

## Pension Fund Investment Sub Committee

11 November 2013

### Investment Performance

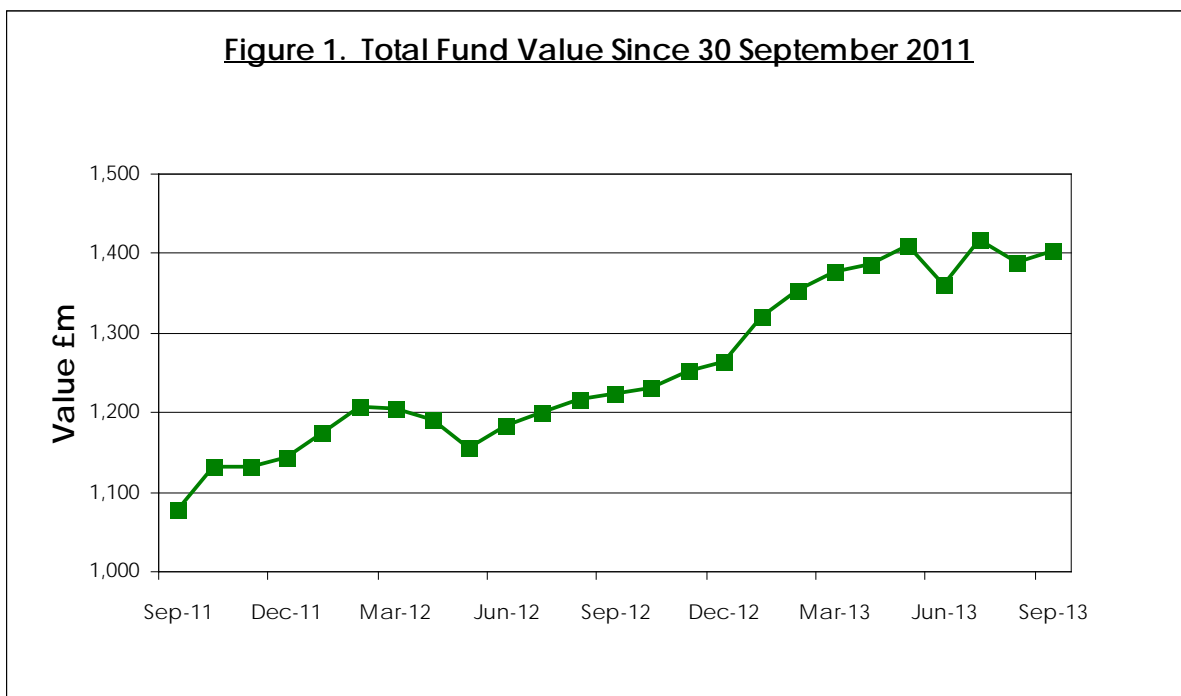
### Report of the Head of Finance

#### Recommendation

That the Committee note the fund value and investment performance for the second quarter in 2013/14 to 30 September 2013.

#### 1. Fund Value at 30 September 2013

- 1.1 The fund value was £1,403.6m at 30 September 2013 an increase of 2.9% on the previous quarter.



## 2. Fund Asset Allocation

2.1 The performance of the Fund against its asset class benchmarks for the quarter ending 30 September 2013 is shown in Table 1.

**Table 1: Fund Asset Allocation**

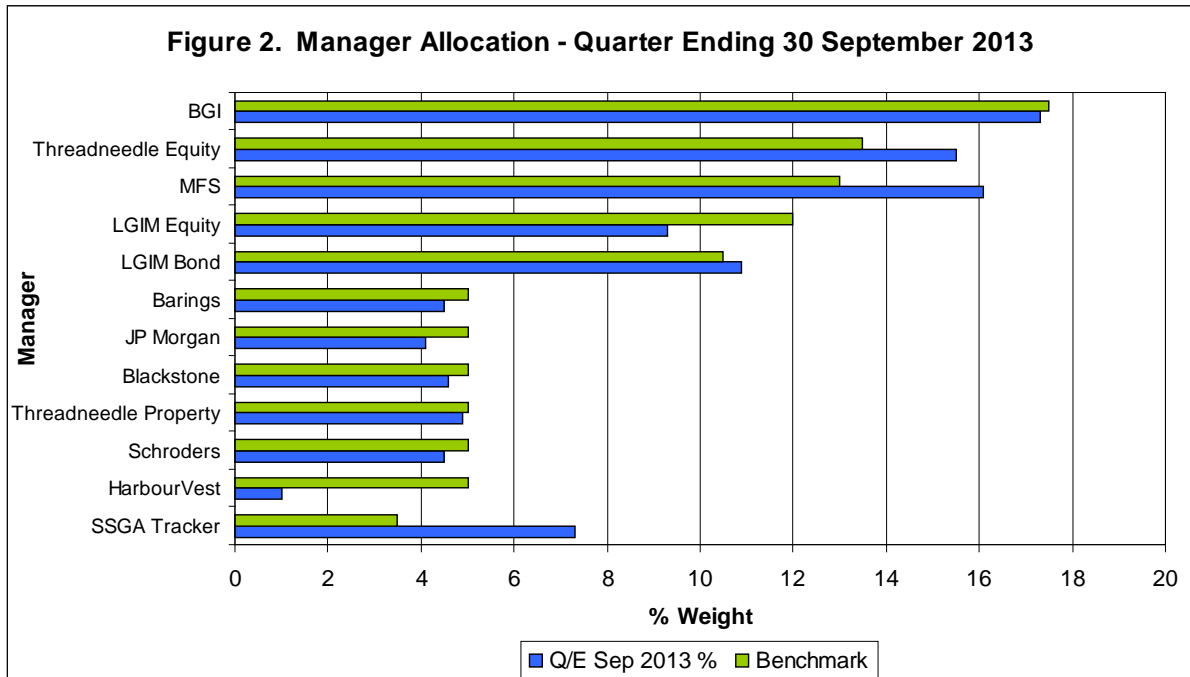
Asset Class	Q/E Sep 2013 %	Fund policy %	Over/under weight %
<b>Equity</b>	<b>59.10</b>	<b>52.50</b>	<b>6.60</b>
UK	28.10	22.50	5.60
Overseas	31.00	30.00	1.00
<b>Fixed Income</b>	<b>16.90</b>	<b>17.50</b>	<b>-0.60</b>
UK corporate bonds	9.90	10.00	-0.10
UK government bonds	2.30	2.50	-0.20
UK index linked bonds	4.70	5.00	-0.30
<b>Hedge Funds</b>	<b>4.50</b>	<b>5.00</b>	<b>-0.50</b>
<b>Private Equity</b>	<b>0.90</b>	<b>5.00</b>	<b>-4.10</b>
<b>Property</b>	<b>9.40</b>	<b>10.00</b>	<b>-0.60</b>
<b>Multi Asset Absolute Return</b>	<b>4.50</b>	<b>5.00</b>	<b>-0.50</b>
<b>Absolute Return Bonds</b>	<b>4.10</b>	<b>5.00</b>	<b>-0.90</b>
<b>Cash</b>	<b>0.60</b>	<b>0.00</b>	<b>0.60</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

2.2 The fund managers' asset allocation against the benchmark for the quarter ending 30 September 2013 is shown in Table 2.

**Table 2: Fund Asset Allocation by Manager**

Manager	Benchmark	Q/E Sep 2013 %	Variance
SSGA Tracker	3.5	7.3	3.8
HarbourVest	5.0	1.0	-4.0
Schroders	5.0	4.5	-0.5
Threadneedle Property	5.0	4.9	-0.1
Blackstone	5.0	4.6	-0.4
JP Morgan	5.0	4.1	-0.9
Barings	5.0	4.5	-0.5
LGIM Bond	10.5	10.9	0.4
LGIM Equity	12.0	9.3	-2.7
MFS	13.0	16.1	3.1
Threadneedle Equity	13.5	15.5	2.0
BGI	17.5	17.3	-0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

2.2 Fund asset allocation against each manager is shown in Figure 2.



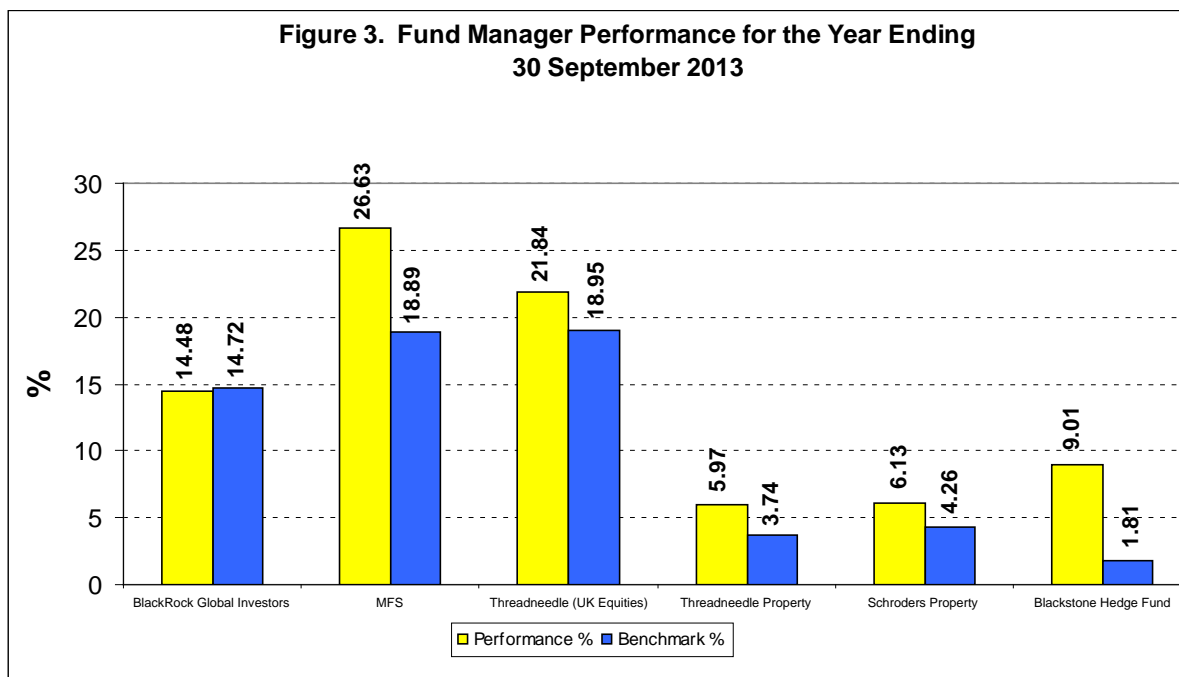
### 3. Fund Performance

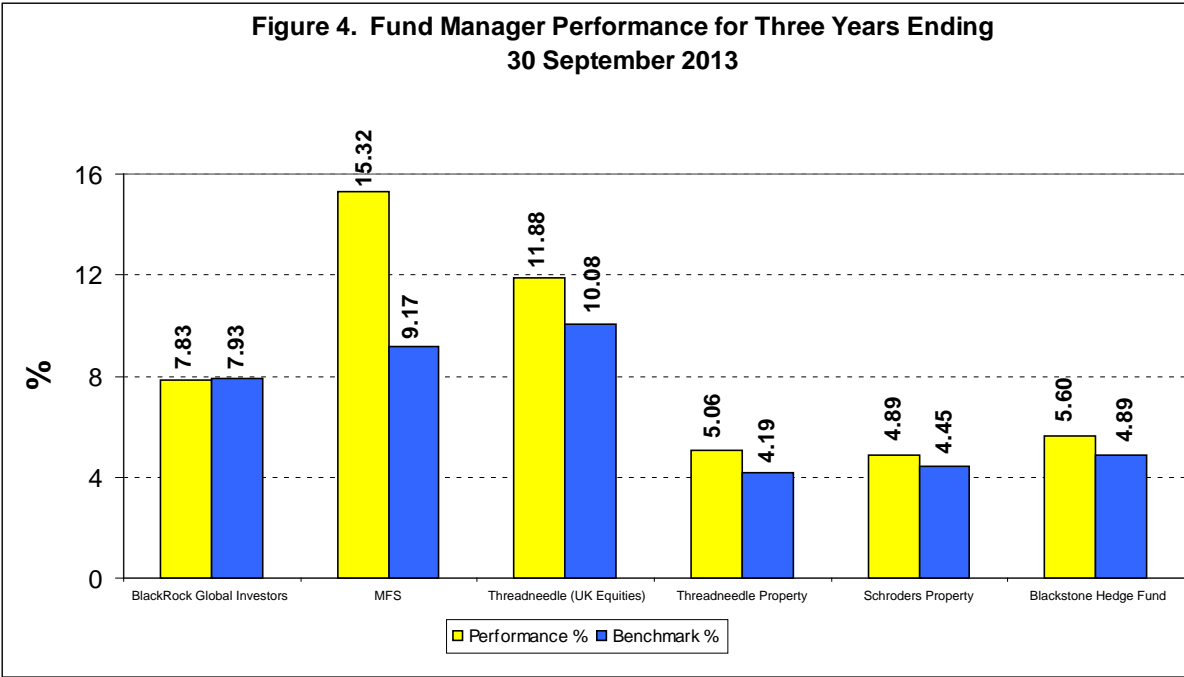
3.1 Overall the fund out-performed its overall benchmark by 0.14%. The performances of managers against their benchmarks for the quarter ending 30 September 2013 were:

**Table 3: Performance by Fund Manager**

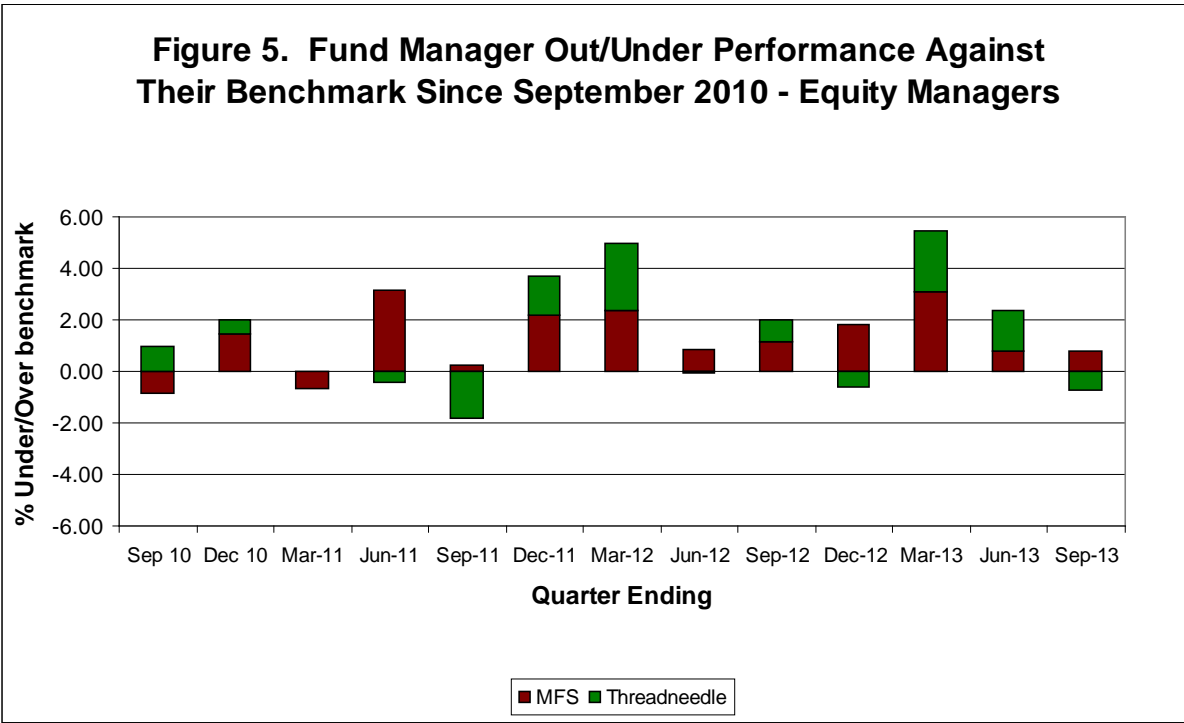
Manager	Benchmark Measure	Q/E Sep 2013 %	Benchmark %	Variance %
BlackRock Global Investors	<i>BlackRock Benchmark</i>	3.11	3.03	<b>0.08</b>
MFS	<i>Global Equity Benchmark</i>	1.84	1.06	<b>0.78</b>
State Street Tracker	<i>FTSE All-Share</i>	5.59	5.58	<b>0.01</b>
Threadneedle	<i>FTSE All-Share</i>	4.86	5.59	<b>-0.73</b>
Legal and General (Global Equities)	<i>LGIM Benchmark</i>	3.75	3.22	<b>0.53</b>
Legal and General (Fixed Interest)	<i>LGIM Benchmark</i>	1.64	1.80	<b>-0.16</b>
Threadneedle Property	<i>Customised Benchmark</i>	2.20	1.81	<b>0.39</b>
Schroders Property	<i>Customised Benchmark</i>	2.75	2.45	<b>0.30</b>
Blackstone Hedge	<i>Customised Benchmark</i>	1.94	0.09	<b>1.85</b>
Barings Multi Asset	<i>Customised Benchmark</i>	1.38	0.12	<b>1.26</b>
JP Morgan Strategic Bond	<i>Customised Benchmark</i>	1.46	0.12	<b>1.34</b>
<b>Total</b>	<b>WCC Total Fund Benchmark</b>	<b>2.90</b>	<b>2.76</b>	<b>0.14</b>

3.2 Annualised return for the fund managers to 30 September 2013 is summarised in Figure 3. The three year annualised return is summarised in Figure 4.





3.3 Equity Manager performances against their benchmarks are summarised in Figures 5.



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