

Management Structure

Administering Authority	Devon County Council County Hall Exeter EX2 4QJ
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Your Pension Fund Representatives

Investment and Pension Fund Committee (at 31 March 2009)

Representing Devon County Council	Councillor Eileen Wragg (Chairman) Councillor Jerry Brook Councillor Derek Button Councillor John Clatworthy Councillor Roy Connelly Councillor David Cox Councillor Geoff Date Councillor Chris Haywood Councillor William Mumford Councillor Ray Radford Councillor Richard Westlake
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Representing Devon Unitary & District Councils	Councillor Peter Edwards (Devon District Councils) Councillor Peter Smith (Plymouth) Councillor David Stark (Plymouth) Councillor John Thomas (Torbay)
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Observers

Representing the Contributors	Roberto Franceschini Mrs Lorraine Parker
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Representing the Beneficiaries	Colin Lomax
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Adviser	Norman Ferguson
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Investment Managers	Devon County Council Investment Team Capital International Ltd (until May 2008) State Street Global Advisors (UK) Ltd UBS Global Asset Management (UK) Ltd
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County Council Officers	Phil Norrey Chief Executive Mary Davis Director of Finance Barry White Investment Manager Charlotte Thompson Pensions Manager
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Fund Actuary	Hewitt Associates Ltd
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For More Information

Copies of the full Annual Report, Statutory Published Statements and abridged Members leaflet can be found on-line at the Devon County Council web site at: www.devon.gov.uk/pensions/investments.htm

Enquiries about benefits should be made direct to your employer or to Charlotte Thompson, Pensions Manager, Devon County Council, Estuary House, Peninsula Park, Exeter EX2 7XB.

Pension Fund Accounts

FUND ACCOUNT

	2008 £000	2009 £000
CONTRIBUTIONS AND BENEFITS		
Contributions receivable:		
Employers	103,510	107,084
Employees	33,427	37,171
Transfers in from other schemes	20,037	12,523
	<u>156,974</u>	<u>156,778</u>
Benefits payable:		
Pensions	(78,888)	(84,098)
Lump Sums	(18,788)	(20,802)
Death Benefits	(2,099)	(2,213)
Refunds	(27)	(4)
Transfers out to other schemes	(7,061)	(6,847)
Administration expenses	(1,346)	(1,342)
	<u>(108,209)</u>	<u>(115,306)</u>
Net Additions from dealings with Fund members	48,765	41,472
RETURNS ON INVESTMENTS		
Investment Income	39,921	39,176
Investment Management expenses	(1,530)	(781)
Change in Market Value of Investments:		
Realised & Unrealised profit/(loss)	(118,790)	(453,072)
Net Returns on Investments	(80,399)	(414,677)
Net Increase (Decrease) in the Fund during the year	(31,634)	(373,205)
ADD		
Opening Net Assets of the Fund at 1 April	2,187,421	2,155,787
Net Assets of the Fund at 31 March	2,155,787	1,782,582
NET ASSET STATEMENT		
	2008 £000	2009 £000
Investments at Market Value		
Fixed Interest		
U.K. Government Stocks	115,262	157,609
U.K. Index Linked Stocks	120,141	87,251
Overseas	89,665	129,431
Other	28,036	19,285
Equities (Listed)		
U.K.	169,391	117,342
Overseas	244,835	180,985
Managed Funds	763,065	544,403
U.K. Property Unit Trusts	189,246	123,103
Other Unit Trusts	120,442	84,047
Unlisted Securities	119,158	57,591
Foreign Currency	1,076	1,064
Short Term Deposits	161,650	237,950
Cash & Bank Deposits	15,538	26,767
	<u>2,137,505</u>	<u>1,766,828</u>
Current Assets	22,597	19,489
Current Liabilities	(4,315)	(3,735)
Net Assets of the Fund at 31 March	2,155,787	1,782,582

Pension Fund Annual Report & Accounts

2008/2009

Your Local Government Pension

Investment Performance

2008/09 was a year of severe global crises. The impact of the credit crunch and world economic downturn meant that your fund in common with other Local Authority Funds unfortunately suffered a second year of negative returns. Pension Funds are long term investment vehicles run to meet the future promise of pensions for their members and whilst it is disappointing to report that the Devon Fund return was -19.1%, it did perform better than many other local authority funds. Long term the Devon Fund continues to achieve its target of producing consistent outperformance and is now ranked 11th (out of 100 Local Authority Funds) for the 10 years to 31 March 2009. The chart opposite shows both 2008/09 annual and longer performance periods.

In order to ensure that this good long-term performance continues Devon's Investment & Pension Fund Committee last year carried out a major restructuring of its in-house and external investment management. The new structure was finalised in 2008/09 and fully operational in August 2009.

Asset Allocation

The asset allocation target of the Fund is to be invested 70% in equities and 30% fixed interest and the chart opposite illustrates the main diversification. The year end allocation however was much more conservative and reflected the Committee's concerns over the poor performance of the equity markets. Since the financial year end however the Fund has taken advantage to re-invest cash into both equities and fixed interest investments. The pie chart opposite illustrates how the Fund diversifies its investments.

Scheme Matters

The New Look LGPS became operational on 1 April 2008. The main changes will have been communicated to you by your Employer. For more details of the benefits available from the scheme, an online version of the current 'Employee guide to the LGPS' can be found on our website at www.devon.gov.uk/pensions

Conclusion

Over the last twelve months we have been through an unprecedented financial crisis. It is still too early to say with certainty that the crisis has totally ended and that a lasting recovery is underway. The Investment & Pension Fund Committee has acted to ensure that the Devon Fund remains well managed to take advantage of the up-turn.

Mary Davis
Director of Finance

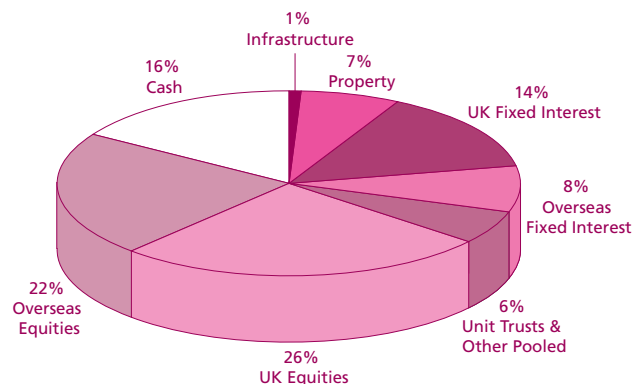
Top 10 UK Equity Investments

Company & Sector	Market Value 31 March 2009 £000	% of Total Investments
BP Oil & Gas	5,943	0.33
Vodafone Telecommunications	4,380	0.25
GlaxoSmithkline Pharmaceuticals	4,071	0.23
Royal Dutch Shell Oil & Gas	3,711	0.21
Tesco Retailers	2,706	0.15
HSBC Banks	2,319	0.13
Diageo Food & Beverages	1,773	0.10
Rio Tinto Mining	1,763	0.10
Barclays Banks	1,729	0.10
Tullow Oil Oil & Gas	1,721	0.10

Top 10 Overseas Equity Investments

Company, Country & Sector	Market Value 31 March 2009 £000	% of Total Investments
Roche, Switzerland Pharmaceuticals	1,293	0.07
Total, France Oil & Gas	1,063	0.06
Intel Corp, USA Electronics	865	0.05
BNP Paribas, France Banks	801	0.04
Nokia, Finland Electronics	800	0.04
Societe Generale, France Pharmaceuticals	765	0.04
Siemens, Germany Electronics	733	0.04
Apple, USA Electronics	630	0.04
E.ON, Germany Utilities	627	0.04
Novartis, Switzerland Pharmaceuticals	619	0.03

Asset Allocation at 31 March 2009



Investment Performance

