

## Pension Fund Committee

29 September 2011

## Pension Fund Investments



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### Don McLure, Corporate Director Resources

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#### Purpose of the Report

1. To inform the Committee of the overall value of the Pension Fund as at 30 June 2011 of the additional sums available to the Managers for further investment and of the result of the latest Fund Rebalancing.

#### Value of the Fund

2. Reports from the six appointed Managers AllianceBernstein, Barings, BlackRock, CBRE, Edinburgh Partners and Royal London have been sent out with the papers but for information the Value of the Fund as at 30 June 2011 was £1,784,050,000.

#### Allocation of New Money

3. Table 1 details the cash position of the Fund, cash flow for the last four quarters, and an estimated cash flow for the quarter ending 30 June 2011.
4. In determining the amount of cash to be allocated to Managers at the quarter ended 30 September 2011, the un-invested cash balance at the end of the previous quarter, together with interest received in that quarter, is considered. The amount allocated to each Manager is subject to the need to retain money to meet the Fund's net cash outflow. After taking these issues into account it was decided that no money be added to the sums to be allocated to the Managers for investment in the quarter.

#### Fund Rebalancing

5. Table 2 showing the Cash Rebalancing matrix. The rebalancing will reflect the figures shown in the "Rebalanced" column and will take place, in a change to the date agreed previously, on 27 October 2011.

#### Recommendation

6. Members are asked to note the information contained in this report.

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**TABLE 1**

| <i>Quarter Ended</i><br>(1)                  | <b>30.09.10</b>        |                      | <b>31.12.10</b>        |                      | <b>31.03.11</b>        |                      | <b>30.06.11</b>        |                      | <b>30.09.11</b>         |
|--|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|-------------------------|
|  | <b>Estimate</b><br>(2) | <b>Actual</b><br>(3) | <b>Estimate</b><br>(4) | <b>Actual</b><br>(5) | <b>Estimate</b><br>(6) | <b>Actual</b><br>(7) | <b>Estimate</b><br>(8) | <b>Actual</b><br>(9) | <b>Estimate</b><br>(10) |
|  | £                      | £                    | £                      | £                    | £                      | £                    | £                      |                      |                         |
| Contributions - DCC                          | 17,000,000             | 17,510,856           | 17,500,000             | 17,738,724           | 17,400,000             | 18,610,070           | 18,000,000             | 18,944,056           | 19,000,000              |
| - Other                                      | 7,400,000              | 7,344,735            | 7,400,000              | 7,191,370            | 7,300,000              | 10,702,319           | 7,300,000              | 7,268,047            | 7,300,000               |
| Pensions Increase                            | 800,000                | 1,903,957            | 1,200,000              | 1,136,723            | 1,100,000              | 1,196,199            | 1,100,000              | 1,197,002            | 1,200,000               |
| Transfer Values                              | 1,800,000              | 2,819,490            | 2,000,000              | 1,854,135            | 2,000,000              | 3,651,384            | 2,700,000              | 1,448,215            | 1,200,000               |
| Loans Repaid                                 | 0                      | 0                    | 0                      | 0                    | 0                      | 0                    | 0                      | 0                    | 0                       |
| Miscellaneous                                | 0                      | 1,421,218            | 1,000,000              | 1,029,707            | 500,000                | 969,306              | 500,000                | 11,016,068           | 300,000                 |
| Gross Dividend & Interest                    | 0                      | 0                    | 0                      | 0                    | 0                      | 61,406               | 40,000                 | 43,395               | 51,000                  |
| <b>Total Income</b>                          | <b>27,000,000</b>      | <b>31,300,256</b>    | <b>29,100,000</b>      | <b>28,950,659</b>    | <b>28,300,000</b>      | <b>35,190,684</b>    | <b>29,640,000</b>      | <b>39,916,783</b>    | <b>29,051,000</b>       |
| Payroll Paysheets                            | 17,000,000             | 17,510,856           | 17,500,000             | 17,728,137           | 18,000,000             | 17,824,676           | 18,000,000             | 18,683,588           | 18,000,000              |
| Payables Paysheets<br>(incl. Managers' fees) | 10,000,000             | 9,964,085            | 10,000,000             | 8,100,045            | 8,500,000              | 12,775,665           | 11,000,000             | 15,843,630           | 11,000,000              |
| <b>Total Expenditure</b>                     | <b>27,000,000</b>      | <b>27,474,941</b>    | <b>27,500,000</b>      | <b>25,828,182</b>    | <b>26,500,000</b>      | <b>30,600,341</b>    | <b>29,000,000</b>      | <b>34,527,218</b>    | <b>29,000,000</b>       |
| Surplus / (Deficit)                          | 0                      | 3,525,315            | 1,600,000              | 3,122,477            | 1,800,000              | 4,590,343            | 640,000                | 5,389,565            | 51,000                  |
| Net Capital<br>payments/(receipts)           |                        | 996,160              |                        | 3,670,489            |                        | 0                    |                        | 5,289,382            |                         |
| Balance at Bank (opening)                    |                        | 2,053,829            |                        | 25,087,188           |                        | 22,235,857           |                        | 26,176,601           |                         |
| Balance at Bank (closing)                    |                        | 25,087,188           |                        | 22,235,857           |                        | 26,176,601           |                        | 25,206,084           |                         |
| Money paid/(recovered)<br>to/(from Manager)  |                        | 20,000,000           |                        | 0                    |                        | 0                    |                        | 0                    |                         |