AllenbridgeEpic
investment advisers

APPENDIX 7

REPORT PREPARED FOR

London Borough of Bromley Pension Fund for the period ending 31 December 2012

Alick Stevenson
AllenbridgeEpic Investment Advisers Limited (AllenbridgeEpic)

AllenbridgeEpic Investment Advisers Limited is a subsidiary of Allenbridge Investment Solutions LLP

alick.stevenson@allenbridgeepic.com www.allenbridgeepic.com

This quarterly report by your adviser, Alick Stevenson, of AllenbridgeEpic Investment Advisers (AllenbridgeEpic), provides a summary of performance and an analysis of the investments of the London Borough of Bromley Pension Fund for the three months ending 31 December 2012.

Market Update 4 Q 2012

"Chains of habit are too light to be felt until they are too heavy to be broken."

Warren Buffett

Well, the Democrats and Republicans finally agreed a last minute compromise deal thus averting a vertiginous fall into the "fiscal abyss", but only by deferring any serious discussions on how to tackle the burgeoning US budget deficit until the end of February 2013. The big negative though, was the curtailment of payroll tax cuts. This re-imposition could cut as much as 1% from US GDP this year.
For once, the Americans seem to have taken notice of the way in which Eurozone leaders deal with their fiscal problems and simply "patched and deferred" the matter as the Europeans have done for the last several years.

Bernanke has reaffirmed both the Fed's willingness to continue purchasing mortgage backed securities until the unemployment level in the US falls to 6.5% (around 7.7% at the end of December), and his view that interest rates in the US would remain close to zero until at least 2015.
In Europe, Sr Draghi has promised the ECB will do all that is necessary to support ailing eurozone countries by purchasing Eurozone member state bonds.
In the Far East the new Japanese government has wasted no time in introducing a further fiscal stimulus package which has initially caused the Nikkei to move strongly ahead.

Despite all the economic uncertainty and continued Central bank interventionism, global stock markets looked on the, albeit somewhat tarnished, "bright side" and rallied strongly in the first few weeks of 2013.

As we move into 2013 there do however remain many unanswered questions;
Will the US politicians finally agree a budget without going to the wire?
Will there be any pick up in growth in the UK or the Eurozone, or will they continue to drift dangerously close to a "triple dip recession"?
Will further pension fund de risking follow the nascent equity market revival as gilt yields rise at last?
And finally, and probably rhetorically, with the VIX (the "fear index") trading at 13.6% (Jan 30th), its lowest level for 5 years, are investors assuming a level of complacency which could lead to another crisis?

Executive Summary

The fund value rose to £526.0m from at the end of the previous quarter and is now £63.9m higher than the same period last year (£462.1m).

The first phase of the three phase asset reorganisation, the transition of assets from equities to diversified growth funds, was completed on 6 December 2012. A short note on the transition is included in this report.

Investment performance measurement for the quarter was made more complex by the transition, however, for the full quarter the fund returned 3.3 % against its new composite benchmark of 3.1%.

During the quarter, Fidelity outperformed the benchmark returning 3.7% against a benchmark return of 3.0%.
Baillie Gifford returned 3.0% against their benchmark of 3.4% for the same period.

Returns on the new investments in diversified growth funds for the short period between 6 and 31 December 2012 were Standard Life (0.6%) and for Baillie Gifford (0.9%).

Fund Value

Period Manager		**31-Dec 2012 £m's**	% of total fund	30-Sep 2012 £m's	% of total fund	**31-Dec 2011 £m's**	% of total fund
Baillie Gifford		**282.3**	53.7	273.9	53.8	**247.7**	53.6
Fidelity		**193.3**	36.7	235.3	46.2	**214.4**	46.4
DG Funds							
Baillie Gifford		**25.3**	4.8				
Standard Life		**25.1**	4.8				
Total Fund		**526.0**	100.0	509.2	100	**462.1**	100

Source: Fidelity, Baillie Gifford and Standard Life

The Transition of £50.0m from Fidelity to Baillie Gifford and Standard Life

The Pensions Investment Sub Committee appointed Baillie Gifford and Standard Life to run the new diversified growth or absolute return portfolios at their meeting on 15 November 2012 and approved the funding of £25.0m each by disinvesting £50.0m from the equity holdings at Fidelity.

Following the above decision, discussions were held with Fidelity which resulted in an agreement to "top slice" the equity assets in order to maintain the then current asset allocations and to revise the equity benchmark pro rata with effect from 1 December 2012. The transition date was slightly later than that mentioned at the PICS but was changed to reflect potential "investment indigestion" and an adverse price adjustment at Baillie Gifford. It also enabled Fidelity to arrange for all trades to be effected for value 6 December 2012.

All Fidelity regional pooled funds are quoted at middle NAV prices, although in some cases, net sales or purchases above a certain value hurdle are traded within bid and offer spreads. In this case these hurdles were not reached and all trades were executed at mid price. In the case of the segregated UK equity portfolio, there was little appetite for crossing and a programme trade was executed at a cost of just 3.2bps.

The revised Fidelity benchmark, which reflects the reduction in equities and the retention of all fixed interest holdings, is shown below together with the value of the trades executed. It is pleasing to note that approx £8.4m of realised gains were booked as a result of this transition.

Fidelity change in benchmark

Region		Old BMark		New BMark		Assets sold £m
UK		35.0		32.5		21.6
N America		12.5		11.5		9.8
Europe		12.5		11.5		8.1
Japan		5.0		4.5		2.6
Pac Rim		5.0		5.0		3.2
Global		10.0		9.5		5.5
Bonds		20.0		25.5		0.0
Total		100.0		100.0		50.8
Net historic cost						42.4
Realised gains						8.4

Source: Fidelity Investment Management

NB As a result of the above changes and the relative mix of the asset allocations the out performance target for Fidelity has been reduced from 1.9% to 1.7% with effect from 1 December 2012

Investment Performance Highlights

The fund was slightly ahead of the benchmark for the quarter returning 3.3% versus a benchmark of 3.1%. Over the twelve month period the fund has delivered a strong positive performance of 14.0% and is ahead of the benchmark by 2.1%

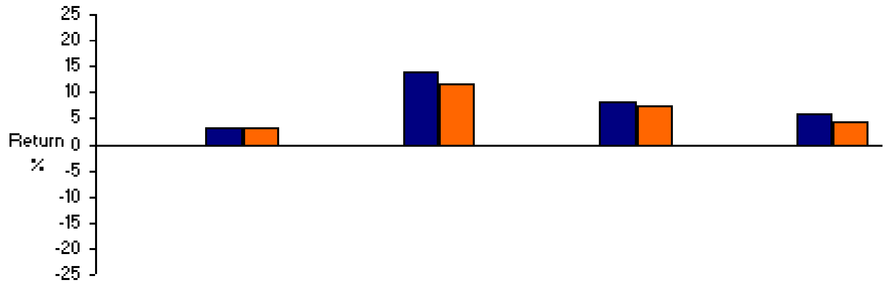
For the "benchmark" three year rolling period the fund has maintained its positive performance with returns of 8.4% pa against a benchmark of 7.3% pa and over five years, shows positive returns of 5.8% pa versus the benchmark of 4.2% pa.

Overall, when measured against the "old" benchmark, comprising the aggregated targets of 1-1.5% for BG and 1.9% for Fidelity, the Fund remains ahead of the combined target over the longer term (rolling three year periods) with all out performance coming from Baillie Gifford.

Investment Performance Graph

Fund Returns

	Latest Quarter	1 Year	3 Years % pa	5 Years % pa



	Latest Quarter	1 Year	3 Years % pa	5 Years % pa
Fund	3.3	14.0	8.4	5.8
Benchmark	3.1	11.7	7.3	4.2
Relative Return	0.2	2.1	1.0	1.5

Numbers may not round

The graphs show the performance of the Fund and Benchmark over the latest period and longer term.

The relative return is the degree by which the Fund has out or underperformed the Benchmark over these periods

= Data not available for the full period

Source:The WM Company

Baillie Gifford

BG underperformed the benchmark this quarter with a return of 3.0% versus the benchmark of 3.4%. However, for the twelve months they remain ahead of the benchmark by 1.8%, over the longer term three year rolling target they are ahead of the benchmark by 2.1%pa and over the five years ahead by 1.5% pa.

This continues to be a strong performance over the three year and five year periods delivering net positive returns over and above their target of 1-1.5% pa over the benchmark.

Fidelity

The manager delivered another positive quarter with a return of 3.7% v 3.0%. Over the twelve months they are ahead by 2.5%, (14.0% v 11.5%).
Over the three year period however, Fidelity have returned benchmark at 7.6%.

Whilst the returns over the shorter performance period have improved, performance over the longer measured period is not good and has failed to deliver any of the out performance target.

Manager Changes

No significant personnel changes with either manager have been advised which would have an impact on the management of the fund’s assets.

Fund Governance and Voting

Comprehensive reviews covering governance and responsible investing, together with detailed schedules on governance engagement and voting actions during the period are included in the quarterly reports for the period.

Investment Manager Reviews

Members should note that I now refer to the historic portfolios managed by Baillie Gifford and Fidelity as “multi asset” and to the new Baillie Gifford and Standard Life portfolios as “dgf”.

Baillie Gifford and Standard Life
(Diversified Growth Funds)

With only a few weeks from inception (6 December) to the end of the quarter, it is too soon to make any comment on performance or asset allocations.

Baillie Gifford
(Multi Asset)

The manager has a composite benchmark calculated by weighting six indices by set percentage allocations and an out performance target of 1.0% to 1.5% before fees over rolling three year periods.

At the end of the period, assets under management rose to £282.3m from £273.9m (30 Sept 2012). Performance for the quarter was slightly negative at 0.4% behind benchmark.

In terms of equity asset allocation, the manager has remained slightly overweight the equity benchmark (82.1% versus 80.0%) but remains significantly underweight UK equities (19.4% versus 25%) and remained underweight in fixed income assets (14.1% v 18.0%). These underweight positions have been used to fund overweights in emerging markets (+4.5% to the benchmark) and a small (+2%) overweight position in Europe ex UK. The North American exposure has been brought back to the index weight of 18%. Cash balances make up the balance at 3.8% against the benchmark of 2%.

In terms of sectoral diversification, the manager has maintained long positions to the index in Consumer Services (+8.1%), Consumer Goods (+2.6%) and Industrials (+2.1%) and is “balancing” these with short index positions in Utilities (-3.6%), Basic Materials (-3.2%), Telecoms (-2.5%) and Oil and Gas (-2.3%). There are no outstandingly large equity holdings with some 20 stocks representing 24% of the portfolio by value.

Baillie Gifford Pooled Funds

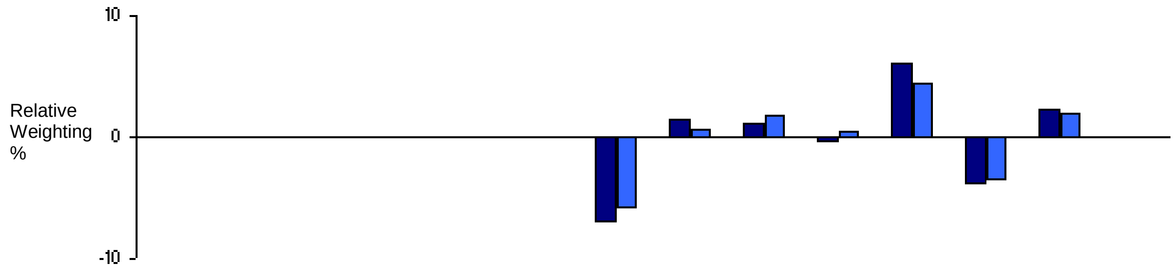
There are no perceived concentration or liquidity risks with the pooled fund investments shown on the next page.

Fund	Total OEIC value	Number of Investors	Largest Investor	Bromley Holding	% of Fund	Rank in holders
BG Emerging Market Growth Fund	£605.9 m	742	36.7%	£20.7 m	3.4%	# 6
BG EM Leading Companies	£473.7 m	103	38.3%	£18.9 m	4.0%	# 6
BG Japanese Smaller Companies	£50.4 m	147	18.3%	£2.5 m	5.0%	# 8
BG Active Gilt Plus	£89.7 m	291	45.8%	£12.8 m	14.1%	# 2
BG Investment Grade Bond	£270.0 m	112	42.3%	£27.0 m	9.8%	# 3

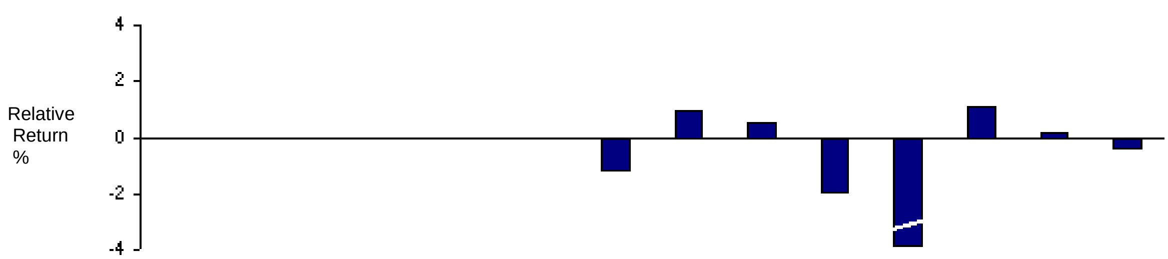
Source: Baillie Gifford

Baillie Gifford Asset Allocation and Stock Selection highlights

Asset Allocation



	UK Equities	N. America	Europe ex UK	Tot Far East	Other Intl.	UK Bonds	Cash/ Alts	Total Fund
Fund Start	18.1	19.5	19.2	9.1	15.5	14.2	4.4	100.0
Fund End	19.4	18.0	20.6	10.1	14.0	14.1	3.8	100.0
BM Start	25.0	18.0	18.0	9.5	9.5	18.0	2.0	100.0
BM End	25.1	17.3	18.8	9.7	9.7	17.6	1.9	100.0
Impact	-	-	0.1	-	0.1	0.1	-0.1	0.1
Diff	-6.9	1.5	1.2	-0.4	6.0	-3.8	2.4	0.0
	-5.7	0.7	1.8	0.4	4.4	-3.5	1.9	0.0



	UK Equities	N. America	Europe ex UK	Tot Far East	Other Intl.	UK Bonds	Cash/ Alts	Total Fund
Fund	2.6	0.2	8.7	3.2	1.0	2.0	0.3	3.0
Benchmark	3.8	-0.8	8.1	5.3	5.1	0.9	0.1	3.4
Impact	-0.2	0.2	0.1	-0.2	-0.6	0.2	-	-0.5
	-1.2	0.9	0.6	-2.0	-3.8	1.1	0.2	-0.4

Fidelity Investment Management (Multi Asset)

Historically, the manager has used a composite benchmark calculated by weighting seven indices by set percentage allocations and an out performance target of 1.9%pa before fees over rolling three year periods. With the reduction in equity holdings the new out performance target is now 1.7%pa before fees over the rolling three year period.

At the end of the period, assets under management fell by a net £42.0m to £193.3m (including the transfer of £50.0m) from £235.3m (30 Sept 2012).

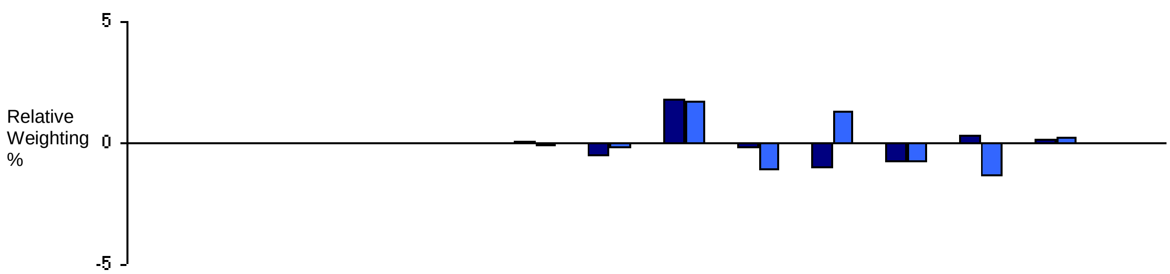
Investment performance for the quarter was positive to benchmark (3.7% versus 3.0%).

For the rolling twelve month period the fund is ahead of the benchmark by 2.5% (14.0% v 11.5%).The rolling three year figures show a return of 7.6% pa against the benchmark of 7.6% pa, and over the five years 5.9% pa versus 5.3% pa.

NB With the out performance target added to the benchmark Fidelity is running 1.7% pa behind benchmark plus target over the rolling three year period.

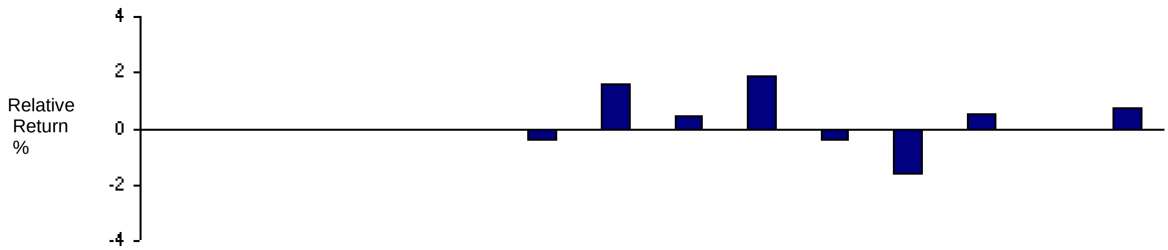
Positive returns from asset allocation in the Pacific and US were wiped out by poor asset allocation in Europe, Japan and UK Bonds. Stock selection in the UK accounted for most of the net stock selection contribution to return.

Asset Allocation



	Global	UK Equities	N. America	Europe ex UK	Pacific	Japan	UK Bonds	Cash / Alts	Total Fund
Fund Start	10.0	34.5	14.3	12.3	4.0	4.2	20.4	0.1	100.0
Fund End	9.4	32.4	13.1	10.5	6.4	3.9	23.9	0.3	100.0
BM Start	10.0	35.0	12.5	12.5	5.0	5.0	20.0		100.0
BM End	9.5	32.6	11.3	11.6	5.0	4.6	25.3		100.0
Impact	-	-	-0.1	-	-	-	-	-	-0.1
Diff	0.0	-0.5	1.8	-0.2	-1.0	-0.8	0.4	0.1	0.0

Stock Selection



Fund	1.9	5.5	-0.8	10.0	4.9	2.7	1.3	0.2	3.7
Benchmark	2.3	3.8	-1.2	7.9	5.3	4.3	0.8		3.0
Impact	-	0.5	0.1	0.2	-	-0.1	0.1		0.8

UK Equities

The UK equity portfolio is invested on a segregated basis and was ahead of benchmark by 1.7% over the quarter (5.5% versus 3.8 %), and ahead of the benchmark by 1.7% over the rolling 12 months. Over the longer three year measure the fund continues to be marginally short of the benchmark (7.4% pa v 7.5% pa).

In his report the manager again mentions the “risk on” conditions for the out performance amid signs of improvement in the economic environment.

In terms of stock specific contributions, the positions in Barclays and Lloyds Banking Group made positive contributions to returns for the second consecutive quarter, as did Wolseley, Taylor Wimpey and ARM Holdings. Pearson and GSK continued to disappoint as did BG Group and Vodafone

During the quarter the manager added further to the holdings in Lloyds Banking Group and HSBC.

Fidelity Pooled Funds

The following table shows the values of the various OEIC’s in which the Fund is invested.

Whilst the Bromley rankings in those funds remained fairly constant, they continue to be monitored closely for any significant changes in the number of investors.

Fidelity Fund	Total Fund value 31-Dec-12 £M	Total Fund value 30-Sep-12 £M	Number of Investors 31-Dec-12	Number of Investors 30-Sep-12	largest single Investor £M	Bromley Investment by value £M	Bromley Investment by %	Bromley Ranking
America	358.5	406.8	19	19	140.0	25.1	7.0	5
Europe	424.4	447.9	108	112	118.0	20.5	4.8	3
Japan	334.8	340.4	102	101	75.3	7.6	2.3	7
South East Asia	282.1	247.9	95	95	44.0	12.4	4.4	9
Global Focus	95.8	99.3	16	16	28.5	18.2	29.7	2
Aggregate Bond	439.9	436.7	27	28	168.5	46.3	10.5	4

Source: Fidelity Investment Management

America Fund

The fund had a good quarter with a relative out performance of +0.6%% (-0.6% versus -1.1%), and is now just behind the 12 month benchmark by 0.1%. Over the three year rolling period, however, the fund remains seriously behind the benchmark by 1.9% pa (8.4% pa vs 10.3% pa).

This fund is essentially a fund of funds, whereby Rita Grewal (Exempt America Fund Manager) invests in other Fidelity America funds to produce a blended product which includes exposure to growth, value, fundamental large cap, small cap etc.

Main contributors to performance were again sector holdings in Pharma, Biotech and Life Science, Software and Services and for this quarter holdings in Capital Goods and Telecommunication Services, only partially offset by losses in the Diversified Financials, Energy and Insurance sectors.

Largest stock positions relative to the index at the end of the quarter were in CVS Caremark at +1.9%, Google +1.7%, and Gilead Sciences (+1.4%). These overweights were generally offset by underweight positions in ATT (-1.2%), General Electric (-1.1%), Coca Cola (-1.1%) and IBM (-1.2%). Sectorally the fund has remained overweight Healthcare, Software and Services, and Media; it is underweight Utilities, Telecom Services, and Household and Personal Products.

Europe (ex UK) Fund

The fund has once again outperformed its benchmark this time by 1.9% (9.7% versus 7.9%). Over the rolling twelve months the fund is strongly ahead by 12.7% (28.9% v 18.2%). Over the three year rolling period the fund is now 1.8% pa ahead of the benchmark.

Positive contributions from EON se, Novartis, UBS and Allianz were reduced by negative contributions from holdings in Vodafone, Saipen and BG Group.

The manager has again cut her overweight position in the UK from 10.5% to 9.2%, (down from over 16.0% in the second quarter 2012). The German (+2.7%), Ireland (+1.7%) and UK (+9.2%) overweight positions are now funded by underweight positions in France (-4.4%), Sweden (-6.3%) and Switzerland (-5.4%). In terms of sector allocations the manager remains overweight Media, Transportation and Capital Goods and underweight Utilities, Telecoms and Food and Beverages.

Japan Fund

The fund under performed its benchmark by 2.0% for the quarter but is up 3.0% relative to the benchmark (5.3% v 2.3%) over the rolling twelve months. Over the three year rolling period, the fund remains strongly ahead of its benchmark by 2.3% pa.

The manager commented that her lack of exposure to high beta stocks caused her to under perform in the quarter, although her limited exposure to consumer staples and health care offset some of the losses. Elsewhere sector contributions from Transport Equipment and Banks were offset by falls in the Services and Real Estate sectors. Stock specific contributions from Canon, Toyota and Fujitsu, were partially offset by losses in Rakuten (on line shopping) and Nidec Corp ((HDD motors).

South East Asia Fund

This portfolio marginally outperformed the benchmark this quarter (5.5% versus 5.2%) as central bank actions in the global economies, including Japan, turned sentiment from “risk off” to “risk on” assets. Over the twelve months period the fund is ahead by 1.0% (17.5% versus 16.5%), and remains in positive territory at 1.2%pa over the three year rolling measure.

The Fund has maintained its overweight benchmark positions in Hong Kong (+7.3), Korea (+2.8%) and Thailand (+3.6%), effectively funded by under-weights of 5.1%, 4.9% and 3.5% in Taiwan, Australia and Malaysia respectively. The Fund has moved overweight in Real Estate, and remained overweight in Media and Retail (“risk on”), offset by continuing underweight positions in the Insurance, Telecommunications and Materials sectors, and Banks.
Contributors to performance included Samsung, China Overseas Land and China Natl Bldg Materials Group, with BEC World, Hyundai Motors and Oil Search detracting.

Global Focus Fund

The fund under performed its benchmark by a modest 0.3% in the third quarter (2.0% versus 2.2%). The rolling twelve months returns remain strongly positive with a +4.4% return over benchmark (15.4% versus 11.0%). The three year return also remains positive at +3.5% pa (10.1% pa versus 6.5% pa).

The manager operates on a go-anywhere, bottom up approach with country and sector allocations secondary to “best investment opportunities”. As a result the manager moves assets around to take advantage of relative value opportunities and has established overweight index positions in countries including India (+2.6%), France (+2.1%) and the UK (+3.8%), (also +9.2 overweight in the Europe ex UK Fund). These overweights are being “funded” by underweight positions of 3.4% in the US, 2.7% in Switzerland and 2.0% in Australia.

Positive contributions came from holdings in Apple, Shinsei Bank and Volkswagen, with negative contributions coming from Rakuten, Newcrest Mining and Microsoft. From a sectoral perspective the fund has remained overweight Software and Services, Food, Beverages and Tobacco and Media, and underweight Technology Hardware, Energy and Insurance.

Aggregate Bond Fund

The fund returned 0.6% above the index (1.4% versus 0.8%) as market friendly actions by central banks boosted investor sentiment.
Over the rolling twelve months remains up 2.8% against benchmark and 1.8% pa ahead over the three year period.

Overweight positions in credit particularly BBB issuers, with names such as Aviva, Royal London and Amlin boosted returns. In the banks, Credit Agricole and Intesa Sanpaulo together with overweights in Lafarge and Arcelormittal all contributed to the out performance. The main negatives were underweights in the Supranational sector and adverse selection in the telecoms sector (A T&T, British Telecom and France Telecom). Fund duration has remained at or near benchmark for the last eighteen months and is currently at the benchmark level of 8.5 years.

In terms of a sector breakdown, the manager remains overweight ABS/MBS (+2.9%), Banks and Brokers (+2.4%), covered bonds (+3.7%) and has maintained a slightly lower overweight to Cash at 2.4% from 2.7% last quarter. These overweight positions are offset by significant underweight positions in Quasi/Sov/Supra/Agency bonds (-8.2%) and Treasury (-8.2%).

In terms of credit ratings, the fund is underweight the index in Government and AAA rated bonds (49.2% versus 62.3%) and has maintained overweight positions in A and BBB rated bonds (39.8% versus 31.5%).

Total Fund Review

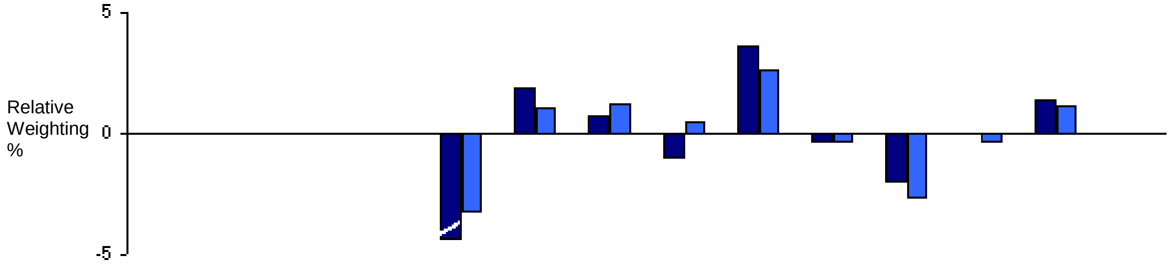
	Mkt Val (GBP 1000)	% of Fund	Latest Quarter		12 Months	3 Years	5 Years
Multi Asset							
BAILLIE GIFFORD & CO	282,280	53.7	3.0		14.0	9.1	5.7
LB OF BROMLEY BGIFFORD BM			3.4		12.1	7.1	4.2
			-0.4		1.7	1.9	1.5
FIDELITY INVESTMENT SERVICES LIMITED	193,382	36.8	3.7		14.0	7.6	5.8
LB OF BROMLEY FIDELITY BM			3.0		11.5	7.6	4.0
			0.7		2.3	0.1	1.7
Structured Products							
BAILLIE GIFFORD & CO	25,278	4.8	0.9	#			
BANK OF ENGLAND BASE RATE + 3.5%							
STANDARD LIFE	25,139	4.8	0.6	#			
GBP 6 MONTH LIBOR + 5%							
TOTAL FUND							
TOTAL COMBINED	526,079	100.0	3.3		14.0	8.4	5.8
LB OF BROMLEY STRATEGIC BENCHMARK			3.1		11.7	7.3	4.2
			0.2		2.1	1.0	1.5

Source: wmcompany

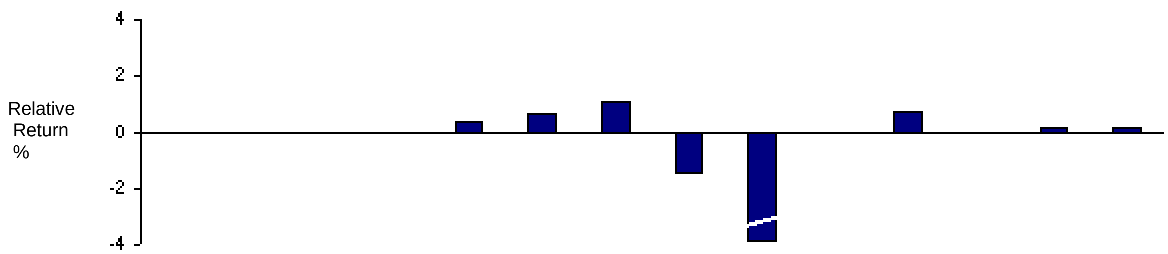
Asset Allocation and Stock Selection

	UK Equities	N. America	Europe ex UK	Tot Far East	Other Intl.	Global	UK Bonds	Multi Asset	Cash	Total Fund

Asset Allocation



	UK Equities	N. America	Europe ex UK	Tot Far East	Other Intl.	Global	UK Bonds	Multi Asset	Cash	Total Fund
Fund Start	25.7	17.1	16.0	8.7	8.3	4.6	17.1	0.0	2.4	100.0
Fund End	22.3	14.5	14.9	9.2	7.5	3.5	16.4	9.6	2.1	100.0
BM Start	30.0	15.3	15.3	9.8	4.8	5.0	19.0		1.0	100.0
BM End	25.5	13.4	13.7	8.7	4.9	3.8	19.0	10.0	1.0	100.0
Impact	-	-0.1	-	-	-	-	0.1	-	-0.1	-
Diff	-4.3	1.9	0.8	-1.0	3.6	-0.4	-1.9		1.4	0.0
	-3.2	1.0	1.2	0.5	2.6	-0.3	-2.6	-0.4	1.2	0.0



	UK Equities	N. America	Europe ex UK	Tot Far East	Other Intl.	Global	UK Bonds	Multi Asset	Cash	Total Fund
Fund	4.2	-0.3	9.3	3.4	1.0	1.9	1.6	0.9 #	0.3	3.3
Benchmark	3.8	-1.0	8.0	5.0	5.1	2.0	0.8	0.4 #	0.1	3.1
Impact	0.1	0.1	0.2	-0.1	-0.3	-	0.1	-	-	0.2
	0.4	0.7	1.1	-1.5	-3.8	0.0	0.8		0.2	0.2

Diversified Growth Funds

The following chart highlights the asset allocation differences between **Baillie Gifford** and Standard Life in sourcing investment returns.

With the two managers only funded on 6 December 2012 it is far too early to draw any conclusions or make comments on asset allocation or investment performance. In the INVESTREP for the First Quarter 2013 I will be commenting on the various asset classes in which the managers have invested, especially those with which members of the Pensions Investment Sub Committee may be unfamiliar

		Baillie Gifford %	Baillie Gifford £m	Standard Life %	Standard Life £m	Total DGF £m	Total DGF %
Value at 31 Dec 2012			25.3		25.1		
Asset Class							
Global equities		11.6	2.9	21.5	5.4	8.3	16.5
Private equity		4.7	1.2			1.2	2.4
Property		0.9	0.2			0.2	0.5
Global REITS				5.2	1.3	1.3	2.6
Commodities		5.6	1.4			1.4	2.8
Bonds							
High yield		10.1	2.6	6.6	1.7	4.2	8.4
Investment grade		6.0	1.5			1.5	3.0
Emerging markets		12.0	3.0			3.0	6.0
UK corp bonds				6.7	1.7	1.7	3.3
EU corp bonds				7.4	1.9	1.9	3.7
Government		1.7	0.4			0.4	0.9
Global index linked				9.2	2.3	2.3	4.2
Structured finance		8.4	2.1			2.1	4.2
Infrastructure		4.4	1.1			1.1	2.2
Absolute return		10.3	2.6			2.6	5.2
Insurance Linked		8.5	2.2			2.2	4.3
Special opportunities		0.7	0.2	4.1	1.0	1.2	2.4
Active currency		0.5	0.1			0.1	0.3
Cash		14.7	3.7			3.7	7.4
Cash and derivatives				39.3	9.9	9.9	19.6
Total		100.1	**25.3**	100.0	**25.1**	**50.4**	99.6

numbers may not add due to roundings

Source: Baillie Gifford and Standard Life

This final chart below takes the asset allocations of Baillie Gifford and Fidelity "multi asset" portfolios and incorporates the new diversified growth fund allocations of Baillie Gifford and Standard Life in order to create a composite picture of the overall asset allocations of the Fund.

Manager Asset Class		BG Multi £m 282.3	FIM multi £m 193.3		BG dgf £m 25.3	SL dgf £m 25.1	total value £m 526.0	Asset Class Total £m	Total Fund Asset Allocations %
Equities									
UK		54.7	62.7					117.4	22.3
N America		50.7	25.1					75.8	14.4
Europe		58.2	20.5					78.7	15.0
Japan			7.6					7.6	1.4
Pac Rim		28.5	12.4					40.9	7.8
Emerging		39.6						39.6	7.5
Global			18.2		2.9	5.4		26.5	5.0
Fixed interest									
Investment grade					1.5			1.5	0.3
UK Corp						1.7		1.7	0.3
European Corp						1.9		1.9	0.4
Emerging market debt					3.0			3	0.6
High Yield					2.6	1.7		4.3	0.8
UK Gilts/Gov debt		39.8	46.3		0.4			86.5	16.4
UK IL									
European IL									
Global IL						2.3		2.3	0.4
Other									
Commodities					1.4			1.4	0.3
Private equity					1.2			1.2	0.2
Structured finance					2.1			2.1	0.4
Infrastructure					1.1			1.1	0.2
Property					0.2			0.2	0.0
Global REITS						1.3		1.3	0.2
Absolute return					2.6			2.6	0.5
Insurance linked					2.2			2.2	0.4
Special opps					0.2	1		1.2	0.2
Active currency					0.1			0.1	0.0
Cash		10.8	0.5		3.8			15.1	2.9
Cash and derivatives						9.8		9.8	1.9
Total		282.3	193.3		25.3	25.1		526	100

Source: Baillie Gifford, Standard Life and Fidelity Investment Management

In aggregate the Fund has 73.5% invested in equities, 19.2 % in fixed interest securities and the balance of 7.3% in "alternatives and cash" the majority of which is held within the two diversified growth portfolios.

Alick Stevenson