Agenda Item:

10

Pension Fund Committee

Dorset County Council

Date of Meeting	26 November 2015
Officer	Pension Fund Administrator
Subject of Report	**Fund Administrator's Report**
Executive Summary	The purpose of this report is to update the Committee on the allocation of the assets and overall performance of the Fund as at the end of the second quarter of the 2015/16 Financial Year to 30 September 2015. The report also provides a commentary on the performance of the fund managers who are not considered elsewhere on the agenda and to address other topical issues for the Fund that do not require a separate report. The Independent Adviser's report is contained at Appendix 2, and will be presented separately at the meeting. The report shows that overall the Fund returned -3.88% over the six months to 30 September, outperforming its benchmark which returned -4.59%. Return seeking assets returned -4.13%, whilst the liability matching assets returned 2.01%. For the same period the WM Local Authority average returned -5.9%.
Impact Assessment:	Equalities Impact Assessment: N/A
	Use of Evidence: N/A
	Budget: N/A

	Risk Assessment: The Fund assesses the risks of its investments in detail, and considers them as part of the strategic allocation. In addition, risk analysis is provided alongside the quarterly performance monitoring when assessing and reviewing fund manager performance.
	Other Implications: None
Recommendation	That the Committee : i) Review and comment upon the activity and overall performance of the Fund. ii) Note the progress made in moving to the new global equity management arrangements. iii) Note the comments on future private equity allocations iv) Make no additional changes to asset allocation at this time.
Reason for Recommendation	To ensure that the Fund has the appropriate management arrangements in place and are being monitored, and to keep the asset allocation in line with the strategic benchmark.
Appendices	Appendix 1: New Money Forecast Appendix 2: Report of the Independent Adviser Appendix 3: HSBC Manager Performance for the six months to 30 September 2015
Background Papers	HSBC Performance Statistics
Report Originator and Contact	Name: Nick Buckland Tel: 01305 224763 Email: n.j.buckland@dorsetcc.gov.uk

1. Background

1.1 The Dorset County Pension Fund currently receives more money in contributions and investment income than it pays out as pensions and retirement grants. It is anticipated that there will be a surplus of income over expenditure from these cash flows of approximately £20M in the 2015-16 financial year. The anticipated cash flows for 2015/16 along with the historic trends are illustrated in Appendix 1.

1.2 These "new money" levels are reviewed throughout the year, and Members are alerted if there is any significant variance from what is expected.

2. Cash flow

2.1 The table below summarises the main cash flows for the Fund for the six months under review.

	£M	£M
Cash at 1 April 2015		**33.1**
Less:		
UK Equity purchases (net)	1.3	
Infrastructure drawdowns (net)	3.3	
		4.6
Plus:		
Hedge Fund redemptions	4.9	
Private Equity distributions (net)	1.3	
Currency Hedge Gain	7.9	
Increase in Cash	7.6	
		21.7
Cash at 30 September 2015		**50.2**

2.2 The cash flow above shows the most significant transactions that have taken place for the six months to the end of September 2015.

3. Fund Portfolio Distribution

3.1 The table below shows the position as at 30 September 2015. The target allocation shown is the temporary strategy as agreed at the September 2014 meeting of the Committee, due to the then concerns over the Barings mandate, and subsequent postponement of the search for an additional Diversified Growth Fund manager.

		31-Mar-15		30-Sep-15		Target Allocation	
Asset Class	**Manager**	**£M**	**%**	**£M**	**%**	**£M**	**%**
Bonds	(Several)	562.6	24.2%	547.1	24.6%	544.1	24.5%
UK Equities	(Several)	623.5	26.8%	576.7	26.0%	610.8	27.5%
Overseas Equities	(Several)	628.8	27.0%	567.0	25.5%	555.2	25.0%
Property	(CBREi)	228.8	9.8%	239.8	10.8%	222.1	10.0%
Absolute Return Funds	(Several)	8.3	0.4%	2.4	0.1%	-	0.0%
Infrastructure	(Several)	26.8	1.2%	30.3	1.4%	88.8	4.0%
Private Equity	(Several)	59.2	2.5%	63.9	2.9%	88.8	4.0%
Diversified Growth	(Barings)	111.6	4.8%	104.6	4.7%	111.0	5.0%
Cash	(Internal)	75.5	3.2%	89.2	4.0%	-	0.0%
Total		**2,325.0**	**100.0%**	**2,221.0**	**100.0%**	**2,221.0**	**100.0%**

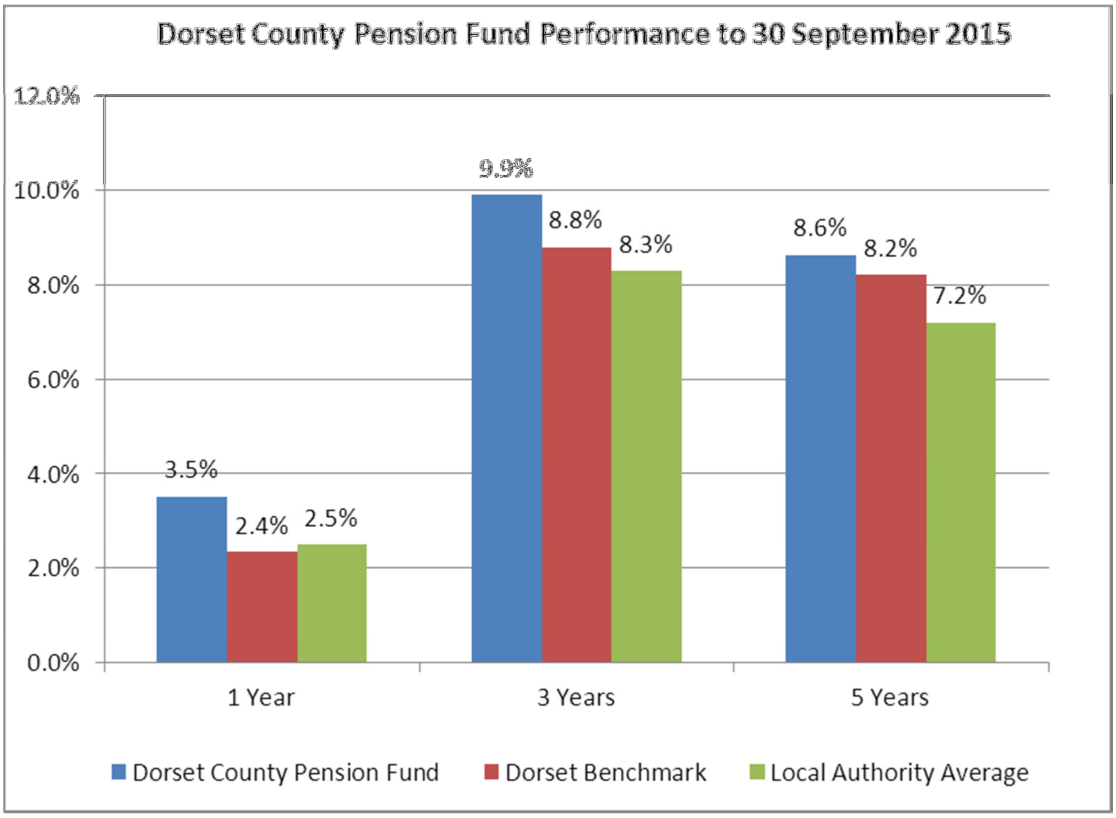
3.2 The table above shows that in most asset classes the Fund’s allocation is now close to or slightly above target, with the exception of Private Equity and Infrastructure which will take a number of months to fully drawdown. It should also be noted that the cash balance shown includes around £39 Million held by Pictet Asset Management.

4. Overall Fund Performance

4.1 The performance of the Fund for the six months to 30 September 2015 shows an overall return of -3.88%, an outperformance of the benchmark of -4.59% by 0.71%. Over the 12 month period to 30 September 2015 the fund has returned 3.52% against the benchmark of 2.35%, an outperformance of 1.17%

4.2 The Fund has exceeded its benchmark over 3 years, returning an annualised 9.88% against the benchmark of 8.81%, and over 5 years, returning an annualised 8.63% against the benchmark of 8.22%.

4.3 The chart below shows the overall performance for 1, 3 and 5 years against the Fund’s bespoke benchmark, and the Local Authority average performance.



4.4 When considering the overall performance it is important to note the split between the “Return Seeking assets” and the “Liability Matching assets”. Since the implementation of the strategic review in 2012, the Fund has held a proportion of the assets in an Inflation Hedging Strategy, managed by Insight. These assets are not held to add growth, but to match the movements in the Fund’s liabilities. It is therefore important to consider that in normal circumstances, the benchmark movement of these assets is a proxy for the Fund’s liabilities.

4.5 For the six months to 30 September 2015, Return Seeking assets have returned -4.13% against the benchmark of -4.99%. The Liability Matching assets have returned -2.01% against the benchmark of -2.01%. This strategy is intended to hedge against the impact of increasing pensions liabilities which are linked to, amongst other things; the consumer prices index (CPI). CPI cannot currently be hedged as there is not a sufficiently developed futures market, so the Dorset strategy targets the retail prices index (RPI) swaps market to act as a proxy for CPI which tends to be lower than RPI. The table below shows the overall performance of the Fund, but makes the distinction between the return seeking assets and the liability matching assets.

		6 Months to 30 September 2015		
Asset Category	Manager	Dorset %	Benchmark %	Over/(Under) %
Overall Fund Performance	**All**	**-3.88**	**-4.59**	**0.71**
Total Return Seeking Assets	**Various**	**-4.13**	**-4.99**	**0.86**
UK Equities	(Various)	-6.13	-6.77	0.64
Overseas Equities	(Various)	-10.14	-10.68	0.54
Bonds	(RLAM)	-3.46	-4.00	0.54
Property	(CBREi)	7.26	6.84	0.42
Private Equity	(Various)	10.78	-7.19	17.97
Diversified Growth	(Barings)	-6.32	2.28	-8.6
Infrastructure	(Various)	6.81	4.88	1.93
Total Liability Matching Assets		**5.35**	**5.35**	**0.00**
Bonds	(Insight)	-2.01	-2.01	0.00

4.6 It is pleasing to note that in relative terms each asset class has outperformed its own benchmark over the six month period with the only exception being Diversified Growth. It is a positive sign that, despite the negative absolute returns in a number of asset classes, the Dorset fund managers have been successful in "riding the storm". Whilst the Diversified Growth Fund manager has suffered, it is to be expected in an asset class that is benchmarked against cash, in times of falling global markets.

4.7 In considering the performance of the Fund as a whole, there are two main areas that explain where the performance is being generated. These are the asset allocation (market contribution) of the Fund and within those allocations the stock selection (selection contribution) choices that have been made. The stock selection element is a measure of the fund managers' ability to outperform their benchmark. The asset allocation is the effect of decisions to change the weighting of the different asset classes within the Fund.

4.8 The HSBC performance report, contained at Appendix 3, gives an attribution analysis of the performance for the year to date on pages 5 and 6. This analysis shows that the market contribution had a positive effect of 35bps against the benchmark and stock selection was positive by 18bps. Return seeking assets had an overall positive contribution of 78bps mainly driven by UK equities (19bps) and private equity (50bps).

5. Manager Progress

Diversified Growth

5.1 The Diversified Growth allocation was mandated to Barings on 30 March 2012. Diversified Growth Funds are designed to give fund managers total discretion over how and where they invest which means that the portfolio holds a wide range of investments against a diverse range of asset classes. The Barings fund seeks to achieve out performance against a cash benchmark by focussing on asset allocation decisions. This fund targets equity like returns with about 70% of the equity risk.

5.2 The performance for Barings for the six months and twelve months to 30 September 2015 is summarised below.

Market Value at 1 April 2015	Market Value at 30 Sept 2015	6 months to 30 Sept 2015		12 months to 30 Sept 2015	
£000s	£000s	Performance %	Benchmark %	Performance %	Benchmark %
111,640	104,584	-6.32	2.28	-0.11	4.59

5.3 Over the six months the Fund delivered a 6.32% negative return, against the benchmark of 2.28%. The fund manager comments that the fund is focused on "domestically orientated" stocks in developed markets and away from emerging markets and the impact of the Chinese slowdown, and that performance was hurt by exposure to such equities where the manager believes fears are being overplayed and where the market should deliver healthy returns from now on. The performance, whilst poor against benchmark, needs to be seen in light of falling equity markets over the period.

Active US Equity

5.4 The performance of Janus Intech is summarised below.

	Market Value		Performance	Benchmark
	01-Apr-15	30-Sep-15	%	%
USD $000s	215,614	204,013	-5.38	-6.18
GBP £000s	145,244	134,680	-7.27	-8.05

5.5 The Janus Intech fund actively manages US equity stocks using disciplined mathematical processes to outperform the benchmark at the same level of risk. Over the last six months the fund made a negative return of 7.27%, against the benchmark of -8.05%. Over the last 12 months the fund made a positive return of 10.85%, against the benchmark of 6.37%. Over the past three years, the fund has returned an annualised 16.53% against the benchmark return of 14.84%. Over five years the fund has returned 15.44% per annum against the benchmark of 14.24%.

Global Equities

5.6 The performance of Pictet Asset Management is summarised below.

Value at 1 April 2015	Market Value at 30 Sept 2015	6 months to 30 Sept 2015		12 months to 30 Sept 2015	
(£000's)	(£000's)	Performance %	Benchmark %	Performance %	Benchmark %
454,704	412,510	-8.54	-10.05	4.05	2.38

5.7 The return of 4.05% for the 12 months to 30 September 2015 was above the benchmark of 2.38% by 1.67%. The fund manager comments that cash holdings have been the largest contributor to excess gains during the last two quarters and their opinion is that no market will deliver positive returns in the coming quarters so it is a question of judging the potential magnitude of market falls.

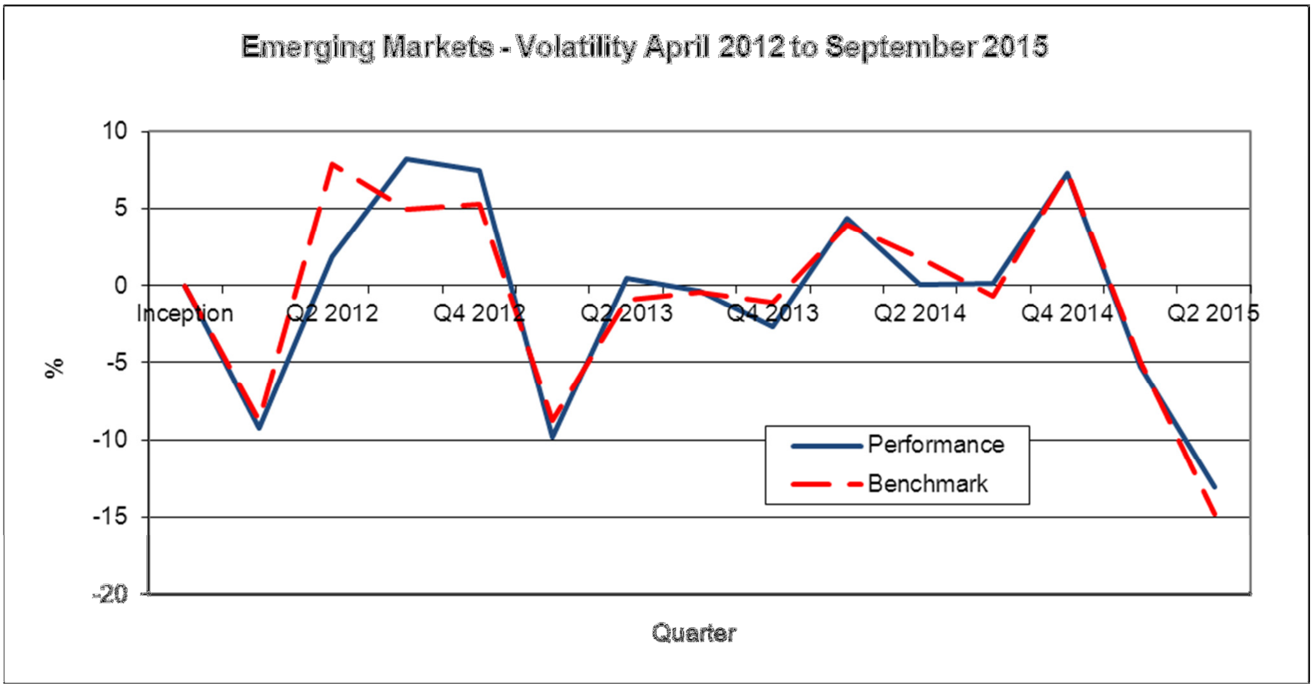
Emerging Market Equity

5.8 The performance of JP Morgan is summarised below.

Value at 1 April 2015	Market Value at 30 Sept 2015	6 months to 30 Sept 2015		12 months to 30 Sept 2015	
(£000's)	(£000's)	Performance %	Benchmark %	Performance %	Benchmark %
71,205	58,693	-17.57	-18.98	-11.50	-13.61

5.9 The return of -11.50% for the 12 months to 30 September 2015 was above the benchmark of -13.61% by 2.11%. The fund manager comments that emerging markets witnessed the worst quarterly performance for the asset class since 2001, sparked by an intensification of worries about the Chinese economy and the possible spillover into other emerging and developed markets.

5.10 Emerging market equities are seen as the asset class which will offer the most growth over the medium term, albeit with high levels of volatility. The chart below shows the differences in quarterly performance since inception and highlights the volatility of the performance to date alongside the benchmark.



Private Equity

5.11 The Fund has committed to investing with Harbour Vest and Standard Life in their Private Equity Fund of Funds. Private Equity is an area that takes several years for commitments to be fully invested, and the table below shows the position as at 30 September 2015.

5.12 The table shows the commitment Dorset has made to each fund in Euros and US Dollars, the draw-downs that have taken place to date and the percentage of the total drawdown against Dorset's commitment. It also shows the funds that have been returned to the Dorset Fund, the valuation as at 30 September 2015 and the total gains or losses, which includes the distribution plus the latest valuation.

Manager / Fund	Commitment	Drawn down	% of Commit-ment	Distribution	Valuation	Gain / (Loss)
	€m	€m		€m	€m	€m
HV Partnership V	12.000	11.280	94%	9.325	7.705	5.750
HV Direct V	3.000	2.880	96%	2.531	1.422	1.073
SL 2006	22.000	19.743	90%	13.238	12.728	6.223
SL 2008	17.000	12.363	73%	3.642	12.012	3.291
	$m	$m		$m	$m	$m
HV Venture VIII	15.200	14.592	96%	10.267	14.030	9.705
HV Buyout VIII	22.800	20.520	90%	16.668	14.242	10.390
HV Buyout IX	15.000	6.638	44%	1.375	6.587	1.324
HV Partnership VII (AIF)	20.000	3.100	16%	0.000	3.344	0.244
HV Venture IX	10.000	6.600	66%	1.083	7.749	2.232
SL SOF I	16.000	7.932	50%	0.332	8.249	0.649
SL SOF II	20.000	4.501	23%	0.000	4.844	0.343

5.13 For the 6 months to 30 September total drawdowns have been £7.8M and total distributions £9.1M. In order to meet the target allocation, there is a requirement to keep committing to Private Equity funds, and officers are in regular discussions with HarbourVest and SL Capital to identify further opportunities.

5.14 Private Equity is a long term investment and as such the performance should be reviewed over the longer term. The benchmark used for this fund is the FTSE All Share index. The table below shows the performance over 3 and 5 years against the benchmark.

Private Equity Overall Performance

	3 Years to 30 Sept 2015		5 Years to 30 Sept	
Manager	**Dorset**	**Benchmark**	**Dorset**	**Benchmark**
	%	%	%	%
HarbourVest	21.27	7.23	16.87	6.69
Standard Life	10.56	7.23	11.59	6.69

6. Treasury Management

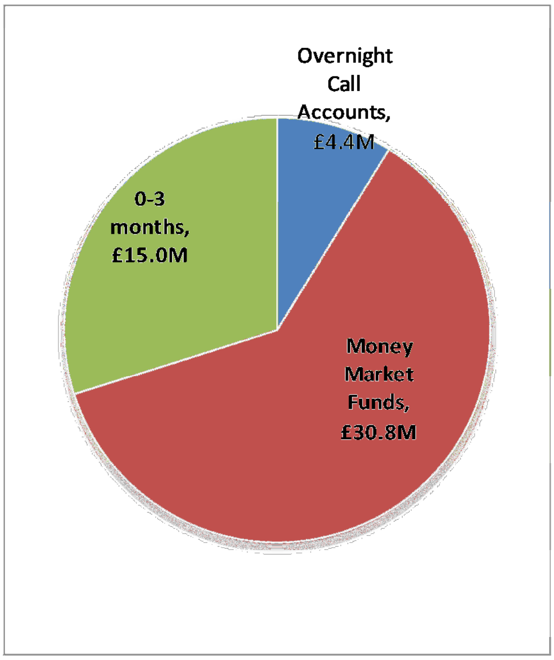
6.1 The Fund generates cash flows throughout the year which need to be managed. The Fund therefore holds a proportion of cash that is invested in call accounts, money market funds and fixed term deposits. A breakdown of the balances held internally as at 30 September 2015 is shown in the table below. Additional cash balances are also held tactically by Pictet within their overseas equity portfolio, and there are relatively small amounts of cash held with the custodian bank account at HSBC and in a property rent collection account where a float is required to be held for working capital purposes.

6.2 Since the financial crisis of 2008-09, there has been a significant reduction in the number of countries and financial institutions that are deemed safe for investments. The Council's treasury management advisers, Capita, have advised that cash balances can be invested for more than 3 months in the big four UK banking groups – Barclays, HSBC, Lloyds and RBS. The majority of cash continues to be lent for less than 3 months in UK institutions to ensure that the money is both secure and liquid, and so it is available for distribution.

6.3 In terms of performance, the weighted average yield continues to reduce as higher return investments mature and have to be replaced with lower rate ones. Internally managed cash returned 0.27% over the six months, which is ahead of the benchmark, as measured by the 7 day LIBID, at 0.18% for the same period. These low market rates have broadly been caused by the funding for lending scheme and Bank of England restrictions on how banks have to treat liquid deposits.

Lender/Borrower	**Amount £000s**	**Rate %**
Fixed Term Deposits		
Lloyds Banking Group	5,000	0.57%
Smitomo Mitsui Corp	10,000	0.59%
Total Loans	15,000	0.58%
Call Accounts		
National Westminster Bank	186	0.25%
Barclays Bank FIBCA	-	0.40%
Svenska Handelsbanken	-	0.45%
Total Call Accounts	186	0.25%
Money Market Funds		
Standard Life	15,000	0.49%
Deutsche	6,300	0.48%
Federated Prime	9,500	0.47%
Total Money Market Funds	30,800	0.48%
Holding Accounts		
HSBC Custodian Account	1,241	0.00%
Property Client Account	3,001	0.00%
Total Holding Accounts	4,242	0.00%
Total Cash / Average Return	**50,228**	**0.47%**

Duration of Investments



7. Global Equity Managers

7.1 It was reported at the last meeting of the Committee that the results procurement process were to appoint Allianz Global Investors to the Smart Beta mandate, and Investec and Wellington Asset Management to the Active mandate. The assets will be split 40:30:30 respectively, which is £200 Million invested with Allianz, and £150 Million each with Investec and Wellington.

7.2 The Legal documents for each investment have now been cleared by the Fund's legal advisers, and the Fund has appointed Legal and General Investment Management (LGIM) as transition manager to manage the process of moving the assets. It is expected that the transition will take place early December 2015.

7.3 The Committee will be updated as to progress, and it is intended that the new managers will all be invited to present to the Committee over the next year, to introduce themselves and their strategies.

8. Asset Allocation

8.1 As mentioned in previous paragraphs, the Fund is due to transition to the new global equity arrangements in the next month or so, and at this stage, the imbalance in the allocation, as highlighted in paragraph 3 will be rectified.

8.2 Paragraph 3 also highlighted an under-allocation to Private Equity and Infrastructure, due mainly to the time taken for each asset class to draw down committed funds, and also the relative movements in value against other asset classes. Members in June 2014 to allocate £50M over two years, to attempt to address this, and progress on this was reported to the last Committee. It is becoming clear that this level of additional commitment is unlikely to see the Fund reach its strategic target weight, and therefore in addition to fulfilling this allocation, further allocations will be required. A report with proposals in this respect will be tabled to the Committee in 2016.

8.3 In a separate report on today's agenda the issue of the Government agenda to encourage Local Government funds to pool investments is addressed, and an approach to this is recommended. Due to the imminent nature of these proposals it is suggested that any changes to managers or allocations, unless needing urgent attention, are deferred until there is more clarity. Members will be updated at each meeting, and in between where necessary, should anything arises that changes this.

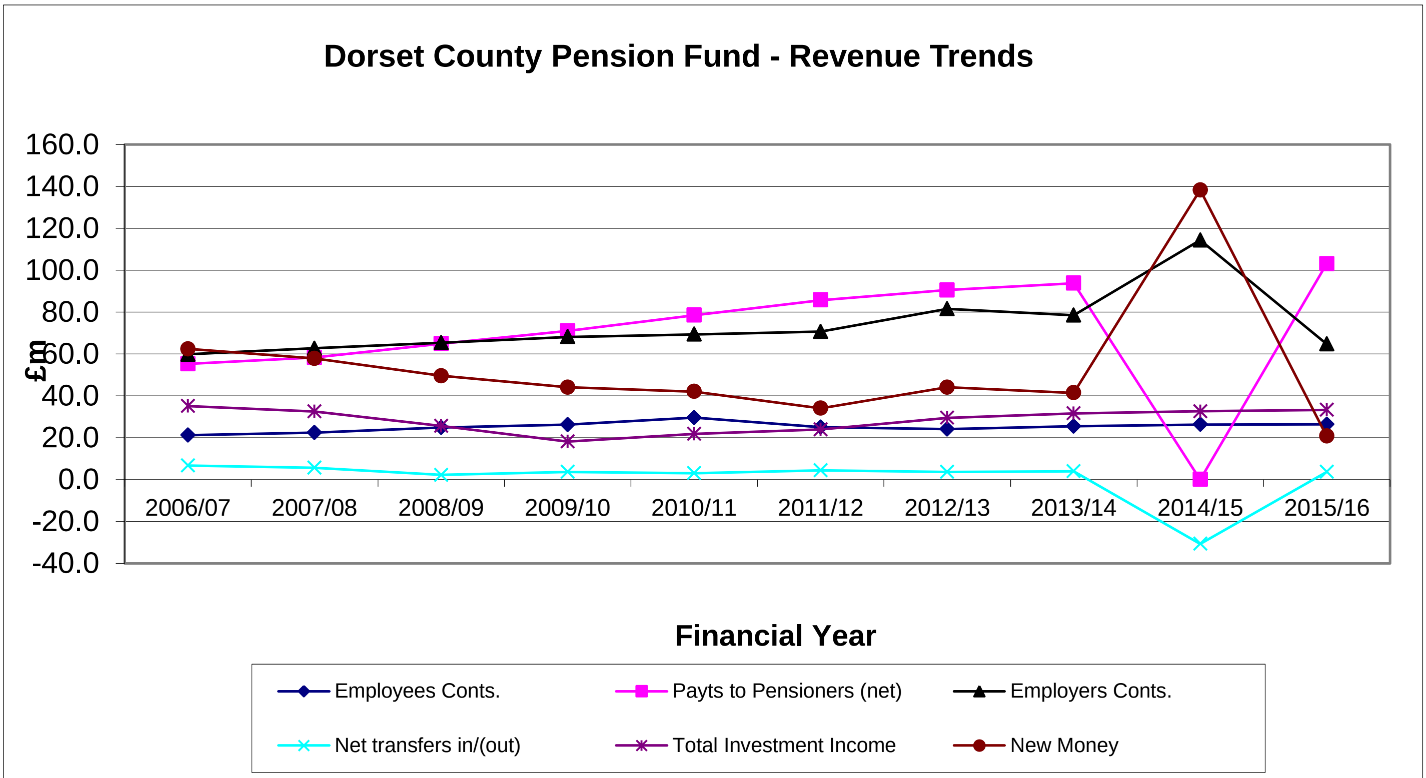
Richard Bates
Pension Fund Administrator
November 2015

Appendix 1

BUDGET MONITORING

	Actual 2013/14 £'000	Actual 2014/15 £'000	Estimate 2015/16 £'000
INCOME:			
Employers' Contributions	78,500	113,400	64,800
Employees' Contributions	25,400	26,300	26,400
Transfer Values (net)	4,000	3,200	3,700
Investment Income	31,600	34,900	33,300
TOTAL INCOME:	**139,500**	**177,800**	**128,200**
EXPENDITURE:			
Net Management Expenses	4,300	4,800	4,300
Payments to Pensioners (net)	93,800	100,000	103,100
Transfer of Probation Service to Gtr Manchester		34,400	0
TOTAL EXPENDITURE:	**98,100**	**139,200**	**107,400**
NET SURPLUS FOR THE YEAR	**41,400**	**38,600**	**20,800**

REVENUE TRENDS & FORECASTS



APPENDIX 2

REPORT OF THE INVESTMENT ADVISER
PREPARED FOR

Dorset County Pension Fund

Pension Fund Committee

On November 26th 2015

Investment Outlook

Alan Saunders
AllenbridgeEpic Investment Advisers Limited (AllenbridgeEpic)

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Dorset County Council Pension Fund
November 2015

Report of the Investment Adviser

Investment Outlook

The last report was written in the middle of a global retreat in equities over the summer, led by concerns over China and the emerging market slowdown. It was the most significant correction since 2011 but we suggested it did not herald the beginning of a full scale bear market and that a period of stabilisation was due. That has proved to be the case and equities have staged a meaningful rally, helped by the Federal Reserve's decision not to raise rates in September.

There has been no change in the economic outlook and we remain in a world of slow recovery and very low inflation, with markets sustained by exceptionally accommodating central banks. In contrast to the recovery in equities, corporate bonds have struggled and spreads have widened out while gilts, which rallied in the third quarter, are now selling off again. This year is going to be a year of modest returns with uncertainty over the global business cycle likely to limit the near term gains in markets while the risk of Brexit hovers over UK markets for 2016.

The BoE has announced a change in its views on the likely timing of the first rate rise, pushing it out as late as Q3 2016, citing weak global demand and suggesting that CPI inflation could stay below 1% until Q4 2016 .Lower for longer seems to be the message . It is true that the economy appears to be slowing especially in manufacturing but unemployment has started to fall again, down to 5.4%. The big uncertainty is how much slack is there in the economy, i.e. how much hidden unemployment is there given the large rise in part time workers who would like to work full time. For those in work, real incomes are rising nicely with wages growth of 3% contrasting with zero inflation. Hopefully, this will mean sustained growth in consumer spending and a virtuous circle for the economy. Sterling strength is however holding back exports and investment but the pound has weakened on the new base rate guidance.

In the US, the Fed backed away from the expected start of monetary tightening; citing downside risks from the global economy but Ms Yellen's latest comments suggest a more relaxed view on the international outlook, i.e. China. The main domestic indicator is the monthly non- farm payroll figure indicating the health of the labour market and the latest figures were very buoyant, suggesting the Fed may not wait much longer. Recent good news is that the US has avoided another impasse over the budget ceiling which could have unnerved markets. Assuming steady growth, we have to expect gradual tightening during the course of next year, seemingly well ahead of the UK now.

In Europe, the migrant crisis continues to overshadow the economic debate. The ECB has not yet felt the need to step up asset purchases or QE over and above its target suggesting reasonable confidence the economy is gaining traction. Markets are not so sure and seem to be pricing in a rate cut with negative short dated bond yields in Germany for example. The big haul of reducing budget deficits is continuing with Germany reluctantly acceding to countries like France being allowed more time to hit the 3% of GNP target. Overall growth of 1.5-2% means the European economy is still lagging the US and UK by some 1% pa.

In the developing world, only India of the BRICs is doing well and growth this year should exceed China's. Russia, Brazil and South Africa continue to suffer from the commodity downturn. The Chinese authorities continue to relax policy, by for example reducing interest rates, to stabilise the economy, hoping to underwrite growth in the 6-7% range though many external commentators think it is closer to 5%.

Markets

The third quarter saw global equities fall some 6% in sterling terms with the UK doing similar. Worst affected were the emerging markets, down 15%, not helped by currency weakness compounding underlying market fragility. . For the year to date, UK and global equities are down some 4%. Last year, as a reminder, UK equities were flat but global equities were up 11% in sterling terms.

However, markets are in a happier place so far in Q4 with the US leading the charge with the sharpest recovery since2011, when the last significant correction took place. The US is now close to its all-time high, established in early summer, unlike the UK which is some 10% below the 7000 mark for the FTSE 100 index. Corporate earnings in the US have come in a little better than expected despite the strength of the dollar but given the likelihood of a Fed move, some cooling of market momentum is likely soon.

In the UK, there is a striking contrast between large cap stocks and mid and small cap stocks which have outperformed the FTSE 100 by 10% in the nine months to end Q3. The dominance of energy and resource stocks in the latter index is part of the explanation but sterling strength may affect larger companies more. Gilts have shown positive returns for the first three quarters but yields have started to rise recently. Of greater concern is the zero return from corporate bonds. Spreads have widened out some 50bp for single A bonds which is probably too great a move given that default risk has surely not increased. Part of the reason is growing concern about liquidity which appears to be shrinking as banks withdraw from market-making. We would expect corporate bonds to outperform gilts assuming gilt yields continue to rise.

Next year, we face the likely prospect of the European referendum which had not been a market factor yet but is likely to become one. The PM is probably going to seek concessions on four main issues: freedom of movement; protection for the City; preventing further regulation; and an opt out for the UK from further integration. Mrs Merkel appears to be sympathetic to some concessions with the latter two more likely than the first two. In any case, there will be uncertainty and market volatility with the polls. A No vote could be very negative for sterling and gilts in particular with one rating agency already talking of a downgrade while the political consequences could be significant. Protection strategies will be much discussed next year.

Elsewhere, emerging markets continue to be the big talking point they have sold off a long way and look attractive on valuation grounds against developed markets but confidence is shattered and timing for any recovery is uncertain .Excluding commodity stocks, however, prospect look brighter and earnings growth is still positive.

Property

Unlike other markets, the UK direct property market remains firm. A forecast return of 12% for the year as a whole remains well ahead of other asset classes.

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Yields will probably bottom out early next year depending on the wider market sentiment but property should produce positive returns next year again.

Alternatives

We have delegated the task of tactical asset allocation to our Diversified Growth manager who times moves across markets according to short term tactical views and is judged as to how he produces returns over and above a cash benchmark. Our manager has quite a high equity exposure so we may have done less well in the recent setback.

As indicated before, alternatives like private equity and infrastructure dance to a different tune and are both illiquid assets where we have to commit for a long time. Private equity is a geared equity play where we should expect higher returns over time than quoted equities while infrastructure is also a long term investment where we are attempting to achieve a positive return in real terms

Asset Allocation

Our asset allocation reflects a long term strategy designed to repair the pension fund deficit which requires us to achieve a certain long term return. We are more diversified than many local authority schemes and while we have moved to moderate the risk in our liabilities through our hedging programme, this has not been at the expense of our growth assets.

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Alan Saunders   Senior Adviser   Allenbridge Epic Investment Advisers