

Cambridgeshire Pension Fund Annual Review

Periods Ending March 2014

**24th July 2014
David Cullinan**

Agenda

Section 1 – Local Authority Market Environment

Section 2 – Fund Performance versus Strategic Benchmark

Section 3 – Fund Performance versus Local Authority Universe

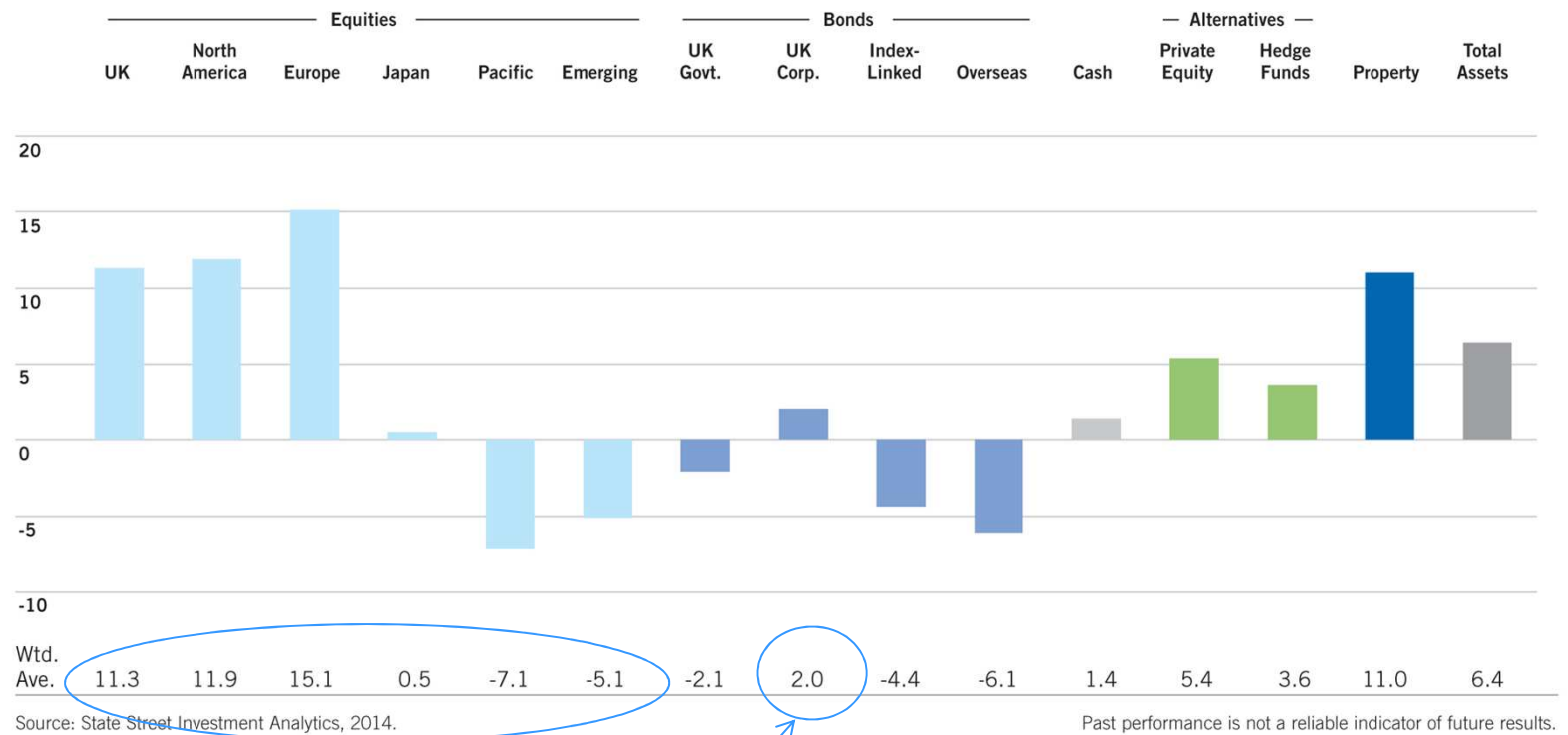
Appendix

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Section 1

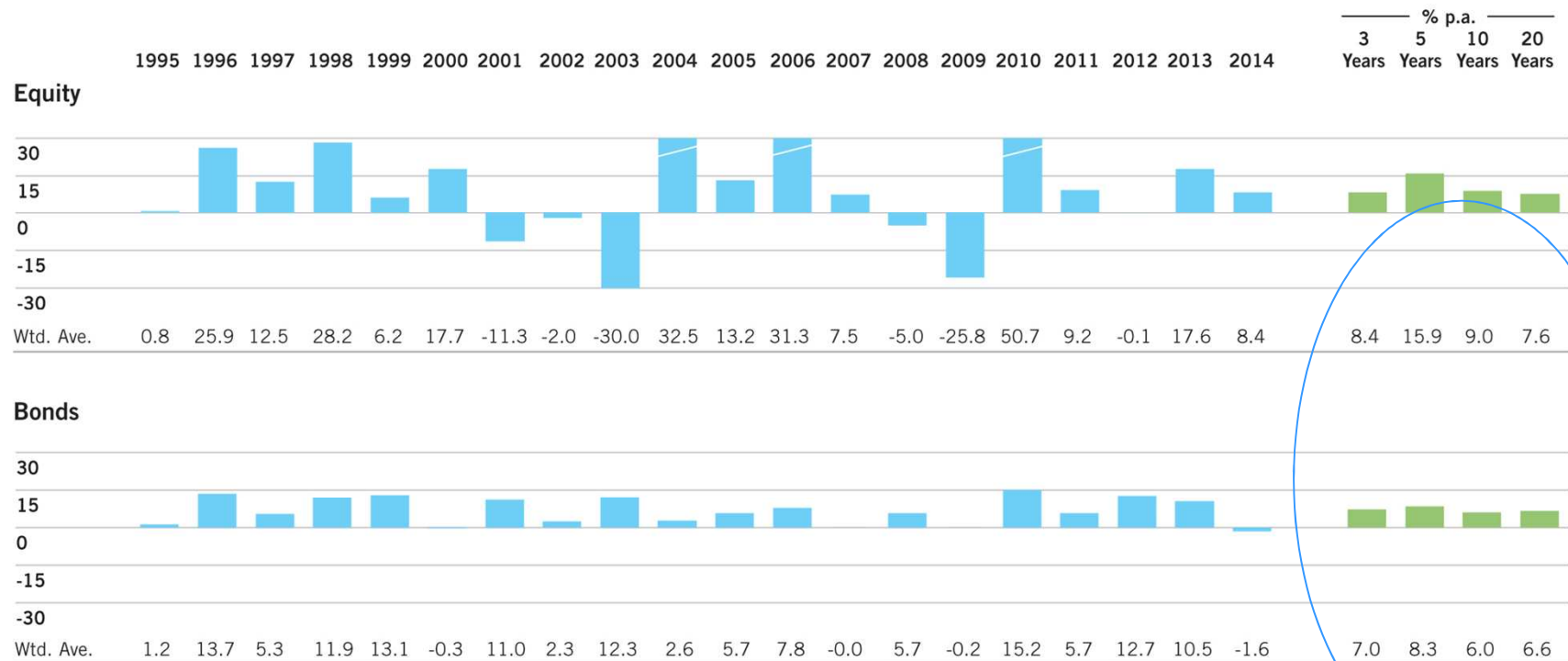
Local Authority Market Environment

2013/2014 Returns (%)



'Risk' assets

Longer Term Returns (%)*

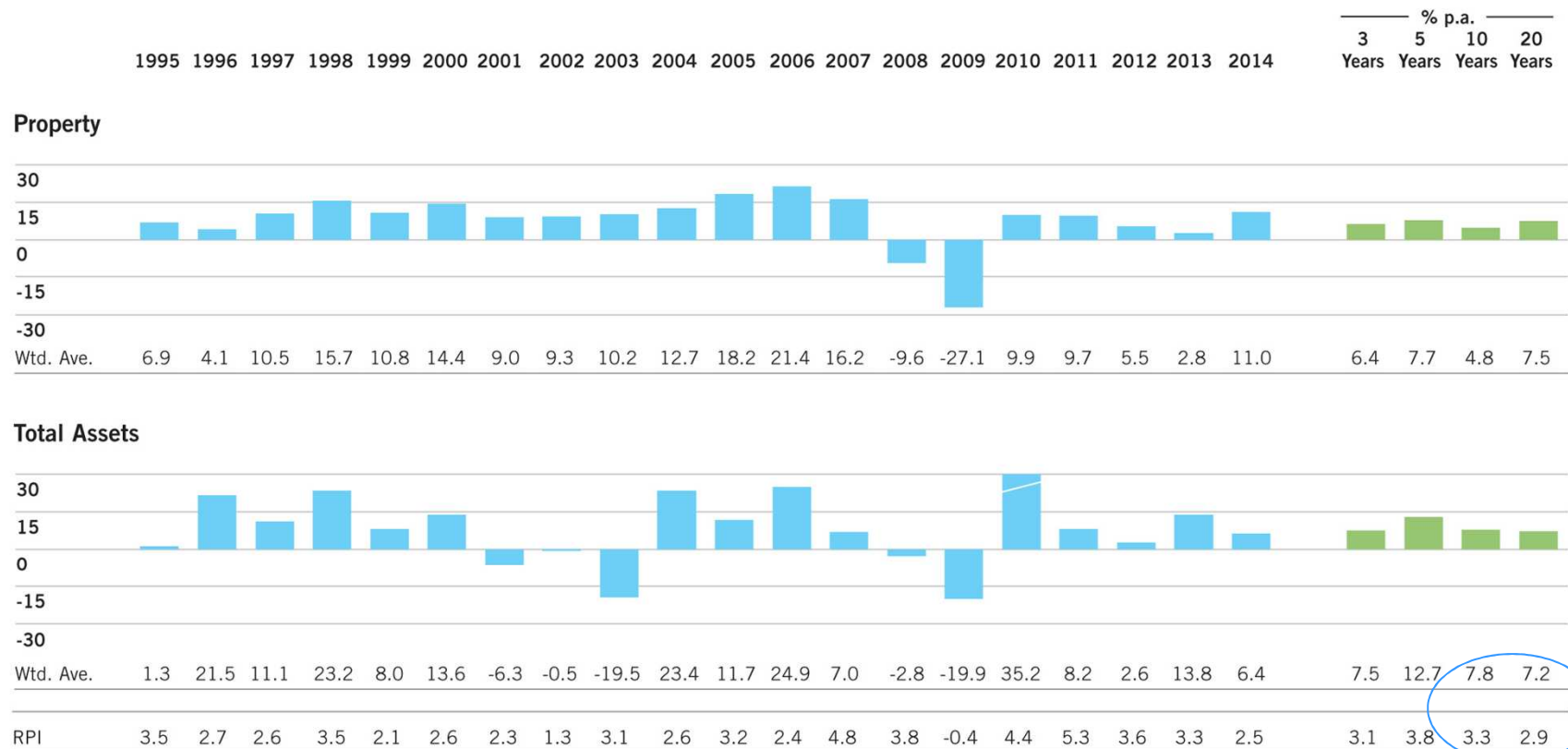


* Source: State Street Investment Analytics, 2014.

Past performance is not a reliable indicator of future results.

“Equity risk premium” in evidence

Longer Term Returns (%)*

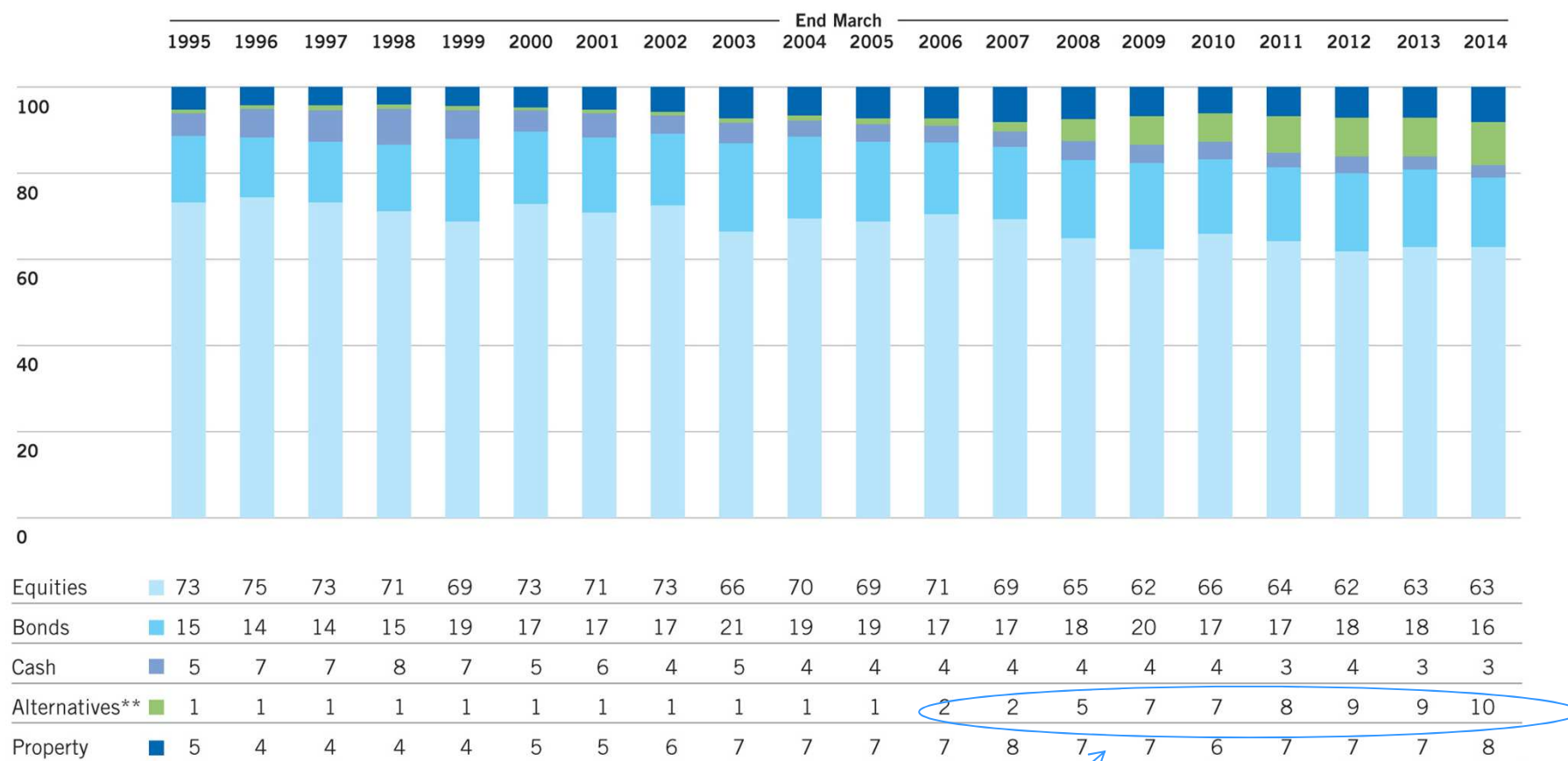


* Source: State Street Investment Analytics, 2014.

Past performance is not a reliable indicator of future results.

4% – 4.5% over
inflation

Longer Term Asset Allocation (%)*



* Source: State Street Investment Analytics, 2014.

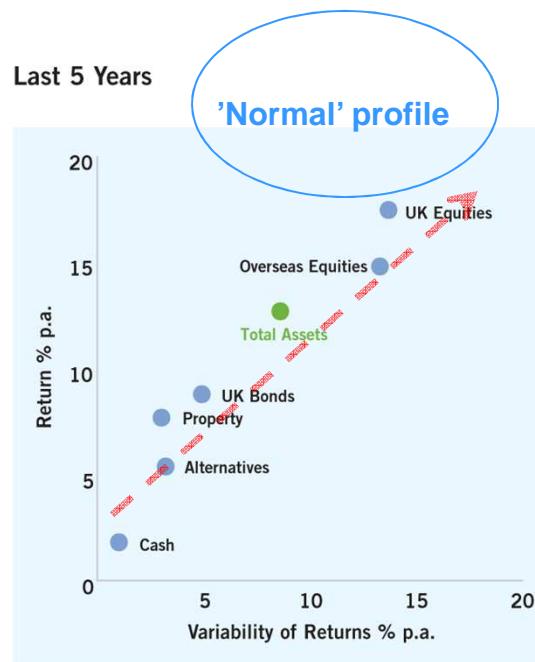
** Includes Pooled Multi-Asset from March 2010.

Past performance is not a reliable indicator of future results.

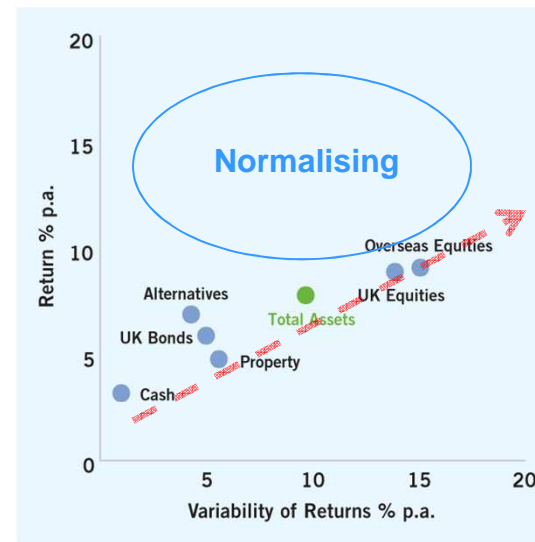
Recent growth

Long Term Risk and Return*

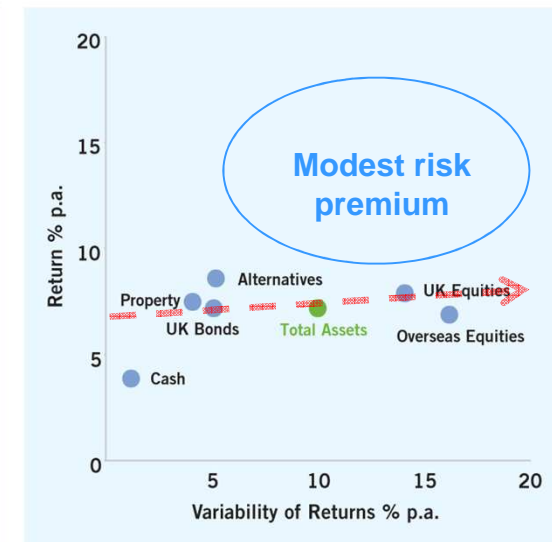
Last 5 Years



Last 10 Years



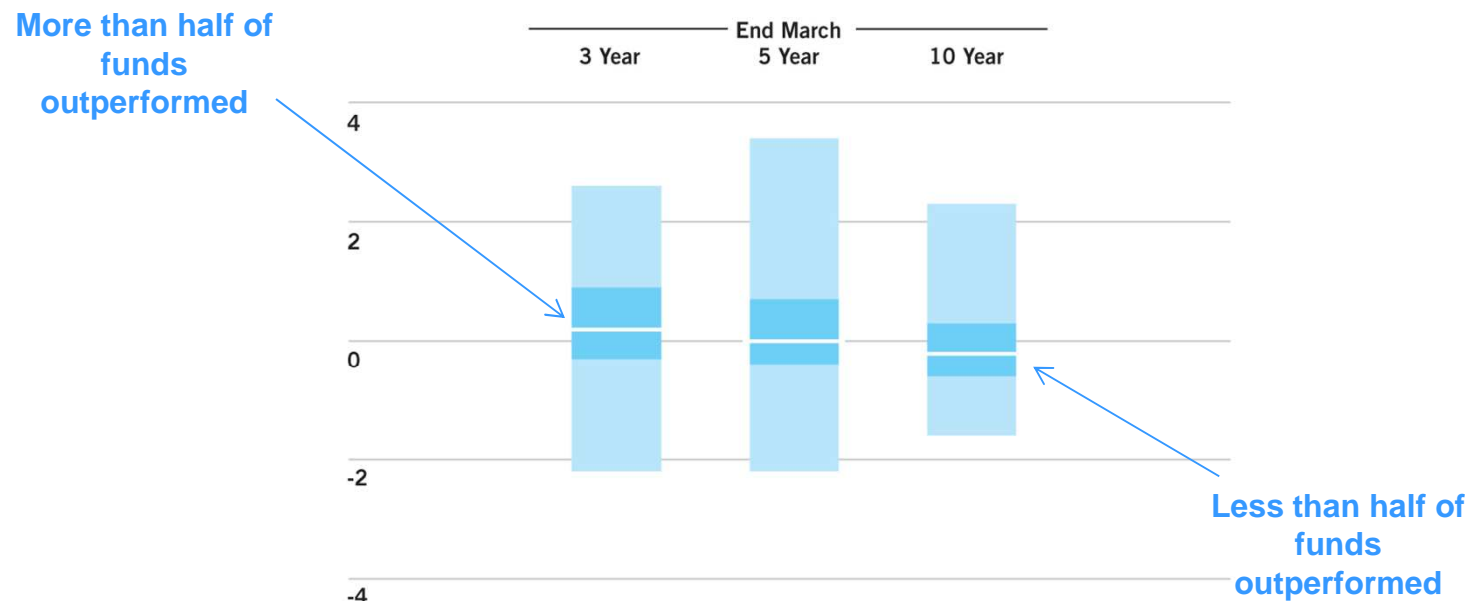
Last 20 Years



* Source: State Street Investment Analytics, 2014.

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Performance Relative to Benchmark*



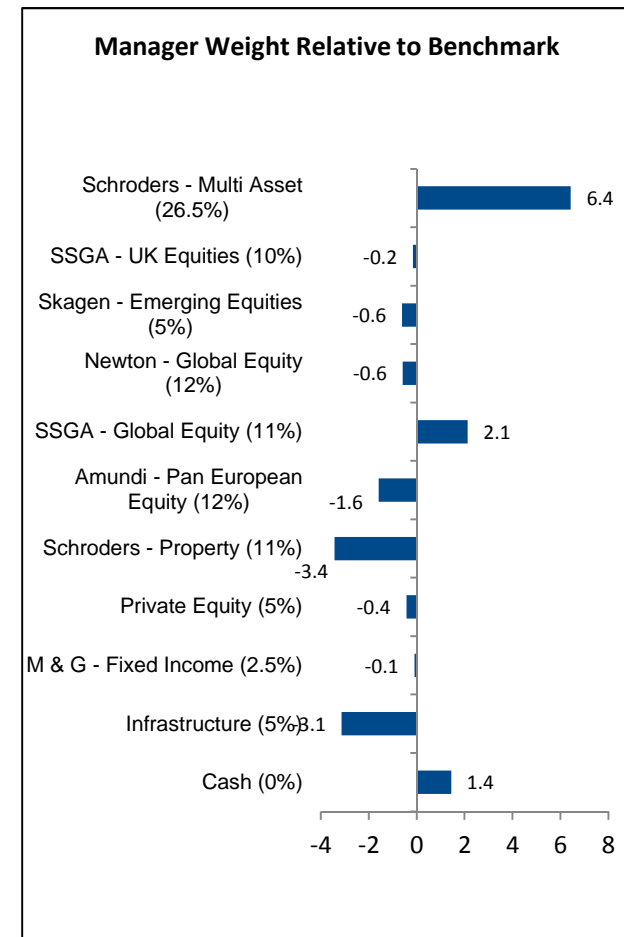
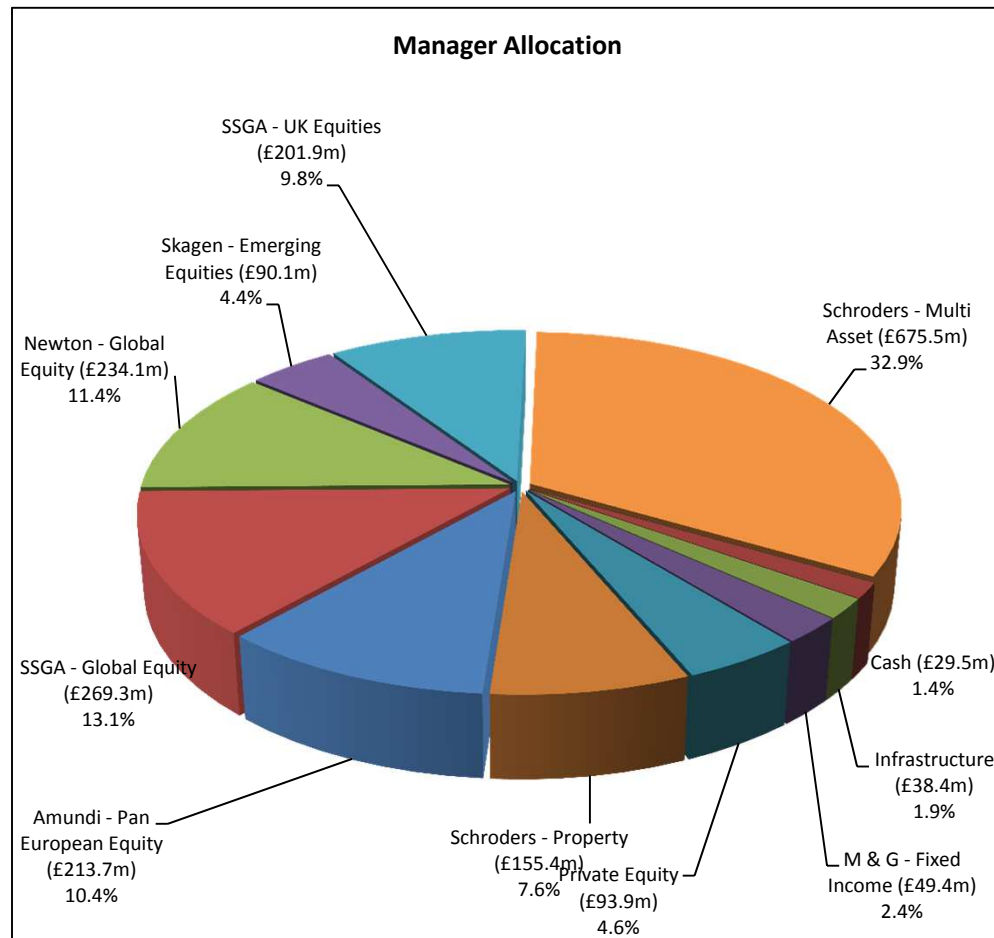
* Source: State Street Investment Analytics, 2014.

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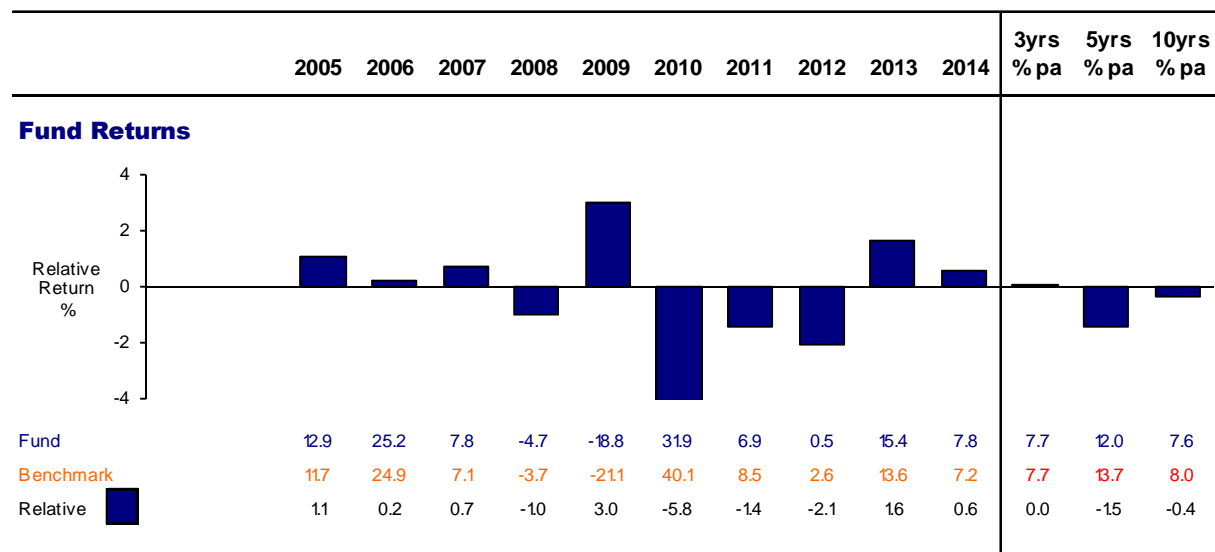
Section 2

Fund Performance versus Strategic Benchmark

Fund Structure & Value

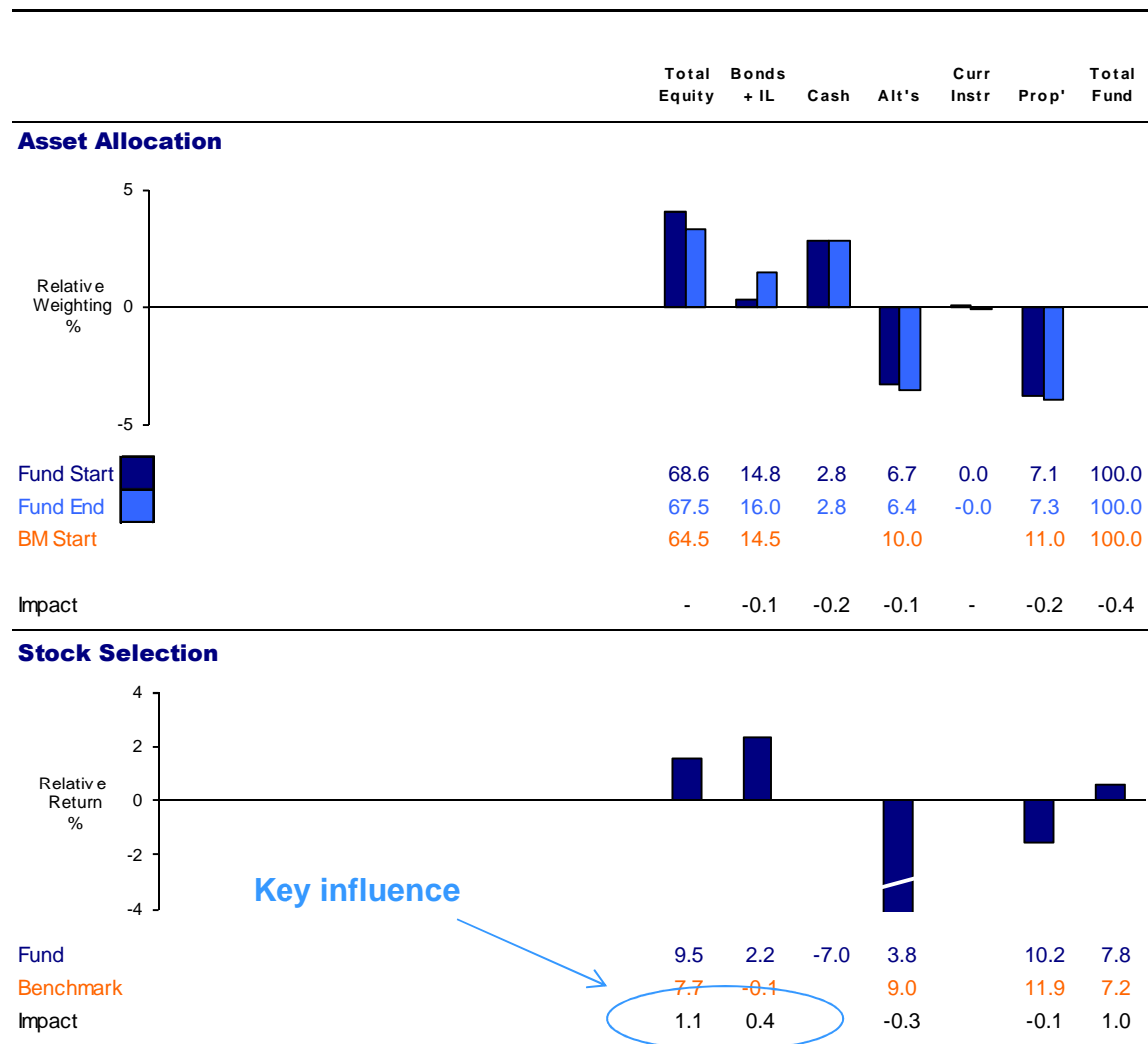


Fund Performance Relative to Benchmark

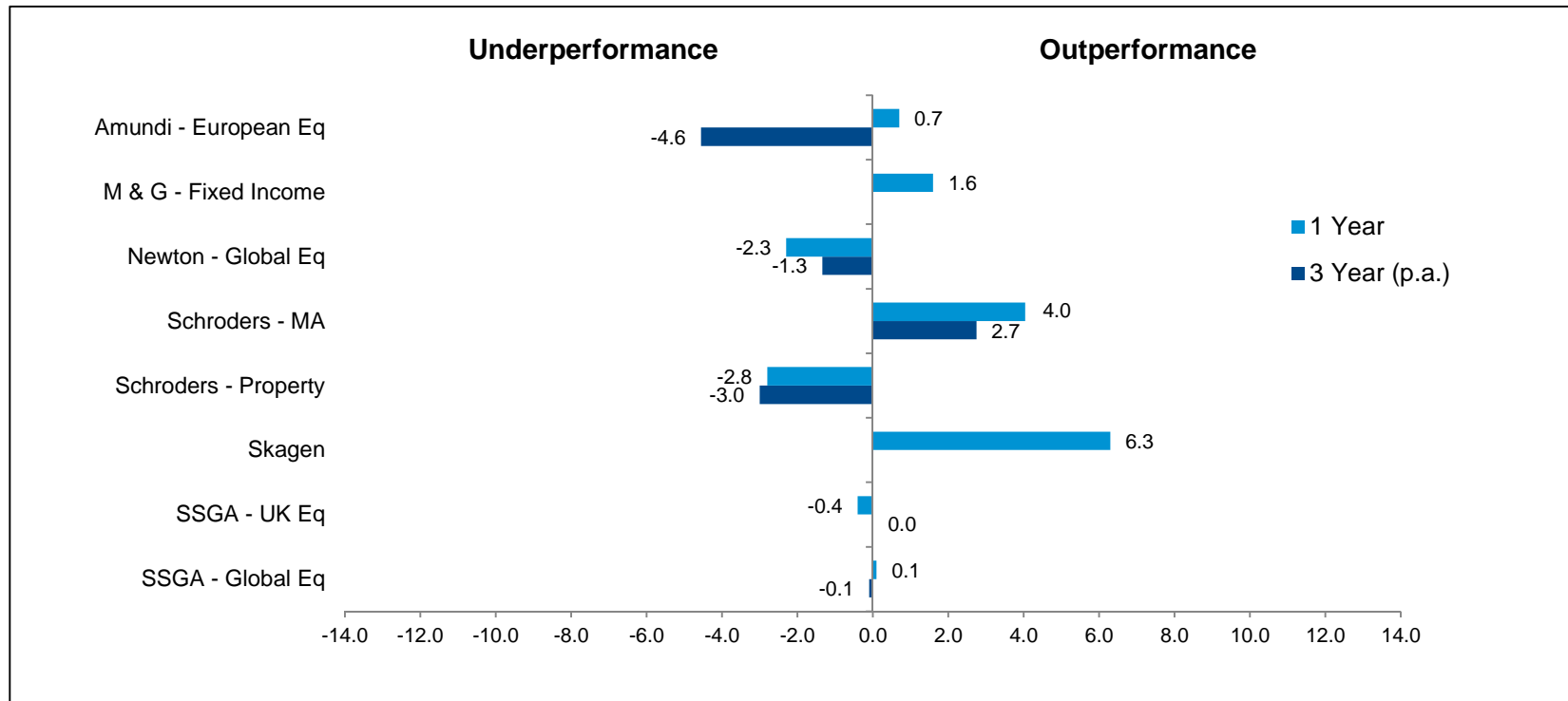


Near term
performance is
good

Latest Year Attribution



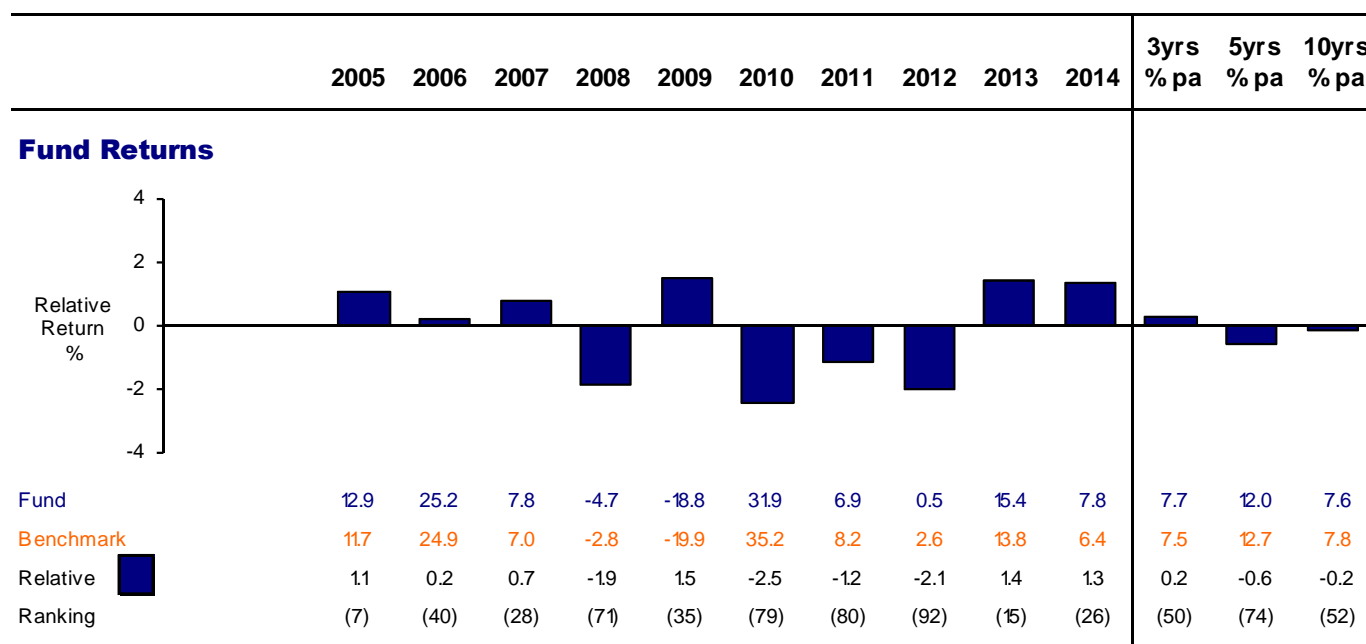
Manager returns



Section 3

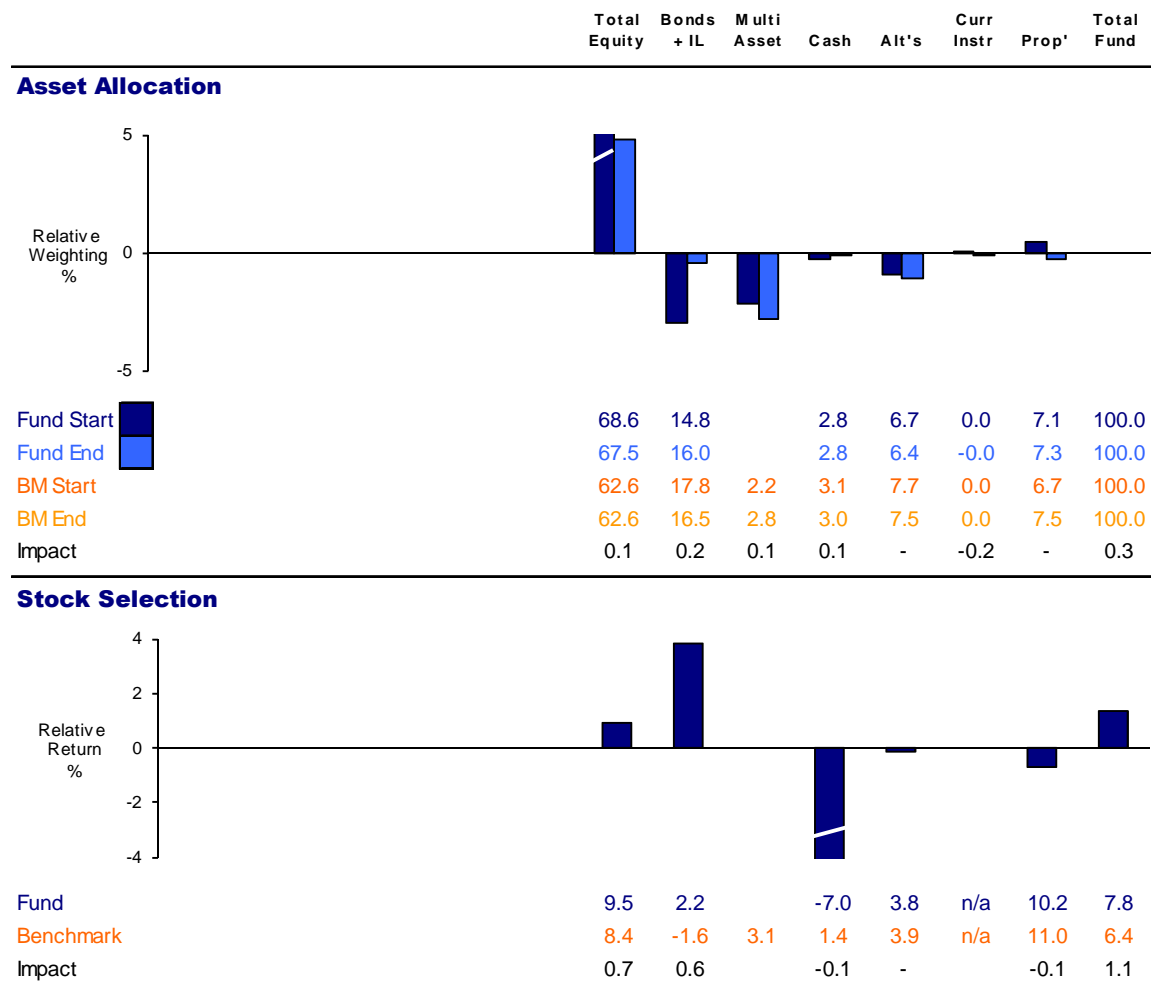
Fund Performance versus Local Authority Universe

Performance Against Local Authority Universe

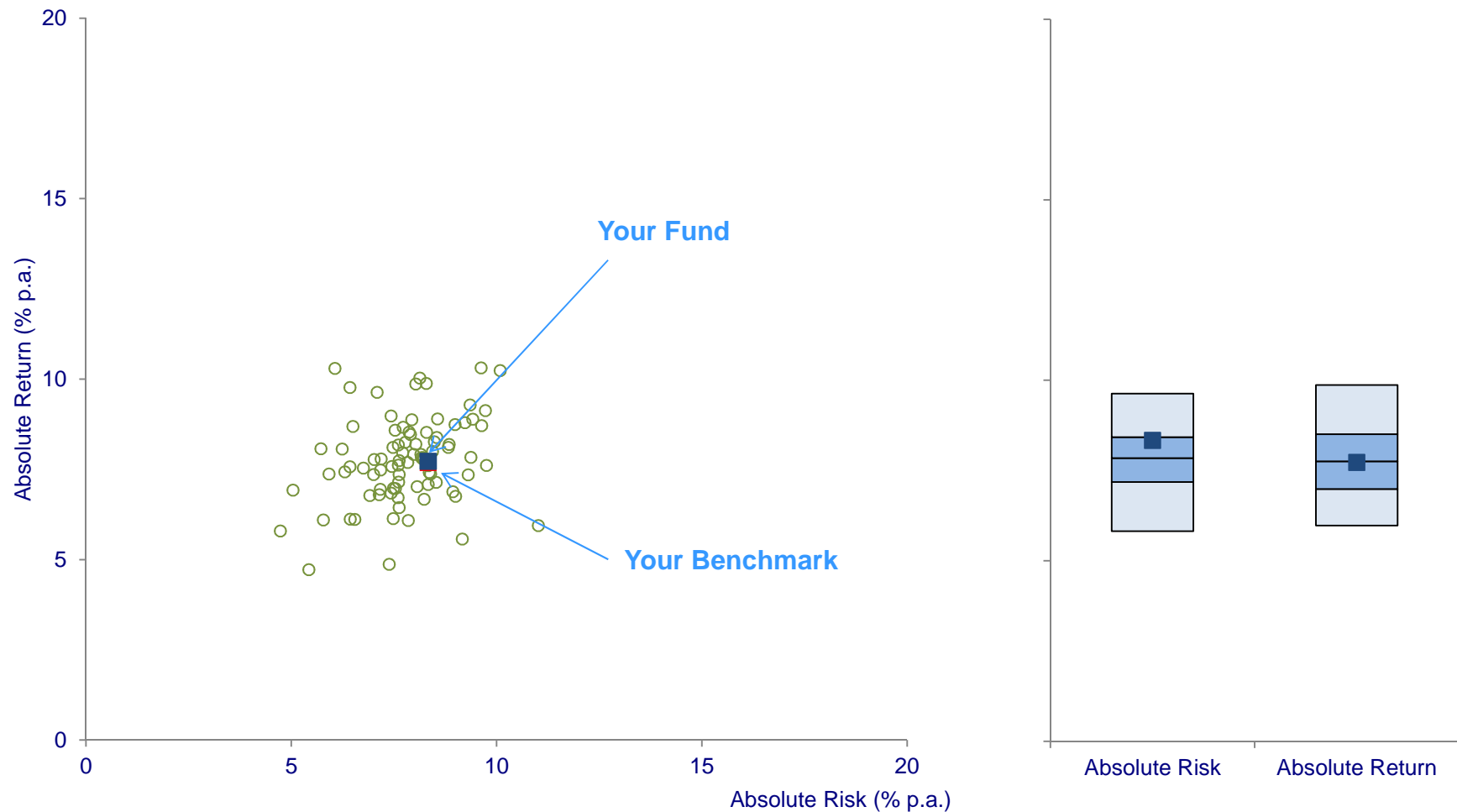


- The Local Authority Universe currently comprises of 85 funds with a total market value of £175billion.
- A percentile ranking of 'n' means that n% of funds achieved a return greater than or equal to that return.

Fund vs Universe – Latest Year



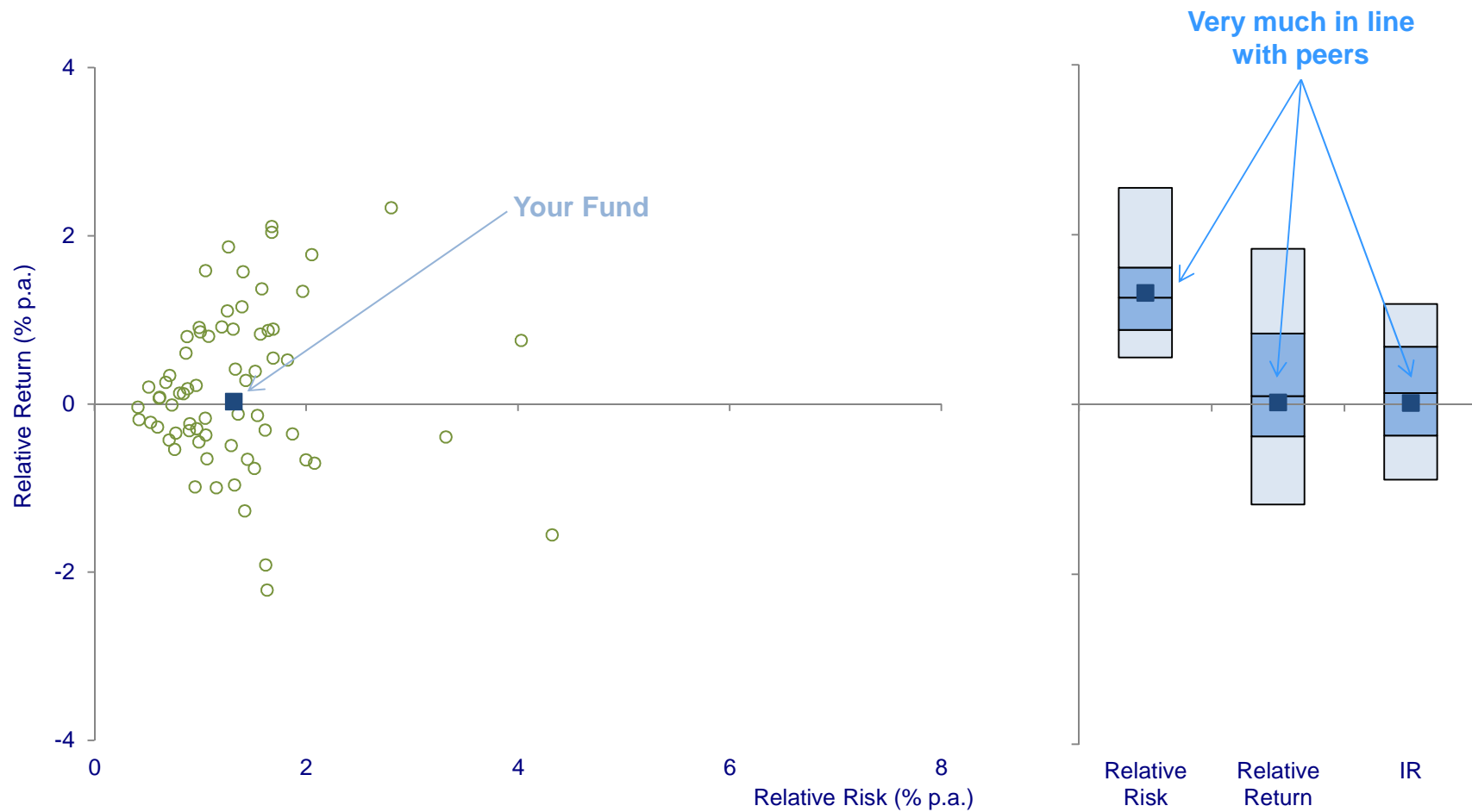
Absolute Risk & Performance – Last Three Years



○ Each circle in the risk/return space represents a fund from the Local Authority Universe

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Relative Risk & Performance – Last Three Years



○ Each circle in the risk/return space represents a fund from the Local Authority Universe

In Conclusion

- *Another strong year for the sector*
- *Performance led by risk assets*
- *The Fund outperformed its benchmark for a second successive year and a 2nd quartile ranking when compared against Local Authority Universe results*
- *The Fund has performed in line with benchmark over the last three years but underperformed longer term. Similar outcome when compared against Local Authority Universe results.*
- *2009/10 period has a major impact on this outcome as a result of the 6% drop in relative performance during that year*
- *The Fund is well diversified in terms of asset type and manager*

Appendix

Additional Local Authority Universe Results

Asset Class Performance*

	% of Asset Class		% p.a. Return			
	At end 2012/13	At end 2013/14	3 Yrs	5 Yrs	10 Yrs	20 Yrs
Equities	100	100				
UK Equities	38.8	38.2	10.3	17.5	8.9	7.9
Overseas Equities	52.8	52.9	6.9	14.8	9.1	6.9
North America	18.5	18.5	12.1	17.2	8.0	8.1
Continental Europe	12.8	13.6	7.9	15.0	9.8	8.8
Japan	5.4	4.9	5.5	9.3	3.7	1.0
Pacific ex Japan	5.7	5.1	2.3	14.9	12.6	7.0
Emerging Markets	9.1	9.2	-1.2	12.6	11.5	-
Global	8.4	8.9	8.1	14.8	-	-
Bonds	100	100				
UK	58.5	57.4	7.3	8.8	5.9	7.2
Index-Linked	23.1	22.3	8.4	8.6	6.9	7.3
Overseas Bonds	12.9	15.2	3.5	5.3	5.1	5.2
Pooled	5.5	5.0	5.0	9.2	-	-
Alternatives	100	100				
Private Equity	55.5	55.5	7.5	6.0	-	-
Hedge Funds	30.5	29.2	3.6	5.6	-	-
Other Alternatives	13.9	15.4	0.9	3.7	-	-

* Source: State Street Investment Analytics, 2014.

Past performance is not a reliable indicator of future results.

Annual Returns (%)*



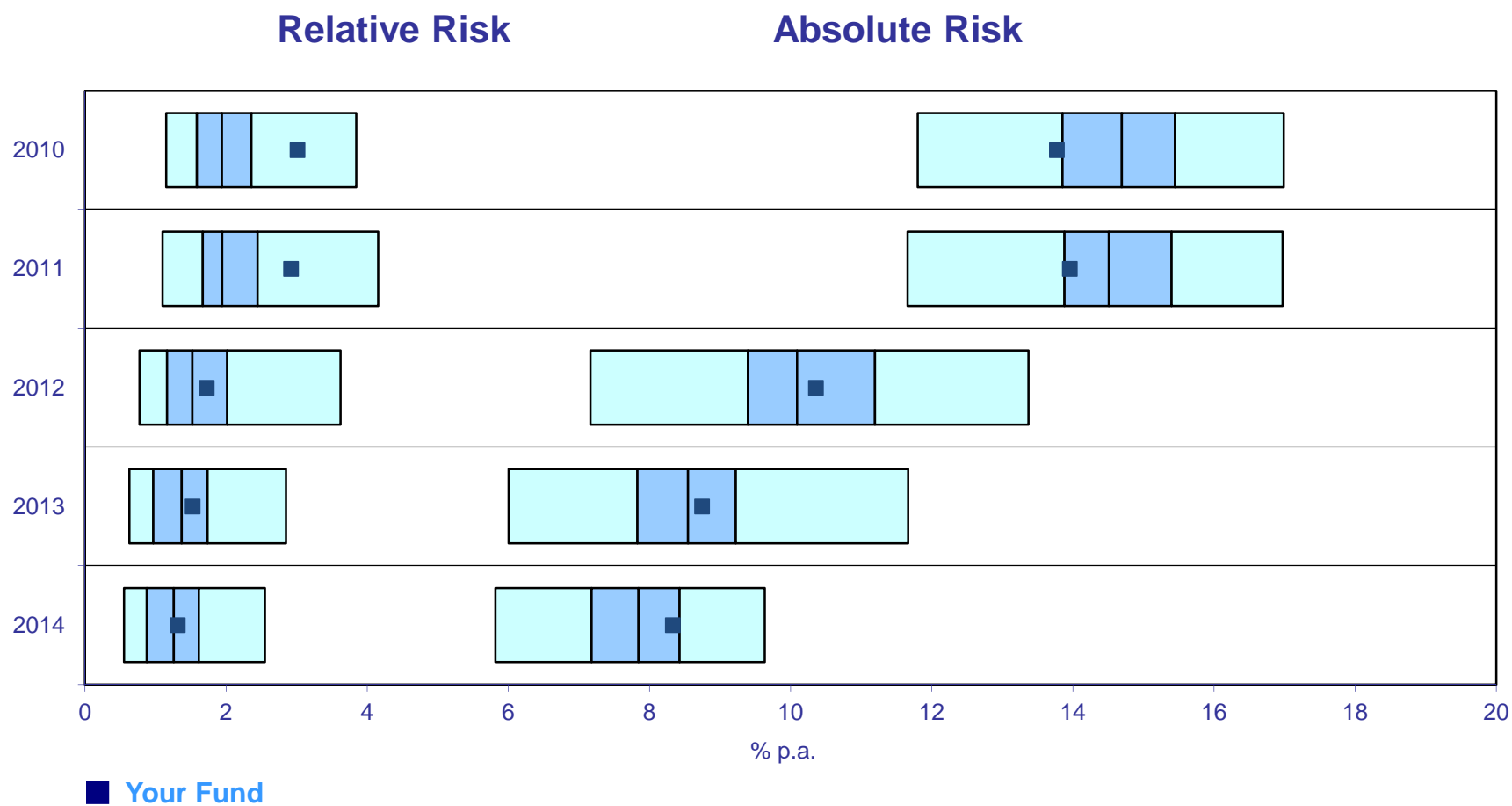
* Source: State Street Investment Analytics, 2014.

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Returns Over Time – Rolling Three Years



Risks Over Time – Rolling Three Years



Contact details for further information

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