

Pension Fund Investment Sub - Committee

14 September 2015

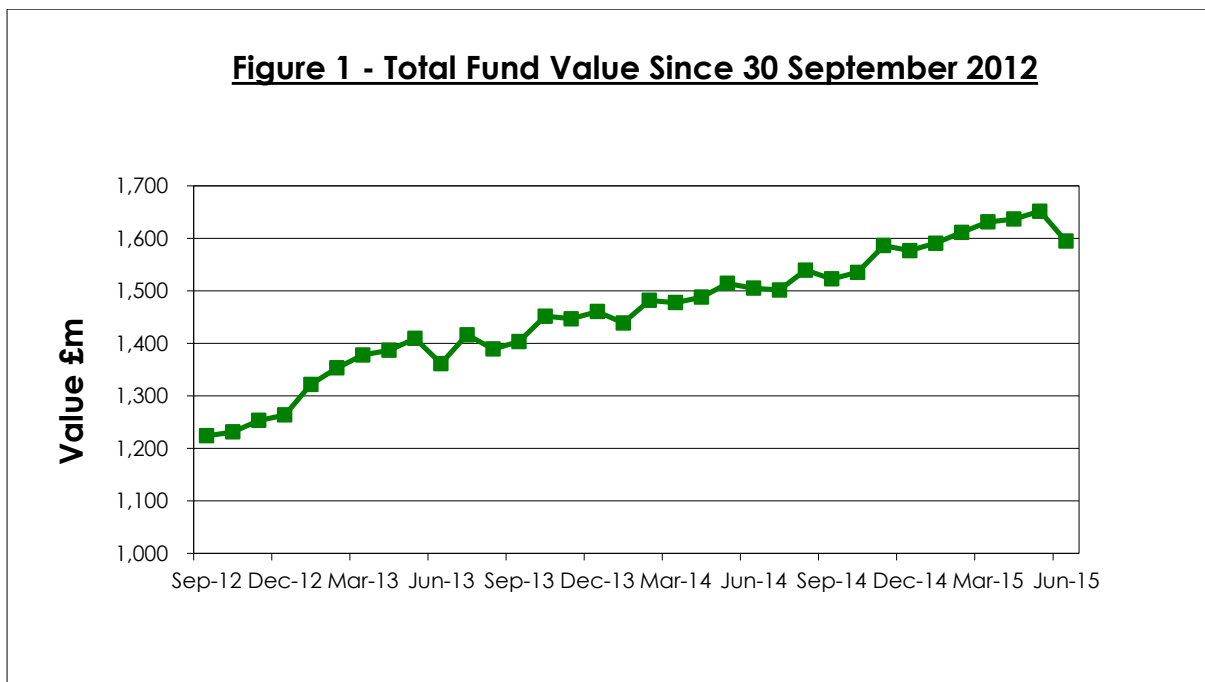
Investment Performance

Recommendation

That the Pension Fund Investment Sub- Committee note the fund value and investment performance for the first quarter in 2015/16 to 30 Jun 2015.

1. Fund Value at 30 June 2015

- 1.1 The fund value was £1,631.3m at 30 June 2015 a decrease of 2.2% 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 30 June 2015 is shown in Table 1.

Table 1: Fund Asset Allocation

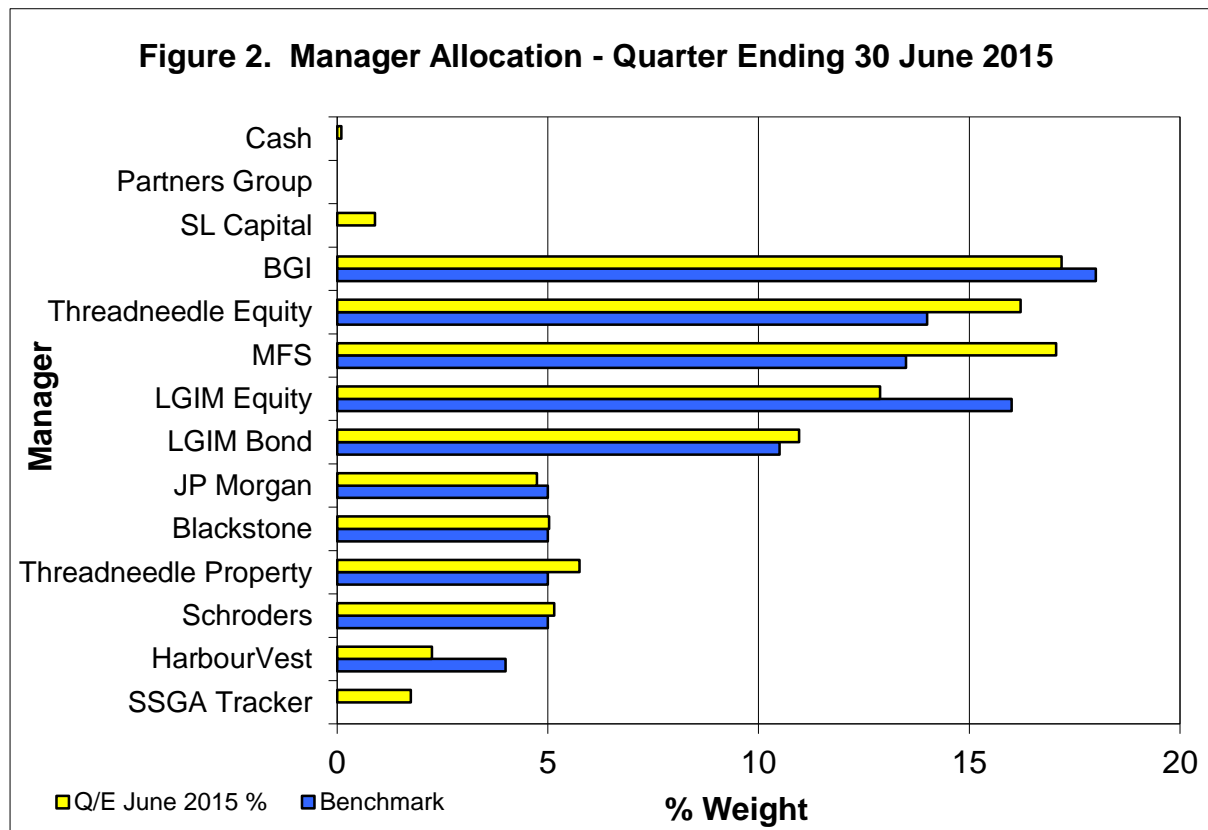
Asset Class	Q/E Jun 2015	Fund policy	Over/under weight
	%	%	%
Equity	57.9	54.5	3.4
UK	26.8	23.0	3.8
Overseas	26.5	26.5	0.0
Fundamental Indexation	4.7	5.0	-0.3
Fixed Income	17.8	17.5	0.3
UK corporate bonds	10.0	10.0	0.0
UK government bonds	2.5	2.5	0.0
UK index linked bonds	5.3	5.0	0.3
Hedge Funds	5.0	5.0	0.0
Private Equity	2.3	4.0	-1.8
Property	10.6	10.0	0.6
Absolute Return Bonds	4.7	5.0	-0.3
Infrastructure	0.9	4.0	-3.1
Cash	0.7	0.0	0.7
Total	100.0	100.0	0.0

2.2 The fund managers' asset allocation against the benchmark for the quarter ending 30 June 2015 is shown in Table 2.

Table 2: Fund Asset Allocation by Manager

Manager	Q/E June 2015 %	Benchmark	Variance
SSGA Tracker	1.8	0.0	1.8
HarbourVest	2.3	4.0	-1.8
Schroders	5.2	5.0	0.2
Threadneedle Property	5.8	5.0	0.8
Blackstone	5.0	5.0	0.0
JP Morgan	4.7	5.0	-0.3
LGIM Bond	11.0	10.5	0.5
LGIM Equity	12.9	16.0	-3.1
MFS	17.1	13.5	3.6
Threadneedle Equity	16.2	14.0	2.2
BGI	17.2	18.0	-0.8
SL Capital	0.9	2.5	-1.6
Partners Group	0.0	1.5	-1.5
Cash	0.1	0.0	0.1
Total	100.0	100.0	0.0

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



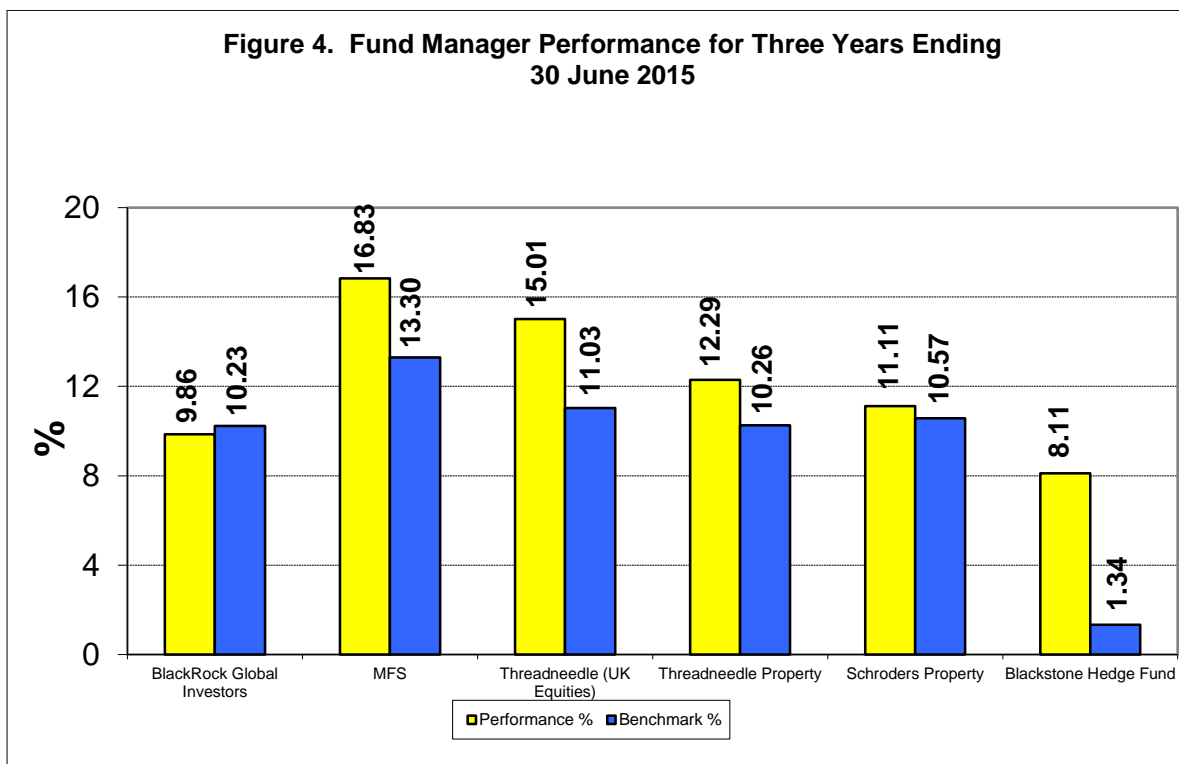
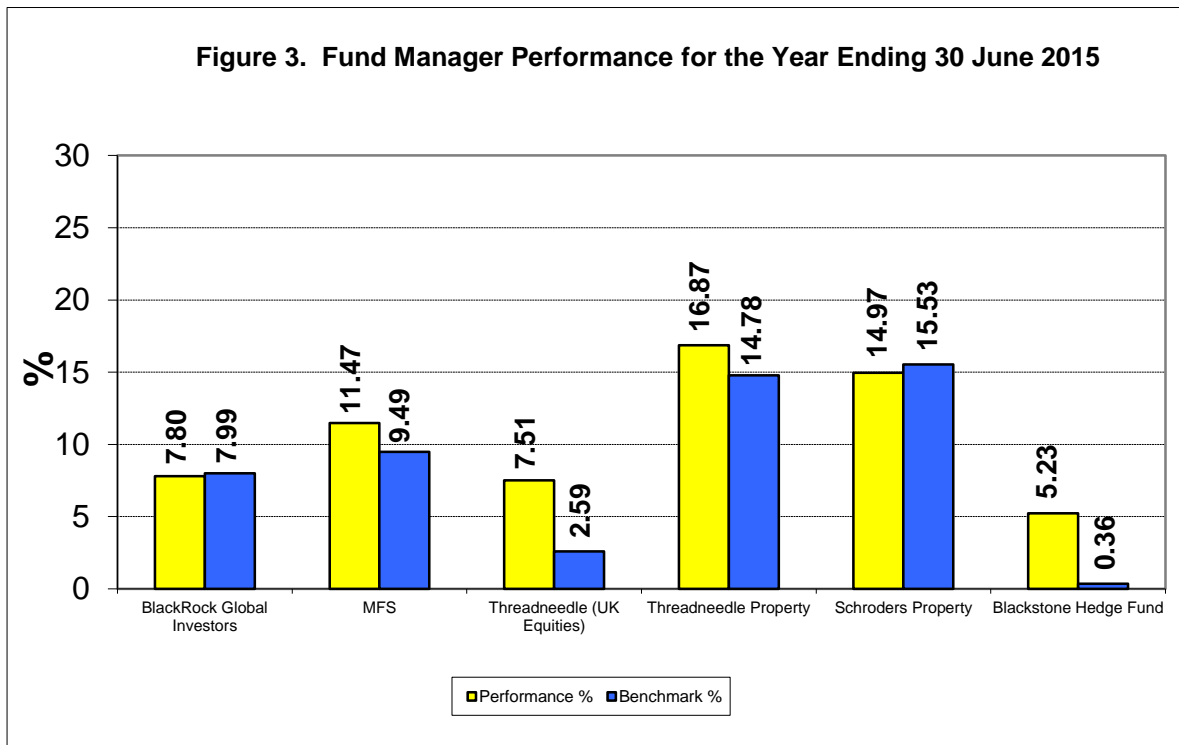
3. Fund Performance

3.1 Overall the fund out-performed its overall benchmark by 0.06%. The performances of managers against their benchmarks for the quarter ending 30 June 2015 were:

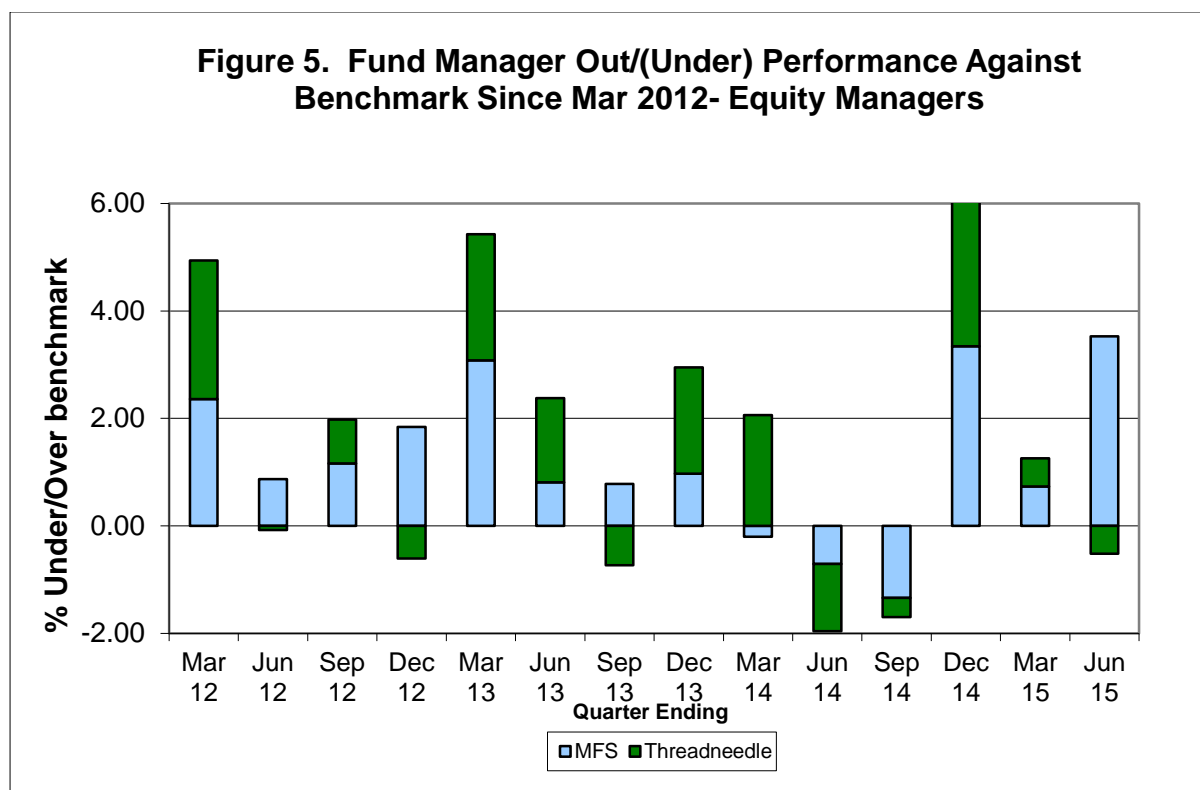
Table 3: Performance by Fund Manager

Manager	Benchmark Measure	Q/E Jun 2015	Benchmark	Variance
		%	%	%
BlackRock Global Investors		-3.59		0.01
	BlackRock Benchmark		-3.60	
MFS		-6.02		-0.74
	Global Equity Benchmark		-5.28	
State Street Tracker		-1.52		0.06
	FTSE All-Share		-1.58	
Threadneedle		-0.23		1.35
	FTSE All-Share		-1.58	
Legal and General (Global Equities)		-4.20		-0.29
	LGIM Benchmark		-3.91	
Legal and General (Fixed Interest)		-3.70		0.05
	LGIM Benchmark		-3.75	
Threadneedle Property		3.64		0.33
	Customised Benchmark		3.31	
Schroders Property		3.02		-0.30
	Customised Benchmark		3.32	
Blackstone Hedge		0.53		0.44
	Customised Benchmark		0.09	
JP Morgan Strategic Bond		-0.25		-0.38
	Customised Benchmark		0.13	
Total		-0.20		0.06
	WCC Total Fund Benchmark		-0.26	

3.2 Annualised return for the fund managers to 30 June 2015 is summarised in Figure 3. The three year annualised return is summarised in Figure 4.



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



Background Papers

- 1) Bank of New York Mellon Quarterly Attribution Report - June 2015.

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