

**4 September 2012**
**Agenda Item: 6**

## **REPORT OF THE SERVICE DIRECTOR (FINANCE)**

### **FUND VALUATION AND PERFORMANCE**

#### **Purpose of the Report**

1. To report on the total value of the Pension Fund and performance over the period to 30 June 2012.

#### **Information and Advice**

2. This report is to inform the Sub-Committee of the value of the Pension Fund at the end of the latest quarter and give information on the performance of the Fund over that quarter and the previous year. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position in relation to the Pension Fund. The exempt information is set out in the exempt appendix.
3. A summary of the total value of the Fund as at 30 June 2012, together with the previous two quarters, is included in the table below.

	<b>30 June 2012</b>		<b>31 March 2012</b>		<b>31 Dec 2011</b>	
	£m	%	£m	%	£m	%
UK Fixed Interest	319	11%	313	10%	302	11%
Overseas Fixed Interest	70	2%	55	2%	40	1%
Inflation-Linked	59	2%	58	2%	60	2%
UK Equities	1,030	34%	1,047	34%	980	34%
Overseas Equities	948	32%	1,000	33%	912	32%
Private Equity	71	2%	67	2%	65	2%
UK Property	296	10%	297	10%	322	11%
Overseas Property	85	3%	89	3%	90	3%
Cash	118	4%	132	4%	111	4%
<b>TOTAL</b>	<b>2,996</b>	<b>100%</b>	<b>3,057</b>	<b>100%</b>	<b>2,882</b>	<b>100%</b>

4. During the quarter the Fund decreased overall by £61 million (2%). Net contributions to the Fund added £1.4 million. All developed equity markets fell during the quarter with the worst performing being Europe and Emerging Markets. Performance in Europe was also affected by the continuing weakness of the Euro. Yields on UK, US and German government bonds reduced significantly as investors again sought the relative safety of these markets amid continuing concerns over the Eurozone.

## **Statutory and Policy Implications**

5. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

- 1) That the report be noted.

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**Title of Report Author: Team Manager – Investments**

**For any enquiries about this report please contact: Simon Cunnington**

## **Background Papers**

None.