

By: Chairman Superannuation Fund Committee
Corporate Director Finance and Procurement

To: Superannuation Fund Committee – 30 August 2013

Subject: **FUND STRUCTURE**

Classification: Unrestricted.

Summary: To report on a number of issues relating to the structure and management of the Fund.

FOR INFORMATION

INTRODUCTION

1. This report will cover a range of issues relating to the management of the Fund. To promote transparency in the work of the Fund as much as possible is reported in an open report and only a number of commercially sensitive issues are included in the Exempt agenda annex to this report.

HYMANS ROBERTSON CAPITAL MARKETS SURVEY

2. Hymans Robertson's July report is attached in the Appendix.

PROPERTY

3. The Head of Financial Services attended the DTZ Quarterly Investment Committee on 14 August. The main issues were:
 - (1) The Investor Property Databank (IPD) index return for the quarter to 30 June had a positive return for the first quarter since September 2011 with a capital return of +0.4%. The best return was for West End London at +2.2%.
 - (2) DTZ have increased their forecast house returns on All Property to +6.7% per annum over the next 5 years.
 - (3) The Fund continues to have a low void rate of 6.6% compared with the IPD average of 9.8% - the Fund figure will fall to 5.4% when the Brentford disposal is completed.

GLOBAL EQUITY MANAGER APPOINTMENT

6. Members will be interviewing four managers, Longview, M&G, Magellan and Sarasin on 10 September.

ABSOLUTE RETURN AND SECONDARY PROPERTY

7. A separate meeting is being arranged to interview PIMCO as an additional absolute return manager and Fidelity and Kames on Secondary property investments.

RECOMMENDATION

8. Members are asked to note this report.

Nick Vickers
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