



# Diversified Return Fund

## September 2011

### Fund information for quarter end 30 September 2011 (as at 30/09/2011)

Underlying fund launch date	01/12/2009
Unit price	511.40p
Underlying fund size (£m)	9.737
Investment Approach	Passive
Portfolio Manager	State Street Global Advisors Limited – Team Approach

†This is the fund manager of the underlying fund(s).

### Fund Holdings:

Funds	Target fund holdings
Zurich <sup>1</sup> State Street Diversified Beta ZP	100.00%

<sup>1</sup>Zurich is not a fund manager - the Zurich funds invest in the underlying fund.

### Fund objective

The fund aims to track the performance of the underlying fund. The benchmark of the underlying fund is currently 60% FTSE ALL-World Developed Index and 40% FTSE Gilts All Stocks Index.

### Who manages the funds?

Zurich delegates the investment management of the funds for the Kingfisher Pension Scheme Money Purchase Section (KPS-MP) to underlying fund managers. This fund is currently managed by State Street Global Advisors Limited. Please note that the Trustee has the flexibility to change the underlying fund manager(s) at any time.

### Fund features

This fund invests in a wide range of assets, including company shares, high yield bonds, property, commodities and specialised alternative assets.

### Underlying fund breakdown:

Global Equities	27.24%	
Equity buy-write	18.79%	
Emerging Bonds	12.62%	
Corporate Bonds	10.03%	
High Yield Bond	8.43%	
Money Market	8.39%	
Commodities	6.06%	
Infrastructure	4.14%	
Hedge Funds	3.83%	
Real Estate	0.47%	

This data is based on available data for the underlying Zurich pension fund(s) and target fund holdings as shown.

### Commentary

The MPF As Of Diversified Beta fund returned -8.62% for the quarter.

The negative return was driven by the performance of equity and alternative assets. Asian emerging bonds, corporate as well as cash exposures produced positive returns this quarter, offsetting the loss in the other assets.

On the equity side the portfolio adopts a number of approaches to reduce downside risk and volatility. In a quarter of poor equity returns, exposures to emerging equity and European short-call strategy underperformed developed equities. On the alternative assets side, the quarter saw all the asset classes under-perform UK Gilts, which had a good return as gilt yields decreased. Commodities, hedge fund exposure, infrastructure, property and high yield all suffered from the market volatility.

The Multi Asset Class Solutions team reviewed the long term forecast returns during the quarter, slightly reducing forecast returns for most asset classes. The largest changes to forecast returns were on the fixed income and commodity segments with a reduction of 90 bps in the emerging market bonds to 5.6% while commodities saw its forecast increased to 6.2%. During the quarter the target weights for commodity and emerging bonds were increased.

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### Things you need to know

We've based this information on our current understanding of law and practice. We make every effort to ensure that this information is helpful, accurate and correct, but it may change or may not apply to your personal circumstances.

All funds carry some risk and you should consider these risks before making an investment decision. Investment returns are not guaranteed and the value can fluctuate. The main factors which may increase the risk of this fund include:

- \* The amount invested in company shares
- \* The split between government and corporate bonds
- \* The extent to which the fund invests in high yield assets
- \* The amount held in overseas assets
- \* Any concentration in specific areas or sectors

### What is the dealing cycle?

The fund is forward priced, which means that the member gets the next available price after they invest. The fund has a dealing cycle of T + 0. This means that the money received on day T buys units at the valuation date price applicable at close of business on the same day.

### Who is this factsheet for and what does it do?

This factsheet is for the members of the Kingfisher Pension Scheme Money Purchase Section (KPS-MP). Its purpose is to indicate how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included on this factsheet, then please contact an Independent Financial Adviser. If you do not have an Independent Financial Adviser you can find a local adviser at [www.unbiased.co.uk](http://www.unbiased.co.uk). The commentary in this factsheet reflects the general views of the individual fund manager(s) and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

There is not yet sufficient history for performance data to be shown for this fund.

For more  
information please  
contact the Trustee of  
the KPS - MP

[www.kingfisherpensions.com](http://www.kingfisherpensions.com)

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