

# Pension Fund Investment Sub Committee

15 June 2015

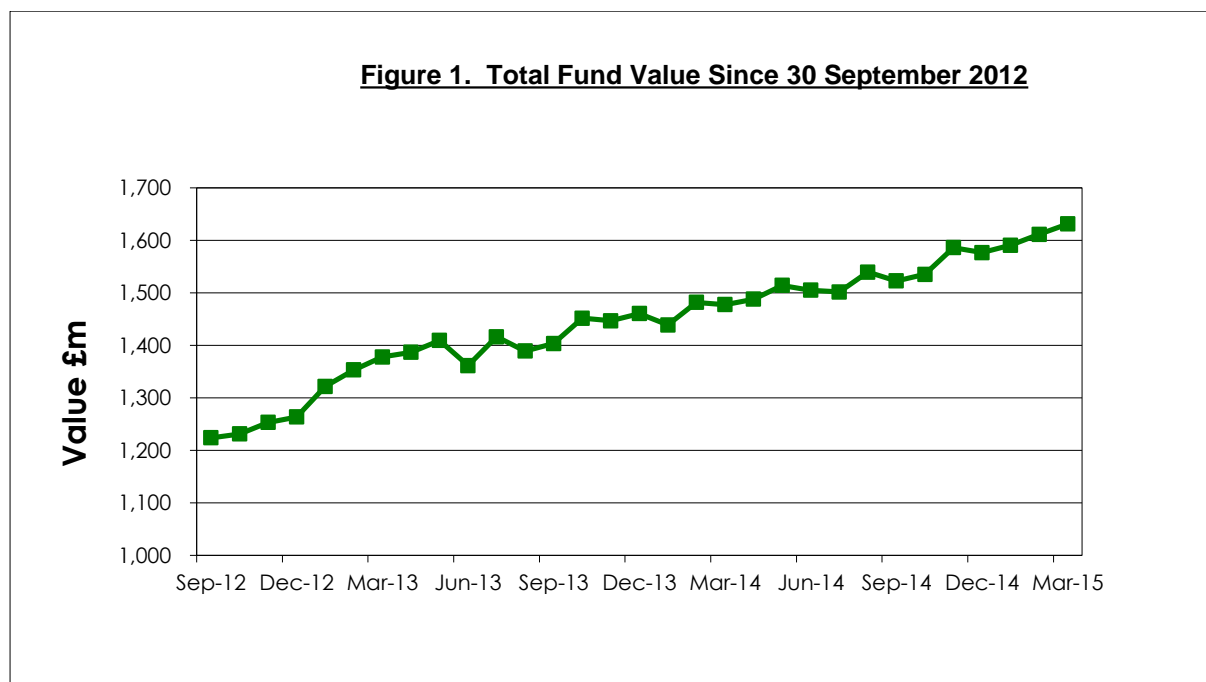
## Investment Performance

### Recommendation

That the Pension Fund Investment Sub- Committee note the fund value and investment performance for the fourth quarter in 2014/15 to 31 March 2015.

#### 1. Fund Value at 31 March 2015

- 1.1 The fund value was £1,631.3m at 31 March 2015 an increase of 5.5% 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 2015 is shown in Table 1.

**Table 1: Fund Asset Allocation**

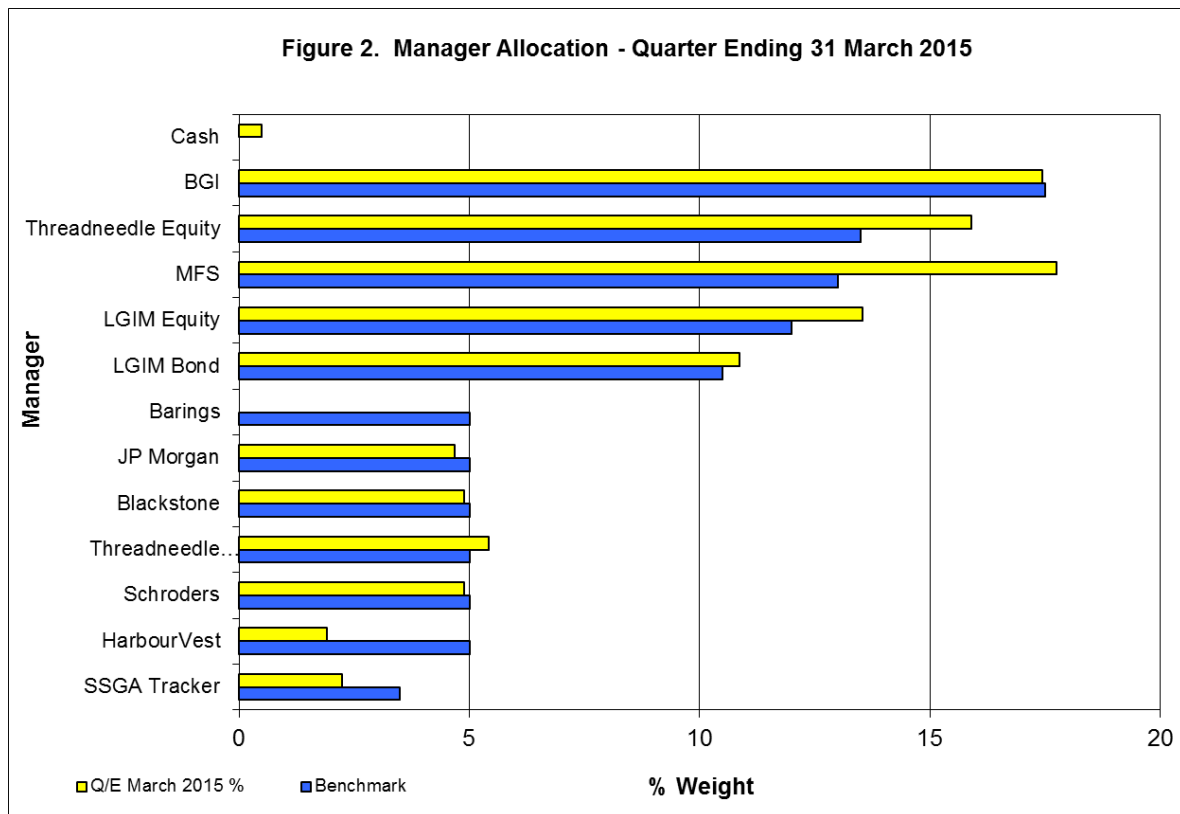
Asset Class		Q/E Mar 2015	Fund policy	Over/under weight
		%	%	%
<b>Equity</b>		<b>59.3</b>	<b>52.5</b>	<b>6.8</b>
	UK	31.4	22.5	8.9
	Overseas	27.9	30.0	-2.2
<b>Fixed Income</b>		<b>17.7</b>	<b>17.5</b>	<b>0.2</b>
	UK corporate bonds	10.1	10.0	0.1
	UK government bonds	2.2	2.5	-0.3
	UK index linked bonds	5.4	5.0	0.4
<b>Hedge Funds</b>		<b>4.9</b>	<b>5.0</b>	<b>-0.1</b>
<b>Private Equity</b>		<b>1.9</b>	<b>5.0</b>	<b>-3.1</b>
<b>Property</b>		<b>10.1</b>	<b>10.0</b>	<b>0.1</b>
<b>Multi Asset Absolute Return</b>		<b>0.0</b>	<b>5.0</b>	<b>-5.0</b>
<b>Absolute Return Bonds</b>		<b>4.7</b>	<b>5.0</b>	<b>-0.3</b>
<b>Cash</b>		<b>1.5</b>	<b>0.0</b>	<b>1.5</b>
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

2.2 The fund managers' asset allocation against the benchmark for the quarter ending 31 March 2015 is shown in Table 2.

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

Manager	Q/E March 2015 %	Benchmark	Variance
SSGA Tracker	2.24	3.5	-1.3
HarbourVest	1.90	5.0	-3.1
Schroders	4.89	5.0	-0.1
Threadneedle Property	5.42	5.0	0.4
Blackstone	4.89	5.0	-0.1
JP Morgan	4.69	5.0	-0.3
Barings	0.00	5.0	-5.0
LGIM Bond	10.86	10.5	0.4
LGIM Equity	13.54	12.0	1.5
MFS	17.74	13.0	4.7
Threadneedle Equity	15.89	13.5	2.4
BGI	17.43	17.5	-0.1
Cash	0.49	0.0	0.5
<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.



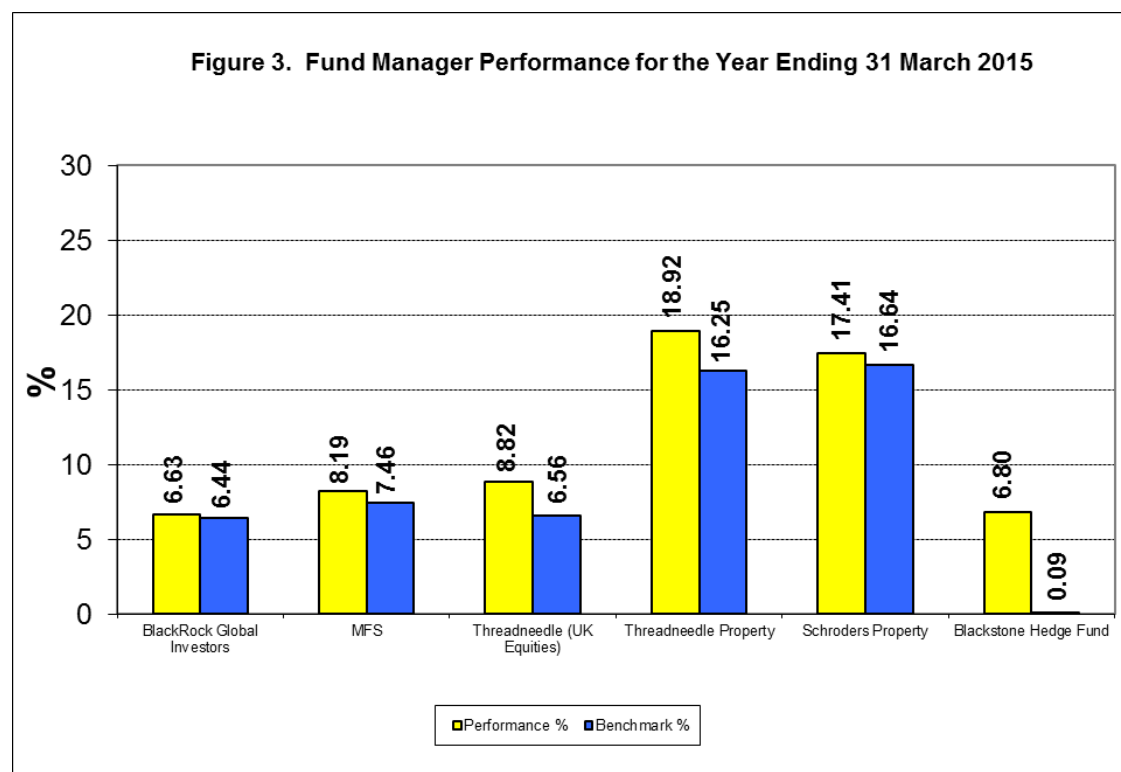
### 3. Fund Performance

3.1 Overall the fund over-performed its overall benchmark by 0.35%. The performances of managers against their benchmarks for the quarter ending 31 March 2015 were:

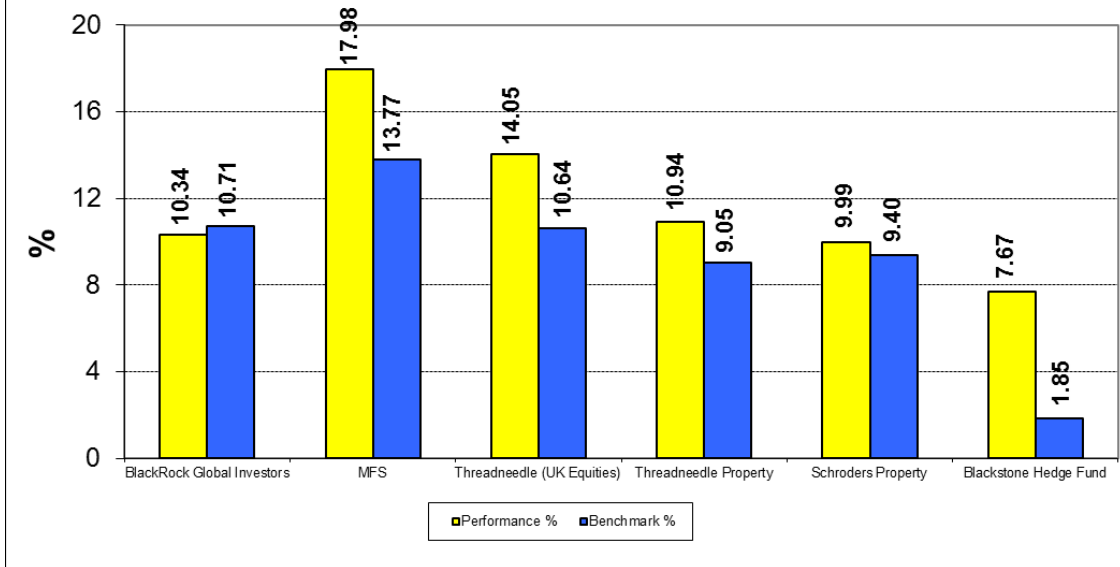
**Table 3: Performance by Fund Manager**

Manager	Benchmark Measure	Q/E Mar 2015	Benchmark	Variance
		%	%	%
BlackRock Global Investors	BlackRock Benchmark	6.63	6.44	<b>0.19</b>
MFS	Global Equity Benchmark	8.19	7.46	<b>0.73</b>
State Street Tracker	FTSE All-Share	4.74	4.67	<b>0.07</b>
Threadneedle	FTSE All-Share	5.20	4.67	<b>0.53</b>
Legal and General (Global Equities)	LGIM Benchmark	8.77	8.85	<b>-0.08</b>
Legal and General (Fixed Interest)	LGIM Benchmark	3.00	3.01	<b>-0.01</b>
Threadneedle Property	Customised Benchmark	2.77	2.52	<b>0.25</b>
Schroders Property	Customised Benchmark	5.35	2.80	<b>2.55</b>
Blackstone Hedge	Customised Benchmark	2.37	0.09	<b>2.28</b>
JP Morgan Strategic Bond	Customised Benchmark	1.31	0.13	<b>1.18</b>
<b>Total</b>	<b>WCC Total Fund Benchmark</b>	<b>5.50</b>	<b>5.15</b>	<b>0.35</b>

3.2 Annualised return for the fund managers to 31 March 2015 is summarised in Figure 3. The three year annualised return is summarised in Figure 4.

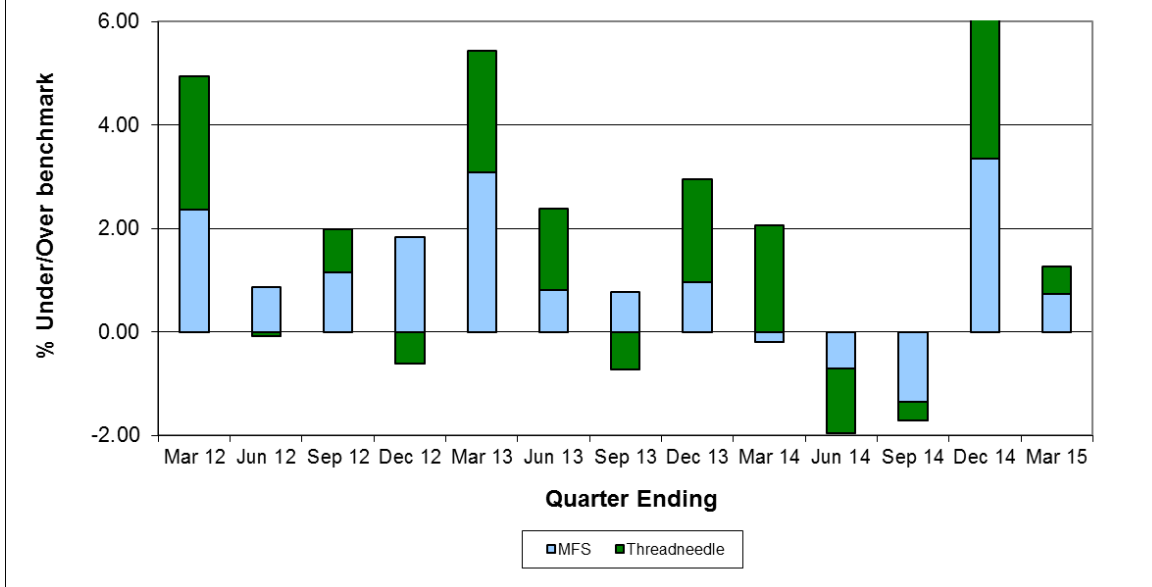


**Figure 4. Fund Manager Performance for Three Years Ending 31 March 2015**



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

**Figure 5. Fund Manager Out/(Under) Performance Against Benchmark Since March 2012- Equity Managers**



## Background Papers

Bank of New York Mellon Quarterly Attribution Report - March 2015

## Background Papers:

None????

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