



To: Members of the Pension Fund Committee

Notice of a Meeting of the Pension Fund Committee

Friday, 6 December 2013 at 10.10 am

County Hall, New Road, Oxford

Peter G. Clark.

Peter G. Clark
County Solicitor

November 2013

Contact Officer: **Julie Dean**
Tel: (01865) 815322; E-Mail: julie.dean@oxfordshire.gov.uk

Membership

Chairman – Councillor Stewart Lilly
Deputy Chairman - Councillor Patrick Greene

Councillors

Lynda Atkins
Surinder Dhesi
Jean Fooks

Nick Hards
Richard Langridge
Sandy Lovatt

Neil Owen

Co-optees

District Councillor Hywel Davies
District Councillor Jerry Patterson

Notes:

- ***A lunch will be provided***
- ***Date of next meeting: 14 March 2014***
- ***This meeting of Committee will be preceded by a training session at 9.30am (to be held in the meeting room itself), delivered by Malcolm Gordon from UBS on Alternative Asset Classes including Infrastructure.***

Declarations of Interest

The duty to declare.....

Under the Localism Act 2011 it is a criminal offence to

- (a) fail to register a disclosable pecuniary interest within 28 days of election or co-option (or re-election or re-appointment), or
- (b) provide false or misleading information on registration, or
- (c) participate in discussion or voting in a meeting on a matter in which the member or co-opted member has a disclosable pecuniary interest.

Whose Interests must be included?

The Act provides that the interests which must be notified are those of a member or co-opted member of the authority, **or**

- those of a spouse or civil partner of the member or co-opted member;
- those of a person with whom the member or co-opted member is living as husband/wife
- those of a person with whom the member or co-opted member is living as if they were civil partners.

(in each case where the member or co-opted member is aware that the other person has the interest).

What if I remember that I have a Disclosable Pecuniary Interest during the Meeting?.

The Code requires that, at a meeting, where a member or co-opted member has a disclosable interest (of which they are aware) in any matter being considered, they disclose that interest to the meeting. The Council will continue to include an appropriate item on agendas for all meetings, to facilitate this.

Although not explicitly required by the legislation or by the code, it is recommended that in the interests of transparency and for the benefit of all in attendance at the meeting (including members of the public) the nature as well as the existence of the interest is disclosed.

A member or co-opted member who has disclosed a pecuniary interest at a meeting must not participate (or participate further) in any discussion of the matter; and must not participate in any vote or further vote taken; and must withdraw from the room.

Members are asked to continue to pay regard to the following provisions in the code that *“You must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself”* or *“You must not place yourself in situations where your honesty and integrity may be questioned.....”*.

Please seek advice from the Monitoring Officer prior to the meeting should you have any doubt about your approach.

List of Disclosable Pecuniary Interests:

Employment (includes *“any employment, office, trade, profession or vocation carried on for profit or gain”*.), **Sponsorship, Contracts, Land, Licences, Corporate Tenancies, Securities.**

For a full list of Disclosable Pecuniary Interests and further Guidance on this matter please see the Guide to the New Code of Conduct and Register of Interests at Members’ conduct guidelines. <http://intranet.oxfordshire.gov.uk/wps/wcm/connect/occ/Insite/Elected+members/> or contact Rachel Dunn on (01865) 815279 or Rachel.dunn@oxfordshire.gov.uk for a hard copy of the document.

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named on the front page, but please give as much notice as possible before the meeting.

AGENDA

- 1. Apologies for Absence and Temporary Appointments**
- 2. Declarations of Interest - see guidance note**
- 3. Minutes**

To approve the minutes of the meeting held on 6 September 2013 (PF3) and to receive information arising from them.

- 4. Petitions and Public Address**
- 5. Overview of Past and Current Investment Position**

10:15

Tables 1 to 10 are compiled from the custodian's records. The custodian is the Pension Fund's prime record keeper. He accrues for dividends and recoverable overseas tax within his valuation figures and may also use different exchange rates and pricing sources compared with the fund managers. The custodian also treats dividend scrip issues as purchases which the fund managers may not do. This may mean that there are minor differences between the tabled figures and those supplied by the managers.

The Independent Financial Adviser will review the investment activity during the past quarter and present an overview of the Fund's position as at 30 September 2013 using the following tables:

Table 1	provides a consolidated valuation of the Pension Fund at 30 September 2013
Tables 2 to 9	provide details of the individual manager's asset allocations and compare these against their benchmark allocations
Table 10	shows net investments/disinvestments during the quarter
Tables 11 to 12	provide details on the Pension Fund's Private Equity
Tables 13 to 24	provide investment performance for the consolidated Pension Fund and for the four Managers for the quarter ended 30 September 2013

In addition to the above tables, the performance of the Fund Managers over the past 18 months has been produced graphically as follows:

Graph 1 - Value of Assets
Graph 2 - 3 – Baillie Gifford
Graph 4 - Wellington
Graph 5 - 6 – Legal & General
Graphs 7 - 10 – UBS

The Committee is RECOMMENDED to receive the tables and graphs, and that the information contained in them be borne in mind, insofar as they relate to items 9, 10, 11 and 12 on the agenda.

6. EXEMPT ITEMS

The Committee is RECOMMENDED that the public be excluded for the duration of items 8, 9, 10, 11, 12, 13, 14 and 15 in the Agenda since it is likely that if they were present during those items there would be disclosure of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it is considered that, in all the circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

THE REPORTS RELATING TO THE EXEMPT ITEMS HAVE NOT BEEN MADE PUBLIC AND SHOULD BE REGARDED AS STRICTLY PRIVATE TO MEMBERS AND OFFICERS ENTITLED TO RECEIVE THEM.

NOTE: In the case of item 12, there is no report circulated with the Agenda. Any exempt information will be reported orally.

7. Exempt Minutes

10:25

To approve the exempt minute of the meeting held on 6 September 2013 **(PF7)** and to receive information arising from it.

8. Overview and Outlook for Investment Markets

10:30

Report of the Independent Financial Adviser **(PF8)**.

The report sets out an overview of the current and future investment scene and market developments across various regions and sectors. The report itself does not contain exempt information and is available to the public. The Independent Financial Adviser will also report orally and any information reported orally will be exempt information.

The public should be excluded during this item because its discussion in public

would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to receive the report, tables and graphs, to receive the oral report, to consider any further action arising on them and to bear the Independent Financial Adviser's conclusions in mind when considering the Fund Managers' reports.

9. UBS

10:40

- (1) The Independent Financial Adviser will report orally on the performance and strategy of UBS drawing on the tables at Agenda Items 5 and 8.
- (2) The representatives (Eric Byrne and Anthony Sander) of the Fund Manager will:
 - (a) report and review the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 30 September 2013;
 - (b) give their views on the future investment scene.

In support of the above is their report for the period to 30 September 2013.

At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

10. Adams Street

11:20

- (1) The Independent Financial Adviser will report orally on the performance and strategy of Adams Street drawing on the tables at Agenda Items 5 and 8.
- (2) The representatives (Ana Maria Harrison and David Arcauz) of the Fund Manager will:
 - (a) report and review the present investments of their part of the Fund and their strategy against the background of the current investment scene for the period which ended on 30 September 2013;
 - (b) give their views on the future investment scene.

In support of the above is their report for the period to 30 September 2013.

At the end of the presentation, members are invited to question and comment and the Fund Managers to respond.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the main issues arising from the presentation and to take any necessary action, if required.

11. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting

12:00

The Independent Financial Adviser will report **(PF11)** on the main issues arising from the officer meetings with Baillie Gifford and Wellington. These reports should be read in conjunction with information contained in the tables (Agenda Item 5 and 8).

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

The Committee is RECOMMENDED to note the main issues arising from the reports and to take any necessary action, if required.

12. Summary by the Independent Financial Adviser

12:05

The Independent Financial Adviser will, if necessary, summarise the foregoing reports of the Fund Managers and answer any questions from members.

The public should be excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

13. Employer Cessation

12:05

The Committee is asked to determine their approach to a recent employer cessation, and whether to accept the part payment offered as final settlement for the outstanding liabilities, or to seek recovery of the full sum due **(PF13)**.

The public should be excluded for the consideration of this report because its discussion in public would be likely to lead to the disclosure to the public present of information in the following categories prescribed by Part 1 of Schedule 12A to the Local Government Act 1972 (as amended):

3 *Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the commercial position of the

parties involved, and the ability of the parties to maintain the current provision of public services.

The Committee is RECOMMENDED to determine their approach to the cessation of the employer as a member of the Oxfordshire Pension Fund.

14. Death Grant

12:15

The Committee are asked to determine the payment of a death grant where payment has been contested (**PF14**).

The report contains financial information relating to the former scheme member and his family members.

The public should therefore be excluded for the consideration of this report because its discussion in public would be likely to lead to the disclosure to the public present of information in the following prescribed categories:

- 1 Information relating to any individual*
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that disclosure would infringe the rights of the individual to privacy contrary to the general law and the public duty of the authority to respect human rights and to comply with that law.

The Committee is RECOMMENDED to determine beneficiaries due to receive payment of the death grant.

15. IPRP Update

12:20

The report **PF15** updates the Committee on the Determination by the Pensions Ombudsman of a case which they initially considered in December 2011. The Pensions Ombudsman has dismissed the complaint and supported the Council's right to recover the full overpayment initially made to the complainant.

The public should be excluded for the consideration of this report because its discussion in public would be likely to lead to the disclosure to the public present of information in the following categories prescribed by Part 1 of Schedule 12A to the Local Government Act 1972 (as amended):

- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The Committee is RECOMMENDED to note the report and the final determination in this case.

ITEMS FOLLOWING THE RE-ADMISSION OF THE PRESS AND PUBLIC

16. The 2013 Valuation

12:25

The report (**PF16**) updates the Committee on the latest position in respect of the 2013 Valuation. At the time of writing the report, the Actuary was still working to finalise the result, and a more up to date position will be reported when the Actuary attends the Employer Forum on 13 December 2013.

The Committee is RECOMMENDED to note the report.

17. Potential Scheme Merger

12:35

The report (**PF17**) updates the Committee in respect of the on-going discussions on the potential to merge the Oxfordshire Fund with those of Berkshire and Buckinghamshire. If appropriate, the Committee will be recommended to agree variations to the annual budget for 2013/14 to fund changes in support of more collaborative working.

The Committee is RECOMMENDED to note the report.

18. Annual Report and Accounts 2012/13

12:45

The Committee is requested to formally adopt the Annual Report and Accounts for 2012/13, a draft of which had been presented to the last meeting for comment. A final copy has been included within each Member's Agenda in booklet form. (Please contact Julie Dean on (01865) 815322 if a copy of the booklet is required).

The Committee is RECOMMENDED to adopt formally the Pension Fund Annual Report and Accounts 2012/13.

19. The LGPS Regulation Update

12:47

The Committee previously received reports in March 2012, December 2012, June 2013 and September 2013 regarding the 2014 Local Government Pension Scheme (LGPS). This report (**PF19**) is to further update the Committee on the progress of the implementation of the 2014 Local Government Pension Scheme (LGPS) and the Regulations which have been issued to date. This report also looks at the changes which need to be made to Administering Authority policies as a result.

The Committee is RECOMMENDED to note the report.

20. Employer Update

12:50

The report (**PF20**) seeks Committee approval for any new admissions to the Fund, as well as updates the Committee on the status of any current employer which impacts on future Scheme membership.

The Committee is RECOMMENDED to:

- (a) note the progress of previously approved applications for admitted body status;*
- (b) approve the application for admitted body status by Innovate Services Ltd;*
- (c) approve the application for admitted body status by Cater Link Limited;*
- (d) approve the application for admitted body status by April Cleaning;*
and
- (e) note the cessation of scheme employers.*

21. Pension Fund Scheme of Delegation

12:55

The Committee is asked to agree a number of updates to the current scheme of delegation to reflect changed job roles in the Council, and a revised approach to the trade arrangements for Private Equity (**PF21**).

The Committee is RECOMMENDED to:

- a) note the report, and the changes to the Scheme of Delegation following the management changes in Finance; and*
- b) approve the transfer of delegated responsibility for placing private equity trades to the pension fund investments team.*

22. Write Offs

12:57

The report (**PF22**) provides the Committee with summary details of the amounts written off in the last quarter in accordance with Financial Regulations of the Fund.

*The Pension Fund Committee is **RECOMMENDED** to note the report.*

23. Fund Manager Monitoring Arrangements

13:00

Each year the Pension Fund Committee considers the arrangements for monitoring the performance of its Fund Managers. This report sets out the proposed schedule for 2014/15, and recommends the Committee to approve the arrangements (**PF23**).

*The Committee is **RECOMMENDED** to approve the Fund Manager monitoring Arrangements as set out in the report.*

24. Corporate Governance and Socially Responsible Investment

13:03

This item covers any issues concerning Corporate Governance and Socially Responsible Investment which need to be brought to the attention of the Committee.

25. Annual Pension Forum

13:05

The Committee is reminded that the Annual Pension Fund Forum for all employers is to be held at **Unipart House** on **Friday 13 December 2013**.

LUNCH

Pre-Meeting Briefing

There will be a pre-meeting briefing at County Hall on **Wednesday 4 December 2013** at **2:00 pm** for the Chairman, Deputy Chairman and Opposition Group Spokesman.

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PENSION FUND COMMITTEE

MINUTES of the meeting held on Friday, 6 September 2013 commencing at 10.10 am and finishing at 3.20 pm.

Present:

Voting Members: Councillor Stewart Lilly – in the Chair

Councillor Patrick Greene (Deputy Chairman)

Councillor Surinder Dhesi

Councillor Jean Fooks

Councillor Mark Gray

Councillor Nick Hards

Councillor Sandy Lovatt

Councillor Neil Owen

Councillor Yvonne Constance (for Councillor Richard Langridge)

District Council Representatives: District Councillor Hywel Davies
District Councillor Jerry Patterson

By Invitation: P. Davies (Independent Financial Adviser)

Officers:

Whole of meeting S. Collins and S. Fox (Environment & Economy); D. Ross and J. Dean (Chief Executive's Office)

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

47/13 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

Councillor Yvonne Constance attended for Councillor Richard Langridge

48/13 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE

(Agenda No. 2)

Councillors Fooks, Lilly, Owen and Patterson each declared personal interests as members of the Pension Fund Scheme under the provisions of Section 18 of the Local Government & Housing Act 1989.

49/13 MINUTES
(Agenda No. 3)

The Minutes of the meetings held on 14 June 2013 and 9 July 2013 were approved and signed.

50/13 PETITIONS AND PUBLIC ADDRESS
(Agenda No. 4)

A written address from Nigel Williams, a trustee of Oxfordshire Community Foundation (OCF) – Agenda Item 19(a) – Employer Update (Exempt report).

51/13 OVERVIEW OF PAST AND CURRENT INVESTMENT POSITION
(Agenda No. 5)

Mr Davies reported that, after the unprecedented asset appreciation seen in the first quarter, there had been a capital loss of approximately £21million in the second quarter. This comprised £11million in UK equities and £12million in bonds offset by increases in overseas equities, property and hedge funds of £3million in total.

RESOLVED: to receive the tables and graphs; and that the information contained in them be borne in mind insofar as they related to items 10, 11 and 12 on the agenda.

52/13 EXEMPT ITEMS
(Agenda No. 6)

RESOLVED: that the public be excluded for the duration of items 7,8, 9,10,11,12, 13 and 14 in the Agenda since it was likely that if they were present during those items there would be disclosure of exempt information as defined in Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and specified in relation to the respective items in the Agenda and since it was considered that, in all circumstances of each case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

53/13 EXEMPT MINUTES
(Agenda No. 7)

The exempt Minutes of the meetings held on 14 June 2013 and 9 July 2013 were approved and signed.

54/13 PRESENTATION BY THE WM COMPANY ON THE FUNDS INVESTMENT PERFORMANCE
(Agenda No. 8)

Karen Thrumble, representing the WM Company, presented her report (PF8) on the Pension Fund's investment performance for the 12 months ended 31 March 2013. The presentation compared Oxfordshire's performance against its own customised benchmark and against the WM Local Authority Pension Fund Universe. A copy of her presentation is attached to the signed copy of the Minutes.

The public were excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

RESOLVED: to take note of the points raised in the presentation and to thank Karen Thrumble for her presentation.

55/13 OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

(Agenda No. 9)

The Committee considered a report of the Independent Financial Adviser (PF9) which set out an overview of the current and future investment scene and market developments across various regions and sectors. Members asked a number of questions, to which the Independent Financial Adviser responded.

The public were excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

RESOLVED: To receive the report, tables and graphs and the oral report of the Independent Financial Adviser and to bear his conclusions in mind when considering the Fund Manager's reports.

56/13 WELLINGTON

(Agenda No. 10)

The representatives, Nicola Staunton and Ian Link reported on and reviewed the present investments in relation to their part of the Fund and their strategy against the background of the current investment scene for the period which ended 30 June 2013.

The public were excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

RESOLVED: to note the main issues arising from the report.

57/13 BAILLIE GIFFORD

(Agenda No. 11)

The representatives, Anthony Dickson and Ian McCombie reported on and reviewed the present investments in relation to their part of the Fund and their strategy against the background of the current investment scene for the period which ended 30 June 2013.

The public were excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

RESOLVED: to note the main issues arising from the report.

58/13 REPORT OF MAIN ISSUES ARISING FROM REPORTS OF THE FUND MANAGERS NOT REPRESENTED AT THIS MEETING

(Agenda No. 12)

The Committee considered two notes of meetings which took place since the last meeting (PF12) with representatives from UBS Global Asset Management and Legal & General Investment Management.

The public were excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, in that such disclosure would prejudice the trading activities of the fund managers involved and would prejudice the position of the authority's investments in funding the Pension Fund.*

RESOLVED: to note the reports.

59/13 SUMMARY BY THE INDEPENDENT FINANCIAL ADVISER

(Agenda No. 13)

The Independent Financial Adviser reported that no summary was required.

60/13 SECURITIES LENDING

(Agenda No. 14)

The Committee considered a report (PF14) which sought agreement to a revised securities lending policy following the change of Custodian arrangements.

The public were excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. *Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.*

RESOLVED:

- (a) to delegate to officers the responsibility for reviewing and approving the securities lending approved counterparty list;
- (b) not to make any changes to the securities lending collateral policy;
- (c) to restrict the value of securities on loan to 25% of the total fund; and
- (d) to agree the continued use of discretionary lending for UK and overseas securities.

READMISSION OF PRESS AND PUBLIC

61/13 DRAFT ANNUAL REPORT AND ACCOUNTS 2012/13

(Agenda No. 15)

The Committee considered the draft Annual Report and Accounts for 2012/13 (PF15) which showed the final accounts for the Pension Fund ended 3131 March 2012.

Mary Fetigan, representing Ernst & Young, the Fund's external auditors, attended the meeting to present the findings and to respond to questions from Members. She

reported that there were a small number of areas to conclude on but no significant risk, or any major concerns or issues had been identified to date.

Mary Fetigan was thanked for her presentation.

RESOLVED: to receive the draft report and accounts for 2012/13 subject to the meaning of the text in note 9, page 29, being made clearer.

62/13 PENSION INVESTMENT AND ADMINISTRATION OUTTURN REPORT 2 - YEAR ENDED 31 MARCH 2013

(Agenda No. 16)

The Committee had before them a report (PF16) which set out the income and expenditure for both the Pension Investment and Administration Teams during 2012/13 and which also explained key variations from the agreed budget.

Mr Gerrish pointed out that the previous Chairman had arranged for in-house member training for members of the Committee and asked if this, or an alternative, would be arranged in the future. Mr Collins confirmed that officers were currently preparing an in-house training day for the Committee members.

The Committee **AGREED** to:

- (a) receive the report PF16 and to note the outturn position; and
- (b) to request the Officers to begin organising member/staff training in the new regulations.

63/13 PENSION ADMINISTRATION - SERVICE PERFORMANCE

(Agenda No. 17)

The Committee had before them a report (PF17) which provided details of the annual review of the Pensions Administration Service, highlighting key performance indicators and any key issues over the past year.

RESOLVED: to note the report PF17.

64/13 ANNUAL REVIEW OF SCHEME POLICIES

(Agenda No. 18)

The Committee considered a report (PF18) which provided an opportunity for the Committee to undertake a formal review of its major policy documents, held in line with the LGPS Regulations. The last such comprehensive review of policies was in June 2012, and the report provides an update of any key changes since that date.

RESOLVED: to approve the revised policy documents as set out in Annexes 1 – 6 of the report PF18, noting the main changes in the documents; and also noting that the Officers would be taking the necessary action to address the issues round member training as highlighted in paragraph 10 of the main report PF18.

65/13 EMPLOYER ISSUES

(Agenda No. 19)

The Committee considered two reports, the first of which (PF19(a)) gave an update on a previous application for admission to the Fund and which detailed a current case regarding the closure of a scheme employer's admission agreement. The second report (PF19(b)) updated Members of the Committee on recent employer issues including applications for admission and the closures of scheme employers.

With regard to report PF19(a), the Committee **RESOLVED** to note the exempt report and to authorise the officers to take the necessary action as set out in the report.

The public were excluded during this item because its discussion in public would be likely to lead to the disclosure to members of the public present of information in the following prescribed category:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information) and since it is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

With regard to report PF19(b), the Committee **RESOLVED** to:

- (a) note the progress of previously approved applications for admitted body status;
- (b) approve the application for admitted body status by Adviza;
- (c) delegate the approval of new admission bodies detailed in the report to the Service Manager (Pension), following consultation with the Chairman; and
- (d) note the cessation of scheme employers as detailed in the report.

Also to request the Officers to:

- (a) ensure that the schools/and or academies understand, on admission, that they would be underwriting any risk under the new regulations;
- (b) submit a report to a future meeting, following advice from the Actuary, assessing the level of risk to the Pension Fund associated with the cessation of admission bodies;
- (c) arrange a brief training session on transferable pensions; and
- (d) request the officers to write to all those bodies who had been admitted to the Scheme under the old regulations requesting them to send the Pensions Manager a copy of their annual balance sheet on a year to year basis.

66/13 LGPS - REGULATION UPDATE

(Agenda No. 20)

The Committee had before them a report (PF20) which gave an update on the recent consultation exercise on the New Look LGPS 2014, and on future Governance

arrangements. The Committee’s approval was also sought to a draft response (Annex 3) to the recent Call for Evidence on the future arrangements for the LGPS.

Attached to the report were the following annexes:

Annexes 1 and 2 – copies of previous consultation responses;
Annex 3 - - draft consultation response.

The Committee **AGREED** to:

- (a) note the consultation responses as set down at Annexes 1 and 2; and
- (b) authorise Sean Collins to formulate a committee response to the draft consultation, as set out at Annex 3, for submission to the Department for Communities & Local Government, following final consultation with the Chairman.

67/13 SCHEME MANAGEMENT IN OXFORDSHIRE

(Agenda No. 21)

Members discussed some of the issues being considered as part of the on-going discussions about the future management of the Oxfordshire Fund, as agreed at the 14 June 2013 meeting.

There was some uncertainty about which body within the County Council would be taking the final decision.

The Committee **RESOLVED** to:

- (a) note the report; and
- (b) request the Chairman and the Officers to take legal advice as to where the final decision should be taken with regard to the future management of the Oxfordshire Pension Fund.

68/13 WRITE OFF'S

(Agenda No. 22)

The Committee had before them a report (PF22) which set out summary details of the amounts written off in the last quarter in accordance with Financial Regulations of the Fund.

69/13 ANNUAL PENSION FORUM

(Agenda No. 23)

The Committee were reminded that the Annual Pension Forum would take place at Unipart House on **Friday 13 December 2013 at 10.00am.**

..... in the Chair

Date of signing

TABLE 1

OXFORDSHIRE COUNTY COUNCIL PENSION FUND
OVERALL VALUATION OF FUND AS AT 30th SEPTEMBER 2013

Investment	COMBINED PORTFOLIO 1.07.13		Baillie Gifford UK Equities		Wellington Global Equities		Legal & General Global Equity Passive		Legal & General Fixed Interest		UBS Overseas Equities and Property		Other Investments		COMBINED PORTFOLIO 30.09.13		OCC Customised Benchmark
	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	Value £' 000	% of Total Value	
EQUITIES																	
UK Equities	458,157	97.2%	313,679	97.2%	21,485	11.8%	155,302	54.4%	0	0.0%	0	0.0%	0	0.0%	490,466	32.0%	31.0%
North American Equities	94,811	0.0%	0	0.0%	89,537	49.3%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	89,537	5.8%	
European & Middle Eastern Equities	23,873	0.0%	0	0.0%	23,203	12.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	23,203	1.5%	
Japanese Equities	16,890	0.0%	0	0.0%	18,447	10.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	18,447	1.2%	
Pacific Basin Equities	2,928	0.0%	0	0.0%	2,640	1.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	2,640	0.2%	
Emerging Markets Equities	41,317	0.0%	0	0.0%	20,892	11.5%	0	0.0%	0	0.0%	18,191	6.2%	0	0.0%	39,083	2.5%	
UBS Global Pooled Fund	188,179	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	195,578	66.1%	0	0.0%	195,578	12.8%	
L&G World (ex UK) Equity Fund	128,765	0.0%	0	0.0%	0	0.0%	130,164	45.6%	0	0.0%	0	0.0%	0	0.0%	130,164	8.5%	
Total Overseas Equities	496,763	0.0%	0	0.0%	154,719	85.2%	130,164	45.6%	0	0.0%	213,769	72.3%	0	0.0%	498,652	32.5%	32.0%
BONDS																	
UK Gilts	61,561	0.0%	0	0.0%	0	0.0%	0	0.0%	62,244	26.7%	0	0.0%	0	0.0%	62,244	4.1%	3.0%
Corporate Bonds	36,008	0.0%	0	0.0%	0	0.0%	0	0.0%	35,377	15.1%	0	0.0%	0	0.0%	35,377	2.3%	6.0%
Overseas Bonds	53,328	0.0%	0	0.0%	0	0.0%	0	0.0%	50,519	21.6%	0	0.0%	0	0.0%	50,519	3.3%	2.0%
Index-Linked	74,492	0.0%	0	0.0%	0	0.0%	0	0.0%	75,545	32.3%	0	0.0%	0	0.0%	75,545	4.9%	5.0%
Total Bonds	225,389	0%	0	0%	0	0.0%	0	0.0%	223,685	95.7%	0	0.0%	0	0.0%	223,685	14.6%	16.0%
ALTERNATIVE INVESTMENTS																	
Property	86,112	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	74,773	25.3%	11,405	5.3%	86,178	5.6%	8.0%
Private Equity	139,103	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	139,181	65.0%	139,181	9.1%	10.0%
Hedge Funds	33,315	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	33,646	15.7%	33,646	2.2%	3.0%
Total Alternative Investments	258,530	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	74,773	25.3%	184,232	86.0%	259,005	16.9%	21.0%
CASH	52,553	2.8%	9,193	2.8%	5,567	3.0%	0	0.0%	9,910	4.3%	7,207	2.4%	30,042	14.0%	61,919	4.0%	0.0%
TOTAL ASSETS	1,491,392		322,872	100.0%	181,771	100.0%	285,466	100.0%	233,595	100.0%	295,749	100.0%	214,274	100.0%	1,533,727	100.0%	100.0%

% of total Fund

21.05%

11.85%

18.61%

15.23%

20.28%

13.97%

100.00%

TABLE 4

OXFORDSHIRE COUNTY COUNCIL PENSION FUNDASSET ALLOCATION AS AT QUARTER ENDED 30th SEPTEMBER 2013LEGAL and GENERAL

UK EQUITIES - PASSIVE					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
UK Equities	N/A	100.0%	100.0%	+0.0%	FTSE 100
Cash	Nil	0.0%	0.0%	+0.0%	
Total		100.0%	100.0%		

Target Objective - To track the FTSE 100 Index

Market Value - at 30th September 2013 £155,302,000

TABLE 5

FIXED INCOME					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
UK Gilts	0 - 36	18.75%	26.7%	+8.0%	FTSE A All Gilts Stocks
Corporate Bonds	20 - 55	37.50%	15.1%	-22.4%	IBOxx Sterling Non-Gilt All Stocks Index
Index-Linked	15 - 46	31.25%	32.3%	+1.1%	FTSE A Over 5 Year Index-linked Gilts
Overseas Bonds	0 - 24	12.50%	21.6%	+9.1%	JP Morgan Global Gov't (ex UK) Traded Bond
Cash	0 - 10	0.00%	4.3%	+4.3%	
Total		100.0%	100.0%		

Target Objective - To outperform the Benchmark by 0.6% per annum over rolling 3 year periods (gross of management fees)

Market Value - at 30th September 2013 £233,595,000

TABLE 6

OXFORDSHIRE COUNTY COUNCIL PENSION FUNDASSET ALLOCATION AS AT QUARTER ENDED 30th SEPTEMBER 2013LEGAL and GENERAL

WORLD (EX-UK) EQUITY INDEX - PASSIVE					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
Global (ex-UK) Equities	N/A	100.0%	100.0%	+0.0%	FTSE AW-World (ex-UK) Index
Cash	Nil	0.0%	0.0%	+0.0%	
Total		100.0%	100.0%		

Target Objective - To track the FTSE AW-World (ex-UK) Index

Market Value - at 30th September 2013 £130,164,000

TABLE 7

ASSET ALLOCATION AS AT QUARTER ENDED 30th SEPTEMBER 2013WELLINGTON

GLOBAL EQUITIES					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
Global Equities	N/A	100.0%	97.0%	-3.0%	MSCI All Countries World Index
Cash	Nil	0.0%	3.0%	+3.0%	
Total		100.0%	100.0%		

Target Objective - To seek to outperform the Benchmark by 2.0% per annum over rolling 3 year periods (net of management fees).

Market Value - at 30th September 2013 £181,771,000

TABLE 8

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**ASSET ALLOCATION AS AT QUARTER ENDED 30th SEPTEMBER 2013****UBS GLOBAL ASSET MANAGEMENT**

OVERSEAS EQUITY PORTFOLIO					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
	%	%	%	%	
Overseas Equities <i>Comprising</i>					
Global Pooled Fund	85 - 100	90.0%	91.5%	+1.5%	See Split below *
Emerging Markets	0 - 10	10.0%	8.5%	-1.5%	FTSE AW Emerging Markets
Cash	0 - 10	0.0%	0.0%		
Total		100.0%	100.0%		
* Global Pooled Fund Split:-					
North America		30.0%			FTSE North American Developed
Europe (ex UK)		30.0%			FTSE Europe (ex UK) Developed
Asia Pacific (inc. Japan)		30.0%			FTSE Asia-Pacific (inc Japan) Developed
Total Global Pooled		90.0%	91.5%	+1.5%	

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (gross of management fees).**Market Value - at 30th September 2013** £213,769,000

TABLE 9

PROPERTY PORTFOLIO					
Asset	Control Range	Benchmark Allocation	Actual Allocation	+ or - Benchmark	Index
	%	%	%	%	
Property	90 - 100	100.0%	91.2%	-8.8%	IPD UK All Balanced Funds Index Weighted Average
Cash	0 - 10	0.0%	8.8%	+8.8%	
Total		100.0%	100.0%		

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (net of costs and fees).**Market Value - at 30th September 2013** £81,980,000

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**TOTAL PORTFOLIO PROGRESS REPORT - 1 JULY 2013 to 30 SEPTEMBER 2013**

Asset	Market Value 1.07.13	%	Net Purchases and Sales					Changes in Market Value					Market Value 30.09.13	%
			UBS	Baillie Gifford	Legal & General	Wellington	Other	UBS	Baillie Gifford	Legal & General	Wellington	Other		
	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
EQUITIES														
UK Equities	458,157	31	0	2,139	0	2,063	0	0	20,350	7,272	485	0	490,466	32
US Equities	94,811	6	0	0	0	(3,631)	0	0	0	0	(1,643)	0	89,537	6
European & Middle Eastern Equities	23,873	2	0	0	0	(1,109)	0	0	0	0	439	0	23,203	2
Japanese Equities	16,890	1	0	0	0	2,834	0	0	0	0	(1,277)	0	18,447	1
Pacific Basin Equities	2,928	0	0	0	0	(301)	0	0	0	0	13	0	2,640	0
Emerging Market Equities	41,317	3	0	0	0	(884)	0	(526)	0	0	(824)	0	39,083	3
Global Pooled Funds	316,944	21	0	0	0	0	0	7,399	0	1,399	0	0	325,742	21
Total Overseas Equities	496,763	33	0	0	0	(3,091)	0	6,873	0	1,399	(3,292)	0	498,652	33
BONDS														
UK Gilts	61,561	4	0	0	1,728	0	0	0	0	(1,045)	0	0	62,244	4
Corporate Bonds	36,008	2	0	0	0	0	0	0	0	(631)	0	0	35,377	2
Overseas Bonds	53,328	4	0	0	(1,282)	0	0	0	0	(1,527)	0	0	50,519	3
Index-Linked Bonds	74,492	5	0	0	966	0	0	0	0	87	0	0	75,545	5
ALTERNATIVE INVESTMENTS														
Property	86,112	6	(179)	0	0	0	(77)	572	0	0	0	(250)	86,178	6
Private Equity	139,103	9	0	0	0	0	99	0	0	0	0	(21)	139,181	9
Hedge Funds	33,315	3	0	0	0	0	0	0	0	0	0	331	33,646	2
SUB TOTAL	1,438,839	96	(179)	2,139	1,412	(1,028)	22	7,445	20,350	5,555	(2,807)	60	1,471,808	96
CASH *	52,553	4	1,049	600	4,015	2,084	1,618	0	0	0	0	0	61,919	4
GRAND TOTAL	1,491,392	100	870	2,739	5,427	1,056	1,640	7,445	20,350	5,555	(2,807)	60	1,533,727	100

* Movement in cash is not confined to investment transactions but also includes dividend income and the payment of fees. Further details of cash movements can be found in the Managers' individual valuations.

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

VALUATION OF OTHER INVESTMENTS AS AT 30th SEPTEMBER 2013

	HOLDING	COST £	AVERAGE COST £	MARKET PRICE £	MARKET VALUE £	UNREALISED GAIN/LOSS £
PRIVATE EQUITY						
Managed by Mr P Davies, JFA						
Quoted Investment Trusts						
3i Group	1,624,713	4,576,986	2,817	3,638,000	5,910,706	1,333,720
Candover Investments	236,060	1,687,945	7,150	4,020,000	948,961	(738,984)
Electra Private Equity	1,016,179	13,886,422	13,665	22,300,000	22,660,792	8,774,370
F&C Private Equity Trust	4,160,000	7,339,178	1,764	2,085,000	8,673,600	1,334,422
Graphite Enterprise Trust	852,512	2,420,093	2,839	5,315,000	4,531,101	2,111,008
HarbourVest European Senior Loans	2,284,315	1,428,510	0,625	0,537,500	1,227,819	(200,691)
Henderson Private Equity	132,519	79,376	0,599	3,562,500	472,099	392,723
HG Capital Trust	1,934,000	11,207,516	5,795	11,420,000	22,086,280	10,878,764
KKR & COLLP	220,000	1,554,406	7,065	12,696,121	2,793,147	1,238,741
Northern Investors	454,791	725,515	1,595	3,040,000	1,382,565	657,050
Oxford Technology 3 Venture Capital Trust	593,612	582,797	0,982	0,620,000	368,039	(214,758)
Oxford Technology 4 Venture Capital Trust	1,021,820	995,164	0,974	0,340,000	347,419	(647,745)
Schroder Private Equity	1,390,714	900,410	0,647	1,933,804	2,689,369	1,788,959
Standard Life European Private Equity Trust	4,434,448	5,174,666	1,167	1,982,500	8,791,293	3,616,627
SVG Capital	1,569,164	5,341,722	3,404	3,883,000	6,093,064	751,342
		57,900,706			88,976,254	31,075,548
Other Fixed Interest						
Electra Private Equity 5.000% 12/29/2017 DD 12/29/10	2,870	2,870,000	1,000	1,222,000,000	3,507,140	637,140
Unlisted Private Funds						
Midlands Growth Fund	2,509	306,254	122	3,500	8,782	(297,472)
Limited Partnerships Fund of Funds						
Partners Group Secondary 2006 L.P.		2,019,423			3,798,463	1,779,040
Partners Group Secondary 2008 L.P.		6,900,234			10,484,871	3,584,637
Partners Group Asia-Pacific 2007 L.P.		5,771,415			6,311,412	539,997
Partners Group Secondary 2011 L.P.		2,509,275			3,277,884	768,609
Partners Group Asia-Pacific 2011 L.P.		2,349,953			2,144,812	(205,141)
Adams Street 2007 Non US Fund		3,591,304			4,189,584	598,280
Adams Street 2008 Global Fund						
Adams Street 2008 Direct Fund		1,075,933			1,353,620	277,687
Adams Street 2008 Non US Fund		2,753,192			2,928,830	175,638
Adams Street 2008 US Fund		2,650,007			4,453,078	1,803,071
Adams Street 2009 Global Fund						
Adams Street 2009 Direct Fund		661,298			827,628	166,330
Adams Street 2009 Non US Developed Mkts Fund		1,117,573			1,115,823	(1,750)
Adams Street 2009 Non US Emerging Mkts Fund		434,230			362,366	(71,864)
Adams Street 2009 US Fund		1,943,730			2,388,924	445,194
Adams Street 2013 Global Fund		729,070			627,978	(101,092)
Oxford Technology ECF Limited Partner AC		1,630,119			2,330,100	699,981
Longwall Ventures ECF Limited Partner AC		135,000			93,200	(41,800)
		36,271,756			46,688,573	10,416,817
Cash Held by Custodian for Private Equity		13,262,262			13,262,262	
CASH HELD IN HOUSE		16,780,205			16,780,205	
TOTAL OF ALL INVESTMENTS		127,391,183			169,223,216	41,832,033

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

TABLE 12

PRIVATE EQUITY TRANSACTIONS DURING QUARTER ENDED 30th SEPTEMBER 2013

DATE	HOLDING	TRANSACTION	BOOK COST £	PAYMENTS £	SALE PROCEEDS £	REALISED GAIN/LOSS £
19/07/2013		LIMITED PARTNERSHIP FUND OF FUNDS				
		DRAWDOWNS				
25/07/2013		Adams Street 2009 Direct Fund	21,513	21,513		
01/08/2013		Adams Street 2013 Global Fund	125,561	125,561		
15/08/2013		Partners Group Asia - Pacific 2011 L.P.	207,255	207,255		
15/08/2013		Adams Street 2009 Direct Fund	47,613	47,613		
15/08/2013		Adams Street 2008 Direct Fund	18,892	18,892		
19/08/2013		Adams Street 2013 Global Fund	99,160	99,160		
23/08/2013		Adams Street 2008 US Fund	420,988	420,988		
03/09/2013		Adams Street 2008 Non US Fund	287,975	287,975		
06/09/2013		Adams Street 2009 Non US Emerging Mkts Fund	31,214	31,214		
17/09/2013		Adams Street 2009 Non US Developed Mkts Fund	91,418	91,418		
25/09/2013		Oxford Technology ECF Limited Partner AC	105,000	105,000		
25/09/2013		Adams Street 2009 Direct Fund	30,669	30,669		
26/09/2013		Adams Street 2013 Global Fund	223,396	223,396		
		Partners Group Secondary 2011 L.P.	498,689	498,689		
			2,209,343	2,209,343		
		LIMITED PARTNERSHIP FUND OF FUNDS				
		CAPITAL DISTRIBUTIONS				
25/07/2013		Partners Group Secondary 2006 L.P.	(183,724)		(183,724)	
15/08/2013		Adams Street 2008 Direct Fund	(27,470)		(27,470)	
19/08/2013		Adams Street 2008 US Fund	(497,345)		(497,345)	
23/08/2013		Adams Street 2008 Non US Fund	(150,846)		(150,846)	
23/08/2013		Adams Street 2009 Direct Fund	(17,309)		(17,309)	
30/08/2013		Partners Group Secondary 2008 L.P.	(300,702)		(300,702)	
			(1,177,396)		(1,177,396)	
		CORPORATE ACTION				
08/07/2013		Schroder Private Equity - Repurchase	(116,630)		(358,906)	242,276
16/07/2013		Henderson Private Equity- Liquidation	(155,047)		(155,047)	0
20/08/2013	(122,416)	KKR & CO LP - Return of Capital	(35,596)		(35,596)	0
10/09/2013		Schroder Private Equity - Repurchase	(128,293)		(383,188)	254,895
			(435,566)		(932,737)	497,171
		TOTALS	596,381	2,209,343	(2,110,133)	497,171

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 30th SEPTEMBER 2013****COMBINED PORTFOLIO (BY ASSET CLASS)**

ASSET	% weighting of fund as at 30th September	QUARTER ENDED 30th September 2013			12 MONTHS ENDED 30th September 2013			THREE YEARS ENDED 30th September 2013			FIVE YEARS ENDED 30th September 2013		
		BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
GLOBAL EQUITIES	10.1%	1.2	-0.7	-1.9	18.2	17.3	-0.9	9.7	9.5	-0.2	10.5	8.0	-2.5
UK EQUITIES	32.0%	5.6	7.0	1.4	18.9	22.6	3.7	10.1	13.0	2.9	10.7	13.0	2.3
OVERSEAS EQUITIES	22.4%	0.9	2.3	1.4	18.2	21.0	2.8	9.7	8.0	-1.7	10.7	10.4	-0.3
UK GOVERNMENT BONDS	4.2%	0.5	0.7	0.2	-3.0	-3.0	0.0	4.2	3.6	-0.6	6.2	6.1	-0.1
UK CORPORATE BONDS	2.3%	2.2	1.7	-0.5	2.9	1.6	-1.3	6.0	6.2	0.2	8.2	9.0	0.8
OVERSEAS BONDS*	3.3%	-4.2	1.0	5.2	-5.5	1.5	7.0	0.2	3.2	3.0	3.0	5.4	2.4
UK INDEX LINKED GILTS	4.9%	0.5	0.5	0.0	6.6	6.4	-0.2	8.3	8.9	0.6	7.6	8.3	0.7
TOTAL PRIVATE EQUITY	9.1%	10.8	0.4	-10.4	34.2	19.4	-14.8	15.1	15.0	-0.1	13.5	6.3	-7.2
HEDGE FUNDS	2.2%	0.9	1.0	0.1	3.5	6.4	2.9	3.8	3.7	-0.1	4.0	1.5	-2.5
PROPERTY ASSETS	5.6%	2.4	2.1	-0.3	4.2	5.6	1.4	4.8	5.6	0.8	1.5	-0.5	-2.0
TOTAL CASH	4.0%	-	-0.5	-	-	0.3	-	-	1.4	-	-	1.0	
TOTAL FUND	100%	3.3	2.8	-0.5	15.7	15.6	-0.1	9.4	9.7	0.3	9.8	8.9	-0.9

* This includes L&G Currency Hedging for Overseas bonds

OXFORDSHIRE COUNTY COUNCIL PENSION FUND**PERFORMANCE TO 30th SEPTEMBER 2013****COMBINED PORTFOLIO (BY FUND MANAGER)**

FUND MANAGER	% Weighting of Fund as at 30th September	QUARTER ENDED 30th September 2013			12 MONTHS ENDED 30th September 2013			THREE YEARS ENDED 30th September 2013			FIVE YEARS ENDED 30th September 2013		
		BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
BAILLIE GIFFORD UK EQUITIES	21.1%	5.6	7.9	2.3	18.9	25.0	6.1	10.1	14.7	4.6	10.7	14.4	3.7
WELLINGTON GLOBAL EQUITIES	11.9%	1.2	-0.8	-2.0	18.0	17.0	-	9.8	-	-	10.4	-	-
L&G UK EQUITIES - PASSIVE	10.1%	4.9	4.9	0.0	16.7	16.8	0.1	9.1	9.2	0.1	9.7	9.9	0.2
L&G GLOBAL EX UK EQUITIES - PASSIVE	8.5%	1.0	1.0	0.0	19.2	19.2	0.0	10.5	-	-	10.6	-	-
L&G FIXED INCOME	15.2%	1.2	1.0	-0.2	2.7	2.2	-0.5	6.0	6.2	0.2	7.3	7.9	0.6
PARTNERS GROUP PROPERTY	0.7%	2.4	-2.1	2.6	4.2	6.5	2.3	4.8	10.1	5.3	1.5	-	-
PRIVATE EQUITY	9.1%	10.8	0.4	-1.0	34.2	19.4	-14.8	15.1	15.0	-0.1	13.5	6.3	-7.2
UBS OVERSEAS EQUITIES	13.9%	2.3	3.2	0.5	20.3	22.0	1.7	8.8	8.3	-0.5	10.1	10.6	0.5
UBS PROPERTY	5.3%	2.4	2.3	0.3	4.2	5.3	1.1	4.8	4.9	0.1	1.5	-1.4	-2.9
UBS HEDGE FUNDS	2.2%	0.9	1.0	0.5	3.5	6.4	2.9	3.8	3.6	-0.2	4.0	1.4	-2.6
IN-HOUSE CASH	2.0%	0.1	0.2	0.1	0.4	0.7	0.3	0.4	1.3	0.9	0.6	1.7	1.1
TOTAL FUND	100.0%	3.3	2.8	-0.5	15.7	15.6	-0.1	9.4	9.7	0.3	9.8	8.9	-0.9

* This includes L&G Currency Hedging for Overseas bonds

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

PERFORMANCE TO 30th SEPTEMBER 2013

BAILLIE GIFFORD - UK EQUITIES ACTIVE MANDATE

TABLE 15

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
UK EQUITIES	5.6	8.1	2.5	18.9	25.7	6.8	10.1	15.1	5.0	10.7	14.7	4.0
TOTAL CASH	-	0.1	-	-	0.4	-	-	0.6	-	-	0.9	-
TOTAL ASSETS	5.6	7.9	2.3	18.9	25.0	6.1	10.1	14.7	4.6	10.7	14.4	3.7

Target Objective - To seek to outperform the Benchmark by 1.25% per annum over rolling 3 year periods (gross of management fees)

WELLINGTON - GLOBAL EQUITIES ACTIVE MANDATE

TABLE 16

ASSET	QUARTER ENDED 31/12/2012			12 MONTHS ENDED 31/12/2012			THREE YEARS ENDED 31/12/2012			FIVE YEARS ENDED 31/12/2012		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
GLOBAL INC UK EQUITIES	1.2	-0.7	-1.9	18.0	17.3	-0.7	-	-	-	-	-	-
TOTAL CASH	-	-6.4	-	-	0.4	-	-	-	-	-	-	-
TOTAL ASSETS	1.2	-0.8	-2.0	18.0	17.0	-1.0	-	-	-	-	-	-

Target Objective - To seek to outperform the Benchmark by 2.0% per annum over rolling 3 year periods (gross of management fees)

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

PERFORMANCE TO 30th SEPTEMBER 2013

LEGAL & GENERAL - PASSIVE EQUITY INDEX FUNDS

TABLE 17

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
1 FTSE 100 EQUITY INDEX FUND	4.9	4.9	0.0	16.7	16.8	0.1	9.1	9.2	0.1	9.7	9.9	0.2
2 L&G WORLD (EX-UK) EQUITY FUND	1.0	1.0	0.0	19.2	19.2	0.0	10.5	-	-	10.6	-	-

Target Objective - 1. To track the FTSE 100 Index 2. To track the FTSE AW-World (ex-UK) Index

LEGAL & GENERAL - BONDS

TABLE 18

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
UK GILTS	0.5	0.7	0.2	-3.0	-3.0	0.0	4.2	3.6	-0.6	6.2	6.1	-0.1
UK CORPORATE BONDS	2.2	1.7	-0.5	2.9	1.6	-1.3	6.0	6.2	0.2	8.2	9.0	0.8
OVERSEAS BONDS*	0.8	1.0	0.2	0.8	1.5	0.7	2.7	3.2	0.5	4.5	5.3	0.8
UK INDEX LINKED	0.5	0.5	0.0	6.6	6.4	-0.2	8.3	8.9	0.6	7.6	8.3	0.7
CASH/ALTERNATIVES*	-	n/a	-	-	n/a	-	-	n/a	-	-	n/a	-
TOTAL ASSETS	1.2	1.0	-0.2	2.7	2.2	-0.5	6.0	6.2	0.2	7.3	7.9	0.6

* Cash held by L&G is used for hedging the Overseas Bond position. This is therefore included in the Overseas Bond category in order to produce a hedged return.

Target Objective - To outperform the Benchmark by 0.6% per annum over rolling 3 year periods (gross of management fees)

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

PERFORMANCE TO 30th SEPTEMBER 2013

INDEPENDENT ADVISOR - PRIVATE EQUITY

TABLE 19

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
PRIVATE EQUITY	10.8	2.5	-8.3	34.2	26.5	-7.7	15.1	17.1	2.0	13.5	7.5	-6.0
LIMITED LIABILITY PARTNERSHIPS	-	-3.6	-	-	6.6	-	-	11.5	-	-	5.5	-
TOTAL ASSETS	10.8	0.4	-10.4	34.2	19.4	-14.8	15.1	15.0	-0.1	13.5	6.3	-7.2

Target Objective - To seek to outperform the Benchmark by 1% over rolling 3 year periods.

PARTNERS GROUP REAL ESTATE - PROPERTY

TABLE 20

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
PROPERTY	-	-2.1	-	-	6.5	-	-	10.1	-	-	-	-
TOTAL CASH	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS*	2.4	-2.1	-4.5	4.2	6.5	2.3	4.8	10.1	5.3	-	-	-

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

PERFORMANCE TO 30th SEPTEMBER 2013

UBS GLOBAL ASSET MANAGEMENT- OVERSEAS EQUITIES

TABLE 21

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
OVERSEAS EQUITIES	2.3	3.2	0.9	20.3	22.0	1.7	8.8	8.3	-0.5	10.1	10.6	0.5
TOTAL CASH	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	2.3	3.2	0.9	20.3	22.0	1.7	8.8	8.3	-0.5	10.1	10.6	0.5

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (gross of management fees).

UBS GLOBAL ASSET MANAGEMENT - PROPERTY

TABLE 22

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
PROPERTY	2.4	2.7	0.3	4.2	5.7	1.5	4.8	5.5	0.7	1.5	-0.5	-2.0
TOTAL CASH*	-	-1.7	-	-	5.6	-	-	1.5	-	-	-	-
TOTAL ASSETS**	2.4	2.3	-0.1	4.2	5.3	1.1	4.8	4.9	0.1	1.5	-1.4	-2.9

* Historic returns for this category refer to the portfolio whilst both Overseas Equities and Property were held within one portfolio. Property cash shown from June 2009

** Total Assets for this mandate reflect Cash from June 2009 only.

Target Objective - To seek to outperform the Benchmark by 1% per annum over rolling 3-year periods (gross of management fees).

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

INVESTMENT PERFORMANCE TIME WEIGHTED RATES OF RETURN FOR PERIODS ENDED 30th SEPTEMBER 2013

UBS GLOBAL ASSET MANAGEMENT - HEDGE FUNDS

TABLE 23

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
HEDGE FUNDS	0.9	1.0	0.1	3.5	6.4	2.9	3.8	3.7	-0.1	4.0	1.5	-2.5
TOTAL CASH	-	0.1	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	0.9	1.0	0.1	3.5	6.4	2.9	3.8	3.6	-0.2	4.0	1.4	-2.6

Target Objective - To seek to outperform the 3 month LIBOR + 3% over rolling 3 year periods

INTERNALLY MANAGED CASH

TABLE 24

ASSET	QUARTER ENDED 30/09/2013			12 MONTHS ENDED 30/09/2013			THREE YEARS ENDED 30/09/2013			FIVE YEARS ENDED 30/09/2013		
	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %	BENCHMARK RETURN %	OXFORDSHIRE TOTAL FUND %	VARIATION %
INTERNALLY MANAGED CASH*	0.1	0.2	0.1	0.4	0.7	0.3	0.4	1.3	0.9	0.6	1.7	1.1
TOTAL ASSETS	0.1	0.2	0.1	0.4	0.7	0.3	0.4	1.3	0.9	0.6	1.7	1.1

* This portfolio includes cash held at the Custodian

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

TABLE 25

TOP 20 HOLDINGS AT 30/09/2013

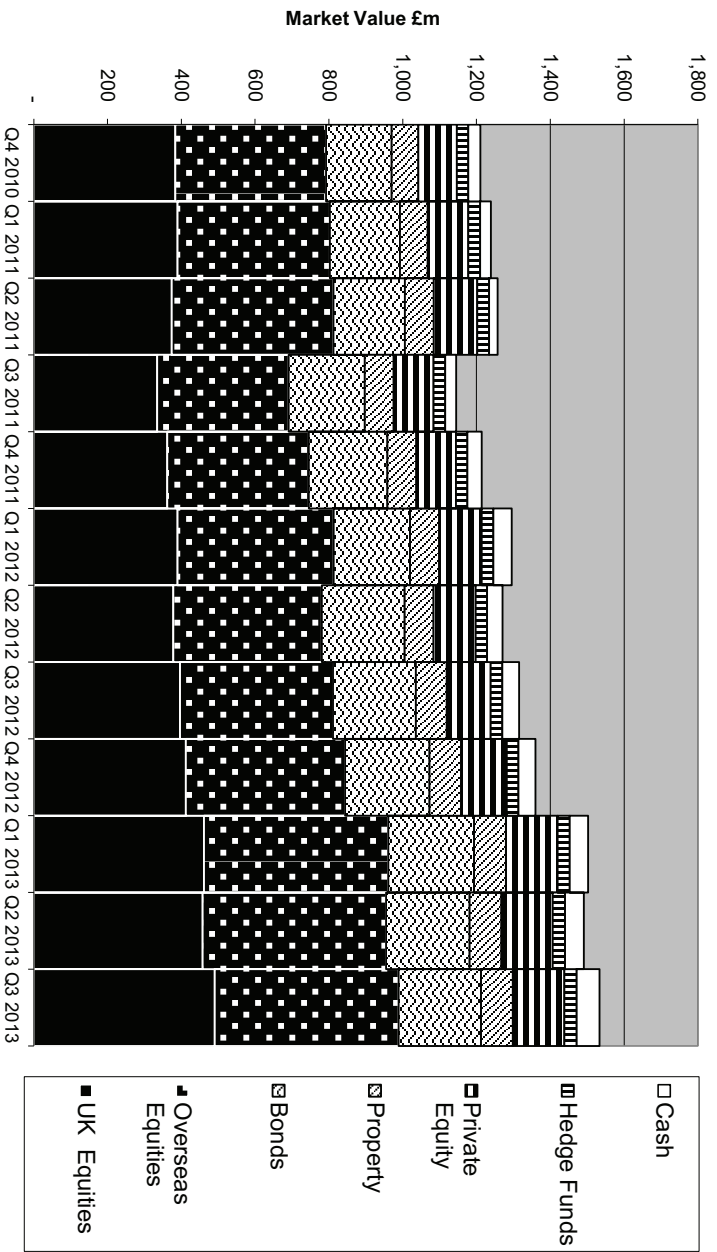
ASSET DESCRIPTION	MARKET VALUE £	TOTAL FUND %
DIRECT HOLDINGS		
1 ELECTRA PRIVATE EQUITY PLC	22,660,792	1.48
2 HGCAPITAL TRUST PLC	22,086,280	1.44
3 BRITISH AMERICAN TOBACCO PLC	15,294,145	1.00
4 HSBC HOLDINGS PLC	13,564,396	0.88
5 BG GROUP PLC	12,610,632	0.82
6 PRUDENTIAL PLC	9,181,481	0.60
7 ASHTED GROUP PLC	9,148,676	0.60
8 ROYAL DUTCH SHELL PLC-B SHS	9,117,965	0.59
9 BUNZL PLC	8,965,106	0.58
10 LEGAL & GENERAL GROUP PLC	8,903,556	0.58
11 STANDARD LIFE EURO PR EQ ORD	8,791,293	0.57
12 ITALY BTFS 4.75% 11-15/09/2016	8,725,810	0.57
13 F&C PRIVATE EQUITY TRUST-B	8,673,600	0.57
14 MEGGITT PLC	8,637,060	0.56
15 ST JAMESS PLACE PLC	8,297,937	0.54
16 UK TSY I/L STOCK 1.875% 07-22/11/2022	7,898,393	0.51
17 SABMILLER PLC	7,858,750	0.51
18 IMPERIAL TOBACCO GROUP PLC	7,730,060	0.50
19 BHP BILLITON PLC	7,535,528	0.49
20 STANDARD CHARTERED PLC	7,321,664	0.48
TOP 20 HOLDINGS MARKET VALUE *	213,003,126	13.87
* Excludes Investments held within Pooled Funds		
POOLED FUNDS AT 30/09/2013		
1 UBS LIFE GLOBAL OPTIMAL THIRDS A FUND	195,578,323	12.75
2 LEGAL & GENERAL FTSE 100 EQUITY INDEX FUND	155,301,810	10.13
3 LEGAL & GENERAL WORLD (EX UK) EQUITY INDEX FUND	130,164,363	8.49
4 LEGAL & GENERAL CORE PLUS FUND	87,988,890	5.74
5 BAILLIE GIFFORD BRITISH SMALLER COMPANIES FUND	22,337,432	1.46
TOTAL POOLED FUNDS MARKET VALUE	591,370,817	38.57
TOTAL FUND MARKET VALUE	1,533,727,000	

OXFORDSHIRE COUNTY COUNCIL PENSION FUND

GRAPH 1

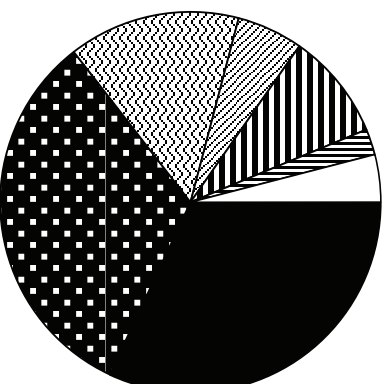
MARKET VALUE OF TOTAL FUND

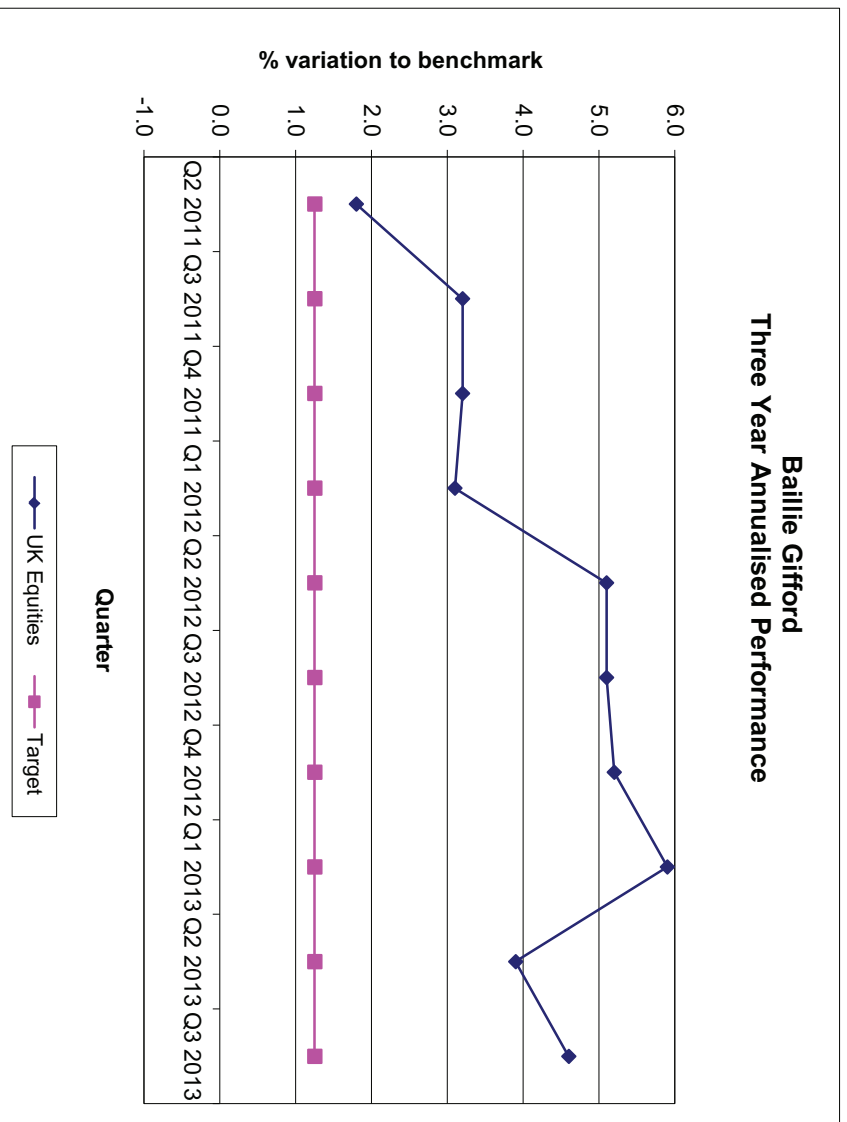
TOTAL FUND MARKET VALUE BY ASSET CLASS



Quarter	Market Value £m
Q4 2010	1,210.7
Q1 2011	1,239.0
Q2 2011	1,257.2
Q3 2011	1,145.3
Q4 2011	1,214.3
Q1 2012	1,295.7
Q2 2012	1,270.6
Q3 2012	1,316.0
Q4 2012	1,359.8
Q1 2013	1,503.0
Q2 2013	1,491.4
Q3 2013	1,533.7

Asset Allocation Latest Quarter



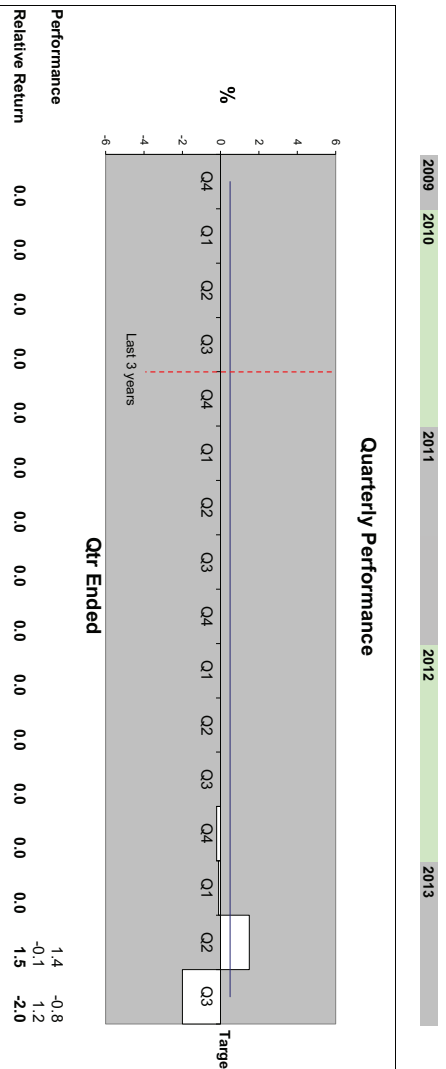


Bailie Gifford Three Year Annualised Performance

	UK Equities	Target
Q2 2011	1.8	1.25
Q3 2011	3.2	1.25
Q4 2011	3.2	1.25
Q1 2012	3.1	1.25
Q2 2012	5.1	1.25
Q3 2012	5.1	1.25
Q4 2012	5.2	1.25
Q1 2013	5.9	1.25
Q2 2013	3.9	1.25
Q3 2013	4.6	1.25

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 4



Target Returns

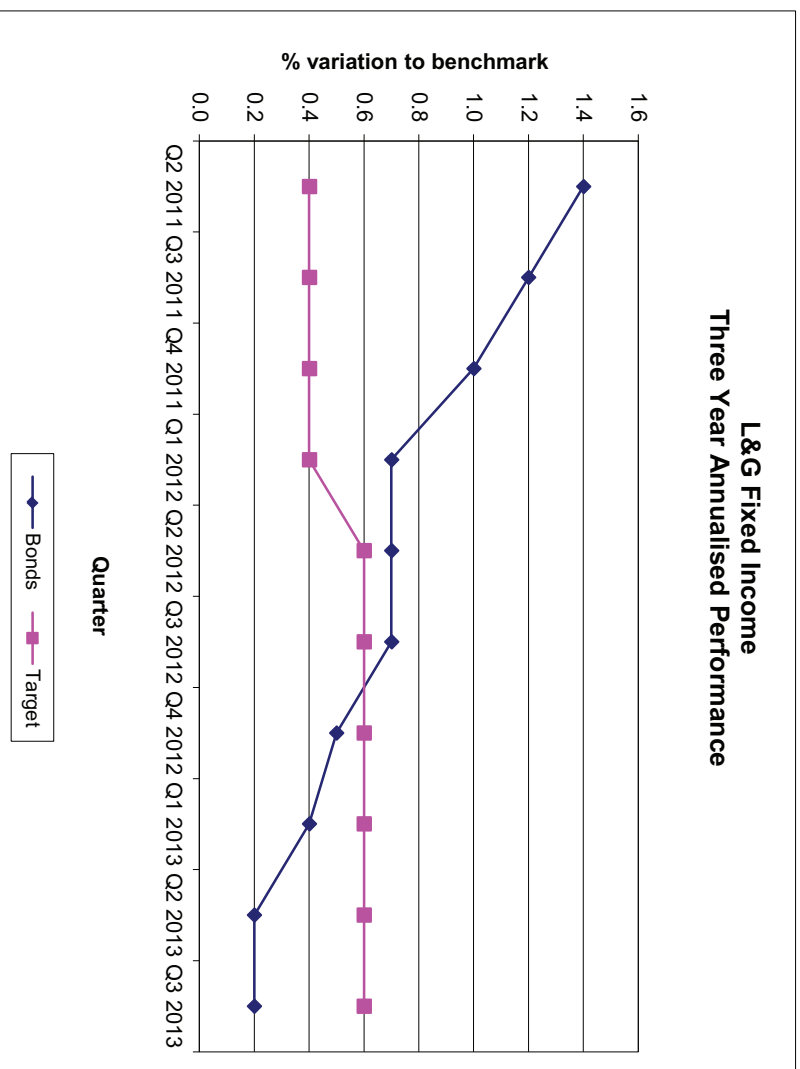
Rolling annual target of 2% above benchmark

Top 10 holdings at 30/09/2013

Rank	Holding	Value £	% of portfolio
1	MERCK & CO. INC.	4,824,630	2.65
2	MARSH & MCLENNAN COS	4,227,899	2.33
3	WELLS FARGO & CO	3,435,159	1.89
4	ISUZU MOTORS LTD	3,382,394	1.86
5	JPMORGAN CHASE & CO	3,233,890	1.78
6	WPP PLC	3,213,862	1.77
7	DELTA AIRLINES INC	3,099,735	1.71
8	CISCO SYSTEMS INC	3,095,570	1.70
9	INTERNATIONAL PAPER CO	3,088,515	1.70
10	PNC FINANCIAL SERVICES GROUP	3,022,434	1.66
Top 10 Holdings Market Value		34,624,077	19.05
Total Wellington Market Value		181,771,000	

Wellington

Top 10 holdings excludes investments held within pooled funds.

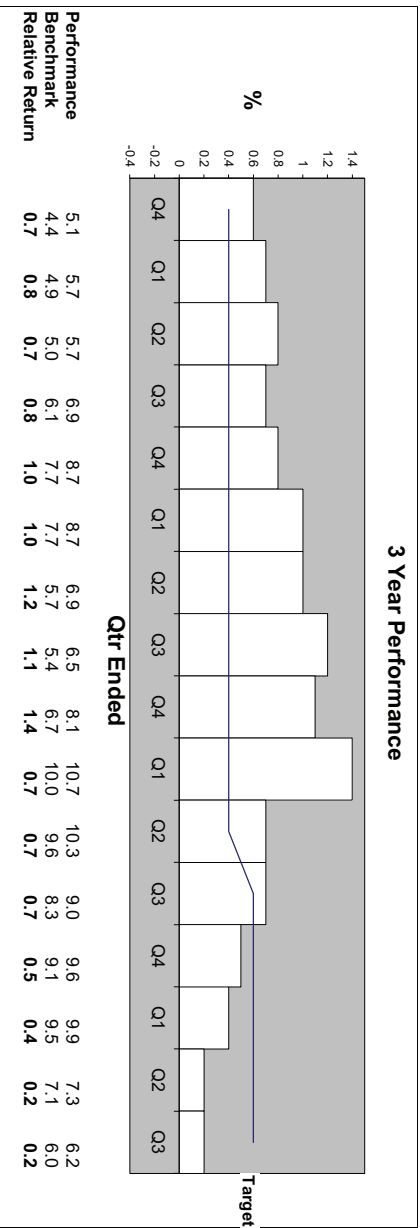
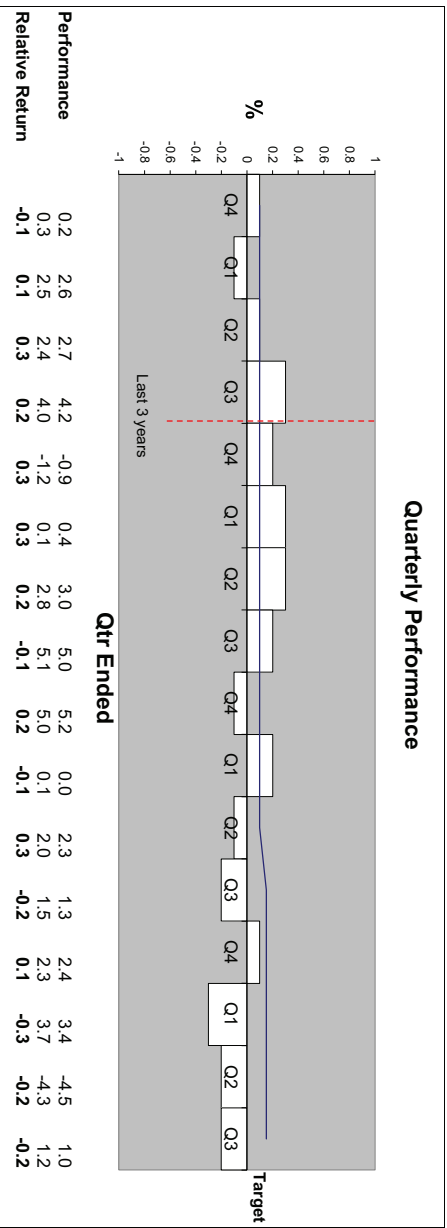


L&G Fixed Income Three Year Annualised Performance

	Bonds	Target
Q2 2011	1.4	0.4
Q3 2011	1.2	0.4
Q4 2011	1.0	0.4
Q1 2012	0.7	0.4
Q2 2012	0.7	0.6
Q3 2012	0.7	0.6
Q4 2012	0.5	0.6
Q1 2013	0.4	0.6
Q2 2013	0.2	0.6
Q3 2013	0.2	0.6

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 6



Target Returns

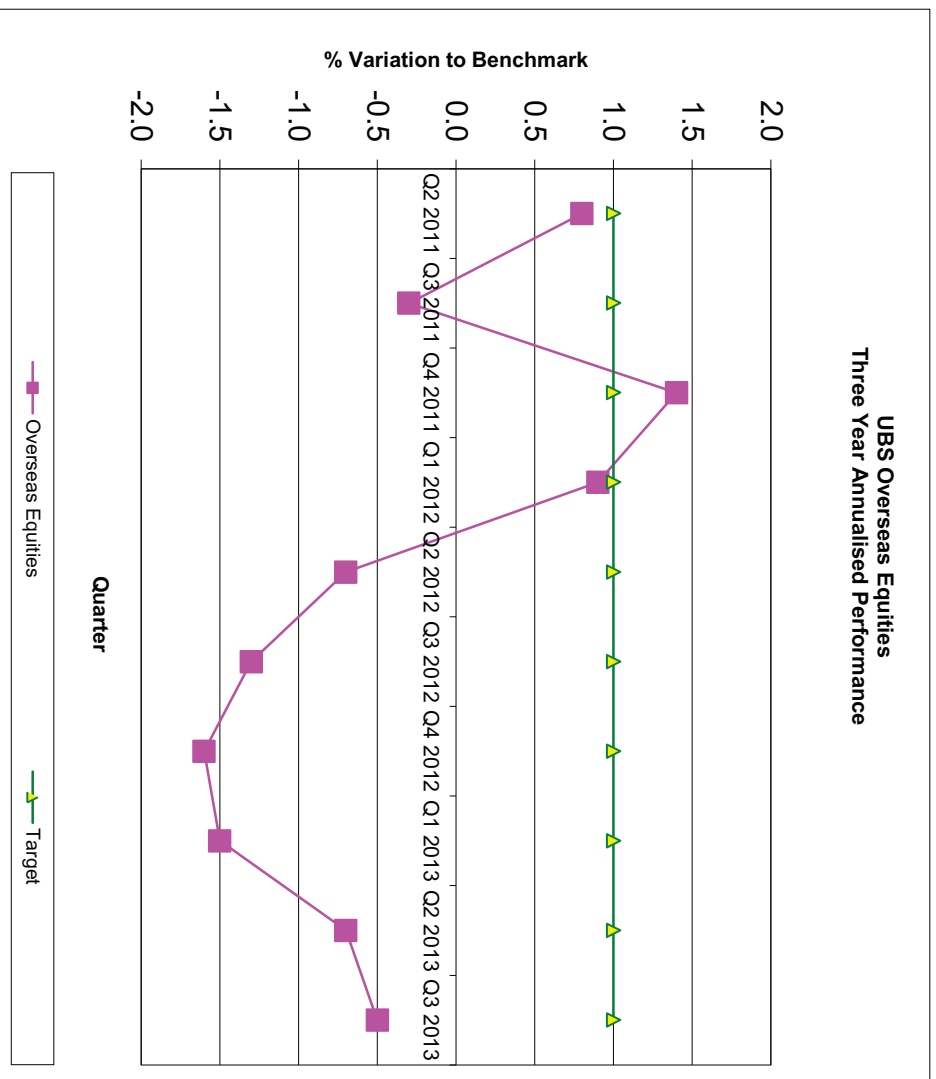
Rolling annual target of 0.60% above benchmark

Top 10 holdings at 30/09/2013

1	Holding	Value £	% of portfolio
1	ITALY BTFS 4.75% 11-15/09/2016	8,725,810	3.74
2	UK TSY I/L STOCK 1.875% 07-22/11/2022	7,898,393	3.38
3	UK TSY I/L STOCK 2.5% 83-16/04/2020	6,612,619	2.83
4	UK TSY I/L STOCK 2.5% 86-17/07/2024	5,678,120	2.43
5	UK TSY I/L GILT 1.25% 06-22/11/2027	4,788,030	2.05
6	UK TSY I/L GILT 1.25% 05-22/11/2055	4,430,623	1.90
7	UK TSY I/L GILT 1.25% 08-22/11/2032	4,386,906	1.88
8	UK TSY I/L GILT 1.125% 07-22/11/2037	4,167,498	1.78
9	UK TSY I/L STOCK 2% 02-26/01/2035	4,017,000	1.72
10	UK TSY I/L GILT 0.75% 11-22/03/2034	3,956,649	1.69
Top 10 Holdings Market Value		54,661,647	23.40
Total Legal & General Market Value		233,595,000	

Legal & General

Top 10 holdings excludes investments held within pooled funds.

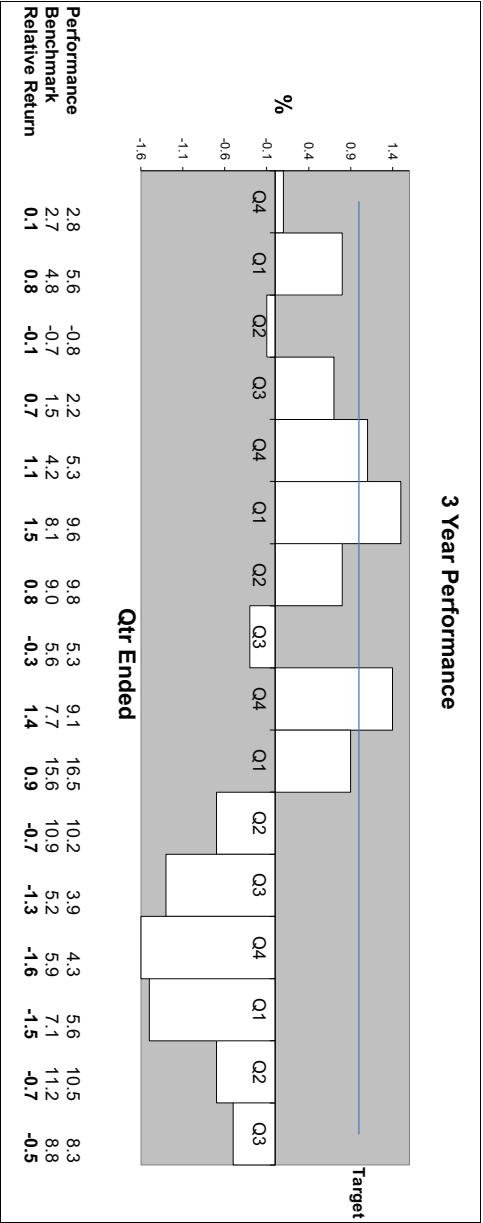
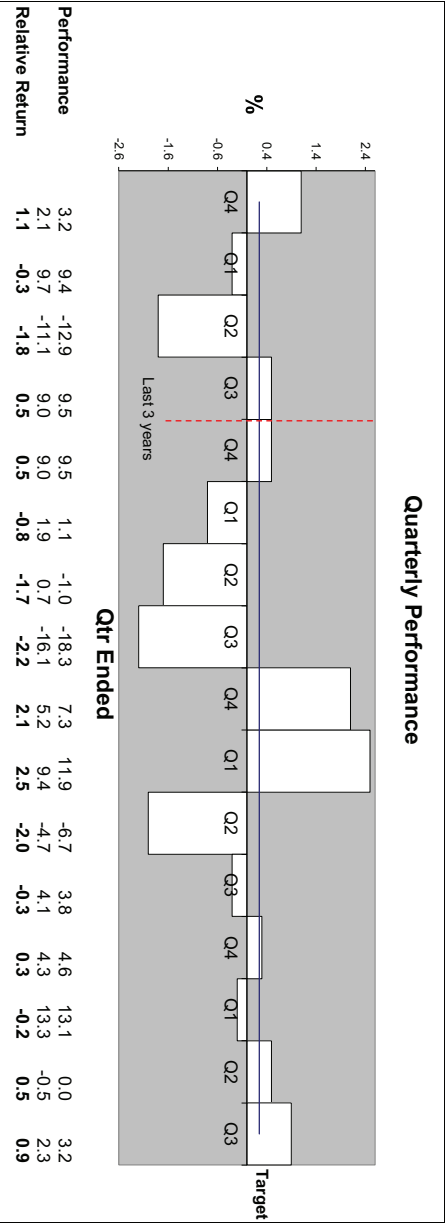


UBS Three Year Annualised Performance

	Overseas Equities	Target
Q2 2011	0.8	1.0
Q3 2011	-0.3	1.0
Q4 2011	1.4	1.0
Q1 2012	0.9	1.0
Q2 2012	-0.7	1.0
Q3 2012	-1.3	1.0
Q4 2012	-1.6	1.0
Q1 2013	-1.5	1.0
Q2 2013	-0.7	1.0
Q3 2013	-0.5	1.0

PERFORMANCE RELATIVE TO BENCHMARK

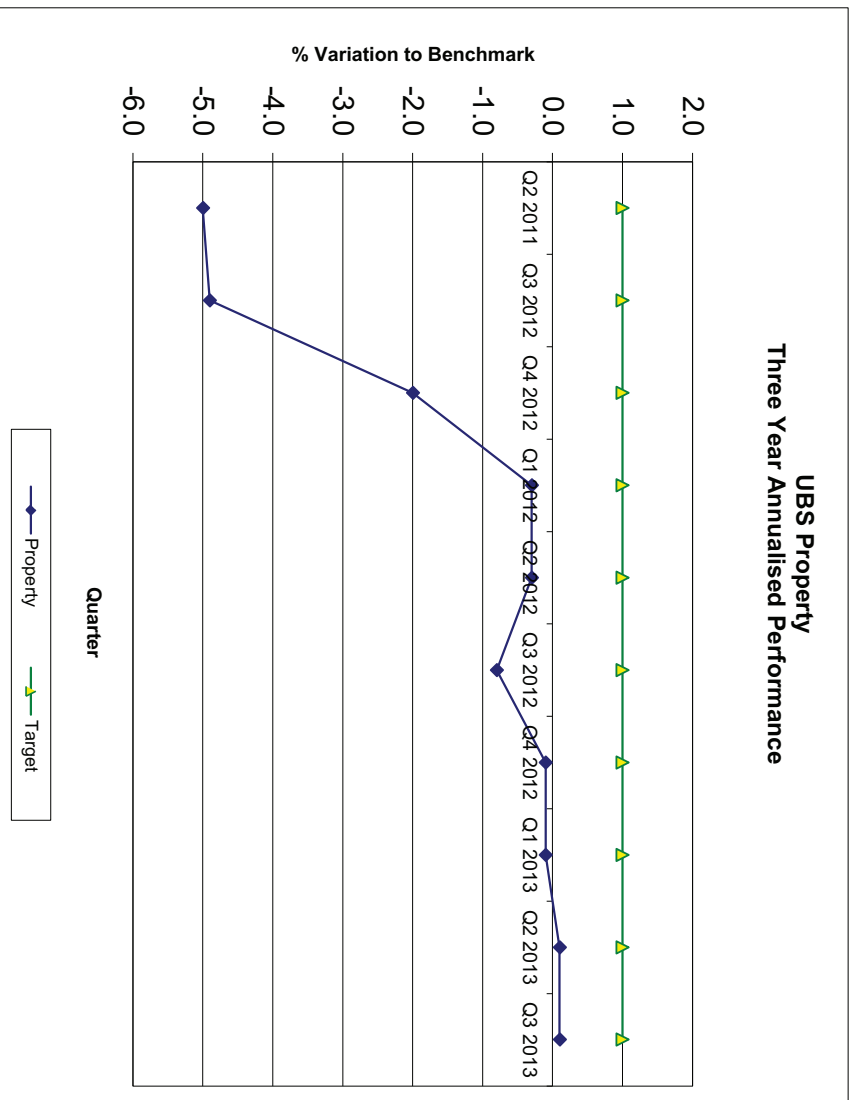
GRAPH 8



Target Returns

Rolling annual target of 1.00% above benchmark

**UBS -
Overseas
Equities**

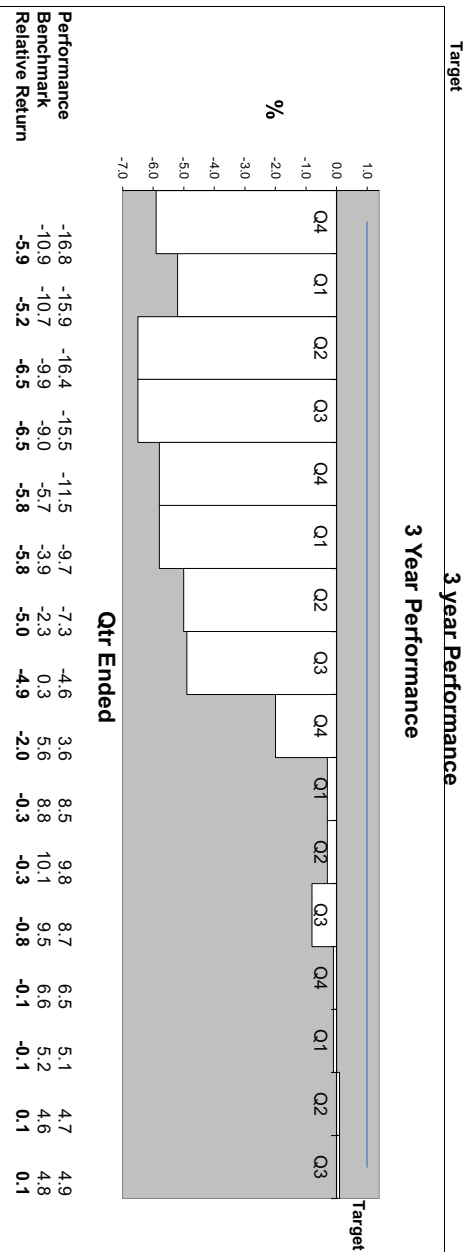
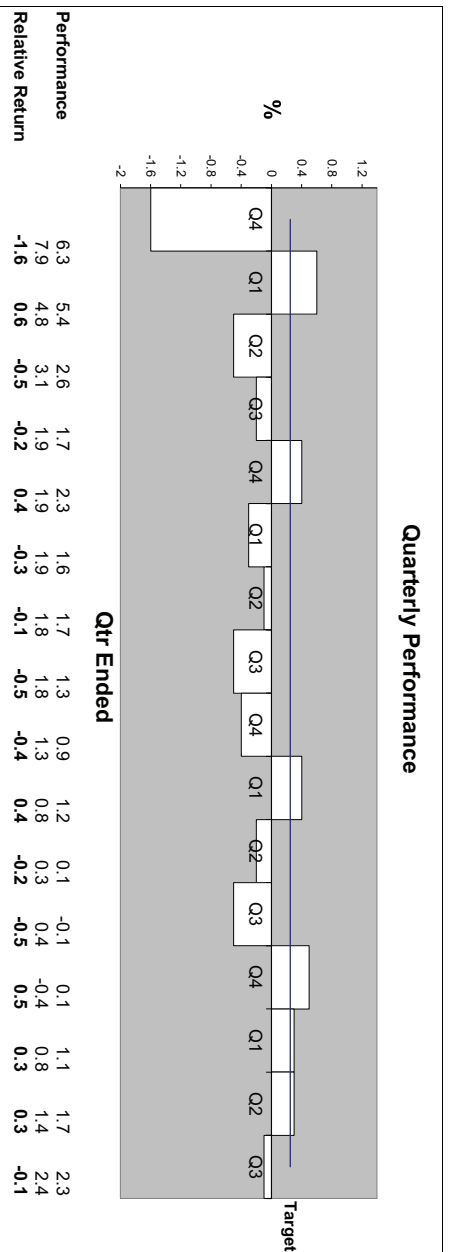


UBS Three Year Annualised Performance

	Property	Target
Q2 2011	-5.0	1.0
Q3 2011	-4.9	1.0
Q4 2011	-2.0	1.0
Q1 2012	-0.3	1.0
Q2 2012	-0.3	1.0
Q3 2012	-0.8	1.0
Q4 2012	-0.1	1.0
Q1 2013	-0.1	1.0
Q2 2013	0.1	1.0
Q3 2013	0.1	1.0

PERFORMANCE RELATIVE TO BENCHMARK

GRAPH 10



Target Returns

Rolling annual target of 1.0% above benchmark

Top 10 holdings at 30/09/2013

Rank	Holding	Value £	% of portfolio
1	BLACKROCK UK PROPERTY FUND	10,007,221	12.21
2	SCHRODERS GBP I INC	6,448,259	7.87
3	STANDARD LIFE POOLED PTTY FD	6,054,603	7.39
4	PRUDENTIAL CORP PENSIONS PTTY FUND	5,581,771	6.81
5	INVESCO REAL ESTATE UNITS B DISTRIBUTION	5,151,878	6.28
Top 10 Holdings Market Value		33,243,732	40.55
Total UBS Property Market Value		81,980,000	

**UBS -
Property**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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REPORT PREPARED FOR
Oxfordshire Council Pension Fund
Q3 2013
11 November 2013

Peter Davies

AllenbridgeEpic Investment Advisers Limited (AllenbridgeEpic)

peter.davies@allenbridgeepic.com

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OXFORDSHIRE PENSION FUND COMMITTEE - 6 DECEMBER 2013

OVERVIEW AND OUTLOOK FOR INVESTMENT MARKETS

Report by the Independent Financial Adviser

Economy

1. The UK economy grew by 0.8% in the third quarter, with all areas of the economy contributing. Together with positive industry surveys, this has caused an increase in forecasts for growth in 2013 and 2014, as highlighted in the table below. Second-quarter growth in the Eurozone turned positive for the first time in six quarters, but the very low inflation figure prompted the ECB to lower interest rates by 0.25% in November, to avert the threat of deflation. The Japanese and Chinese economies have maintained their growth levels, although there have been slight reductions in the outlook for the United States.

(In the table below, bracketed figures show the forecasts at the time of the September Committee)

Consensus real growth (%)						Consumer prices latest (%)
	2010	2011	2012	2013E	2014E	
UK	+1.6	+0.9	-0.1	(+1.0) +1.4	+2.3	+2.7 (CPI)
USA	+2.9	+1.7	+2.2	(+1.7) +1.6	+2.6	+1.2
Eurozone	+1.7	+1.5	-0.5	(-0.6) -0.4	+1.0	+0.7
Japan	+4.2	-0.7	+1.9	(+2.0) +1.9	+1.7	+1.0
China	+10.3	+9.2	+7.8	(+7.5) +7.7	+7.3	+3.1

[Source – The Economist 9.11.13]

2. In early August, the new Governor of the Bank of England, Mark Carney, pledged to keep Base Rate at 0.5% until UK unemployment falls to a level of 7% from its current 7.8%. The Bank's own forecasts do not expect this to

happen until mid-2016. He also said, however, that this interest rate policy would be altered if inflation was threatening to get out of control.

3. In the United States, the rate of unemployment had been edging downwards, so that it was a great surprise to markets when the Chairman of the Federal Reserve, Ben Bernanke, announced in mid-September that he did not intend to start 'tapering' the rate of Quantitative Easing yet. It had been generally expected that the \$85 bn per month of bond purchases would be reduced by \$10-15bn from September, but the Fed decided (with some dissenters) that economic growth was not yet well enough established to permit this. In a mirror image of the markets' reaction to the initial tapering announcement in May, equities and bonds rose sharply in the following days.
4. In Japan, Prime Minister Abe's LDP party performed strongly in the Upper House elections in July, so that the LDP with its coalition partner now has a majority in both Houses of the Diet, and should be able to push through its structural reforms. He has since announced that he will implement the planned rise in consumption tax from 5% to 8% in April 2014, as a step towards tackling the country's fiscal deficit.
5. The German Chancellor, Angela Merkel's CDU party made big gains in the German elections in September, but her former coalition partners, the FPD, failed to reach the 5% threshold for representation in Parliament. The Chancellor is now in talks with the SPD about forming a Grand Coalition. In Australia Tony Abbott replaced Kevin Rudd as Prime Minister after a resounding win for his Liberal party over Labor in the election in September.
6. October began in rather bizarre fashion with the US Federal Government shutdown, after the House Republicans refused to pass the budget unless President Obama's healthcare reforms were delayed or rescinded. This raised the spectre of disruption to the servicing of Treasury debt unless the deficit ceiling was increased on October 17th. In the event, Congress passed bills to fund the government until January 15th, and to extend the ability to borrow until February 7th. The problems have thus been deferred but not yet resolved.

Markets

7. **Equities** had risen by some 5% in July, but most of this gain had been surrendered by the end of August, partly on fears that the chemical attacks in Syria would provoke military intervention by the Western powers. When the UK parliament failed to back any military action, and President Obama also deferred a decision until Congress had discussed it, markets stabilised. The subsequent agreement with Russia and the West for Syria to dispose of its chemical weapons calmed investors' nerves.
8. The recovery of equities in September was then stopped in its tracks by the Fed's decision to delay tapering (see para 3), and markets ended September close to where they had started the month. As the following table shows, the UK and Europe were the only markets to gain ground (in sterling) during the

quarter, and Emerging Markets continued to lag behind all Developed Market regions.

		Capital return (in £, %) to 30.09.13	
Weight %	Region	3 months	12 months
100.0	FTSE All-World Index	+0.6	+15.1
50.3	FTSE All-World North America	-1.3	+15.8
8.8	FTSE All-World Japan	-0.5	+28.7
12.0	FTSE All-World Asia Pacific ex Japan	-0.5	+3.7
17.3	FTSE All-World Europe (ex-UK)	+6.6	+22.9
8.2	FTSE All-World UK	+4.1	+13.1
9.4	FTSE All-World Emerging Markets	-3.1	-2.8

[Source: FTSE All-World Review, September 2013]

9. Since the market correction in the summer of 2011, the UK equity market has gained 30% and the US market over 40%, in sterling terms, as shown in the graphs below.





10. There was very little dispersion in the performances of the different industrial sectors during the third quarter. As shown in the table below, Basic Materials recovered some of its earlier lost ground, but remains the weakest performer over the past year.

Capital return (in £, %) to 30.09.13		
Industry Group	3 months	12 months
Consumer Services	+1.5	+23.5
Industrials	+3.5	+23.2
Health Care	-1.0	+22.4
Financials	+0.2	+21.5
Consumer Goods	-1.6	+18.2
FTSE All-World	+0.6	+15.1
Technology	+1.3	+8.3
Telecommunications	-0.3	+6.5
Utilities	-3.4	+3.6
Oil & Gas	+0.1	+2.5
Basic Materials	+4.4	-3.0

[Source: FTSE All-World Review, September 2013]

11. Within the UK Equity market, the medium- and small-cap sectors have continued to outpace the FTSE 100 stocks by a wide margin, as shown in the table below.

(Capital only %, to 30.9.13)	3 months	12 months
FTSE 100	+ 4.0	+12.5
FTSE 250	+ 8.0	+27.0
FTSE Small Cap	+10.2	+30.8
FTSE All-Share	+ 4.7	+14.9

[Source: Financial Times]

12. **Government Bond** yields in US, UK and Germany rose for most of the quarter, with US and UK 10-year yields reaching the 3% level in mid-September. The Fed's surprise decision to delay the start of tapering caused an immediate fall in yields on the prospect of undiminished purchasing by the Fed for at least three more months. In Japan, by contrast, the Central Bank's programme of bond purchases is well underway, and government bond yields there have declined steadily.

10-year government bond yields (%)					
	Dec 11	Dec 12	Mar 2013	June 2013	Sept 2013
US	1.88	1.76	1.85	2.49	2.62
UK	1.98	1.85	1.78	2.45	2.73
Germany	1.83	1.32	1.29	1.73	1.78
Japan	0.98	0.79	0.57	0.86	0.69

[Source: Financial Times]

Currencies

13. The improved outlook for the UK economy has resulted in a strong move for sterling during September, and it registered gains against all the main currencies in the quarter.

	30.06.13	30.09.13	£ move
\$ per £	1.517	1.619	+ 6.7%
€ per £	1.167	1.196	+ 2.5%
¥ per £	150.7	158.9	+ 5.4%

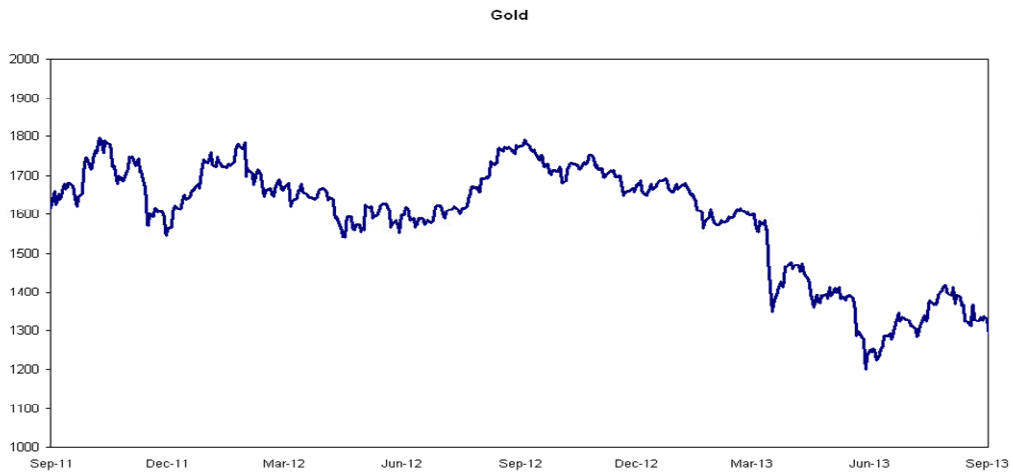
[Source: Financial Times]

Sterling has risen from below \$1.50 during June to above \$1.60 at the end of September – equalling its highest level against the dollar in the past two years as illustrated below.



Commodities

14. Gold rallied strongly during July, following its earlier weakness, and – together with oil – strengthened further on worries about the developing situations in Egypt and Syria. The removal of the threat of Western intervention in Syria allowed the price of both commodities to stabilise in September.



Property

15. **UK Property** values have made good progress during the quarter. According to the IPD Monthly Index, the total return on All Property was +2.9% - the strongest quarterly performance for three years. Office and Industrial both returned 3.7% and Retail 2.0%. The total return figures for the year to end-September are:

All Property	+6.5%
Office	+8.8%
Industrial	+8.6%
Retail	+4.2%

Outlook

16. After the temporary resolution of the US spending and debt impasse, and strong 3rd-quarter economic data from China, equity markets moved higher again. The All-World Index (in £) gained 4.7% during October, with Emerging Markets up almost 6%, but Japan up by only 1%. Bond prices also staged a relief rally, and recorded slight gains for the month. US, UK and German bond levels are sensitive to any new economic data, so that the strong US employment numbers for October caused an immediate rise in yields.
17. Provided the US fiscal situation is resolved soon, the improving economic outlook in the UK and Europe should underpin equity markets there, while the eventual start of tapering by the Federal Reserve – under the leadership of Janet Yellen – is likely to cause US bond yields to move higher. In the absence of any negative news on China's economic outlook or the Eurozone, I believe equities are well supported at current levels.

Peter Davies

Senior Adviser – AllenbridgeEpic Investment Advisers

November 11th, 2013

[All graphs supplied by Legal & General Investment Management]

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Division(s): N/A

PENSION FUND COMMITTEE – 6 DECEMBER 2013

2013 VALUATION

Report by the Chief Financial Officer

Introduction

1. This report updates the Committee on the results to date from the 2013 Pension Fund Valuation. At the time of writing this report, we had only received provisional figures, and it is expected a more up to date position will be available when the Fund Actuary presents to the Employers Forum on 13 December 2013.

Provisional Results – Overall Fund Level

2. Under the Scheme Regulations, the Fund Actuary is required to undertake a full valuation of the Fund as at 31 March 2013, and to certify the contribution rates payable by each employer for the three years starting 1 April 2014.
3. The Actuary presented provisional results for the Fund as a whole, alongside their key assumptions, when they met with officers at the end of October 2013. These results showed a cash increase in the total Fund deficit, although given the significant increase in both liabilities and asset values, this actually represented an improvement in the funding level from 79% to 82% (see table below).

	March 2010	March 2013	Change
Smoothed Asset Value	£1.079bn	£1.510bn	+39.9%
Total Scheme Liabilities	£1.366bn	£1.840bn	+34.7%
Deficit	£0.287bn	£0.330bn	
Funding Level	79%	82%	

4. A number of factors have impacted on the deficit position. Factors which have worked to reduce the deficit include annual investment returns at 8.9%, which were above the level assumed in the 2010 valuation of 6.7%. Other positive contributors included lower than assumed pay awards and higher than assumed death rates.
5. The main negative factor which worked to increase the deficit was the change in the financial markets and in particular the significant reduction in gilt yields. These feed through into a lower discount rate, so increasing the current value of the Fund's liabilities. Other negative factors included higher than assumed pension increases, and a lower reduction of pensions in payment in cash terms.

6. Across the Fund as a whole therefore, employers will see an increase in the cash sums payable by way of contributions to past service deficits.
7. The provisional results indicate no change in the cost of funding future pension liabilities, although this reflects a number of factors which have cancelled each other out across the Fund as a whole. However it is likely that these factors will not be equal across individual employers, and as such there will be Fund employers who face an increase in their future service contribution, and others who may see a decrease.
8. Factors which have impacted on future employer contribution rates include changes in membership profile, and the changes in financial assumptions, with the reduction in the discount rate being the biggest negative factor on future contribution rates.
9. There are two elements of the new look LGPS 2014 which have helped counteract the impact of the lower discount rate. The Government Actuary Department suggested that the new look scheme would cost around 2% of pensionable pay less than the 2008 Scheme. However, the main part of this stemmed from the linking of normal retirement age to the State Pension Age. (The saving on the change to career average pay being cancelled out by the improvement in the accrual rate to 1/49th of pensionable pay).
10. For the 2013 Valuation, a significant number of active members are protected by the transitional arrangements, retaining their current normal retirement age. As such the actuary has only allowed a reduction in costs equivalent to 0.1% of pensionable pay. Those employers with more mature workforces, and therefore more members with transitional protection, will see less of an impact here, and therefore higher contribution rates going forward.
11. The second key potential saving from LGPS 2014 is the introduction of the 50:50 option. As the employer continues to pay the full contribution rate for everyone who opts into the 50:50 scheme, they would be in effect over-paying. The higher the take up of the scheme, therefore the higher the potential overpayment. By assuming a level of take up of the new scheme, the Actuary can therefore reduce the overall contribution rate to avoid the over-payment. For the 2013 Valuation, the Actuary has assumed a 10% take up of the 50:50 option, and reduced employer contribution rates by an average of 0.7% of pensionable pay as a consequence.

Provisional Results – Individual Employer Level

12. At the time of writing the report we had just received the first provisional results for individual employers, and these are currently being reviewed and queries discussed with the Actuary. The Actuary hopes to have draft figures for all employers by the time of the Employers Forum.
13. Once draft figures have been produced for individual employers, the Actuary will review the scope for amending deficit recovery periods in order to maintain

contribution rates as a near stable rate as possible, as required by the Regulations.

14. Following the consultation exercise earlier in this year, the results for the academies who have less than 50 active members will be pooled, and all certified at the shared rate. None of the larger academies exercised their right to opt into the pool, nor did any of the smaller academies seek to make a financial case to be treated as a standalone employer.
15. The Government have now issued their own consultation document on the pooling of academies, although the results will not be available to be incorporated into the 2013 Valuation results. Officers sent a consultation response based on this Committee's previous discussion of the issues, setting out the model implemented in Oxfordshire.

RECOMMENDATION

- 16. The Committee is RECOMMENDED to note the report.**

Lorna Baxter
Chief Finance Officer

Background papers: None

Contact Officer: Sean Collins , Services Manager (Pensions),
Tel:(01865) 797190

November 2013

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Division(s): N/A

PENSION FUND COMMITTEE – 6 DECEMBER 2013

POTENTIAL SCHEME MERGER

Joint Report by the Chief Financial Officer and County Solicitor

Introduction

1. This report updates the Committee on the progress in exploring the potential merger of the Oxfordshire Pension Fund with the Buckinghamshire and Berkshire Funds. It also reports the opinion of Queens Counsel on which body within the Council should be responsible for making any final decision on a merger.

Local Discussions and the National Picture

2. As discussed at the September 2013 meeting of this Committee, the government issued a Call for Evidence regarding the future structural options for the administration of the Local Government Pension Scheme. This Committee submitted its response by the deadline of 27 September 2013.
3. Whilst there have been no reported findings from the result of this exercise, on 7 October 2013, the Cabinet Office and the Department for Communities and Local Government published a tender exercise looking for a short piece of work on structural reform of the Local Government Pension Scheme.
4. The tender states that the Government are looking for a robust analysis of the costs and benefits associated with structural reform. This needs to include any costs of implementing any reforms, as well as the on-going costs and benefits of the reforms. The work should also identify any barriers to implementation, both legal and practical, and report on the value of the money for the proposed options.
5. The tender document has asked for the exercise to consider three specific options, being:
 - A single common investment vehicle to cover the whole of England and Wales, with asset allocation decisions to be made by the 89 individual Pension Funds
 - A set of 5 – 10 common investment vehicles to be determined around Fund size, or geographic location, with asset allocation decisions again remaining under the current arrangements
 - A set of 5 – 10 merged funds, based as above, but with asset allocation decisions made under the new governance arrangements.

6. The decision to go out to tender was met with some dismay from many connected to the LGPS. The timing so close to the deadline for the submission of the Call for Evidence responses suggested to many that the Government had a pre-conceived solution, and were not prepared to properly consider the responses from those working in the LGPS.
7. When we met with officials from the Department for Communities and Local Government with colleagues from Buckinghamshire and Berkshire, they referred to the tender exercise as likely to provide further evidence against which to assess our business case.
8. When asked specifically about the Department's support for our local merger, the Department responded to confirm that they were very supportive of our work towards a merger, and they regarded it as a pilot for future exercises. They remain committed to working on the issues discussed which could impact on a merger, and have an agreed a further meeting on 17 December 2013.
9. The two key issues identified to date are:
 - The question whether a new statutory body to administer the merged fund can be set up under secondary legislation, or whether primary legislation will be required. If primary legislation is required, this is likely to add to both the time and cost of implementation, and as such could impact on the viability of the business case.
 - The issue of whether the new statutory body would require tax-raising powers to enable it to generate sufficient funding to pay all pension liabilities after the scheme has closed and no further employer contributions are payable.
10. All parties are currently continuing to work on the project with a view to developing a business case for early in 2014.

Opinion of Queen's Counsel on the Proper Decision Making Body

11. At the last meeting of the Committee the question was raised as to which was the proper decision making body to determine whether we proceed or not with any proposal to merger. The Committee determined to seek advice from the County Solicitor.
12. Subsequently the question was addressed to Queens Counsel who has advised as follows. Having reviewed the statutory regulations, the Council's Constitution, and the Pension Fund's Governance Policy, the responsibilities of the Pension Fund Committee are in respect of the maintenance and management of the Fund. There is nothing in the documentation to suggest that the termination of the Fund itself, or the establishment of a new Fund would be a matter for the Pension Fund Committee.

13. In Counsel's opinion therefore it is not open to the Pension Fund Committee to take the decision in respect of the merger of the Fund
14. Counsel has also provided the opinion that this is not a decision to be made by the Cabinet. Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000, the functions of the Council relating to the Pension Fund cannot be the responsibility of the Cabinet.
15. It follows therefore that if the decision cannot be made by the Pension Fund Committee, nor Cabinet, it must be made by full Council. Counsel does state that the Pension Fund Committee will undoubtedly have an input into the material placed before the Council in relation to the merger decision. The County Solicitor is also clear that any decision to be made by the Council should follow the recommendation or advice of the Pension Fund Committee.
16. Counsel sees no role for the Cabinet in the decision itself. However, as the main scheme employer within the Fund, the Cabinet should alongside all other Scheme Employers be included in the consultation exercise which feeds the final decision.

RECOMMENDATION

- 17. The Committee is RECOMMENDED to note the report.**

Lorna Baxter
Chief Finance Officer

Peter Clark
County Solicitor

Background papers: None
Contact Officer: Sean Collins
Tel: 01865 797190

November 2013

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Division(s):N/A

PENSION FUND COMMITTEE – 6 DECEMBER 2013

THE LGPS REGULATION UPDATE

Report by the Chief Financial Officer

Introduction

1. The Committee previously received reports in March 2012, December 2012, June 2013 and September 2013 regarding the 2014 Local Government Pension Scheme (LGPS). This report is to further update the Committee on the progress of the implementation of the 2014 Local Government Pension Scheme (LGPS) and the Regulations which have been issued to date.
2. This report also looks at the changes which need to be made to Administering Authority policies as a result.

LGPS 2014

3. The LGPS Regulations 2013 were made on 12 September 2013 and laid before Parliament on 19 September 2013. These regulations will come into force on 01 April 2014 when they will be deemed to have been made under the Public Service Pensions Act 2013.
4. Transitional Regulations which will set out how scheme members transfer from the 2008 scheme to the 2014 scheme, along with details of how any proposed protections of rights and entitlement will work, were due to be issued in September, but have not been issued at the time of writing this report.
5. The Government Actuary's Department (GAD) has yet to publish the factors to support the full working of the regulations. Also the final employee contribution banding is unlikely to be confirmed until nearer April 2014.
6. The above, combined with continuing national discussions about what will be included in the pension guarantees for members is limiting what Pension Services can do to prepare for the new look scheme, including what can be sent out to tell scheme employers and scheme members how they will be affected by these changes.

Administering Authority Policies

7. With the introduction of new Regulations it is necessary to review the policy decisions which must be made by the Administering Authority. The Local Government Association is currently updating the summary of the policy

discretions within the Regulations. This document details the decisions which might need to be made and where responsibility for making that decision lies.

8. Many of the decisions attributable to the Administering Authority appear to have been delegated to an operational level. Whilst this is supported by custom and practice this is not necessarily supported by the paperwork in place. Once a revised summary of discretions is published a review will be carried out.
9. The Committee is also responsible for publishing the policies listed below. These are reviewed annually (last reviewed in September 2013) and, in the event of any changes, must be issued between one and three months prior to the implementation date, depending upon the nature of the changes.
 - Funding Strategy Statement
 - Governance Compliance Statement
 - Abatement Policy
 - Communication Policy
 - Early Release of Benefits (in instances where Scheme Employer is defunct)
10. Other policies reviewed in September, but not made under these Regulations are:
 - Statement of Investment Principles (made under LGPS (Management & Investment of Funds) Regulations 2006)
 - The Scheme of Delegation which is written in line with the Council's Constitution and dealt with elsewhere on this agenda.
11. The 2013 Scheme Regulations do not currently require any changes to be made to the above policies other than updating of references to the Regulation number.

RECOMMENDATION

12. **The Committee is RECOMMENDED to note the report.**

Lorna Baxter
Chief Finance Officer

Background papers: None
Contact Officer: Sally Fox, Pensions Manager, Tel:(01865) 797111

November 2013

Division(s):N/A

PENSION FUND COMMITTEE – 6 DECEMBER 2013

EMPLOYER UPDATE

Report by the Chief Financial Officer

Introduction

1. This report is to update members on recent employer issues including applications for admission and the closures of scheme employers.

Update on Previous Applications for Admission

2. Admission agreements are in progress, but not finally signed / sealed for the following employers:
 - Fresh Start Catering – one admission agreement has now been signed; the second contract is still to be finalised.
 - Hayward Cleaning Services for St Birinus– admission agreement to be finalised
 - Carillion – a revision to the admission agreement to include the additional 61 staff has been circulated but not yet signed.
 - Banbury Museum Trust - the date of admission was moved to 01 November 2013. Both the admission agreement and guarantee have been signed.
 - The Deed of Rectification to extend the Vale Capita admission to 2016 and incorporate a further group of staff who transferred to Capita has now been signed.
 - The admission agreement for Adviza has been signed.
 - Civica for the St Birinus ICT contract.
 - The School Lunch Company for two contracts
3. The contract for services with Ecocleen Ltd. has not yet been finalised and so the admission agreement process is on hold.
4. These contract issues also apply to Edwards and Ward.

New Requests for Admission

5. The September report to this Committee included a list of companies who would be providing services to schools from 01 September 2013 onwards. Unfortunately one company was missed from this list.
6. Innovate Services Ltd took over the catering contract for Cooper School on 01 September 2013. The contract is for a period of three years with a potential

extension of a further two years. As a result four members of staff were transferred to Innovate Services Ltd.

7. Oxford Spires Academy had sought approval to outsource the catering services to Pabulum Ltd. This Committee was advised, in the September report, that this application had been withdrawn.
8. An application has now been received from Cater Link Limited who took over this service on 01 September 2013 for a period of three years. The transfer affects three members of staff, two of whom are members of the Local Government Pension Scheme.
9. Church Cowley School outsourced their cleaning contract to April Cleaning Services on 01 September 2013. The contract will run for a period of 18 months. This outsourcing affects one scheme member.
10. The School Lunch Company has won numerous school catering contracts in Oxfordshire, but as yet it is not clear whether applications for admitted body status will be made in respect of all contracts.

Employer Cessation

11. **AAA Norcap** – correspondence with the appointed administrators, Wilkins Kennedy, is continuing although there is no indication as to how much, if anything, will be recovered.
12. **SOLL Leisure** has now advised that company is no longer trading and will not be appointing administrators. An invoice has been sent for the monies due to the Oxfordshire County Council Pension Fund.
13. **Stonhams** has advised that their last scheme member left employment in February 2013. The request for a closure valuation has confirmed the amount due as £157,000 which has been passed to the company.
14. **Oxfordshire Council for Voluntary Action (OCVA)** this closure is subject to a separate report on this agenda.
15. **Oxfordshire Community Foundation** – following recent discussions an agreement has been reached regarding the payment of the pension liabilities over the next 10 years. A legal agreement is currently being drafted.

RECOMMENDATIONS

16. The Committee is RECOMMENDED to:

- (a) note the progress of previously approved applications for admitted body status;**
- (b) approve the application for admitted body status by Innovate Services Ltd;**
- (c) approve the application for admitted body status by Cater Link Limited;**
- (d) approve the application for admitted body status by April Cleaning Services;**
- (e) note the cessation of scheme employers.**

Lorna Baxter
Chief Finance Officer

Background papers: None

Contact Officer: Sally Fox, Pensions Manager, Tel: (01865) 797111

November 2013

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PENSION FUND COMMITTEE – 6 DECEMBER 2013

Pension Fund Scheme of Delegation

Report by Chief Financial Officer

Introduction

1. The Council's Constitution sets out the general Scheme of Delegation to the Strategic Directors and a small number of other Officers. These named posts are therefore authorised by the Council to exercise the specific powers and functions of the Council.
2. It is not possible for such a small number of people to take all the necessary decisions and authorise expenditure, and therefore further delegation of these powers is allowed. The Scheme of Delegation is the formal record of that authorisation.
3. At its meeting on 6 September 2013, the Oxfordshire Pension Fund Committee reviewed and approved the scheme policies including the fund scheme of delegation. Since that meeting the senior management structure of Oxfordshire County Council has changed. The post of Assistant Chief Executive and Chief Finance officer has been deleted from the establishment structure. Consequently, the scheme of delegation needs to be amended to reflect the transfer of responsibilities.
4. As a result of the management structure changes, the role of Assistant Chief Executive and Chief Finance Officer has been replaced by Chief Finance Officer in the Oxfordshire Pension Fund Scheme of Delegation.

Private Equity

5. The Pension Fund Committee has delegated private equity decisions to the Service Manager, Pensions Insurance and Money Management, or in his absence the Principal Financial Manager, Treasury Management and Pension Fund Investments. However, responsibility for placing trades with brokers has remained with the Independent Financial Adviser (IFA).
6. Since joining AllenbridgeEpic Investment Advisers Ltd, the fund's IFA has been advised that he should no longer place trades on behalf of the pension fund. It is therefore recommended that responsibility for placing trades is delegated to the pension fund investments team. Appendix (a) shows the proposed changes to the existing scheme of delegation.

RECOMMENDATIONS

- 7. The Committee is RECOMMENDED to:**
- a) note the report, and the changes to the Scheme of Delegation following the management changes in Finance; and**
 - b) approve the transfer of delegated responsibility for placing private equity trades to the pension fund investments team.**

Lorna Baxter
Chief Finance Officer

Contact Officer: Donna Ross – Principal Financial Manager, Tel: (01865) 323976
November 2013

Scheme of Financial Delegation - amendments

Appendix (a)

Authority to Sign Purchase Orders, Invoices and Contracts for the Oxfordshire County Council Pension Fund

Sole signatories for Pension Fund Goods and Services

Up to £500,000 for Goods and Services,

Chief Executive

~~Assistant Chief Executive and Chief Finance Officer~~

Director for Environment & Economy

Up to £200,000 for Goods and Services

Deputy Chief Finance Officer

Service Manager – Pensions, Insurance and Money Management

Principal Financial Manager – Treasury Management & Pension Fund Investments

Pension Services Manager

Up to £25,000

Team Leader – Pensions Administration

Team Leader – Pensions Administration

Joint signatories for Pension Fund Goods and Services

Up to £500,000,

Deputy Chief Finance Officer

Service Manager – Pensions, Insurance and Money Management

with the Chief Executive for Goods and Services over £500,000.

~~Assistant Chief Executive and Chief Finance Officer~~

Deputy Chief Finance Officer

With the s151 officer for Goods and Services over £500,000

Director for Environment and Economy

Income (Debt) Write Offs

Write off of outstanding debts to the Local Government Pension Scheme above £10,000 need the approval of the Pension Fund Committee.

The authorisation of debt write offs under £500 is delegated to the Pension Services Manager. The authorisation for the write off of all other debts up to and including £10,000 is delegated to the Service Manager – Pensions, Insurance and Money Management in conjunction with:

~~Assistant Chief Executive and~~ Chief Finance Officer for amounts between £7,500 and £10,000 and with the Deputy Chief Finance Officer for amounts below £7,500.

Cash Management

The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, state that the Administering Authority must hold in a separate bank account all monies held on behalf of the Pension Fund and formulate an investment policy to govern how the authority invests any Pension Fund cash.

Management of the Oxfordshire Pension Fund cash balances is delegated to the Treasury Management team. The Treasury Management team responsible officers list is authorised by the Section 151, or Deputy Section 151 Officer

Officers authorised to enter into Money Market arrangements are listed as Dealers on the Treasury Management Responsible Officers List.

Fund Management and Custody Agreements – 2 signatories required

Service Manager – Pensions, Insurance and Money Management

Principal Financial Manager – Treasury Management and Pension Fund Investments

Authorisers listed in the approved Treasury Management Responsible Officers List.

Private Equity Trades

Authority to place private equity trades is delegated to the Pension Fund Investments team.

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Division(s):N/A

PENSION FUND COMMITTEE – 6 DECEMBER 2013

WRITE OFF's

Report by the Chief Finance Officer

Introduction

1. In December 2012 a change was made to the Scheme of Financial Delegations to allow write offs under £500, chargeable to the Pension Fund, to be approved by the Pension Services Manager. (Under the Scheme of Financial Delegation, such write offs need to be reported to this Committee for information).
2. For debts between £500 and £7,500 approval is required by the Service Manager (Pensions) and The Deputy Chief Financial Officer. For debts between £7,500 and £10,000 chargeable to the Pension Fund, approval would need to be sought from the Assistant Chief Executive and Chief Finance Officer. These write offs will also need to be reported to this Committee for information.
3. Debts in excess of £10,000 would require approval of Pension Fund Committee

Current Cases

4. The Pension Services Manager has approved the write off of £141.07 chargeable to the pension fund in respect of ten cases. In all cases the member has died.
5. One of these cases had been referred to Legal, who advised that further action to recover the amount of £110.11 would be uneconomic. In the remaining cases a small over payment of pension has been made but could not be recovered. The amounts ranged between £0.17 and £9.24.

RECOMMENDATION

6. **The Pension Fund Committee is RECOMMENDED to note the report**

Lorna Baxter
Chief Finance Officer

Background papers: None
Contact Officer: Sally Fox, Pensions Manager, Tel: (01865) 797111
November 2013

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PENSION FUND COMMITTEE – 6 DECEMBER 2013

FUND MANAGER MONITORING ARRANGEMENTS

Report by Chief Financial Officer

Introduction

1. Each year the Pension Fund Committee considers the arrangements for monitoring the performance of its Fund Managers. This report sets out the proposed schedule for 2014/15, and recommends the Committee to approve the arrangements.

Proposed Arrangements

2. Under the current arrangements, the performance of all Fund Managers is reviewed every three months, either by the full Committee, or by officers in conjunction with the Independent Financial Adviser to the Fund. For those quarters that the Committee does not see the Fund Manager, the officer meeting is held in advance of the Committee to allow the Independent Financial Adviser to report all key issues at the next Committee meeting.
3. Traditionally, the Committee have seen the actively managed equity fund managers every 6 months, the fixed income and passive equity manager once a year, and the two private equity managers once every two years.
4. It is the view of Officers that these arrangements have worked well, and the proposed arrangements for 2014/15 have been prepared on a similar basis.
5. The detailed monitoring arrangements are therefore proposed as follows:

	Committee	Officers
Quarter 1 Committee 6 June 2014	UBS Legal and General	Baillie Gifford Private Equity Wellington
Quarter 2 Committee 5 September 2014	Baillie Gifford Wellington	UBS Legal and General Private Equity
Quarter 3 Committee 5 December 2014	Partners Group Private Equity UBS	Baillie Gifford Wellington
Quarter 4 Committee 13 March 2015	Baillie Gifford Wellington	UBS Legal and General Private Equity

RECOMMENDATION

- 6. The Committee is RECOMMENDED to approve the Fund Manager monitoring Arrangements as set out in the report.**

**Lorna Baxter
Chief Financial Officer**

**Background papers: Nil
Contact Officer: Donna Ross, Principal Financial Manager, Tel: (01865) 323976**

November 2013