

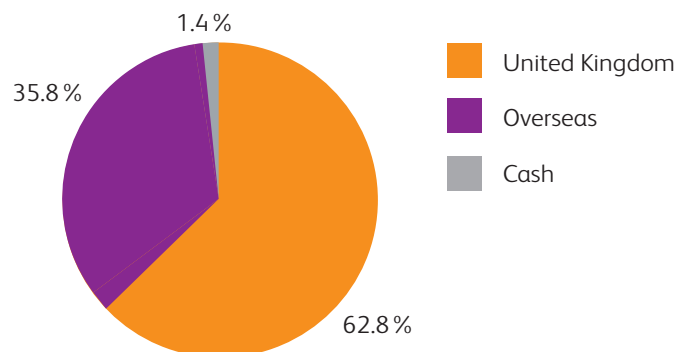
## Investment Portfolio by Asset Class

Analysis of investments at 31 March 2011:

Bonds	£m	%
United Kingdom	126.9	11.4
Overseas	53.9	4.9

### Equities

United Kingdom	412.4	37.1
USA	101.1	9.1
Continental Europe	115.8	10.4
Japan	37.4	3.4
Asia/Emerging Markets	88.9	8.0
Property Unit Trust	45.9	4.1
Private Equity	73.6	6.6
Currency	40.2	3.6
Cash	15.1	1.4
Total	1111.2	100.0



## Top Ten Investments

Variation in annual investment returns is controlled by diversifying investments. For example, the Fund has shares in about 300 individual UK and overseas companies. It also invests in seven managed equity funds which in turn invest in a wide spread of individual companies or other assets. These are administratively more efficient and allow the Fund to react more quickly to market changes. The Fund's ten largest direct investments at 31 March 2011 were in the following:

	Company		Value £m	% of the Fund
1.	Royal Dutch Shell	UK	5.6	0.7%
2.	Vodafone	UK	4.8	0.6%
3.	BP	UK	4.5	0.6%
4.	Glaxosmithkline	UK	4.4	0.5%
5.	HSBC	UK	3.0	0.4%
6.	BHP Billiton	Australia	2.7	0.3%
7.	Unilever	UK	2.4	0.3%
8.	Astrazenica	UK	2.3	0.3%
9.	Samsung	Korea	2.1	0.3%
10.	BAE Systems	UK	2.1	0.3%

## Further Information

The current Statement of Investment Principles is available via the Council's website. The report also includes an explanation of the statement and a summary/commentary on any changes made to it since the previous edition together with details of costs and asset allocation and individual portfolio performance.

Telephone enquiries should be made to:

### Fund Investments

Richard Bettley, Pensions Manager - 029 2087 2975

### Pension and Benefits

Gerry Kiddie, Pension Officer - 029 2087 2330

# The Cardiff and Vale of Glamorgan Pension Fund

## Summary Annual Report & Accounts

2010 - 2011



A Proud Capital



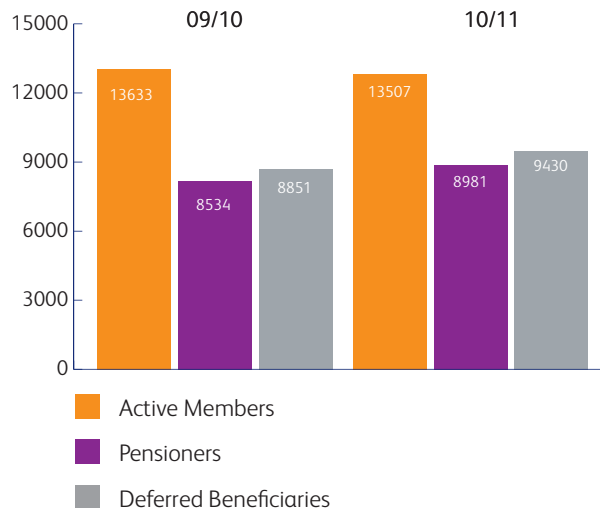
## Introduction

Cardiff Council is the administering authority for the Cardiff and Vale of Glamorgan Pension Fund which is part of the national Local Government Pension Scheme (LGPS). The LGPS is open to all employees of local authorities, except teachers. Membership of the Fund has also been extended to a total of 41 employers who perform public duties.

## Executive Summary

The total value of the Fund as at 31st March was £1.123 billion, which is an historic high for the Fund, with a return on investments of 7.7%.

Although the number of active members has fallen slightly, the total membership has increased due to an increase in pensioners and deferred pensioners. The average annual pension payment is £4,600.



Lord Hutton's Independent Commission on Public Service Pensions was published in March 2011. It proposed significant changes to the LGPS and a further consultation will now take place on how to implement the changes. Members will be informed of any changes when details are available.

## Income and Expenditure Year to 31st March 2011

The Fund at 31st March 2011 was valued at £1.123bn, with investments accounting for £1.111bn. Details of the main income and expenditure of the fund are shown below. Surplus income is re-invested to pay future pension benefits.

Income	£m
Contributions	
Employees	15.9
Employers	53.1
Transfer Value Income	4.2
Investment and other Income	17.8
<b>Total Income</b>	<b>91.0</b>

Expenditure	£m
Benefits	63.5
Expenses	4.4
<b>Total Expenditure</b>	<b>67.9</b>
<b>Surplus</b>	<b>23.1</b>

Both employees and employers contribute to the Fund. Employers have to pay rates which the Fund's actuary considers necessary to ensure future benefits can be paid. Employer Contribution rates are assessed every three years, with new rates effective from the following April. The 2010 actuarial valuation was completed during the year with new rates effective from 1st April 2011. The funding level remained at 71%. Like most other local authority pension funds, the fund is at present under funded.

## Investing the Fund

Responsibility for the fund has been delegated by the Council to Christine Salter, Chief Corporate Services and Section 151 Officer. She is advised on investment matters by the Investment Advisory panel. Working to the principle that the Fund's assets and income aim to enhance and preserve current and future liabilities, the panel considers which investment categories to invest in. Management of the underlying assets is delegated to individual external investment managers. These managers continuously monitor, review and revise the investments to obtain the best returns within an acceptable level of risk.

## Investment Performance

During 2010/11 the fund's performance of 7.7% was in line with the Fund's benchmark. Performance over 5 years is marginally above the benchmark and over 10 years is slightly below.

