

Croydon Council

REPORT TO:	PENSION COMMITTEE 9 September 2014
AGENDA ITEM:	10
SUBJECT:	Progress Report for Quarter Ended 30 June 2014
LEAD OFFICER:	Director of Finance and Assets (Section 151 Officer)
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: Reviewing and ensuring that the performance of the Council's Pension Fund investments is in line with their benchmark and within the assumptions made by the Actuary.	
FINANCIAL SUMMARY: This report shows that the market value of the Pension Fund (the Fund) investments as at 30 June 2014 was £753.1 million compared to £746.7 million at 31 March 2014, an increase of £6.4 million. Performance data has been provided by WM Company. Independent information and analysis on the fund managers and markets have been provided by the Fund's independent investment advisor AON Hewitt.	
FORWARD PLAN KEY DECISION REFERENCE NO.: N/A	

1 RECOMMENDATIONS

- 1.1 The Committee are asked to consider and note the contents of this report.

2 EXECUTIVE SUMMARY

- 2.1 This report provides an update on the London Borough of Croydon Pension Fund's (the Fund's) performance for the year and quarter to 30 June 2014. This includes an analysis by asset class and by fund manager. The report comprises two parts: the second part of this report contains material that is considered commercially sensitive or material that is proprietary for advisors to the Fund so appears in Part B of the agenda. Members of the Committee may wish to read this report in conjunction with the Fund Managers' and the WM Company reports, which have been distributed separately. Table 1 below summarises this quarter's market values by asset class.

Table 1: Performance for the Quarter Ended 30 June 2014

Asset Class	Value at Asset class at Quarter End		Performance relative to benchmark (%)		
	Quarter Ended 31/03/2014	Quarter Ended 30/06/2014	Return Made	Benchmark Return	Over/Under Performance
			(a)	(b)	(a-b)
Global Equities	398.0	431.4	2.4	2.4	0.0
Global Fixed Interest	164.4	166.2	1.1	1.4	-0.3
Fund of Hedge Funds	29.6	30.5	2.8	2.5	0.3
Private Equity ²	30.6	31.9	n/a	0.4	n/a
Property ¹	67.6	71.0	4.8	4.3	0.5
Infrastructure	26.7	26.3	n/a	2.9	n/a
Cash ³	29.6	-4.2	n/a	1.8	n/a
Fund Total	746.7	753.1			

Source: WM Returns

* L&G valuation also includes £23 million of additional investment

All figures are rounded to the nearest one decimal place for clarity. Because of roundings figures may not cross-cast. The performance figures and benchmarks are weighted across the entire fund. Source: WM Returns.

Notes:

¹ The performance figure for property has been adjusted to exclude those funds that are considered transitional and will not form part of the long-term investment portfolio. These are the two European property portfolio funds.

² Returns for private equity and infrastructure are lagged, that is to say the process by which the assets are valued and performance assessed takes longer than the time required to prepare quarterly valuations. These returns are also quite lumpy – so that one does not observe a steady, smooth growth in the value of the funds, rather they increase in value in steps.

³ Cash figure is cash held in house. The performance figure reflects the use of AAA-rated money market funds to deposit working capital. These instruments are rated as being very risk averse but consequently generate less returns.

2.2 This report also considers officers' review of the Fund Managers over the quarter. This takes into consideration the performance of the Manager against the agreed target, trigger events defined by Croydon that require investigation, and the rating given by AON Hewitt; providers of independent analysis on the fund managers. AON Hewitt's ratings report (Appendix D) has been provided as an appendix to this report.

2.3 Financial and market commentaries from the Council's Independent Pension Fund Advisers AON Hewitt are appended to this report (Appendix F in the closed section of the report). AON Hewitt (Appendix E in the closed section of the report) provides a Market Valuation Review of the medium term outlook for returns over three to five years.

3 DETAIL - PERFORMANCE OF THE PENSION FUND

- 3.1 The WM Company collates valuation and performance data for Croydon's Pension Fund Investment Managers. Reporting on the Fund's performance has been provided below for the period to 30 June 2014. The overall Fund benchmark is a weighted average of the Fund's individual asset benchmarks based on the target allocation to each asset class.

Changes to Fund Structure

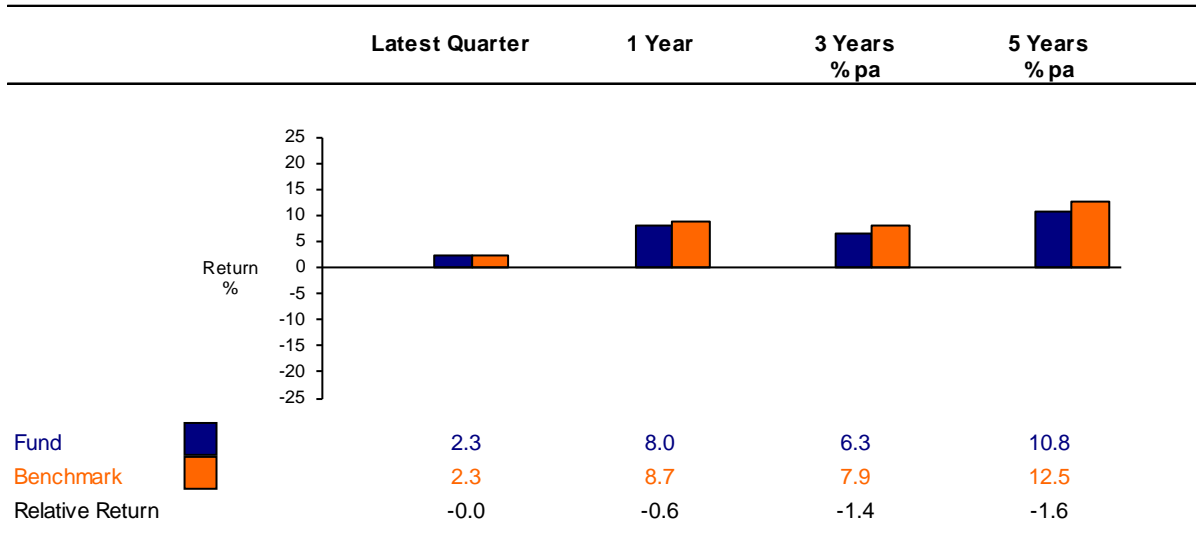
- 3.2 At the meeting on 8th July 2014, the Committee approved a move to exclude direct investments in tobacco. An update as to the implementation of this decision is covered Part B of this report. The Committee also agreed to instigate a review of the asset allocation strategy to take place in the Autumn. After a training session to provide background to the process and to cover topics such as the characteristics of different asset classes, Scheme liabilities and risk management, a workshop shall be facilitated. The outcome of this workshop will be a recommendation for the Committee to consider and to be actioned in the Spring of 2015.
- 3.3 The cash balance reported in Table 1 above represents cash held by the in-house treasury team and includes both working capital (i.e. the difference between contributions received and benefits and transfers paid out) and cash liquidated awaiting reinvestment. Cash managed in-house is held as working capital and therefore during any given quarter can be reduced by the value of invoices paid out or transfers made. The largest regular charge on this sum relates to the cost of the pensions payroll that is financed by the General Fund of the Council and recharged to the Pension Fund. In keeping with best practice the cash is held and accounted for separately from the general funds of the authority. The balance is invested overnight in a Goldman Sachs Asset Management Money Market Fund. Interest is accrued on a daily basis and paid monthly. The cash balance for the close of the quarter is shown as a negative sum because benefits paid out had not been matched by a transfer of contributions. This is a timing issue and has been addressed.

Total Fund Performance

- 3.4 The chart below provides a high level summary of the performance of the fund. The total Fund return for the quarter was 2.3%, in line with the benchmark. The Fund has underperformed the benchmark over the year, 3-year and 5-year periods. The performance gap is steadily falling though, from 1.6% over the 5-year period, 1.4% over 3 years to 0.6% over the year. Further details of performance including underlying asset classes and individual fund managers are provided in section 4 below.

Chart 2: Performance of the Pension Fund

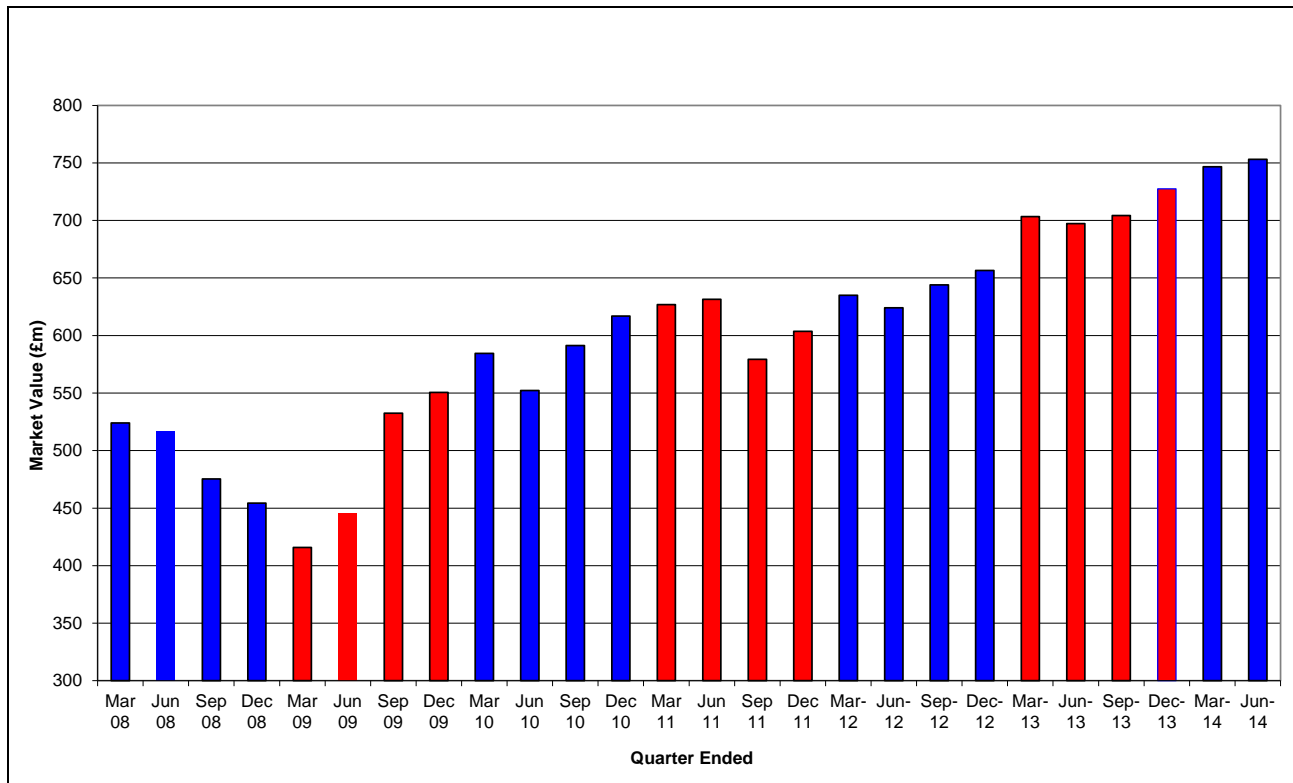
Fund Returns



Source: WM Returns

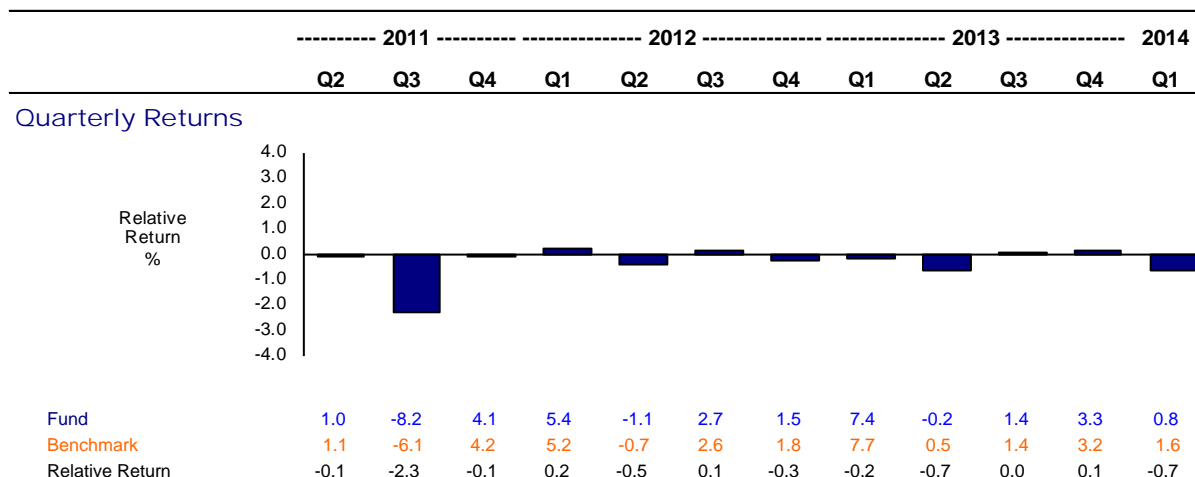
3.5 Chart 3 below details the movement in the Market Value of Fund on a quarter by quarter basis, over a 5-year period. The market value of the fund at the end of June 2014 was £753.1m, an increase of £6.4m over the previous quarter's valuation.

Chart 3: Trend in Total Value of Pension Fund in £millions



3.6 Chart 4 below illustrates the Fund's historic relative performance against the benchmark since inception of the revised investment strategy. This benchmark is an aggregate of individual asset class benchmarks weighted by the Fund's target asset allocations.

Chart 4: Trend in Relative Returns of the Pension Fund



Source: WM Returns

Attribution

3.7 For the period ending 30 June 2014 the Fund's return of 2.3% matched the benchmark return. The summary table below illustrates this point. Both stock selection and asset allocation had a neutral effect on Fund manager performance during the quarter when compared to the benchmark.

Summary:

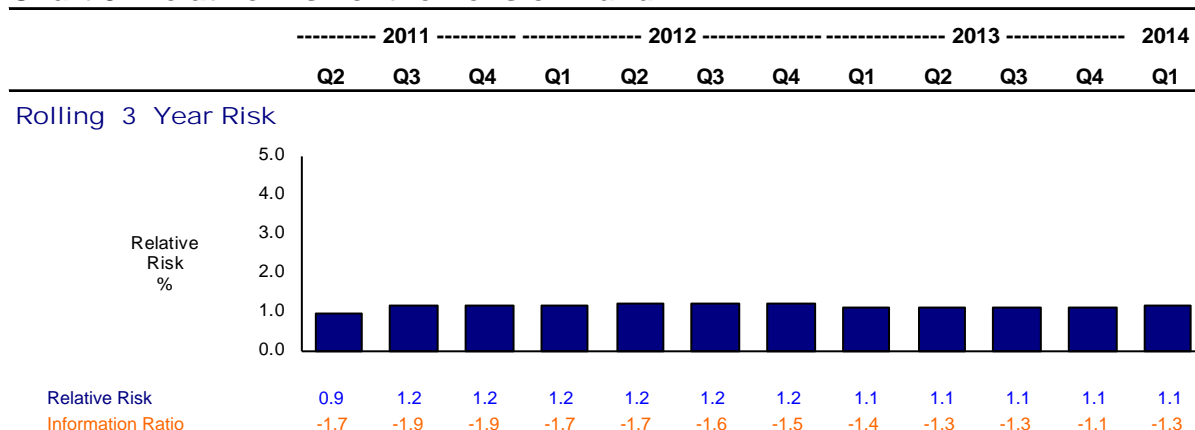
Fund Return	2.3
Benchmark Return	2.3
Relative Performance	-0.0
attributable to:	
Asset Allocation	-
Stock Selection	-

Source: WM Returns

Risk

3.8 Chart 5 below illustrates the relative risk of the fund over the past 3 years. Relative risk measures the degree of fund performance deviation from benchmark. This is included with the information ratio, a measure of manager skill in adding value over and above the benchmark.

Chart 5: Relative Risk of the Pension Fund



Source: WM Returns

3.9 WM graphs demonstrating the impact of asset allocation and stock selection are attached as Appendix C to this report.

3.10 Below is a table of the Top 10 holdings within the segregated part of the portfolio:

Top 10 Holdings Held in Fund	Value (£m)	Weight %
CATAMARAN CORP	2.97	0.40%
SIGNATURE BANK/NEW YORK NY	2.95	0.40%
DISCOVERY COMMUNICATIONS INC	2.82	0.38%
ROCHE HLDG AG	2.79	0.37%
UMICORE NPV	2.72	0.36%
VISA INC	2.71	0.36%
NOBLE GROUP	2.70	0.36%
UNITE UK STUDENT ACCOMODATION	2.67	0.36%
ATHENAHEALTH INC	2.63	0.35%
POLARIS INDUSTRIES INC	2.59	0.35%

Source: BNYM Workbench

Note that these equities may be held by more than one of the fund managers.

4 FUND MANAGER PERFORMANCE

Summary

4.1 Appendix A details the market value and performance over the quarter and since inception for each fund manager.

4.2 Chart 6 below illustrates the performance of each fund manager against their benchmark over the most recent quarter and Chart 7 demonstrates performance for each since inception. Note that the benchmark for private equity does not satisfactorily reflect the potential of immature funds such as Equitix and Knightsbridge.

Chart 6: Fund Manager Quarterly Returns

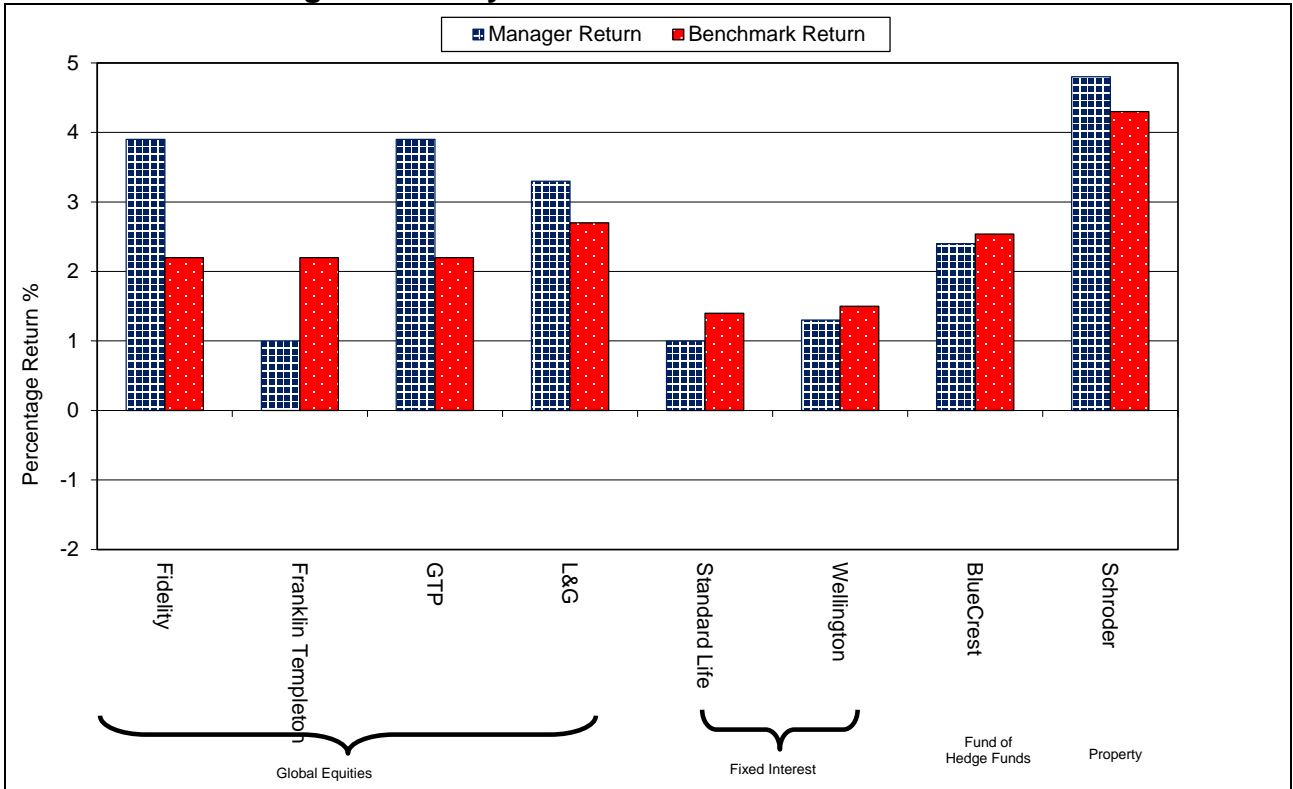
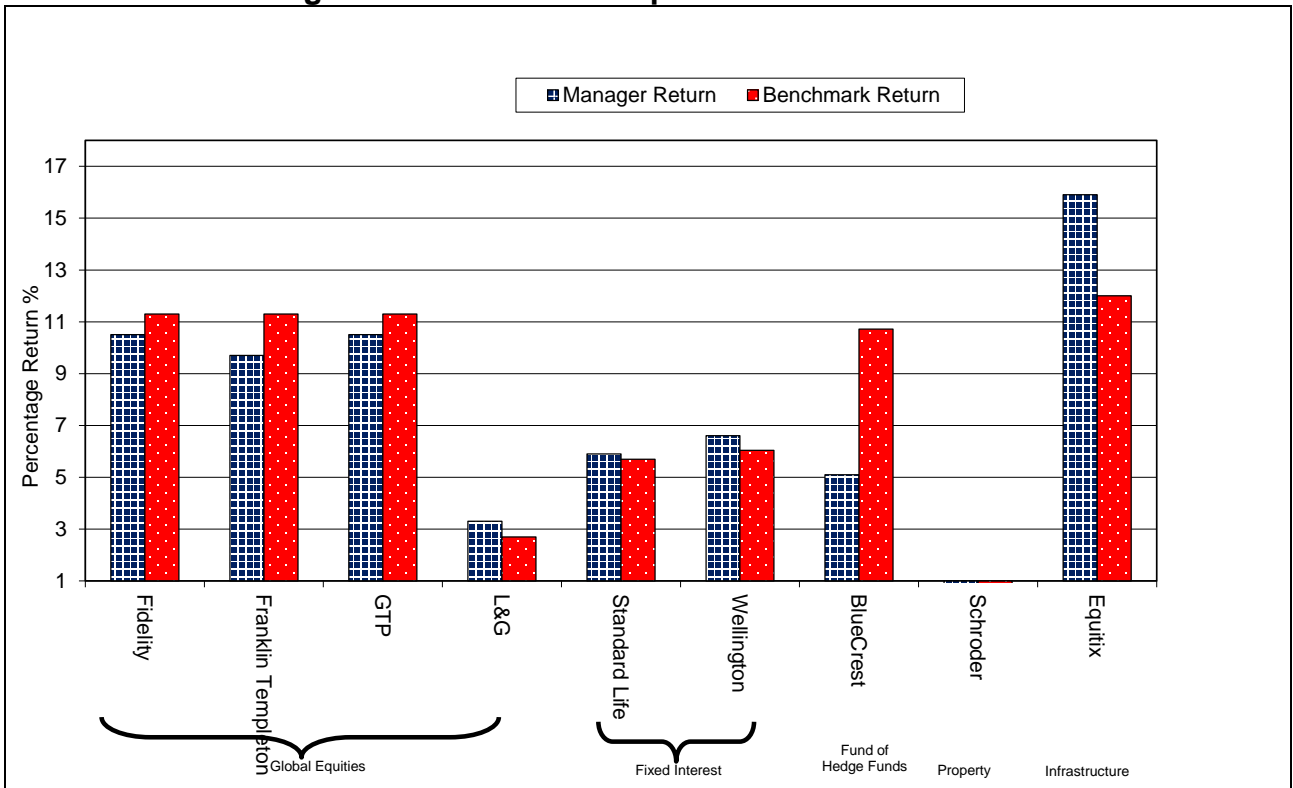


Chart 7: Fund Manager Returns Since Inception



4.3 Developed equity markets gained 4.6% over the quarter whilst emerging equity markets rose by 5.2% on the back of improving global economic outlook and supportive monetary policy. US equities enjoyed a strong performance in the second quarter as the unemployment rate fell to 6.1%, the housing market improved and inflation moved closed to the Fed's 2% target. Energy was the strongest performing sector boosted by higher oil prices. Despite being the worst performing sector, Financials still produced a positive return. European equities, whilst hammered by disappointing corporate earnings, provided positive returns as expectations that the European Central Bank (ECB) would ease monetary policy gained momentum. The ECB lived up to expectations, cutting the benchmark interest rate to 0.15% (from 0.25%), boosting lending to small businesses by providing cheap four-year loans and introducing a negative deposit rate. The UK economy continued its upward trend growing by an estimated 0.9% over the quarter driven by household spending and business investment. Both the Oil and Gas and Healthcare sectors performed well, the former benefiting from rising oil prices and the latter from takeover activity. Retailers and house builders had a difficult quarter due to fears of an earlier than expected rise in interest rates. The strength of the pound eroded the profits of UK companies with international exposure. Japanese equity markets were up 5.1% by quarter end and Asia (ex Japan) region produced positive returns boosted by Chinese, Hong Kong and Taiwanese equities. Emerging markets MSCI Emerging Markets index outperformed its MSCI World counterpart on the back of strong growth in India and Latin America. Chart 6 shows the benefit of having a spread of investment styles within the portfolio. The methodology for assessing the in-year performance of the private equity managers remains problematic especially when the funds are immature, such as is the case for both the Equitix and Knightsbridge funds although their actual performance continues to be encouraging. Please refer to the attribution analysis below under section 5. A detailed review of individual fund manager performance has been undertaken and is reported under the Fund Manager Review section below.

Fund Manager Review

4.4 Officers continuously review the performance of managers and engage with them periodically. A summary table of results is provided below. A tolerance level of 1% below the benchmark has been set for further investigation. Where appropriate, Officers will meet with the manager to discuss performance and consistency of investment themes. Note, where underperformance is consistent across all managers, and attributable to market conditions, - i.e. beta, a review will be considered based on the circumstances at the time. Along with performance data, qualitative information will be considered based on trigger events, news and reviews by the Fund's independent advisors. Members are invited to comment on the outcome of this review process.

Table 2: Summary by Fund Manager

Fund Manager	Is Performance in line with the appropriate index? (allowing for 1% variance)	Has there been no trigger event?	Has there been a visit (or virtual meeting) this quarter?	If in any of these instances the answer is no, what action has been taken?
Fidelity	✓	✓	✓	See paragraph 4.6
Franklin Templeton	x	✓	x	See paragraph 4.8
GTP (DB Advisors)	✓	✓	x	See paragraph 4.7
L&G	✓	✓	✓	N/A
Standard Life	✓	✓	✓	See paragraph 4.9
Wellington	✓	✓	✓	See paragraph 4.9
BlueCrest	✓	✓	x	See paragraph 4.12
Pantheon	n/a	✓	x	See paragraph 4.13
Equitix	n/a	✓	x	See paragraph 4.13
Knightsbridge	n/a	✓	✓	See paragraph 4.13
Schroders	✓	✓	✓	See paragraph 4.11

Performance

4.5 There was a range of outperformance and underperformance by the managers against their benchmarks over the quarter. For further details please refer to Chart 5 (above) and Appendix A showing the WM performance for each fund manager. Franklin Templeton was the only manager with an underperformance outside the 1% tolerance over the quarter.

Equities

4.6 Fidelity matched the MSCI AC World NDR index with returns of 2.4% over the quarter and has outperformed the benchmark by 0.6% since inception. A detailed analysis is contained in the closed section of this report.

4.7 Global Thematic Partners outperformed the benchmark by 1.6% over the quarter ended 30 June 2014. More detail is provided in the closed part of the report. The manager has underperformed the benchmark by 0.7% since inception.

4.8 Franklin Templeton, the Fund's value equity manager, underperformed the MSCI World NDR by 1.3% during the quarter and by 1.5% since inception. The closed section of this report provides a more detailed analysis.

Fixed Interest

- 4.9 Wellington's performance of 1.3% during the quarter was 0.2 under the benchmark. Wellington has outperformed the BAML GBP Broad Market benchmark by 0.5% since inception. Standard Life underperformed the benchmark by 0.4% over the quarter but outperformed the benchmark by 0.2% since inception.

Property

- 4.10 European property - The Committee agreed to transfer the European property portfolio to Schroders to manage on a care and maintenance basis with a view to liquidating the holdings at an opportune time. Hence Schroders performance measurements will be net of the European property. The European portfolio, comprises of a Henderson European property fund and Standard Life European property fund.
- 4.11 Schroders – Following the closure of Henderson's property fund of fund business, Schroders took over the UK property portfolio (in August 2011) on the understanding they would have require time to transition the assets so that they conformed to their investment strategy. During this period Schroders' performance would not be assessed although obviously officers monitored performance. The formal measurement of Schroders' performance commenced in the quarter starting 1 January 2014. The Schroders' UK property portfolio is measured against the IPD All Balanced Weighted Average index. The portfolio underperformed the benchmark by 0.5% during the quarter to 30 June 2014 and has outperformed by 2.8% over the 12 months to 30 June 2014.

Fund of Hedge Funds

- 4.12 BlueCrest have a benchmark of 10% over 3-month LIBOR (London Inter-Bank Offer Rate; the interest rate that banks charge each other for loans). BlueCrest underperformed their benchmark by 0.2% over the quarter and has underperformed the benchmark by 5.1% since inception.

Private Equity and Infrastructure

- 4.13 Equitix, Pantheon and Knightsbridge – The design of private equity and infrastructure funds makes meaningful performance management in the initial few years problematic. Both fund managers ask for cash to invest as opportunities arise – in the case of the Knightsbridge fund this will be over a 5 to 7-year period, for Equitix up to 2 years. The value of Knightsbridge's investments will become clear when the invested companies are listed on public exchanges or acquired by other businesses. Consequently there will be a timing gap between investment and crystallising returns. The Fund is investing in the second generation of Pantheon's funds. The first, earlier, generations are in the cash distribution phase. The second generation of funds is in its infancy and looking for investment opportunities. The performance of the asset class is difficult to assess until funds are quite mature. However, by close monitoring of the initial underlying investments and regular dialogue with fund managers, officers have been able to establish a degree of confidence in the ability of the funds to match performance targets.

Manager Visits

- 4.14 In addition to virtual meetings held during the quarter ended 30 June 2014, officers and/or members attended meetings with the following managers:

Manager	Date of Meeting
Fidelity	3 April 2014
Standard Life	9 April 2014
Fidelity	11 April 2014
Knightsbridge	14 May 2014
Wellington	20 May 2014
Legal and General	20 May 2014
Schroder	21 May 2014

These meetings represented an opportunity to explore performance issues in detail and for managers to set out their views on the current and future investment landscape.

5 ASSET ALLOCATION

Effect on Performance

- 5.1 Returns of the Fund are due to two factors; the allocation of investments to different assets classes; and how these individual asset classes perform. Table 3 below summarises the asset allocation as at 30 June 2014. The geographical breakdown of asset allocation is provided in the WM Asset Mix and Returns schedule attached as Appendix B.

Table 3: Asset Allocation of the Pension Fund

Asset Class	Percentage of Fund Value	Strategic Allocation	Variance
Equities	57%	50% +/- 3	4.0%
Fixed Income	22.1%	25% +/- 3	0.0%
Property	9.4%	10% +/- 3	0.0%
Private Equity	4.3%	5%	-0.7%
Infrastructure	3.5%	5%	-1.5%
Hedge Funds	4.1%	4%	0.1%
Cash	n/a	n/a	n/a

Source: WM Returns

- 5.2 It is clear from this table the Fund had an underweight cash position at the end of the quarter, this figure includes adjustments for recharges owed to the General Fund and capital calls by the fund's private equity managers. It is also clear that the Fund has an overweight position in equities, this reflects the committee decision to use passive equities to hold excess cash positions. Both of these positions will be rectified as part of a rebalancing exercise. Conversely private equity and infrastructure allocations are underweight against their strategic benchmark. There is a long-term plan to match these commitments with draw-downs, subject of course

to the appropriate investment opportunities presenting themselves.

- 5.3 Members will note that market volatility has the potential to drive the weightings of asset allocation out of balance. Asset allocations against the benchmark are reviewed and addressed on a quarterly basis within the agreed tolerances. Adjusting investment levels can be a protracted process involving extensive due diligence and therefore there will typically be a lag between the decision to rebalance and the execution of that decision.
- 5.4 A review of the current market suggests that opportunities to invest in quality infrastructure and private equity investments are not readily available; hence the process of identifying investment opportunities can be time consuming. Cash balances will decrease as the asset classes are populated.
- 5.5 The asset allocation of the portfolio will be monitored internally by officers on a monthly basis. Where needs be the portfolio will be further rebalanced under delegated powers and in consultation of the Chairman.

6 INVESTMENT ADVISOR'S REVIEW

- 6.1 An independent review of the fund managers has been provided by AON Hewitt in the Managing Monitoring Report attached as Appendix D on the closed section of the agenda. AON Hewitt has applied a rating to each fund manager and a traffic light system has been used to highlight where there are issues of concern surrounding each manager.
- 6.2 AON Hewitt have also produced a Market Review paper for the quarter ended 30 June 2014, it is attached at Appendix E in the closed section of this report. This examines the prospects for equities and fixed interest over the forth coming period.

7 CONSULTATION

- 7.1 Officers have fully consulted with the Pension Fund's advisers in preparing this report.

8 FINANCIAL CONSIDERATIONS

- 8.1 This report deals exclusively with the investment of the Council's Pension Fund and compares the return on investment of the Fund against the benchmark return.

9 COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

- 9.1 The Council Solicitor comments that there are no direct legal implications arising from this report.

(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer)

10 HUMAN RESOURCES CONSIDERATIONS

10.1 There are no human resources impacts arising from this report.

11 OTHER CONSIDERATIONS

11.1 There are no Human Resource, Customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report.

12 FREEDOM OF INFORMATION/DATA PROTECTION CONSIDERATIONS

12.1 This report contains confidential information which could be of a sensitive nature, disclosure of which could prejudice the commercial interest of the companies involved and those of the Council's Pension Fund.

CONTACT OFFICER:

Nigel Cook – Head of Pensions and Treasury
Chief Executive's Department, ext. 62552

BACKGROUND DOCUMENTS:

Reports from WM Company

Reports from AON Hewitt

Appendices

Appendix A: Summary of Manager Performance

Appendix B: Asset Mix and Returns

Appendix C: Detailed Analysis of the Latest Quarter Performance

The following appendices are commercially sensitive:

Appendix D: AON Hewitt Manager Monitoring Report

Appendix E: AON Hewitt Market Review: 3 months to June 2014

Appendix F: AON Hewitt Quarterly Investment Outlook

Summary of Manager Performance - Rates of Return

LONDON BOROUGH OF CROYDON - TOTAL COMBINED

Periods to end June 2014

Pound Sterling

	Mkt Val (GBP 1000)	% of Fund	Latest Quarter	1 Year	3 Years	5 Years	Since Inception	Incept. Date
Equity - World								
DB ADVISORS	90,805	12.1	3.9	14.1	7.6		10.5	29/1/2010
MSCI World NDR			2.2	10.0	9.5		11.3	
			1.6	3.7	-1.7		-0.7	
FRANKLIN TEMPLETON	92,892	12.3	1.0	8.7	6.0		9.7	29/1/2010
MSCI World NDR			2.2	10.0	9.5		11.3	
			-1.3	-1.2	-3.2		-1.5	
FIDELITY INVESTMENT SERVICES LIMITE	130,679	17.4	2.4	10.4	8.5		10.9	27/1/2010
MSCI AC WORLD NDR			2.4	9.1	8.0		10.3	
			0.0	1.2	0.5		0.6	
L&G	117,036	15.5	3.3				3.3	21/3/2014
FTSE AW World TR			2.7				2.7	
Bonds - World								
WELLINGTON	51,182	6.8	1.3	3.2	6.5		6.6	29/1/2010
BAML GBP BROAD MARKET			1.5	3.9	6.0		6.0	
			-0.2	-0.7	0.5		0.5	
STANDARD LIFE	115,059	15.3	1.0	5.2	5.6		5.9	2/2/2010
STANDARD LIFE CUSTOMISED BOND BEI			1.4	4.8	5.3		5.7 #	
			-0.4	0.4	0.3			
Private Equity								
KNIGHTSBRIDGE	8,080	1.1	5.6	18.1	8.6		3.6	31/12/2009
LB OF CROYDON - KNIGHTSBRIDGE PRI			0.4	6.2	5.0		7.8	
			5.2	11.2	3.4		-3.9	
PANTHEON VENTURES	23,799	3.2	1.2	-2.1	4.9	11.7	8.9	31/12/2001
LB OF CROYDON - PANTHEON PRIVATE I			-0.6	8.8	8.8	14.2	6.4	
			1.8	-10.1	-3.5	-2.2	2.4	
Absolute/Targeted Return								
BLUECREST CAPITAL MGT	14,012	1.9	2.4	4.2	4.2		5.1	31/12/2009
GBP 3 MONTH LIBOR + 10%			2.5	10.5	10.7		10.7	
			-0.2	-5.7	-5.8		-5.1	
Fund - Hedged								
BLUECREST CAPITAL MGT	16,470	2.2	3.2				9.8	1/10/2013
GBP 3 MONTH LIBOR + 10%			2.5				7.8	
			0.7				1.9	
Infrastructure								
EQUITIX	26,314	3.5	-1.2	5.9	20.1		15.9	31/12/2009
12% PER ANNUM (GBP)			2.9	12.0	12.0		12.0	
			-4.0	-5.4	7.2		3.4	
Cash								
INTERNALLY MANAGED CASH	-4,170	-0.6	n/a	n/a	n/a	n/a	n/a	31/12/1986
GBP 7 DAY LIBID			0.1	0.3	0.4	0.4	1.1	
Property - UK								
SCHRODER INVESTMENT MGMT INTL	70,965	9.4	4.8	18.2				30/6/2011
AREF/IPD ALL BALANCED			4.3	15.1				

	Mkt Val (GBP 1000)	% of Fund	Latest Quarter	1 Year	3 Years	5 Years	Since Inception	Incept. Date
Equity - World								
DB ADVISORS	90,805	12.1	3.9	14.1	7.6		10.5	29/1/2010
			0.5	2.8				
TOTAL FUND								
TOTAL COMBINED	753,124	100.0	2.3	8.0	6.3	10.8	7.6	31/12/1986
L B OF CROYDON BENCHMARK			2.3	8.7	7.9	12.5	7.1 #	
			0.0	-0.6	-1.4	-1.6		

Asset Mix and Returns

LONDON BOROUGH OF CROYDON - TOTAL COMBINED
Benchmark - L B OF CROYDON BENCHMARKPeriods to end June 2014
Pound Sterling

This page provides the underlying detail for the fund over the latest period.

All values are shown in GBP'000s	Asset Allocation						Stock Selection			
	31/03/2014		Purchases	Sales	Gain/ Loss Income		30/06/2014		Return	B'M
	Value	%			Value	%				
TOTAL EQUITIES	390,740	52	164,243	138,872	8,142	1,999	424,253	56	2.4	2.4
U.K. EQUITIES	18,069	2	4,204	3,451	1,042	114	19,864	3	6.3	
U.K.	9,686	1	1,341	1,117	421	72	10,331	1	5.1	
UK GLOBAL	8,383	1	2,863	2,334	621	42	9,534	1	7.7	
OVERSEAS EQUITIES	193,729	26	29,619	29,216	2,891	1,441	197,022	26	2.2	
NORTH AMERICA	98,285	13	17,448	13,459	2,770	500	105,044	14	3.2	
U.S.A.	60,559	8	8,904	8,858	901	316	61,506	8	2.0	
USA GLOBAL	31,875	4	8,145	4,115	1,467	152	37,373	5	4.6	
CANADA	4,568	1	399	326	354	23	4,995	1	8.2	
CANADA GLOBAL	1,283	0		160	47	9	1,170	0	5.0	
CONTINENTAL EUROPE	41,450	6	5,765	5,067	-1,167	572	40,981	5	-1.4	
EUROLAND TOTAL	28,687	4	4,523	4,448	-728	402	28,035	4	-1.2	
FRANCE	5,426	1	673	343	-167	115	5,589	1	-0.9	
FRANCE GLOBAL	1,215	0		672	63	15	606	0	6.6	
GERMANY	3,838	1	616	822	-137	56	3,495	0	-2.2	
GERMANY GLOBAL	7,540	1	1,596	791	-633	106	7,713	1	-6.6	
ITALY	655	0	446	293	-68	6	740	0	-9.1	
NETHERLANDS	2,200	0	348	383	18	27	2,182	0	1.8	
NETHERLANDS GLOBAL	2,514	0		257	194	13	2,451	0	8.6	
AUSTRIA	279	0		43	-24	1	213	0	-9.2	
AUSTRIA GLOBAL	923	0			-72	5	852	0	-7.2	
BELGIUM	1,267	0			-21	14	1,247	0	-0.6	
BELGIUM GLOBAL			129		6		135	0	4.7 #	
FINLAND	401	0	123		-27	25	497	0	-0.1	
LUXEMBOURG				149	149				0.0 #	
LUXEMBOURG GLOBAL	427	0	229		19	15	675	0	4.0	
SPAIN	1,341	0	68	316	-26	4	1,067	0	-1.7	
IRELAND	662	0	295	379	-3	1	575	0	-1.6	
NON EUROLAND TOTAL	12,762	2	1,242	620	-439	171	12,946	2	-2.0	
SWITZERLAND	3,644	0	616	156	-143	64	3,961	1	-1.9	
SWITZERLAND GLOBAL	4,616	1	226		-154		4,687	1	-3.2	
DENMARK	984	0	35	160	25	4	884	0	3.0	
NORWAY	253	0		73	5	8	185	0	4.6	
SWEDEN	1,431	0	275	49	-58	19	1,600	0	-2.4	
SWEDEN GLOBAL	1,016	0		90	-105	45	821	0	-6.2	
HUNGARY GLOBAL	819	0	90	91	-9	31	808	0	1.8	
JAPAN	8,811	1	1,030	830	420	16	9,430	1	4.9	
JAPAN	8,811	1	1,030	830	420	16	9,430	1	4.9	
TOTAL PACIFIC (EX.JAPAN)	12,099	2	1,613	2,203	178	129	11,686	2	2.6	
HONG KONG	1,268	0	274	332	11	16	1,221	0	2.1	
HONG KONG GLOBAL	829	0	477	4	92	5	1,394	0	12.0	
SINGAPORE	679	0	34		18	10	731	0	4.1	
SOUTH KOREA GLOBAL	3,884	1		958	-14	26	2,913	0	-0.4	

PHILIPPINES	251	0	90		51	3	393	0	16.8	
THAILAND GLOBAL	1,403	0		182	82	25	1,303	0	8.4	
AUSTRALIA	3,567	0	738	728	-22	42	3,555	0	0.5	
AUSTRALIA GLOBAL	217	0			-41		176	0	-18.9	
OTHER INTL EQUITIES	33,086	4	3,763	7,656	690	224	29,882	4	3.1	
EMERGING MARKETS	33,086	4	3,763	7,656	690	224	29,882	4	3.1	
RUSSIA GLOBAL	3,873	1	1,132	3,296	257	3	1,966	0	9.8	
ISRAEL	218	0	70		-5	4	283	0	-0.9	
ISRAEL GLOBAL	569	0	93	180	-103	2	378	0	-22.1	
MEXICO GLOBAL	425	0		422	-3				-0.6 #	
BRAZIL GLOBAL	5,285	1	1,891	1,906	-190	157	5,080	1	-0.8	
BAHRAIN	86	0			1		87	0	0.7	
FID INST SELECT EMERGING MARKE	13,393	2			673	34	14,066	2	5.3	
BERMUDA GLOBAL	1,617	0	131	760	183	20	1,171	0	11.9	
CAYMAN ISLANDS GLOBAL	1,132	0	42		23	4	1,197	0	2.2	
CHINA GLOBAL	2,895	0	314		-266		2,944	0	-9.0	
SOUTH AFRICA GLOBAL	1,267	0	90		-61		1,296	0	-4.5	
INDIA GLOBAL	1,964	0		1,093	164		1,035	0	15.7	
EGYPT	363	0			18		380	0	4.8	
GLOBAL POOLED INC UK	178,942	24	130,420	106,205	4,209	443	207,367	28	2.2	2.4
TEMPLETON GLOBAL EQUITIES	90,376	12	17,083	17,635	507	443	90,331	12	1.1	
WORLD EQUITY INDEX			113,337	3	3,702		117,036	16	3.3 #	
Global Equity 110	88,566	12		88,566					0.0 #	
TOTAL BONDS PLUS INDEX-LINKED	164,438	22			1,803		166,241	22	1.1	1.4
STANDARD LIFE GARS	64,109	9			22		64,131	9	0.0	
POOLED BONDS	100,329	13			1,781		102,110	14	1.8	1.4
CORPORATE BONDS	49,805	7			1,123		50,928	7	2.3	1.4
GLOBAL BOND FUND	50,524	7			658		51,182	7	1.3	1.5
CASH/ALTERNATIVES	125,267	17	261,802	296,787	2,179	7	92,460	12	2.3	1.8
TOTAL CASH	38,264	5	259,545	294,988	965	7	3,785	1	7.9	0.1
ALTERNATIVES	87,003	12	2,257	1,799	1,214		88,675	12	1.4	1.9
TOTAL INFRASTRUCTURE	26,733	4	1,605	1,701	-323		26,314	3	-1.2	2.9
EQUITIX PRIVATE EQUITY	26,733	4	1,605	1,701	-323		26,314	3	-1.2	
TOTAL PRIVATE EQUITY	30,625	4	652	98	699		31,879	4	2.3	0.4
PANTHEON PRIVATE EQUITY	23,128	3	497	98	272		23,799	3	1.2	
PANTHEON US FUND	3,164	0		98	74		3,141	0	2.4	
PANTHEON ASIA FUND	302	0			14		315	0	4.5	
PANTHEON EUROPE FUND	5,524	1			124		5,648	1	2.3	
PANTHEON - ASIA IV	1,886	0	217		-5		2,098	0	-0.2	
PANTHEON - EUROPE FUND VII	4,352	1			19		4,372	1	0.4	
PANTHEON USA FUND IX	4,371	1	280		92		4,743	1	2.0	
PANTHEON GLOBAL CO INVESTMEN	3,529	0			-47		3,482	0	-1.3	
KNIGHTSBRIDGE VENTURE CAPITAL	7,498	1	155		428		8,080	1	5.6	
TOTAL HEDGE FUNDS	29,645	4			837		30,482	4	2.8	2.5
HEDGE FUNDS	13,688	2			324		14,012	2	2.4	2.5
BLUECREST HEDGE FUND	15,956	2			514		16,470	2	3.2	
TOTAL - EX. PROPERTY	680,445	91	426,045	435,659	12,123	2,006	682,955	91	2.1	2.0
U.K. PROPERTY	66,235	9	12,570	11,017	2,381	549	70,169	9	4.4	5.1
PROPERTY UNIT TRUSTS	50,865	7	12,570	10	2,288	534	65,713	9	4.8	
PROPERTY	4,225	1			231	15	4,456	1	5.8	
HENDERSON PROPERTY UK	11,145	1		11,007	-138				-1.2 #	
TOTAL ASSETS	746,680	100	438,615	446,676	14,505	2,555	753,124	100	2.3	2.3

Detailed Analysis of the Latest Quarter Performance

LONDON BOROUGH OF CROYDON - TOTAL COMBINED

Periods to end June 2014

Benchmark - L B OF CROYDON BENCHMARK

Pound Sterling

Category - TOTAL ASSETS

This page analyses in detail the Fund performance over the latest period.

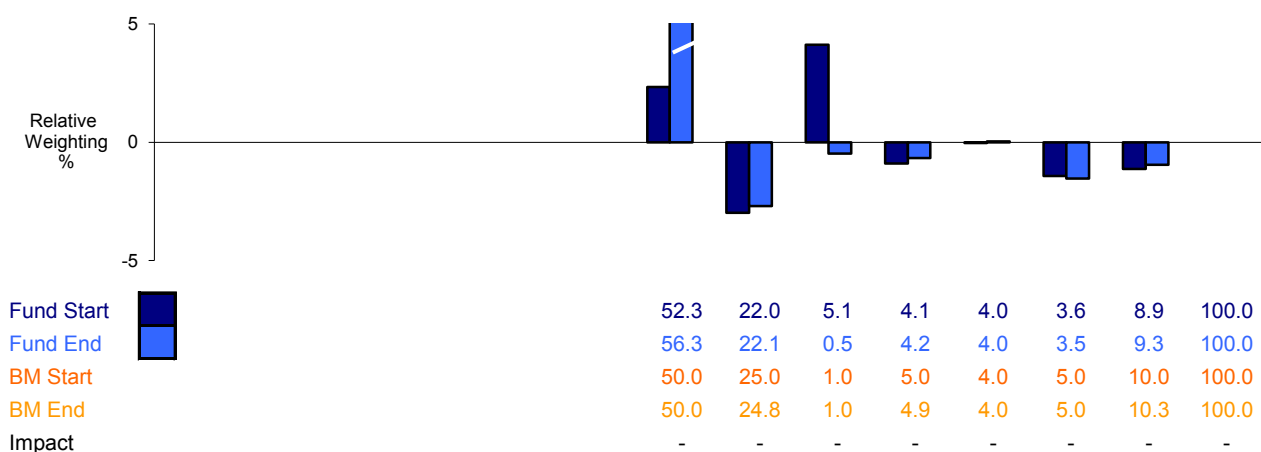
Summary

Fund Return	2.3
Benchmark Return	2.3
Relative Performance	-0.0
attributable to:	
Asset Allocation	-
Stock Selection	-

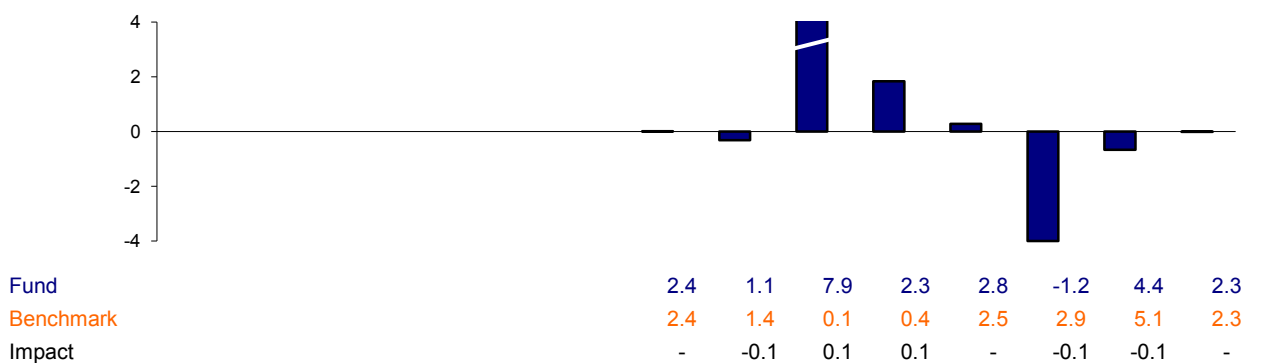
The relative performance can be attributed to the effects of stock selection and asset allocation as detailed below:

	Total Equity	Bonds + IL	Cash	Private Eq	Total Hedge	Infrastruc	Property	Total Fund
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Asset Allocation



Stock Selection



An asset allocation decision will have a positive impact if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely, a positive benefit would be derived from having a relatively low exposure to an area that has performed poorly.

Stock selection will have a positive impact if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05