

Pension Fund Investment Sub Committee

19 May 2014

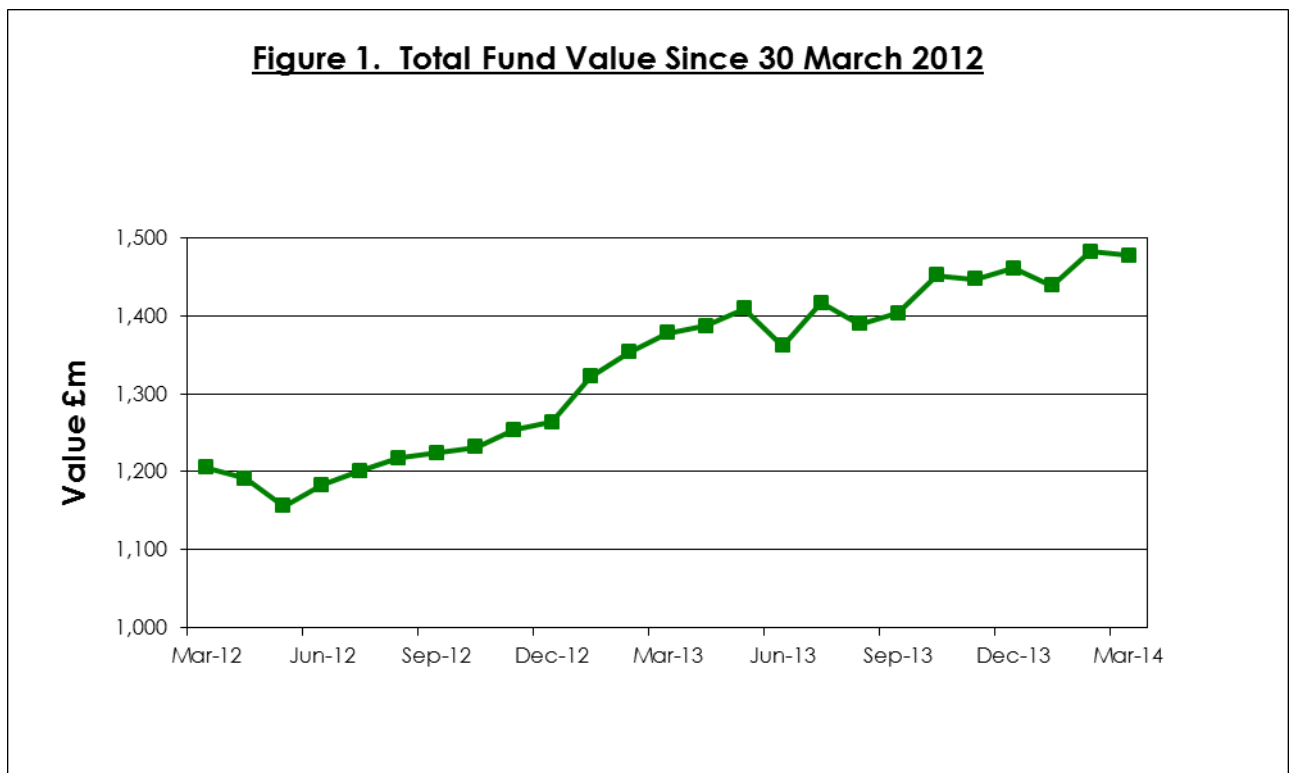
Investment Performance

Recommendation

That the Committee notes the fund value and investment performance for the fourth quarter in 2013/14 to 31 March 2014.

1. Fund Value at 31 March 2014

- 1.1 The fund value was £1,477.6m at 31 March 2014 an increase of 1.2% on the previous quarter as shown in Figure 1.



2. Fund Asset Allocation

2.1 The performance of the Fund against its asset class benchmarks for the quarter ending 31 March 2014 is shown in Table 1.

Table 1: Fund Asset Allocation

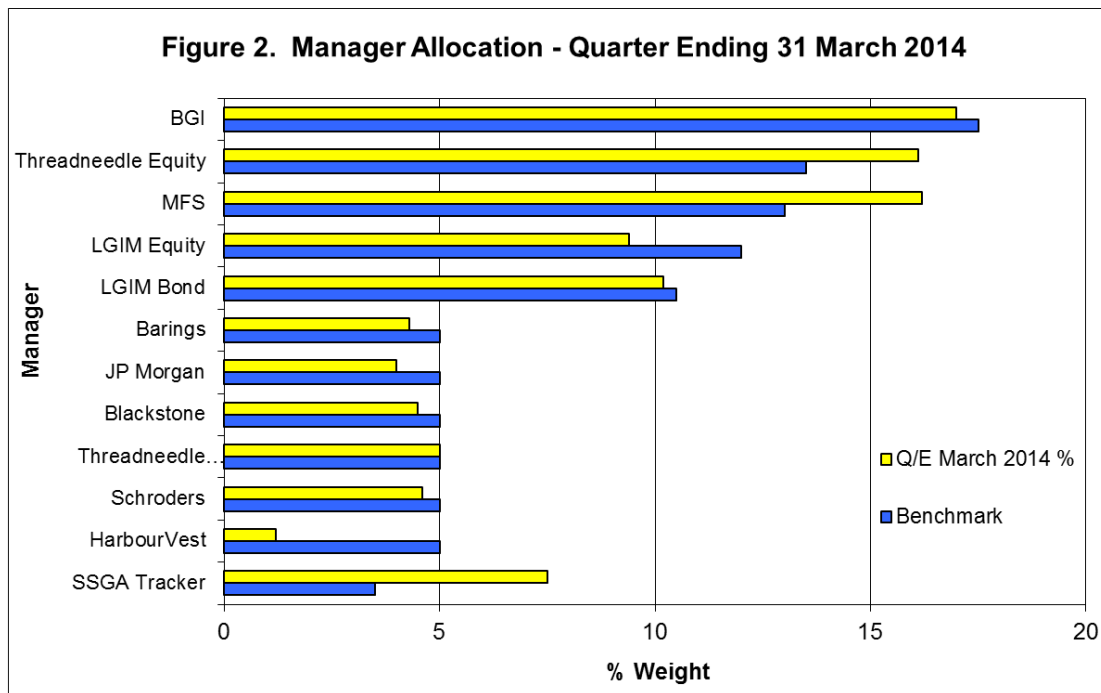
Asset Class		Q/E Mar 2014	Fund policy	Over/under weight
		%	%	%
Equity		59.60	52.50	7.10
	UK	28.70	22.50	6.20
	Overseas	30.90	30.00	0.90
Fixed Income		16.20	17.50	-1.30
	UK corporate bonds	9.40	10.00	-0.60
	UK government bonds	2.20	2.50	-0.30
	UK index linked bonds	4.60	5.00	-0.40
Hedge Funds		4.50	5.00	-0.50
Private Equity		1.10	5.00	-3.90
Property		9.60	10.00	-0.40
Multi Asset Absolute Return		4.30	5.00	-0.70
Absolute Return Bonds		4.00	5.00	-1.00
Cash		0.70	0.00	0.70
Total		100.00	100.00	0.00

2.2 The fund managers' asset allocation against the benchmark for the quarter ending 31 March 2014 is shown in Table 2.

Table 2: Fund Asset Allocation by Manager

Manager	Q/E March 2014 %	Benchmark	Variance
SSGA Tracker	7.5	3.5	4.0
HarbourVest	1.2	5.0	-3.8
Schroders	4.6	5.0	-0.4
Threadneedle Property	5.0	5.0	0.0
Blackstone	4.5	5.0	-0.5
JP Morgan	4.0	5.0	-1.0
Barings	4.3	5.0	-0.7
LGIM Bond	10.2	10.5	-0.3
LGIM Equity	9.4	12.0	-2.6
MFS	16.2	13.0	3.2
Threadneedle Equity	16.1	13.5	2.6
BGI	17.0	17.5	-0.5
Total	100.0	100.0	0.0

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 0.32%. The performances of managers against their benchmarks for the quarter ending 31 March 2014 were:

Table 3: Performance by Fund Manager

Manager	Benchmark Measure	Q/E Mar 2014	Benchmark	Variance
		%	%	%
BlackRock Global Investors		0.90		-0.20
	<i>BlackRock Benchmark</i>		1.10	
MFS		0.20		-0.20
	<i>Global Equity Benchmark</i>		0.40	
State Street Tracker		-0.63		0.00
	<i>FTSE All-Share</i>		-0.63	
Threadneedle		1.44		2.06
	<i>FTSE All-Share</i>		-0.62	
Legal and General (Global Equities)		1.72		0.45
	<i>LGIM Benchmark</i>		1.27	
Legal and General (Fixed Interest)		2.37		0.00
	<i>LGIM Benchmark</i>		2.37	
Threadneedle Property		3.39		0.35
	<i>Customised Benchmark</i>		3.04	
Schroders Property		2.73		-0.55
	<i>Customised Benchmark</i>		3.28	
Blackstone Hedge		1.68		1.59
	<i>Customised Benchmark</i>		0.09	
Barings Multi Asset		-0.52		-0.64
	<i>Customised Benchmark</i>		0.12	
JP Morgan Strategic Bond		1.69		1.57
	<i>Customised Benchmark</i>		0.12	
Total		1.18		0.32
	<i>WCC Total Fund Benchmark</i>		0.86	

3.2 Annualised return for the fund managers to 31 March 2014 is summarised in Figure 3. The three year annualised return is summarised in Figure 4.

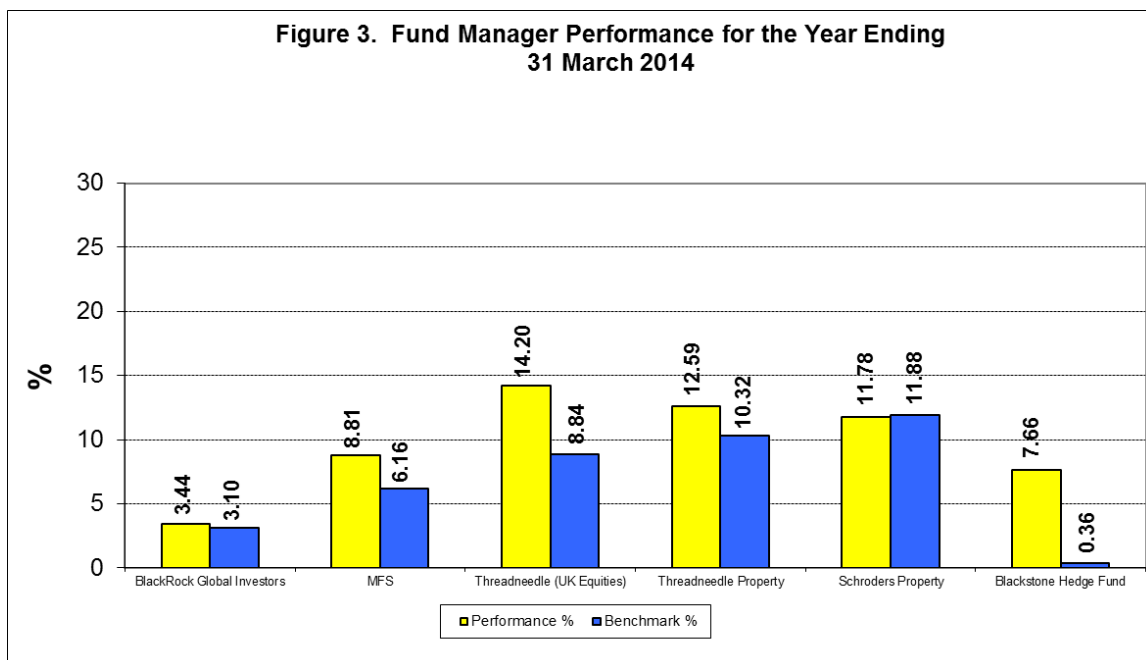
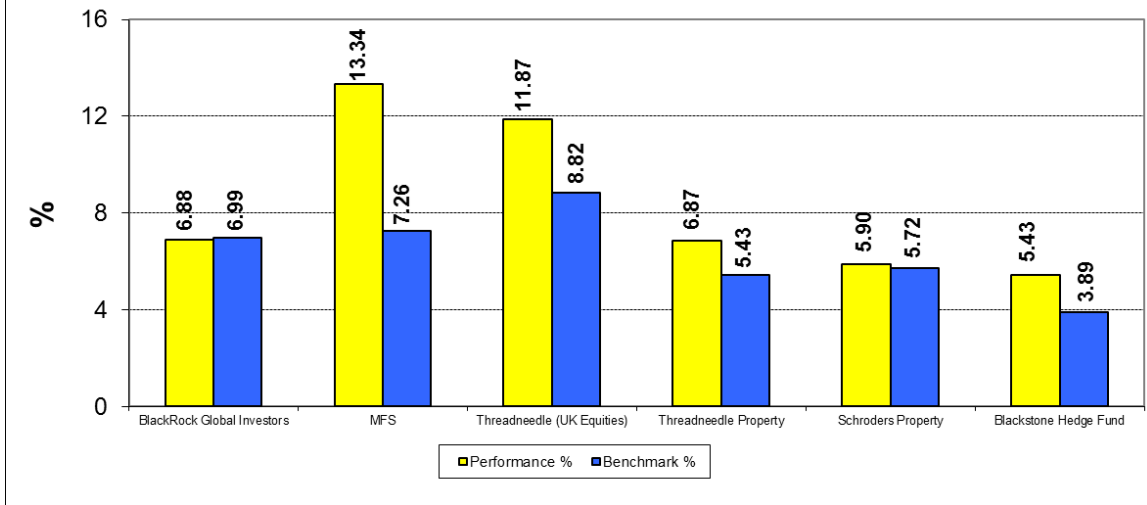
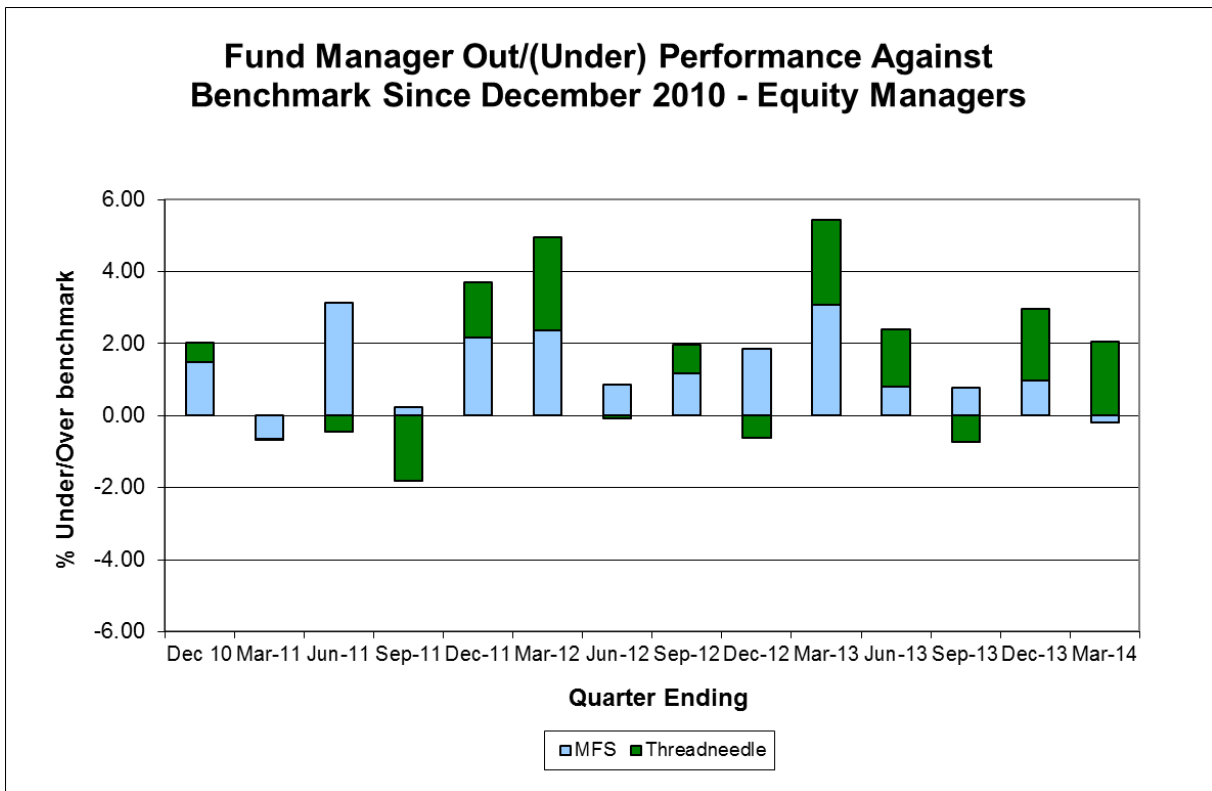


Figure 4. Fund Manager Performance for Three Years Ending 31 March 2014



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



	Name	Contact Information
Report Author	Mathew Dawson, Acting Group Manager Treasury and Pensions	01926 412861 Mathewdawson@warwickshire.gov.uk
Head of Service	John Betts Head of Finance	01926 412441 johnbetts@warwickshire.gov.uk
Strategic Director	David Carter, Strategic Director	01926 412564 davidcarter@warwickshire.gov.uk