

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

26 MAY 2011

PERFORMANCE OF THE FUND'S PORTFOLIO FOR THE QUARTER AND YEAR ENDING 31 MARCH 2011

Report of the Treasurer

1.0 PURPOSE OF REPORT

- 1.1 To report the investment performance of the overall Fund, and of the individual Fund Managers, for the Quarter to 31 March 2011 and the twelve months ending on that same date.

2.0 PERFORMANCE REPORT

- 2.1 The report (**enclosed as a separate document**) produced by Mellon Analytical Solutions (MAS) provides a complete performance analysis of the North Yorkshire Pension Fund for the quarter and year ending 31 March 2011.
- 2.2 Using the format prepared by MAS the report highlights the performance of the total Fund by asset class against the customised Fund benchmark. There is also an analysis of the performance of each manager against their specific benchmark and a comparison of performance levels over time. In addition and in keeping with the content of MAS reports prepared to the financial year end date, supplementary analyses and statistics are provided along with supporting appendices.

3.0 PERFORMANCE OF THE FUND

- 3.1 The performance of the various managers against their benchmarks for the Quarter ended 31 December 2010 is detailed on **pages 7 / 8** of the MAS report. This performance is measured on a time-weighted basis and expressed as a +/- variation to their benchmark.
- 3.2 **The absolute overall return for the quarter (+1.4%) was above the customised benchmark (+1%) by 0.4%.**
- 3.3 **Over the rolling year the Fund performance was 0.8% below the customised benchmark. The 12 month absolute rolling return of + 9.2% is a relatively modest figure compared to previous annual rolling returns throughout the 2010/11 year.**

3.4 These figures represent satisfactory performance. With the exception of a poor June 2010 quarter, this reflects a sustained period of outperformance of the Fund relative to its aggregate benchmark since April 2009. Manager performance produced a mixture of positive and negative relative returns. Financial markets have continued to recover following the crash in 2008/09 although they remain unpredictably vulnerable to world events. The last significant fall was in the second quarter of 2010 in the wake of the BP oil spill; conversely markets have resisted reacting very negatively to the Japanese earthquake disaster and the political unrest in North Africa and the Middle East. It is therefore still essential to try and understand, and assess,

- the potential for further turbulence in the financial markets
- the ongoing appropriateness of the investment strategy of the Fund (which was designed to operate in “normal” financial market conditions)
- the performance of individual fund managers in these unstable market conditions

It is also critical to understand the timescale over which any or all of these factors may impact on the future performance of the Fund.

3.5 With this in mind the Appendices used in this report have been designed to present a fuller picture of the reasons behind the recent investment performance.

3.6 The content of these Appendices is now as follows.

- | | |
|-------------------|--|
| Appendix 1 | Fund Manager Performance in absolute and relative terms (in £) |
| Appendix 2 | Performance of NYPF relative to other LGPS Funds |
| Appendix 3 | Solvency position (in % and £ terms) since the 2001 Triennial Valuation; this Appendix also shows in absolute terms the +/- in the value of assets and liabilities of the Fund |
| Appendix 4 | Solvency graph – this shows the key figures from Appendix 3 in a simple graphical format |
| Appendix 5 | Solvency of NYPF relative to other County administered LGPS Funds and associated common contribution rates |
| Appendix 6 | Details of Rebalancing @ 31 March 2011 |

3.7 The separate reports of the Investment Adviser and Investment Consultant explain what has been happening in the financial markets, and what may happen in the short, medium and longer term.

4.0 FUND MANAGER PERFORMANCE

4.1 In monetary terms the positive absolute return of +1.4% in the Quarter increased the invested value of the Fund by £20.5m. However, taking into account new money, the value of the Fund increased by £30.5m. In absolute terms this movement is primarily attributable to capital gains made by Baillie Gifford (£16.6m) and Fidelity (£7.6m).

4.2 Absolute performance in percentage and cash terms is shown in the following table.

	absolute performance (%)					absolute performance (£)	
	q/e Jun 2010	q/e Sep 2010	q/e Dec 2010	q/e Mar 2011	y/e Mar 2011	q/e Mar 2011	y/e Mar 2011
Baillie Gifford : Global Equities	-9.7	11.2	9.9	2.3	12.9	5.5	28.7
Baillie Gifford : LTGG	-10.5	12.8	8.9	6.6	17.1	10.1	23.9
FIL Inv Ser UK : Global Equities	-10.6	8.6	9.7	2.1	8.7	7.6	30.3
Standard Life : UK Equities	-16.2	18.2	10.1	-2.4	6.4	-9.1	23.7
Equities sub-total						14.1	106.6
Amundi AM : Global Bonds	0.6	3.8	0	0.8	5.3	2.1	10.5
European Credit Mgmt : Global Bonds	-4.5	5.2	1.3	2.9	4.7	3.3	6.2
Fixed income sub-total						5.4	16.7
RC Brown Investment : UK Equities	-8.1	15.5	2.4	3.9	12.9	0.1	0.4
Movement in cash reserves						10.9	31.5
Movement in Fund Investments and Cash						30.5	155.2

Cumulative absolute performance by each manager over the last three years in percentage terms is illustrated at **Appendix 1**.

4.3 Positive absolute performance was achieved by most Managers but relative performance was more mixed. Market volatility increased as the quarter progressed. This and other issues are further discussed in the report of the Investment Adviser.

Performance relative to other LGPS Funds

4.4 **Appendix 2** shows the **performance of NYPF relative to other Funds in the LGPS universe**. Performance is above the Local Authority average in the quarter by 0.1% and was also ahead for the 12 month period to March 2011 (+1%). NYPF has shown a strong and consistent correlation to the performance of other LGPS funds over the last 10 years in almost every quarter.

After being ranked as the best performing Local Authority Fund in 2009 as measured by WM Performance Services NYPF was placed in the top quartile three times in 2010 and once in the bottom quartile, and was the 8th best performer over the year. The impressive ranking was largely attributable to equities rather than bonds.

Details of the Fund's ranking for the quarter to March 2011 are not yet available.

Overseas Equities

- 4.5 **Fidelity** produced a negative relative return in the quarter (-0.3%) against a benchmark return of +2.4%. However, the report from the manager recorded +2.4% matching the benchmark. Fidelity use performance NAV prices (market close) whereas BNY Mellon use official NAV prices (midday priced), which accounts for the marginal difference. The performance over the 2010/11 year (+1% relative) recovers some of the ground lost in 2009/10. Performance since inception in November 2008 is 0.3% below the benchmark.

For the third quarter in a row, Fidelity reported relative performance exceeding the benchmark in three regions (North America, Europe (ex UK), Asia Pacific) contrasted by a negative contribution from Emerging Markets. There will be the opportunity to ask questions on this and other topics when the Manager presents to the Committee on 3 June 2011.

- 4.6 The Global Alpha fund managed by **Baillie Gifford** produced a positive relative return for the ninth quarter in succession further extending an already exceptional run of out-performance.

The LTGG fund, also managed by **Baillie Gifford** produced a positive relative return (+4.6%) against the FTSE All World (2%). This more than recovered the lost ground in the previous quarter, which was the only quarter of underperformance since 2007.

- 4.7 Both funds managed by Baillie Gifford have produced sustained outperformance. Global Alpha and LTGG are 1.9% and 3.5% respectively ahead of the FTSE All World benchmark since inception in September 2006.

UK Equities

- 4.8 **Standard Life** produced a disappointing relative return (-3.1%) in the quarter against a FTSE 350 equally weighted benchmark return of +0.7%. The FTSE All Share produced a return of +1%. Relative performance for the year was 10% below the benchmark, making this the worst year since inception in October 2006, below even that during the 2008/09 financial crisis. The Manager is due to present to the Committee on 27 May 2011.

- 4.9 The ethical equity portfolio operated by **R C Brown** outperformed the FTSE All Share by 2.9% over the quarter and was positive over the rolling 12 month period (+4.2%). The manager reported a lower relative return, which excluded accrued income on the portfolio which will be corrected in the June 2011 quarter.

Fixed Income

- 4.10 **ECM** produced +1.2% against the cash benchmark. This benchmark was introduced as a temporary measure shortly before the ongoing bond manager procurement commenced, replacing the least risk benchmark. Although this has led the manager to take the duration out of the portfolio which has consequentially provided protection against an increase in interest rates, its suitability as a measure of manager performance is under question. This matter is further addressed in **paragraph 5 of Item 7, Fund Manager Matters**.
- 4.11 Between July 2005 and May 2007 NYPF invested £125m with ECM. The valuation reached a peak of £141m in December 2007, dropped to a low point of £58m in February 2009, and by the end of March 2011 stood at £116m.
- 4.12 After a successful in-specie transfer of assets into a segregated fund, further changes have been made to the portfolio. Leverage has been eliminated from a starting point of approximately 45% at the time of the transfer and to further reduce risk there have been significant reductions in high yield and bank capital. The average portfolio rating is A- (DEC/ECL BBB+).
- 4.13 **Amundi** were ahead of the benchmark by +2.3% in the quarter. This follows a run of three disappointing quarters after a number of reactive staff changes in the wake of key departures in the first half of 2010. Performance over the last 12 months was slightly below the benchmark (-0.3%).
- 4.14 These results give a combined relative performance (as reported by MAS) in global fixed income of +3.1% in the quarter.

5.0 RISK INDICATORS

- 5.1 As reported to the February 2011 PFC meeting, the MAS Performance Report (**pages 13 to 16**) includes three long-term risk indicators.
- 5.2 The Fund's annualised **Standard Deviation** for the rolling three year period to March 2011 (23%) is higher than the average over the three year period to March 2010 (21%). This shows the unprecedented level of volatility of the Fund's return over recent years which is not surprising given the recent market conditions. Before the financial markets crashed in 2008 the figure was around the 6-7% level.
- 5.3 The **Tracking Error** figure is a consolidation of the difference between each Fund Manager's actual return versus their respective benchmark. The unprecedented increase since the middle of 2008 in this measure reflects huge market volatility and the difficult financial market environment facing the Fund (and its investment managers).
- 5.4 The **Information Ratio** is a measure of manager skill and has been volatile over recent years. The figure has fallen to a negative number which reflects the level of under-performance in the three year period to March 2011 by most Managers, essentially due to a poor second half of 2008.

6.0 SOLVENCY

- 6.1 The **solvency position** is presented in **Appendices 3 and 4**. As at 31 March 2011 the estimated solvency had increased in the last quarter from 69% to 70%. The Solvency position has been updated in **Appendix 3** following the 2010 Valuation hence the large change in solvency between the December 2009 and March 2010 Quarters.
- 6.2 The assets of the Fund increased by 0.1% in the Quarter (including new money), whilst liabilities (as modelled by the Actuary), fell by 1.1% hence the 1% improvement in solvency in the Quarter, which is now at the highest level since June 2007. Yields on long-dated gilts are used as the proxy discount rate to value liabilities, hence higher yields result in lower liability values and vice versa.
- 6.3 The relative position, over time, between liabilities and assets is shown very clearly in **Appendix 4** which is a simple graph using data from **Appendix 3**. It is clear from this graph that
- (a) “liability growth” was matched by “asset growth” for the period March 2004 to March 2007 (hence the steady improvement in solvency from 59% to 67% over that period)
 - (b) from March 2007 to March 2009 “liability value” accelerated and “asset value” fell which had
 - (c) a significant and consequential impact on solvency – there is a point where the asset and deficit lines cross - this is effectively the 50% funding point (@ June / September 2008)
 - (d) during 2009/10 changes in assumptions on inflation and bond yields resulted in no overall change in the valuation of liabilities throughout the year whilst asset values improved strongly over the same period
 - (e) since April 2010 the improvement in asset values has been achieved alongside a less significant increase in liability values (as modelled by the Actuary), resulting in a welcome improvement in solvency
- 6.4 What this analysis illustrates very clearly is that the Fund has no control over “liability value” because it is effectively generated by market conditions, actuarial assumptions and political decisions. The Fund must therefore concentrate on the performance of its assets.

7.0 TRIENNIAL VALUATION – SOCIETY OF COUNTY TREASURERS SURVEY

- 7.1 The Society of County Treasurers (SCT) undertook a survey of its members in which draft 2010 Valuation results were compared to the 2007 results. Final results are not readily available but any small differences which may exist between the draft and final figures for funding positions and common contribution rates are not thought to be material. Information was sought from all 39 SCT members.

7.2 The results of the survey show

- Funding levels (**Appendix 5A**)
- Employer Contribution Rates (**Appendix 5B**)
- Tabulated survey results (**Appendix 5C**)

There is a range of funding levels with the lowest being 65% and the highest at 87% (NYPF 67%). This spread of 22% is lower than it has been for the last 2 Valuations, which both had a spread of 27% between the highest and lowest. The average funding level in 2010 was 77%, 5% lower than the 2007 Valuation which showed an average level of 82%. However, at 77% the 2010 average is 4% higher than the 2004 result of 73%.

The 2010/11 contribution rates across those surveyed ranged from 14.4% to 23.1%, with an average level of 19.3% (NYPF 18.8%). Since 2007 this average contribution rate has risen from 18.5%.

For those Funds which chose to increase contributions there were various approaches from a stepped increase to phasing across all three years. NYPF's common contribution rate fell by 0.2% to 18.6%. The average levels are

2010/11 (Prev. Valuation)	2011/12	2012/13	2013/14
19.3%	19.7%	19.9%	20.2%

7.3 The results of the survey are a useful guide to trends amongst Society members' Valuation results and unsurprisingly show a fall in the average funding level of schemes, and increasing contribution rates which most Funds chose to phase in over the three year Valuation cycle to mitigate the impact on employer budgets. Although NYPF has the second lowest funding level the employer contribution rate remains below average as a result of the decision to extend the deficit recovery period to 30 years.

8.0 REBALANCING

8.1 The latest round of rebalancing the Fund's assets took place in May 2011, based on the assets held at the end of the March quarter (**see Appendix 7**). £10m was transferred to Amundi out of cash reserves.

9.0 PROXY VOTING

9.1 Available on request is the report from PIRC summarising the proxy voting activity in the period January to March 2011. This report covers the votes cast on behalf of NYPF at all relevant company AGM's in the period and includes an analysis of voting recommendations at selected meetings and responses to company engagement.

10.0 RECOMMENDATION

10.1 Members are asked to note the investment performance of the Fund for the Quarter and 12 months ending 31 March 2011.

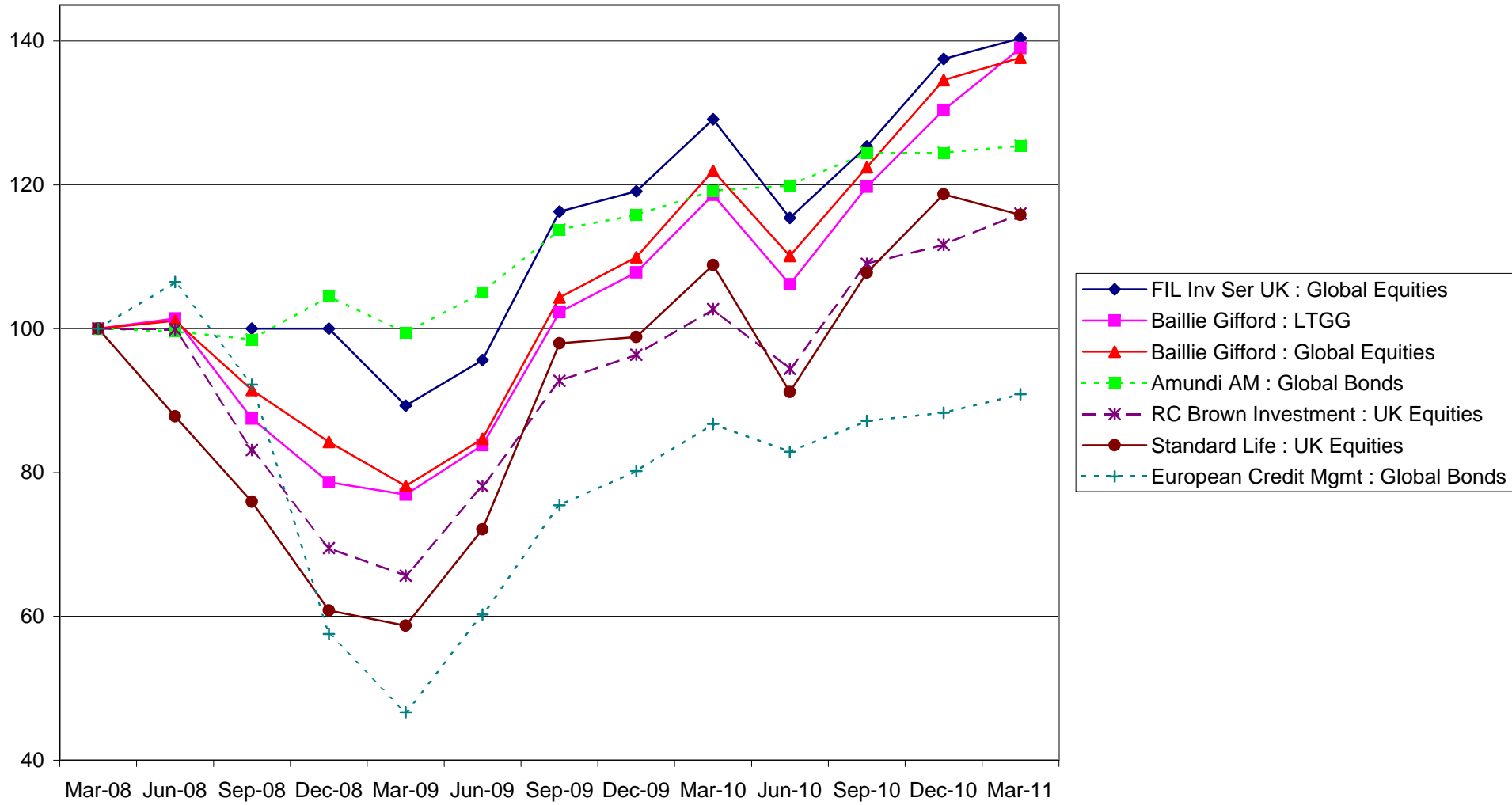
JOHN MOORE
Treasurer

Finance and Central Services
County Hall, Northallerton

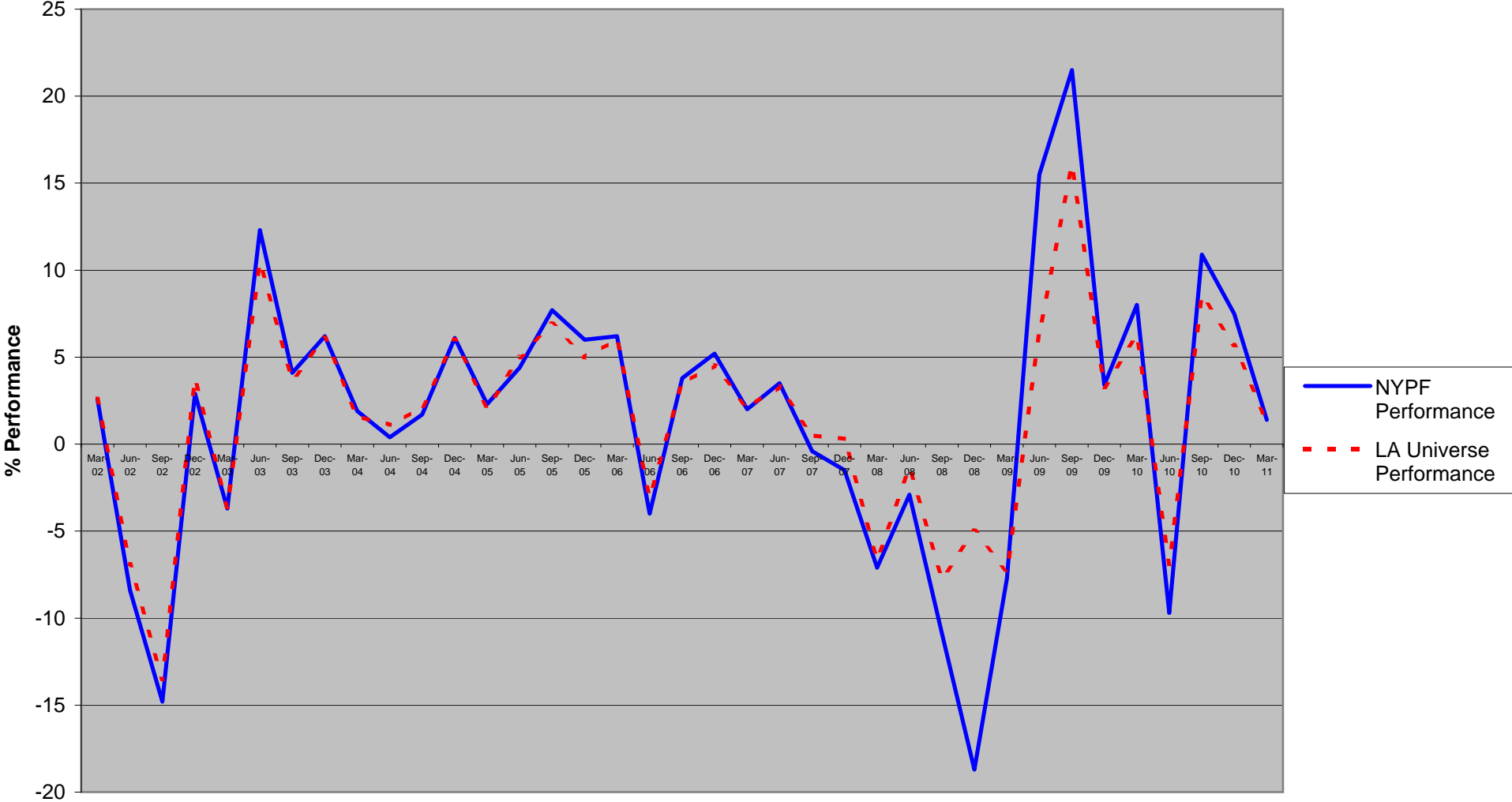
10 May 2011

Background documents: None

Investment Manager Performance - cumulative absolute performance over 3 years

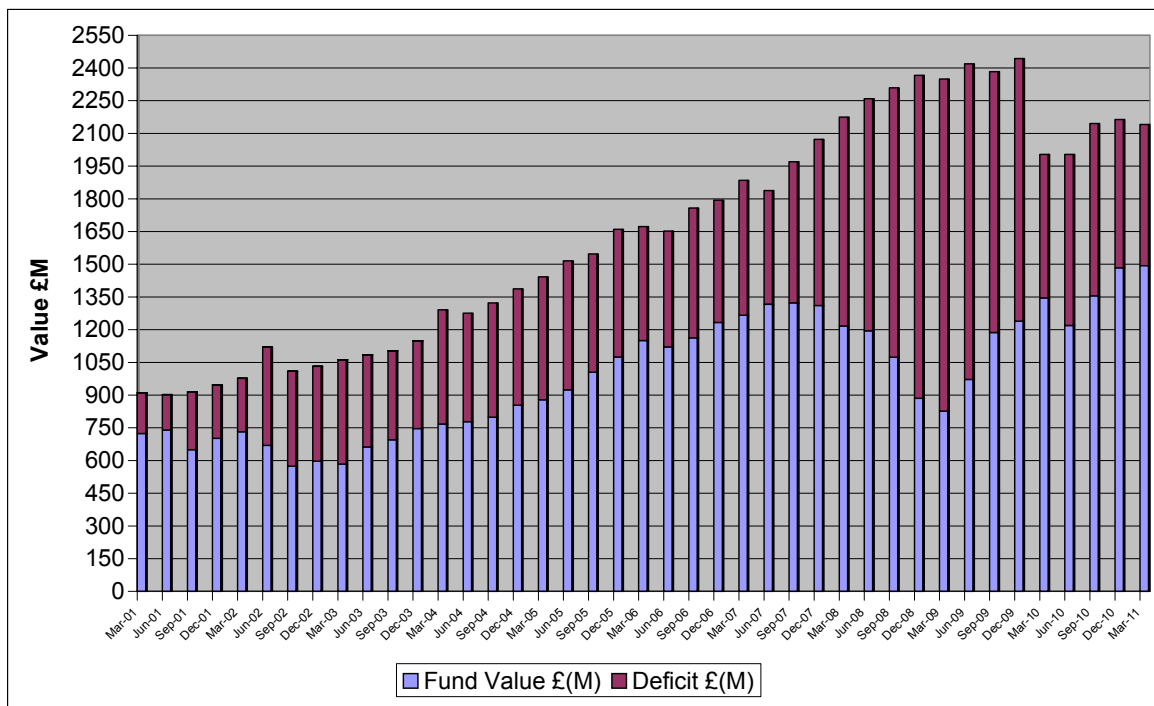


Pension Fund Performance - NYPF vs Other Local Authorities

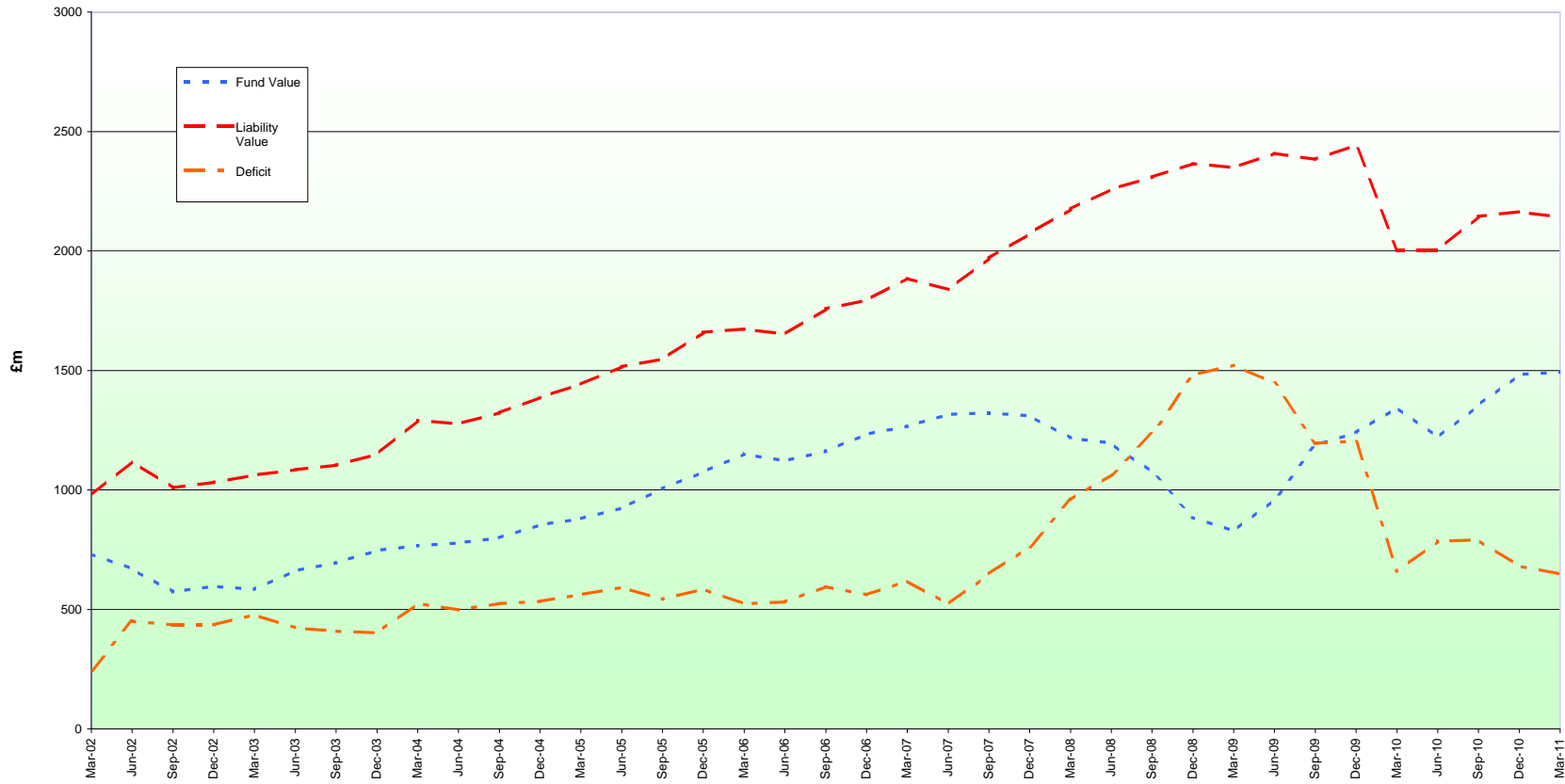


Date	Solvency	Deficit £(M)	Fund Value £(M)	FTSE 100
March 31, 2001	79%	187	724	5,634
June 30, 2001	82%	162	740	5,643
September 30, 2001	71%	265	650	4,903
December 31, 2001	74%	245	702	5,217
March 31, 2002	75%	245	732	5,272
June 30, 2002	60%	450	670	4,656
September 30, 2002	56%	435	574	3,722
December 31, 2002	58%	435	597	3,940
March 31, 2003	55%	478	584	3,613
June 30, 2003	61%	423	662	4,031
September 30, 2003	63%	408	695	4,091
December 31, 2003	65%	402	747	4,477
March 31, 2004	59%	524	767	4,386
June 30, 2004	61%	498	778	4,464
September 30, 2004	60%	524	799	4,571
December 31, 2004	62%	533	854	4,814
March 31, 2005	61%	563	879	4,894
June 30, 2005	61%	592	924	5,113
September 30, 2005	65%	542	1005	5,478
December 31, 2005	65%	585	1075	5,619
March 31, 2006	69%	523	1150	5,965
June 30, 2006	68%	531	1121	5,833
September 30, 2006	66%	595	1163	5,961
December 31, 2006	69%	561	1233	6,221
March 31, 2007	67%	619	1266	6,308
June 30, 2007	72%	522	1316	6,608
September 30, 2007	67%	648	1322	6,467
December 31, 2007	63%	763	1310	6,457
March 31, 2008	56%	958	1217	5,702
June 30, 2008	53%	1064	1195	5,625
September 30, 2008	47%	1235	1074	4,902
December 31, 2008	37%	1481	885	4,434
March 31, 2009	35%	1522	827	3,926
June 30, 2009	40%	1447	972	4,249
September 30, 2009	50%	1196	1187	5,134
December 31, 2009	51%	1204	1239	5,413
March 31, 2010	67%	659	1345	5,680
June 30, 2010	61%	785	1219	4,917
September 30, 2010	63%	791	1354	5,549
December 31, 2010	69%	681	1483	5,900
March 31, 2011	70%	648	1493	5,909

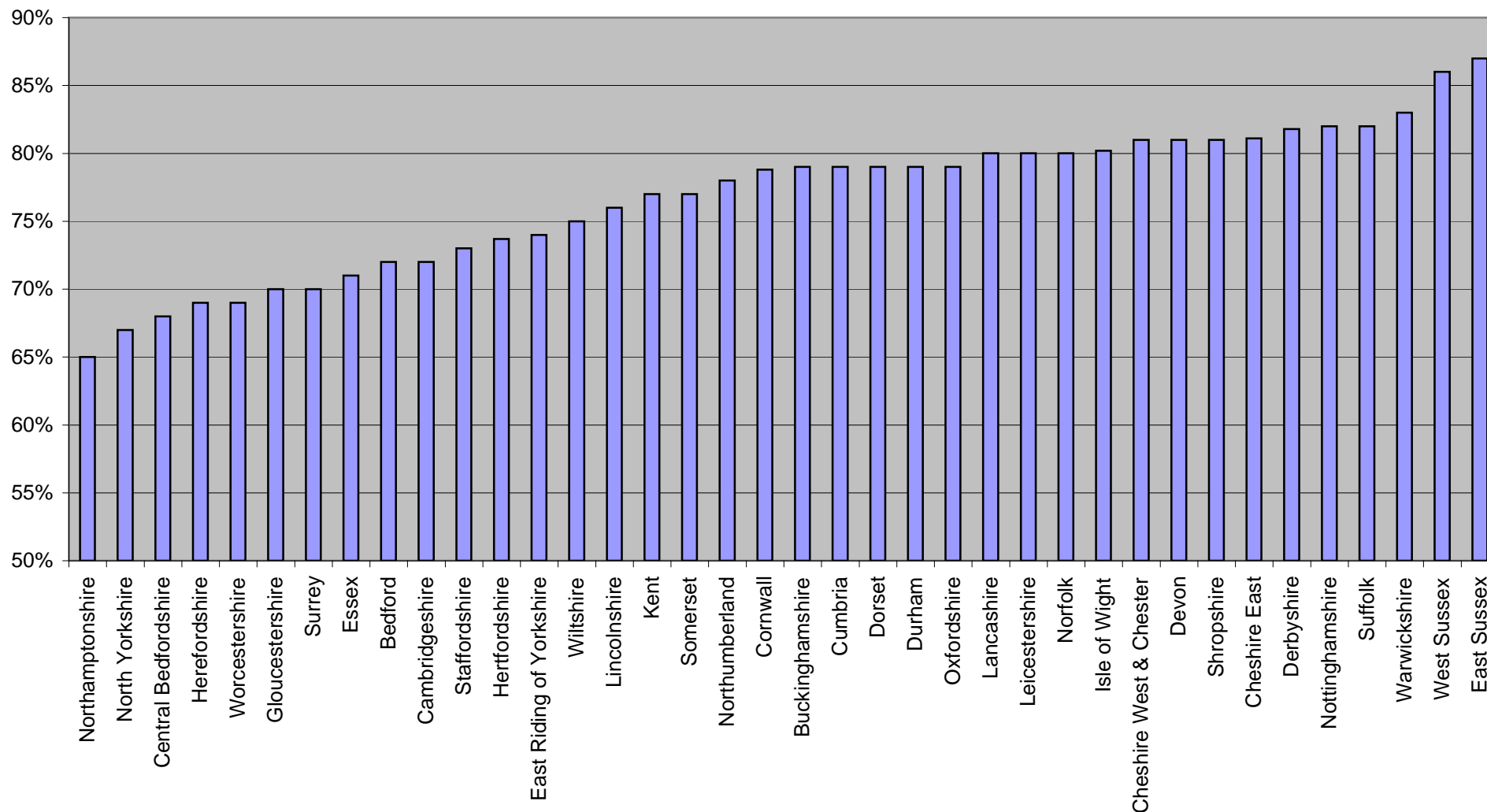
Triennial valuation results highlighted in grey



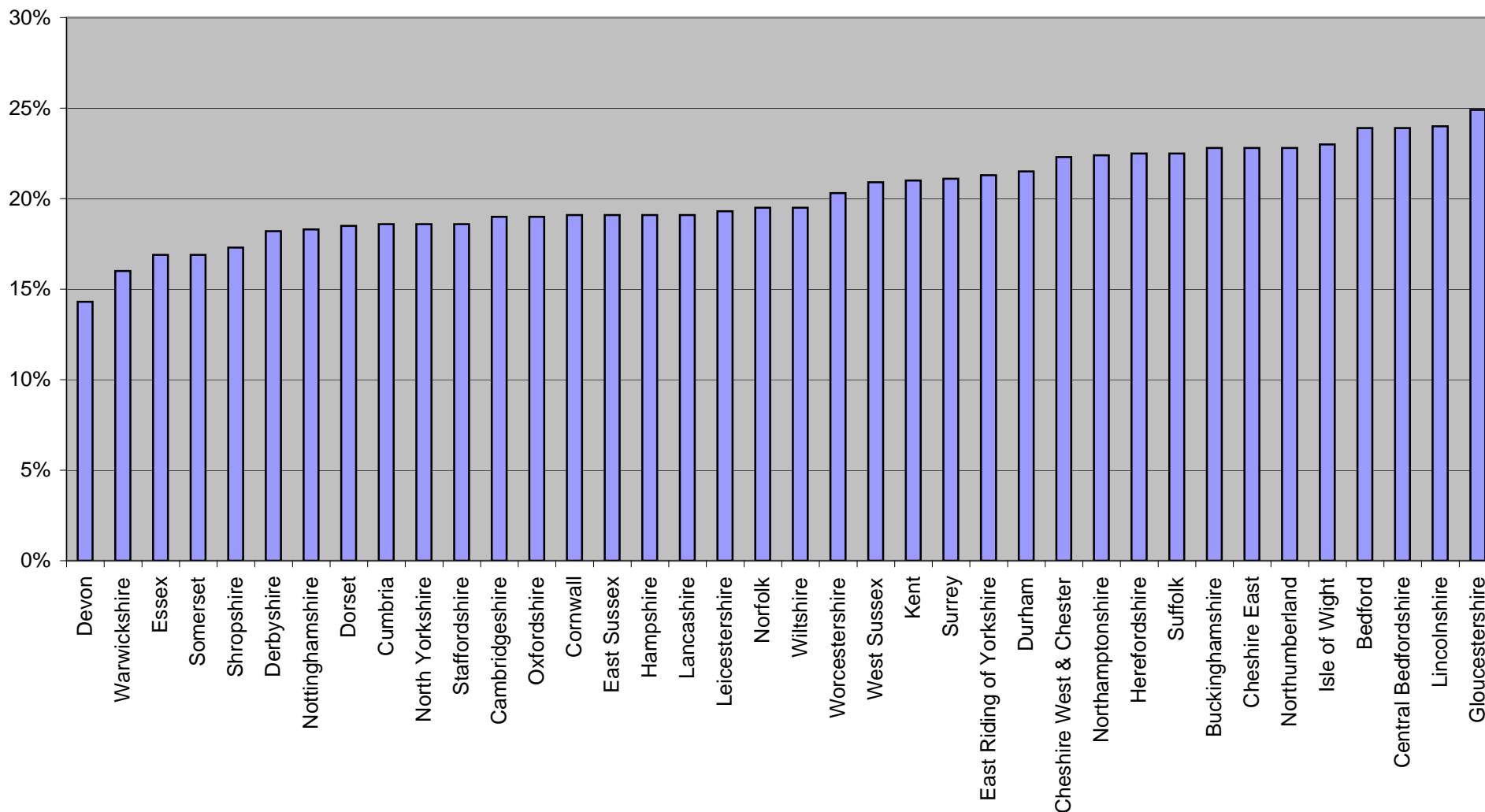
North Yorkshire Pension Fund Funding, Liabilities and Solvency



SCT Survey - Funding Levels



SCT Survey - Contribution Rates



Member Authorities	Response Received?	1a. When did your last pensions revaluation take place?	1b. When will your next pensions revaluation take place?	2. What is your revised funding position?	3. What is your current 2010/11 employer contribution?	4. What are your projected medium-term employer pension contributions?							5. Who is your actuary?	
	Y/N	(dd/mm/yyyy)	(dd/mm/yyyy)	%	%	2011/12							Actuary	
						Absolute Year on Year Change	2012/13	Absolute Year on Year Change	2013/14	Absolute Year on Year Change	Absolute Overall Change (10/11-13/14)			
Bedford	Y	31 March 2007	31 March 2013	72.0%	21.9%	21.9%	0.0%	21.9%	0.0%	23.9%	2.0%	2.0%	Hymans Robertson	
Central Bedfordshire	Y	31 March 2010	31 March 2011	68.0%	21.9%	21.9%	0.0%	21.9%	0.0%	23.9%	2.0%	2.0%	Hymans Robertson	
Buckinghamshire	Y	31 March 2010	31 March 2013	79.0%	22.8%	22.8%	0.0%	22.8%	0.0%	22.8%	0.0%	0.0%	Barnett Waddingham	
Cambridgeshire	Y	32 March 2010	21 March 2013	72.0%	19.0%	19.0%	0.0%	19.0%	0.0%	19.0%	0.0%	0.0%	Hymans Robertson	
Cheshire East	N	31 March 2010	31 March 2013	81.1%	19.5%	22.8%	3.3%	22.8%	0.0%	22.8%	0.0%	3.3%	Hymans Robertson	
Cheshire West & Chester	Y	31 March 2010	31 March 2013	81.0%	21.3%	21.3%	0.0%	21.8%	0.5%	22.3%	0.5%	1.0%	Hymans Robertson	
Cornwall	Y	31 March 2010	31 March 2013	78.8%	19.1%	19.1%	0.0%	19.1%	0.0%	19.1%	0.0%	0.0%	Hymans	
Cumbria	Y	31 March 2010	31 March 2013	79.0%	18.6%	18.6%	0.0%	18.6%	0.0%	18.6%	0.0%	0.0%	Mercer	
Derbyshire	Y	01 April 2008	01 April 2011	81.8%	18.2%	18.2%	0.0%	18.2%	0.0%	18.2%	0.0%	0.0%	Mercer	
Devon	N	31 March 2010	31 March 2013	81.0%	15.0%	14.3%	-0.7%	14.3%	0.0%	14.3%	0.0%	-0.7%	Barnett Waddingham	
Dorset	Y	31 March 2010	31 March 2013	79.0%	18.1%	18.5%	0.4%	18.5%	0.0%	18.5%	0.0%	0.4%	Barnett Waddingham	
Durham	Y	31 March 2010	31 March 2013	79.0%	21.5%	21.5%	0.0%	21.5%	0.0%	21.5%	0.0%	0.0%	Aon Hewitt	
East Riding of Yorkshire	Y	31 March 2007	31 March 2010	74.0%	21.3%	21.3%	0.0%	21.3%	0.0%	21.3%	0.0%	0.0%	Hymans Robertson	
East Sussex	Y	31 March 2010	31 March 2013	87.0%	18.1%	18.4%	0.3%	18.7%	0.3%	19.1%	0.4%	1.0%	Hymans Robertson	
Essex	Y	31 March 2010	31 March 2013	71.0%	16.9%	16.9%	0.0%	16.9%	0.0%	16.9%	0.0%	0.0%	Mercer	
Gloucestershire	Y	31 March 2010	31 March 2013	70.0%	21.9%	22.9%	1.0%	23.9%	1.0%	24.9%	1.0%	3.0%	Hymans Robertson	
Hampshire	Y	31 March 2010	31 March 2013	70.0%	19.1%	19.1%	0.0%	19.1%	0.0%	19.1%	0.0%	0.0%	Aon Hewitt	
Herefordshire	N	31 March 2010	31 March 2013	69.0%	20.4%	21.1%	0.7%	21.8%	0.7%	22.5%	0.7%	2.1%	Mercer	
Hertfordshire	Y	31 March 2007	31 March 2010	73.7%	20.6%	20.6%	0.0%	20.6%	0.0%	20.6%	0.0%	0.0%	Hymans Robertson	
Isle of Wight	Y	31 March 2007	31 March 2010	80.2%	22.0%	23.0%	1.0%	23.0%	0.0%	23.0%	0.0%	1.0%	Hymans Robertson	
Kent	Y	31 March 2010	31 March 2013	77.0%	23.1%	21.0%	-2.1%	21.0%	0.0%	21.0%	0.0%	-2.1%	Barnett Waddingham	
Lancashire	Y	31 March 2008	31 March 2011	80.0%	17.8%	18.3%	0.5%	18.7%	0.4%	19.1%	0.4%	1.3%	Mercer	
Leicestershire	Y	31 March 2007	31 March 2013	80.0%	17.2%	17.9%	0.7%	18.6%	0.7%	19.3%	0.7%	2.1%	Hymans Robertson	
Lincolnshire	Y	31 March 2010	31 March 2013	76.0%	19.0%	24.0%	5.0%	24.0%	0.0%	24.0%	0.0%	5.0%	Hymans Robertson	
Norfolk	Y	31 March 2007	31 March 2010	80.0%	18.0%	18.5%	0.5%	19.0%	0.5%	19.5%	0.5%	1.5%	Hymans Robertson	
North Yorkshire	Y	31 March 2010	31 March 2013	67.0%	18.8%	18.6%	-0.2%	18.6%	0.0%	18.6%	0.0%	-0.2%	Mercer	
Northamptonshire	Y	31 March 2007	31 March 2010	65.0%	19.4%	19.9%	0.5%	20.9%	1.0%	22.4%	1.5%	3.0%	Hymans	
Northumberland	N	31 March 2010	31 March 2013	78.0%	21.8%	22.8%	1.0%	22.8%	0.0%	22.8%	0.0%	1.0%	Aon Hewitt	
Nottinghamshire	Y	31 March 2010	31 March 2013	82.0%	17.4%	18.3%	0.9%	18.3%	0.0%	18.3%	0.0%	0.9%	Barnett Waddingham	
Oxfordshire	Y	31 March 2007	31 March 2010	79.0%	19.9%	19.0%	-0.9%	19.0%	0.0%	19.0%	0.0%	-0.9%	Barnett Waddingham	
Shropshire	Y	31 March 2010	31 March 2013	81.0%	16.7%	17.3%	0.6%	17.3%	0.0%	17.3%	0.0%	0.6%	Mercer	
Somerset	Y	31 March 2010	31 March 2013	77.0%	15.1%	15.7%	0.6%	16.3%	0.6%	16.9%	0.6%	1.8%	Barnett Waddingham	
Staffordshire	Y	31 March 2007	31 March 2013	73.0%	17.1%	17.6%	0.5%	18.1%	0.5%	18.6%	0.5%	1.5%	Hymans Robertson	
Suffolk	Y	31 March 2010	31 March 2013	82.0%	22.5%	22.5%	0.0%	22.5%	0.0%	22.5%	0.0%	0.0%	Hymans Robertson	
Surrey	Y	31 March 2010	31 March 2013	70.0%	21.1%	21.1%	0.0%	21.1%	0.0%	21.1%	0.0%	0.0%	Hymans	
Warwickshire	Y	31 March 2010	31 March 2013	83.0%	14.4%	14.9%	0.5%	15.5%	0.6%	16.0%	0.5%	1.6%	Mercer	
West Sussex	Y	31 March 2010	31 March 2013	86.0%	18.5%	20.9%	2.4%	20.9%	0.0%	20.9%	0.0%	2.4%	Hymans Robertson	
Wiltshire	Y	31 March 2010	31 March 2013	75.0%	19.5%	19.5%	0.0%	19.5%	0.0%	19.5%	0.0%	0.0%	Hymans Robertson	
Worcestershire	Y	31 March 2010	31 March 2013	69.0%	18.5%	19.1%	0.6%	19.7%	0.6%	20.3%	0.6%	1.8%	Mercer	
	35			AVERAGE	76.8%	19.3%	19.7%	0.5%	19.9%	0.2%	20.2%	0.3%	1.0%	AVERAGE
				MINIMUM	65.0%	14.4%	14.3%	-2.1%	14.3%	0.0%	14.3%	0.0%	-2.1%	MINIMUM
				MAXIMUM	87.0%	23.1%	24.0%	5.0%	24.0%	1.0%	24.9%	2.0%	5.0%	MAXIMUM

REBALANCING OF NYPF ASSETS AS AT 31 MARCH 2011

Asset Class	Minimum Allocation to Non-Equities	Maximum Allocation to Non-Equities
Equity + Cash	80%	60%
Bonds	15%	30%
Alternatives (ex property)	5%	10%
Property	0%	0%
Total	100%	100%

Current Allocation as at March 2011	Allocation After Rebalancing
77.5%	76.9%
14.7%	15.4%
7.8%	7.8%
0	0
100%	100%

	31-Mar-11		Min		Max		Under	Over					
	Value £m	actual %	%	£m	%	£m							
Global Equity Managers													
Baillie Gifford Global Alpha	251.13	16.8%	12.0%	179.23	16.0%	238.97	0.00	-12.16	0.00	251.13	16.8%		
Baillie Gifford Global Growth	163.51	10.9%	7.8%	116.50	10.4%	155.33	0.00	-8.18	0.00	163.51	10.9%		
(a)	414.64	27.8%	19.8%	295.72	26.4%	394.30	0.00	-20.34	0.00	414.64	27.8%		
Global (ex UK) Equity Managers													
Fidelity	365.88	24.5%								365.88			
(b)	365.88	24.5%	19.8%	295.72	26.4%	394.30	0.00	0.00	0.00	365.88	24.5%		
UK Equity Managers													
Standard Life	367.41	24.6%	20.4%	304.68	27.0%	403.26	0.00	0.00		367.41	24.6%		
Yorkshire Forward	1.34	0.1%	0.0%	0.00	0.2%	2.99	0.00	0.00		1.34	0.1%		
(c)	368.74	24.7%	20.4%	304.68	27.2%	406.25	0.00	0.00	0.00	368.74	24.7%		
Equity sub-total	(a+b+c)=(d)	1149.26	76.9%	60.0%	896.13	80.0%	1194.84	0.00	0.00	0.00	1149.26	76.9%	
Amundi	219.34	14.7%							10.00	229.34			
Fixed Income sub-total	(e)	219.34	14.7%	15.0%	224.03	30.0%	448.07	4.69	0.00	10.00	229.34	15.4%	
ECM	115.96	7.8%								115.96			
Alternatives sub-total	(f)	115.96	7.8%	5%	74.68	10%	149.36	0.00	0.00	0.00	115.96	7.8%	
Cash													
Internal Cash (Barclays a/c)	10.05								-10.00	0.05			
Currency Hedge Cash	-1.07									-1.07			
Cash sub-total	(g)	8.98	0.6%	0.0%	0.00	0.0%	0.00	0.00	-8.98	-10.00	-1.02	-0.1%	
(d+e+f+g)=(h)		1493.55	100.0%									100.0%	
RC Brown	(i)	2.31											
Total Assets	(h+i)=(j)	1495.86											
Mellon Analytical Services Report Total		1492.86	Note 1										

Note 1 - Internal Cash includes £3m net cash inflow in April available for rebalancing in May.

Note 2 - Asset allocation ranges were agreed by the Committee at the November 2010 PFC meeting. Upon appointment of a Property Manager, the equity allocation will be proportionally reduced.