3.2 The quarter saw repeated sharp reversals in the mood towards riskier assets. While the breakneck start to 2019 (enjoyed by equity markets especially) continued into April; the mood changed on a darkening outlook for international trade and economic growth. More positive developments in these arenas as the quarter drew to a close, however, has meant positive returns for most asset classes for the second quarter and indeed the first half of 2019 as a whole.

3.3 Appendix 1 provides more detail on the market statistics and the assets classes the fund is invested in for 3 months, 1 year and 3 years.

4. OTHER ISSUES AFFECTING THE FUND

4.1 none

5. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

5.1 All relevant implications are included in the report.

6. LEGAL AND STATUTORY IMPLICATIONS

6.1 All relevant implications are included in the report.

7. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

7.1 N/A

8. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

8.1 Risk management is an integral part of designing the investment portfolio of the fund.

9. BACKGROUND PAPERS

9.1 JLT Employee Benefits performance report and LCIV performance report.











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MERTON PENSION FUND
INVESTMENT PERFORMANCE REVIEW
QUARTER ENDING 30 JUNE 2019

1 STRATEGIC ASSET ALLOCATION

30 JUNE 2019

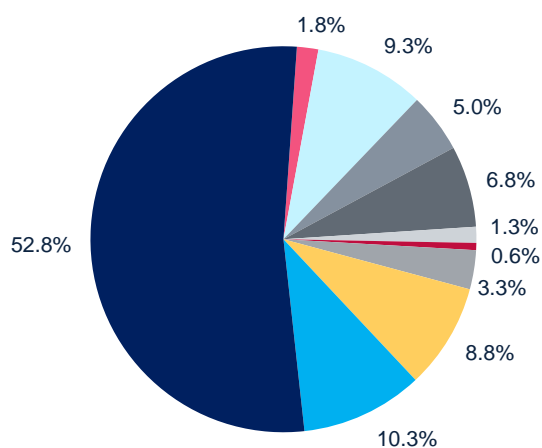
Allocation by underlying asset class

Asset Class		Market Value £000s	Actual Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities		403,102	52.8	40.0	12.8	15-85
Emerging Market Equities		78,249	10.3	10.0	0.3	0-20
Diversified Growth Fund		67,306	8.8	10.0	-1.2	0-20
Property		24,961	3.3	5.0	-1.7	0-10
Private Credit		4,580	0.6	7.5	-6.9	0-10
Infrastructure		10,238	1.3	7.5	-6.2	0-15
Long Index Linked Gilts		51,974	6.8	10.0	-3.2	0-30
Corporate Bonds		38,031	5.0	-	5.0	0-10
Multi Asset Credit		70,584	9.3	10.0	-0.7	0-20
Cash		13,704	1.8	-	1.8	-
TOTAL MERTON PENSION FUND		762,729	100.0	100.0	-	

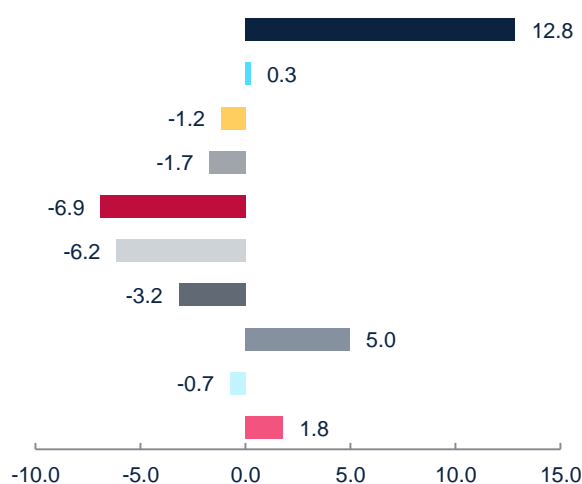
Points to note

- The Strategic Asset Allocation reflects the strategy to be implemented as part of the 2017 Investment Strategy Review; as such, a number of asset classes will be under or overweight for an interim period until the portfolio is fully constructed.
- Total allocation to Global Equities increased to 52.8% over the quarter, thereby being 12.8% overweight relative to its strategic allocation. However, this allocation will fall over time as the Fund transitions to Private Credit and Infrastructure.

Actual Asset Allocation as at 30 June 2019



Deviation from Strategic Allocation (%)



2 VALUATION SUMMARY

31 MAR 2019 TO 30 JUNE 2019

Manager / Fund	31-March-19				30-June-19	
	Valuation £000s	Weight %	Cashflow £000s	Growth £000s	Valuation £000s	Weight %
UBS - Passive Equity	89,659	12.4	-	5,792	95,451	12.5
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3 PERFORMANCE SUMMARY

PERIOD ENDING 30 JUNE 2019

Manager / Fund	3 months %		12 months %		3 years % p.a.	
	Fund	Bmark	Fund	Bmark	Fund	Bmark
UBS- Passive Equity Fund*	6.5	n/a	6.6	n/a	11.8	n/a
UBS – Alternative Beta	6.2	6.1	n/a	n/a	n/a	n/a
LCIV RBC Sustainable Equity Fund	7.4	6.5	12.8	10.3	n/a	n/a
LCIV Global Alpha Growth Fund	7.7	6.2	9.2	10.5	n/a	n/a
BlackRock World Low Carbon Equity Tracker Fund	7.8	7.6	n/a	n/a	n/a	n/a
Global Equities						
Aberdeen Global Emerging Market Equities Fund	5.2	3.1	12.1	5.4	n/a	n/a
UBS – HALO EM Fund	2.9	3.0	n/a	n/a	n/a	n/a
Emerging Market Equities						
LCIV Global Total Return Fund	1.1	2.8	2.5	8.0	n/a	n/a
LCIV Diversified Growth Fund	1.0	1.1	2.4	4.3	n/a	n/a
DGF						
UBS Triton Property Unit Trust	0.7	0.6	4.7	3.4	6.8	6.3
BlackRock UK Property Fund	0.4	0.6	3.4	3.4	5.7	6.3
Property						
MIRA Infrastructure Global Solution II, L.P.**	n/a	n/a	n/a	n/a	n/a	n/a
Quinbrook Low Carbon Power LP	4.7	1.8	n/a	n/a	n/a	n/a
Infrastructure						
Churchill Middle Market Senior Loan Fund II	4.6	1.8	n/a	n/a	n/a	n/a
Private Credit						
Growth Assets						
Aberdeen Bonds Portfolio	2.9	3.0	9.0	9.0	5.0	4.8
Bonds						
LCIV MAC Fund	1.7	1.2	3.9	4.8	n/a	n/a
Multi-Asset Credit						
Stabilising Assets						
TOTAL MERTON PENSION FUND						
	4.8		7.9		9.7	
Strategic Target (5.5% p.a.)	1.3		5.5		5.5	

Returns for private market managers are approximate, and may be low initially due to the J-curve effect. Private market investment performance is calculated on an IRR basis. All other manager performance is calculated using time-weighted rate of return.

* Benchmark suspended in Q2 2018 as a result of transition activity. This impacts 3 month, 12 month and 3 year benchmark returns.

** Performance is not shown as June data is only available 120 days after quarter end. In future reports, returns for this manager will be included on a 1 quarter lagged basis

4 MARKET BACKGROUND

PERIOD ENDING 30 JUNE 2019

MARKET STATISTICS

Market Returns Growth Assets	3 Mths %	1 Year %	3 Years % p.a.
UK Equities	3.3	0.6	9.0
Overseas Developed	6.7	11.0	14.4
North America	6.8	14.1	15.9
Europe (ex UK)	8.8	8.0	12.8
Japan	2.9	-1.2	10.2
Asia Pacific (ex Japan)	5.9	6.4	12.9
Emerging Markets	3.8	8.3	12.5
Frontier Markets	8.6	4.3	8.0
Hedge Funds**	2.3	2.5	4.3
Commodities**	-2.2	-13.7	0.2
High Yield**	2.3	6.5	6.1
Emerging Market Debt	8.2	13.1	5.9
Senior Secured Loans**	1.1	2.1	3.4
Cash	0.2	0.7	0.4

Yields as at 31 December 2018	% p.a.
UK Equities	4.13
UK Gilts (>15 yrs)	1.40
Real Yield (>5 yrs ILG)	-1.90
Corporate Bonds (>15 yrs AA)	2.25
Non-Gilts (>15 yrs)	2.78

Market Returns Bond Assets	3 Mths %	1 Year %	3 Years % p.a.
UK Gilts (>15 yrs)	2.0	7.2	3.1
Index-Linked Gilts (>5 yrs)	2.0	9.1	6.0
Corporate Bonds (>15 yrs AA)	2.6	10.7	5.2
Non-Gilts (>15 yrs)	3.1	9.6	5.6

Exchange Rates: Change in Sterling	3 Mths %	1 Year %	3 Years % p.a.
Against US Dollar	-2.33	-3.60	-1.62
Against Euro	-3.70	-1.16	-2.43
Against Yen	-4.93	-6.23	0.00

Inflation Indices	3 Mths %	1 Year %	3 Years % p.a.
Price Inflation – RPI	1.6	2.9	3.3
Price Inflation – CPI	0.9	2.0	2.4
Earnings Inflation*	2.0	3.8	2.9

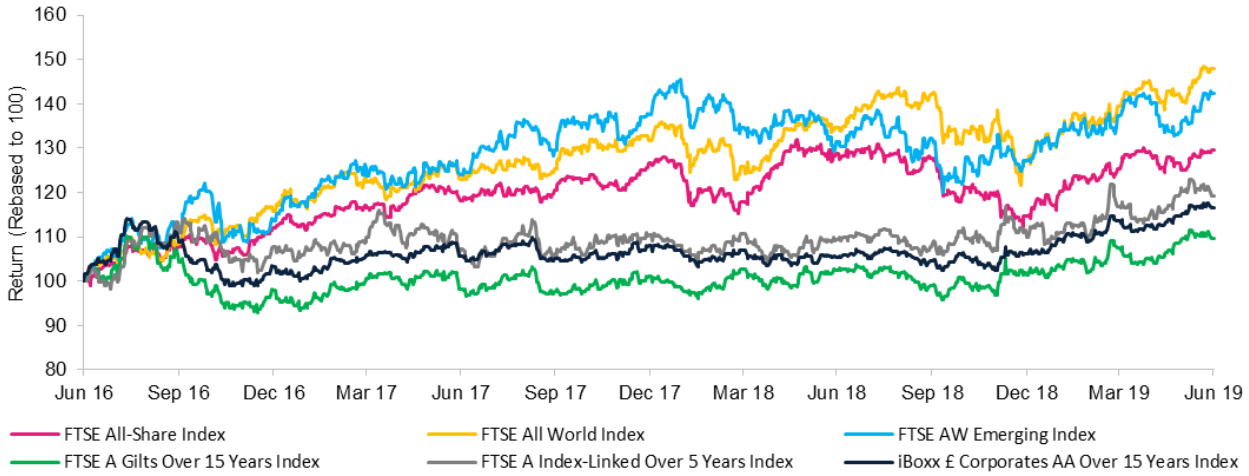
Absolute Change in Yields	3 Mths %	1 Year %	3 Years % p.a.
UK Equities	-0.09	0.49	0.47
UK Gilts (>15 yrs)	-0.08	-0.27	-0.21
Real Yield (>5 yrs ILG)	-0.04	-0.31	-0.51
Corporate Bonds (>15 yrs AA)	-0.11	-0.47	-0.50
Non-Gilts (>15 yrs)	-0.10	-0.32	-0.28

Source: Thomson Reuters.

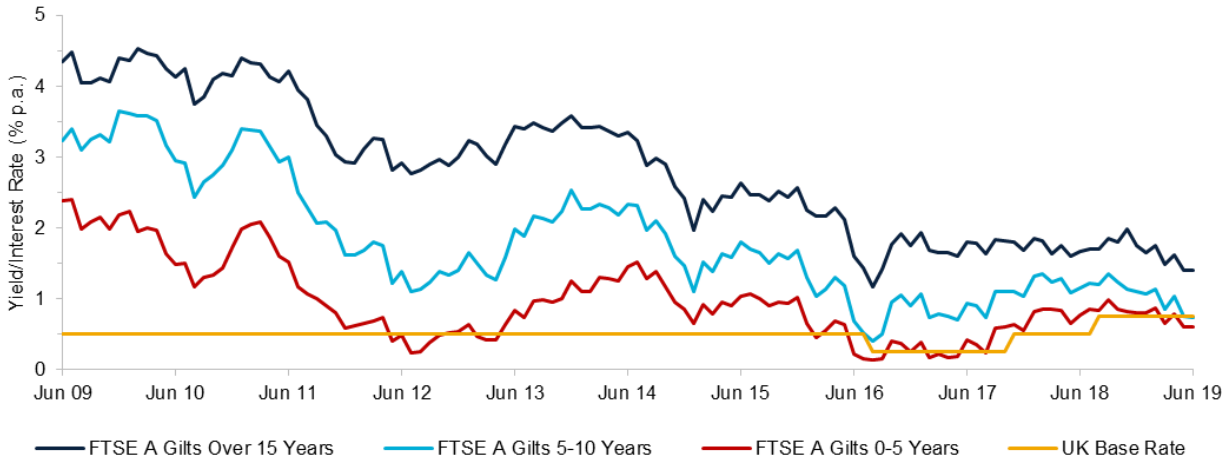
Note: * Subject to 1 month lag ** Local Currency / GBP Hedged

MARKET SUMMARY CHARTS

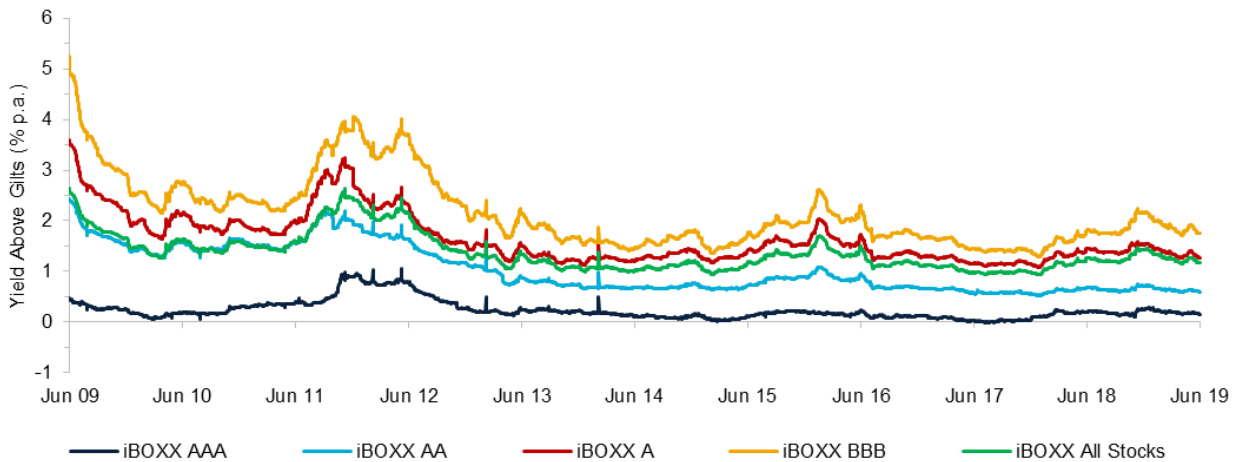
Market performance – 3 years to 30 June 2019



UK government bond yields – 10 years to 30 June 2019



Corporate bond spreads above government bonds – 10 years to 30 June 2019



Source: Thomson Reuters

5 MARKET EVENTS

Asset Class	What happened?	
	Positive Factors	Negative Factors
United Kingdom	<ul style="list-style-type: none"> The FTSE 100 gained 3.3% over the quarter finishing Q2 2019 at a near nine-month high. The index posted strong returns despite the uncertainty surrounding global trade conflicts and Brexit. UK dividends remain a robust source of investment income despite reported headwinds, most notably Brexit. 	<ul style="list-style-type: none"> The Markit Manufacturing PMI slipped below 50 for the first time since July 2016, thus signalling a contraction in the manufacturing sector.
North America	<ul style="list-style-type: none"> Indications of progress in trade talks, and the dovish rhetoric of the US Federal Reserve (Fed), which marked a shift from its hawkish rhetoric displayed earlier in the year, propelled US equity markets to a record high. The S&P 500 closed the quarter 4.3% higher. 	
Europe (ex UK)	<ul style="list-style-type: none"> Economic growth in the Eurozone continued to remain positive with the Q1 2019 GDP growing at 1.5% YoY, up from a growth rate of 1.2% YoY seen in Q4 2018. The European Central Bank (ECB) committed to not hiking interest rates until the first half of 2020. It has also announced several measures to inject further liquidity and has left the door open to re-introduce quantitative easing measures. 	<ul style="list-style-type: none"> Inflation in the Eurozone continues to remain tepid. The annual headline inflation came in at 1.2% in June, down from 1.4% seen in March. Core inflation remains subdued at 1.1%, significantly below ECB's target level of 2.0%.
Japan		<ul style="list-style-type: none"> Japanese equities have seen a sell-off since the start of 2019 with concerns over the impact of the trade war, a strengthening Yen, and a looming increase in the sales tax. US-China trade tensions have led to weak external demand and low export growth.
Asia Pacific (ex Japan)		<ul style="list-style-type: none"> Major economies in the APAC region lost value over Q2 amid renewed trade tension between China and the US.
Emerging Markets	<ul style="list-style-type: none"> The MSCI Emerging Markets Index ended Q2 2019 on a positive note, with the index up by 2.0%. Markets reacted positively to the Fed's dovish stance. 	
Conventional Gilts	<ul style="list-style-type: none"> UK nominal gilts performed well as yields fell across all maturities over the quarter, 	

Asset Class	What happened?	
	Positive Factors	Negative Factors
	<p>especially in the latter half of the quarter.</p> <ul style="list-style-type: none"> Globally, government bonds rallied following weak economic data, lower inflation expectations and risks arising from the ongoing trade conflicts. Additionally, the dovish stance of the major central banks of the world supported government bonds. Demand for gilts remains robust and auctions by the DMO continue to be oversubscribed.. 	
Index-Linked Gilts	<ul style="list-style-type: none"> UK index-linked gilts performed well as yields fell across most of the maturities over the quarter, especially in the latter half of the quarter. Sterling depreciated over the quarter, leading to expectations of higher inflation through imports. This resulted in increased demand for this asset class. Demand for index-linked gilts remains robust and auctions by the DMO continue to be oversubscribed. 	
Corporate Bonds	<ul style="list-style-type: none"> UK corporate bonds generated positive returns over the quarter as corporate bond yields fell owing to narrower credit spreads and a fall in gilt yields. Apart from the technology sector, all the sectors witnessed narrower credit spreads over the quarter. The utility, insurance, telecommunications, and services sectors were the best performers. 	
Commodities	<ul style="list-style-type: none"> Precious metals recorded modest gains over the quarter, led by gold which rose by 9.1%. 	<ul style="list-style-type: none"> The S&P GSCI Spot Index posted a negative return over the quarter amid geopolitical tensions and uncertainties surrounding global trade.
UK Property		<ul style="list-style-type: none"> In Q2 2019, political and economic uncertainties continued to affect UK construction activities. The IHS Markit/CIPS UK construction purchasing managers' index fell to 43.1 from 49.7 a quarter ago; the decline has been the worst since April 2009 and far below the 50 threshold level. All categories of construction activities (housebuilding, commercial and civil engineering) fell during the quarter.

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