Essex Pension Fund Investment Steering Committee	ISC 03
Date: 13 October 2021	

Capital Markets Outlook: Q2 2021 highlights

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This Report is for noting

Executive Summary

Key highlights include:

- Positive Rolling 12 month returns to June 2021 for risk assets;
- Improved GBP growth in Q2 however, still below pre-Covid 19 levels;
- Continued signs of recovery, global service sector is catching up with the manufacturing sector however, businesses are increasing becoming constrained by problems in supply of material and labour;
- Outlook for asset classes remains neutral to cautious given price rises in the backdrop of an uncertain economic environment; and
- Persistent higher inflation remains a concern, although markets appear to have priced a return towards target levels in medium term.

1. Purpose of Report

1.1 To update the ISC on recent market conditions.

2. Recommendation

2.1 That the Committee should note the content of the report.