

**Current Rebalancing Policy**

- (1) Rebalancing to only include equities and bonds
- (2) Rebalancing will be triggered when
  - a) The equity/bond ratio deviates from the 75/25 ratio by +/- 2%,  
and
  - b) The equity gilt ratio is within the favourable range
- (3) Rebalancing within equities will be based on the strategic benchmark and performance (of active managers)
- (4) Rebalancing within bonds will take account of any tactical position
- (5) The allocation to hedge funds should be reviewed if it reaches 15% of the Fund
- (6) The allocation to property will be reviewed annually given the need to invest any income distributed
- (7) Net new money should be invested pro rata in line with the strategic policy, taking account of tactical positions, and net new money should be utilised first if a rebalancing is triggered.
- (8) To delegate implementation of the rebalancing policy, including investment of new cash, to the officers

Agreed by Avon Pension Fund 26 June 2009