

REPORT FOR: Pension Fund Committee

Date of Meeting: 25 March 2015

Subject: Information Report – Strategy Update

Responsible Officer: Simon George, Director of Finance and Assurance

Exempt: No

Wards affected: All

Enclosures: None

Section 1 – Summary

The Committee is advised of progress on the implementation of their agreed allocation strategy.

FOR INFORMATION

Section 2 – Report

1. Over recent years the Committee and its predecessor have reviewed the overall strategy of the Fund the final version was agreed in the autumn of 2013 as follows:

	Agreed allocation %	Range as included in SIP %
Bonds		
Index linked	3	
Corporate	10	
TOTAL	13	11-15
Equities		
Global passive	31	
Developed World active	21	
Emerging markets active	10	
TOTAL	62	58-68
Property		
TOTAL	10	8-12
Private equity		
TOTAL	5	4-6
Diversified growth funds		
TOTAL	10	8-12
GRAND TOTAL	100	

- Over recent months a major programme has taken place to implement this structure and as at the end of January 2015 the position was as follows

	Allocation £'000	Allocation %
Bonds		
Index linked	17,407	3
Corporate	71,188	11
TOTAL	88,595	14
Equities		
Global passive	209,678	32
Developed World active	142,479	22
Emerging markets active	74,249	11
TOTAL	426,406	65
Property		
TOTAL	49,759	8
Private equity		
TOTAL	23,414	4
Diversified growth funds		
TOTAL	58,188	9
Cash		
TOTAL	3,943	
GRAND TOTAL	650,305	100

- Since all asset classes are within the agreed ranges no further re-balancing is necessary.

Financial Implications

- Asset allocation is a significant source of projected returns.

Risk Management Implications

- Risk in connection with the Pension Fund is included on the Directorate Risk Register.
- Additionally, a separate risk register for the Fund is being considered elsewhere on the agenda.

Equalities implications

7. There are no direct equalities implications arising from this report.

Council Priorities

8. Investment performance has a direct impact on the financial health of the Pension Fund which directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities

Section 3 - Statutory Officer Clearance

Name Simon George	<input checked="" type="checkbox"/>	Director of Finance and Assurance
Date: 11 March 2015		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 12 March 2015		

Ward Councillors notified: NO

Section 4 - Contact Details

Contact: Ian Talbot, Treasury and Pension Fund Manager
0208 424 1450

Background Papers - None