



PENSION FUND MANAGEMENT BOARD – 13TH NOVEMBER 2009

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

SUMMARY VALUATION OF PENSION FUND INVESTMENTS

1. A summary valuation of the Fund's investments at 30th September 2009 is attached.
2. The total market value of investments at 30th September 2009 was £1,892.5m, compared to £1,656.1m at 30th June 2009, an increase of £236.4m. In the three month period non-investment related cash flows amounting to £6.7m were received. Thus the Fund value increased by £229.7m, or 13.9%, due to changes in the value of investments.
3. The total returns of various indices since 30th June 2009 were as follows:-

	<u>Local Currency</u>	<u>Converted to Sterling</u>	<u>Return with 70% Hedge</u>
	%	%	%
UK Gilts	+3.1	+3.1	+3.1
UK Index Linked	+3.1	+3.1	+3.1
UK Equities	+22.4	+22.4	+22.4
US Equities	+15.7	+19.2	+16.8
European Equities	+19.9	+29.4	+22.7
Japanese Equities	-1.5	+9.3	+1.7
Pacific Rim (Ex Japan) Equities	+17.8	+27.7	+20.8

4. The current split of investments over sectors is as follows:-

	<u>30th September 2009</u>		<u>30th June 2009</u>
	£m	%	%
UK Equities	575.97	30.4	31.6
Overseas Equities	610.47	32.3	29.7
Targeted Return	461.46	24.4	21.2
Private Equity	80.35	4.3	4.5
Property	167.29	8.8	9.9
Sterling Cash	24.91	1.3	1.1
Active and Passive Currency	<u>(27.95)</u>	<u>(1.5)</u>	<u>2.0</u>
	<u>1,892.50</u>	<u>100.0</u>	<u>100.0</u>

Equal Opportunities Implications

5. The matters referred to in this report have no identifiable equal opportunities implications.

Recommendation

6. The Management Board is ASKED TO NOTE the above report.

Background Papers

Nil.

Members circulated under the Local Issues Alert Procedure

None.

Officer to Contact

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PENSION FUND INVESTMENTS AS AT 30TH SEPTEMBER 2009

	<u>Market Value</u> £	<u>Value</u> %	<u>Benchmark</u> %	<u>Variance</u> %
<u>Equities</u>				
United Kingdom	575,971,818	30.43	28.90	1.53
Overseas:				
North America	170,889,105	9.03	9.30	-0.27
Europe (Ex UK)	188,255,632	9.95	9.30	0.65
Japan	111,733,916	5.90	6.30	-0.40
Pacific (Ex Japan)	105,924,165	5.60	4.60	1.00
Emerging Markets	33,665,684	1.78	1.50	0.28
Total	610,468,502	32.26	31.00	1.26
<u>Private Equity</u>	80,349,125	4.25	4.00	0.25
<u>Property</u>				
Direct Holdings*	59,985,000	3.17	6.00	-2.83
Indirect Holdings	107,302,861	5.67	9.00	-3.33
Total	167,287,861	8.84	15.00	-6.16
<u>Targeted Return Funds</u>				
Aviva	28,226,324	1.49	1.10	0.39
Fauchier	107,792,534	5.70	5.00	0.70
Pictet	78,942,718	4.17	4.00	0.17
Ruffer	81,989,859	4.33	4.00	0.33
Credit Opportunities	164,505,561	8.69	7.00	1.69
	461,456,996	24.38	21.10	3.28
<u>Cash on Deposit</u>	24,911,253	1.32	0.00	1.32
<u>Unrealised Profit On Currency</u>				
Active	552,924	0.03	0.00	0.03
Passive	-28,503,056	-1.51	0.00	-1.51
Total	-27,950,132	-1.48	0.00	-1.48
TOTAL	1,892,495,423	100.00	100.00	0.00
<u>Direct Property Holdings*</u>				
Retail	6,585,000	10.98		
Retail Warehouses	23,980,000	39.98		
Offices	20,025,000	33.38		
Industrials	8,540,000	14.24		
Farms	855,000	1.43		
	59,985,000	100.00		