

LGC Investment Seminar Scotland

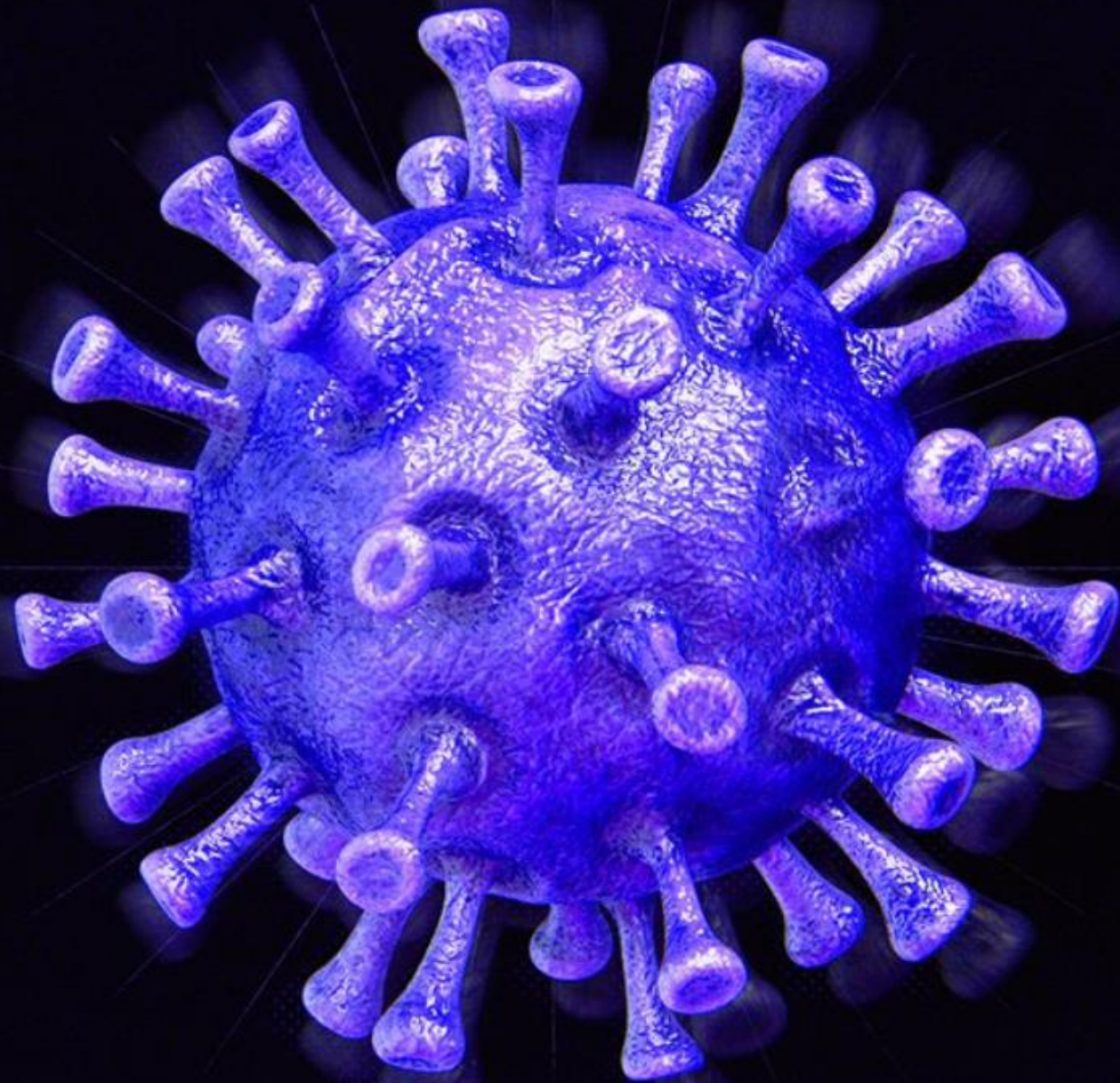
Short-term and long-term implications of the Covid-19 Pandemic
for the LGPS

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LGPS Diversification Over Time

	2000	2010	2020	SPF
Average No. of Mandates	5	9	12	18
Mandates	UK Equity	Plus:	Plus:	Plus:
	Overseas Equity	Corporate Bonds	Alternative Credit	Emerging Market Debt
	Emerging Market Equity	Private Equity	Multi Asset Credit	Direct Investment Portfolio
	UK Gilts	Hedging	Infrastructure	
	UK IL	Absolute Return	Commodities	
	Cash		DGFs	
	Property		Hedge Funds	
			LDI	
			Equity Protection	
			Smart Beta	
			Climate Aware	



SPF Strategy & Structure

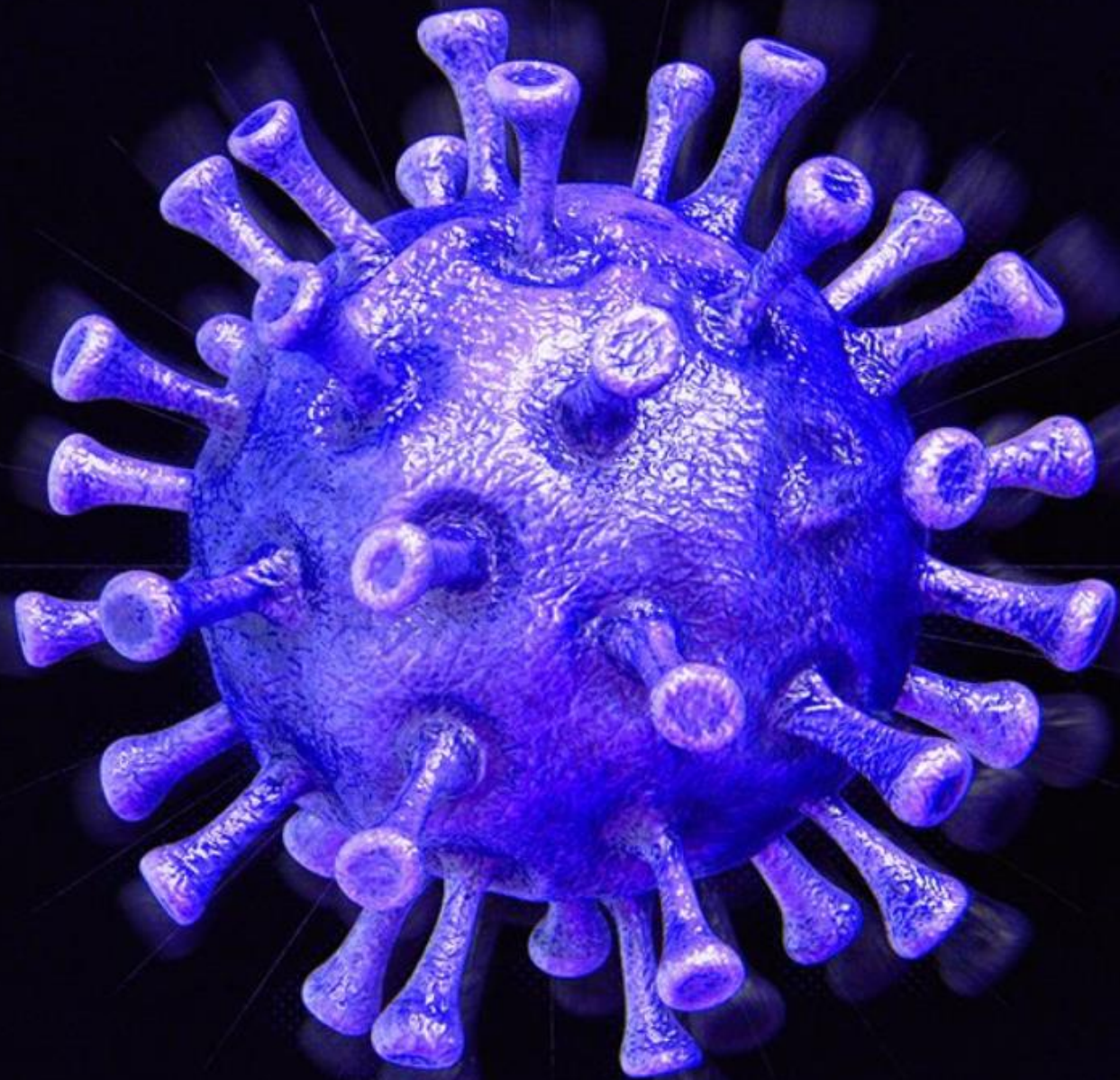
Asset Category	Start	Step 1	Step 2	Step 3	Step 4
	%	%	%	%	%
Equity	72.5	62.5	52.5	42.5	32.5
Hedging/Insurance	4.5	1.5	1.5	1.5	1.5
Credit	3.0	6.0	6.0	6.0	6.0
Short-Term Enhanced Yield (STEY)	7.5	15.0	20.0	25.0	30.0
Long-Term Enhanced Yield (LTEY)	12.5	15.0	20.0	25.0	30.0
	100	100	100	100	100



2020 Strategy Review

Agreed priorities:

- **asset liability modelling to better understand and re-state the long-term objectives and return target for the Fund;**
- **explicit consideration of the risk which inflation poses to the long term objectives;**
- **climate risk scenario modelling;**
- **review of credit spread triggers; and**
- **review of the current equity structure.**



Thank you



Strathclyde
Pension Fund