

The background of the page is a close-up, slightly blurred image of a financial chart. The chart features a grid with a light blue background and a white grid. A prominent red line, likely representing a stock price or index, is visible, showing a sharp upward trend. The y-axis has numerical labels such as 400, 420, 440, and 460. The overall image has a warm, golden-brown tint.

**CLWYD PENSION FUND**  
**INVESTMENT STRATEGY AND**  
**MANAGER SUMMARY**  
**PERIOD ENDING 31 MARCH 2019**

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# 1 IMPACT ON CLWYD PENSION FUND INVESTMENT STRATEGY

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This report is produced by JLT Employee Benefits ("JLT") to assess the performance and risks of the investment managers of the Clwyd Pension Fund (the "Fund"), and of the Fund as a whole. The report does not comment on the Fund's Liability Driven Investment ("LDI") portfolio, as information in respect of this allocation is produced separately by Mercer.

## OVERALL

Over the 3 months to 31 March 2019, the Fund's total market value increased by £82.1m to £1,866,157,609.

Over the quarter, total Fund assets returned 4.5%, ahead of its target of 3.0%. Total Fund (ex LDI) returned 3.8%, also ahead of its target of 2.1%.

All sections within the portfolio posted positive returns; total Equities generated the highest returns within the portfolio, returning 8.8%, followed by the Tactical Allocation Portfolio which rose by 6.5%. Total Credit increased by 3.2%, whilst the Managed Account Platform and In-House assets rose by 0.8% and 0.2%, respectively.

In relative terms, total Fund assets were ahead of their target by 1.5%, mainly attributable to the Best Ideas Portfolio which outperformed its target by 8.1%, adding 0.9% to total relative performance.

Total Equities outperformed its target by 1.0%, contributing 0.1% to total relative performance.

Total Credit outperformed its target by 2.6%, returning 3.2% against a target of 0.6%. Overall, this added 0.4% to total relative performance. The Multi-Asset Credit sub-portfolio returned 3.6% against its target of 0.4%, whilst the Private Credit sub-portfolio increased with a return of 0.3% over the period

Managed Futures and Hedge Funds increased by 0.7%, underperforming its target by 0.4%. This made a marginally negative contribution to overall relative performance.

In-House assets returned 0.2%, underperforming its target by 1.0%; positive returns from Property, Infrastructure and Timber/Agriculture sub-portfolios was partially offset by declines in the Private Equity and Opportunistic assets.

Insight's LDI portfolio increased by 6.7% over the quarter, due to a combination of falling yields and rising equity markets. Overall, the overweight allocation to the LDI portfolio added 0.2% to relative performance.

## EQUITIES

Markets have rebounded well in the first quarter of 2019; as equities managed to push on to produce one of the sharpest two month corrections in several years. Chinese equities recovered from being the worst performing market in 2018 to lead global equity performance over the period.

The more dovish Fed approach at the start of 2019 encouraged risk appetite amongst investors, as US, European and Asian stocks experienced double digit returns over the quarter.

Emerging Market equities were outperformed by Developed Market equities, albeit still generating strong positive returns, whilst Japanese equities continued to lag behind their regional counterparts.

In Developed Markets, North American equities led regional performance (+11.3%) followed by UK equities (+9.4%). Europe (ex UK) equities rose by 8.1% whilst Asia Pacific (ex Japan) equities posted gains of 7.7%. Japanese equities continued to lag the other developed markets, increasing by 4.5%.

Over the last 12 months, all Developed Equity markets grew with the exception of Japan which fell by 0.9%. North America achieved the largest returns, increasing by 17.5% over the period.

Emerging and Frontier Markets delivered returns of 7.9% and 3.5%, respectively over the quarter. Over the last 12 months, Emerging Markets returned 1.9% whilst Frontier Markets declined by 15.4%.

Total Equity assets returned 8.8% compared to a composite target of 7.8%. All funds increased over the quarter; Wellington Emerging Market (Core) and Wellington Emerging Market (Local) were the only funds to outperform their target over the quarter, returning 8.7% and 9.1% against a target of 7.7% and 8.0%, respectively. BlackRock World Multifactor returned 8.1% against its benchmark which returned 8.4%. In January, the holding in Investec's Global Strategic Equity Fund was redeemed and transferred to the Russell WPP Global Opportunities Fund.

In the Emerging Markets portfolio, the allocation to small-cap stocks and stock selection in the Healthcare, Industrial and Technology sectors weighed on returns. Negative contributions included Cigna, Centene and Humana. Overweight positions in emerging market financial companies ICICI Bank and HDFC Bank proved to be beneficial, whilst stock selection and asset allocation in South Korea and China contributed the majority of gains in EM equities.

Both Wellington Emerging Market equity funds were behind their 3 year performance objectives

## CREDIT

Global credit markets rose over the quarter as monetary policies pivoted in a dovish direction, fuelling concerns of a global slowdown in growth. In the US, the US Federal Reserve (Fed) downgraded both its growth and inflation forecasts and projected that interest rates will remain steady throughout 2019. Additionally, the Fed announced that balance sheet normalisation will conclude in September 2019. In Europe, the European Central Bank postponed its first interest rate hike until 2020 and announced extended liquidity operations for banks. The Bank of England kept interest rates at 0.75%, expressing less confidence in the domestic economy due to uncertainty around Brexit.

Global bond yields declined sharply on the back of these dovish shifts, nominal gilt yields fell to their lowest levels since Brexit and index-linked gilt yields dropped to an all-time low. The long end of the US Treasury curve collapsed and the inversion of the front end of the curve extended further out, triggering a signal of impending recession.

Over the quarter, Long Dated Conventional Gilts, Index-Linked Gilts and UK Corporate Bonds increased by 6.0%, 6.3% and 7.1% respectively. Emerging Market Local Currency Debt and Emerging Market Hard Currency Debt returned 0.1% and 4.2%, respectively. Global High Yield increased by 4.1% over the period.

Total Credit returned 3.2% over the quarter, 2.6% ahead of its target. This added 0.4% to total relative performance due to the Multi-Asset Credit sub-portfolio. The impact of being underweight to Private Credit (which is currently in its commitment phase) was negligible as the Private Credit sub-portfolio delivered a gain of 0.3% over the quarter.

Permira Credit Solutions III Fund (European mandate) and BlackRock Middle Market Senior Fund (North American mandate) were c.87% and c.29% funded at the end of March 2019 as capital deployment continues for each fund

In Investment Grade Credit, performance was mainly driven by attractive valuations at the start of 2019 as well as supportive monetary policies, significant domestic demand and foreign inflows. Refining, Independent Energy and Gaming were the best performing sectors.

US High Yield posted the highest first quarter return since 1992. 18 out of the 36 industry sectors outperformed the index led by Transportation (excluding Air and Rail), Retail and Banking.

In Emerging Market Debt, all regions posted gains led by Africa and Latin America. In Africa, the top performers were Kenya, Nigeria and Angola, where spreads narrowed almost twice as much as the benchmark. Venezuela was the best performing in Latin America, despite US sanctions which halted sales to US persons.

## HEDGE FUNDS

Hedge Funds rebounded in the first quarter with all strategies posting gains in both Sterling and US dollar terms. Overall, Hedge Funds returned 5.6% in US dollar terms and 5.1% in Sterling terms. Equity Hedge were the best performing strategies, returning 7.7% (US Dollars) and 5.3% (Sterling). Global Macro strategies, albeit positive over the quarter, were the worst performing strategies, returning 2.4% (US Dollars) and 0.1% (Sterling).

Over the last 12 months, performance from the various strategies was mixed in US Dollar terms, however, all strategies generated positive returns in Sterling terms. Relative Value strategies were the best performing strategies over the 12 months, posting 10.9% in Sterling terms and 3.0% in US Dollar terms.

ManFRM's Managed Futures & Hedge Funds strategy grew by 0.7%, behind its target by 0.4%. ManFRM Hedge Funds (Legacy) consists of Liongate and previously included Pioneer and Duet (S.A.R.E.) until August 2016 and November 2018, respectively. The assets generated a return of 15.1% over the quarter.

## TACTICAL ALLOCATION PORTFOLIO

### *DIVERSIFIED GROWTH*

Total Diversified Growth assets increased by 3.9% over the quarter, ahead of its target of 1.0%.

Pyrford returned 2.7%, outperforming its target by 1.8%. Performance was mainly driven by equity holdings, as the primary contributors were British American Tobacco, Legal & General Group, SSE and National Grid. Holdings in Telecom stocks proved to be a major detractor from returns. Within its bond portfolio, UK bonds added value, whilst the overseas bond positions fell slightly due to Sterling appreciation. Currency hedging had a positive impact due to the appreciation of Sterling, and downside risk was protected as the entire overseas bond portfolio is hedged.

Investec returned 5.1%, against a target of 1.0%. 'Growth' strategies were the largest overall contributor as equities rallied strongly. The total return equity basket was the largest contributor, due to its high allocation to Technology and Industrial stocks. 'Uncorrelated' strategies contributed modestly; the yield curve flattener positions in Germany and Sweden benefited performance whilst US and Mexican yield curve steepeners detracted from performance. 'Defensive' strategies detracted; the relative value German vs. France bond position detracted as French bonds outperformed German bonds. Additionally, a long exposure to Japanese Yen detracted as the Yen depreciated.

### *BEST IDEAS PORTFOLIO*

The Best Ideas Portfolio recovered strongly over the quarter, returning 8.7%, ahead of its target by 8.1%. 12 month and 3 year portfolio returns were above the target, returning 5.4% and 8.6%, respectively.

All the funds within the portfolio posted positive returns, led by LGIM North American Equities (Unhedged) which rose by 12.4% and outperformed its target by 11.9%. LGIM Listed Infrastructure, LGIM Global REITS and Investec Global Natural Resources saw double digit returns of 12.2%, 12.1% and 10.4%, respectively. All the sub-funds (with the exception of BlackRock Japanese Equities) outperformed their targets for the quarter.

In January, £6.33m was disinvested from each of the following funds: BlackRock European Equity (Unhedged), BlackRock Japanese Equity (Unhedged) and LGIM North American Equity (Unhedged). Proceeds totalling £19m were subsequently invested into the PIMCO Emerging Market Local Bond (Unhedged) Fund.

## IN-HOUSE ASSETS

Total In-House assets returned 0.2%, behind its target by 1.0%. Overall this detracted 0.3% from total relative performance. The two sub-sections of the In-House assets; the Real Assets Portfolio and the Private Markets Portfolio returned 2.3% and -1.8%, respectively.

Private Equity and Opportunistic assets within the Private Markets Portfolio declined over the quarter, returning -2.0% and -1.0% respectively against a target of 1.4% for both assets. All assets within the Real Assets Portfolio rose over the quarter.

Within the Real Assets Portfolio, Property led performance, returning 3.0% and outperforming its target by 2.6%. Infrastructure and Timber/ Agriculture also contributed positively, producing returns of 1.4% and 0.7% respectively.

# 2 STRATEGIC ASSET ALLOCATION

## 31 MARCH 2019

### Allocation by underlying asset class

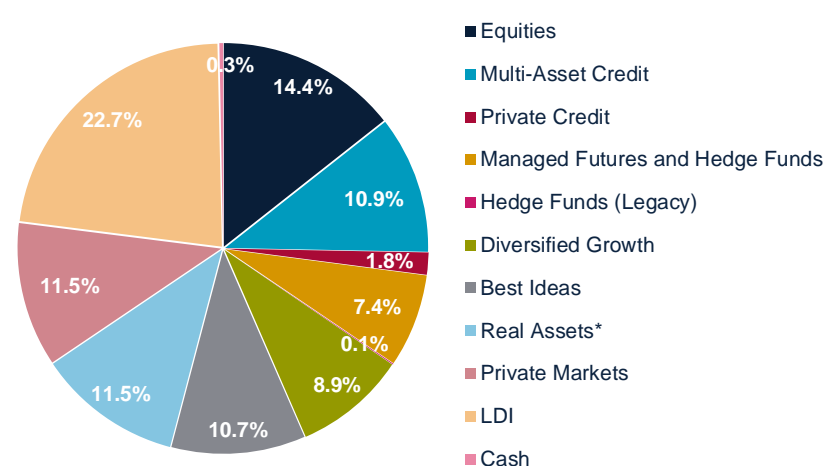
Asset Class	Market Value £	Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	149,722,640	8.0	8.0	0.0	5.0 – 10.0
Emerging Market Equities	118,827,884	6.4	6.0	+0.4	5.0 – 7.5
Multi-Asset Credit	203,789,795	10.9	12.0	-1.1	10.0 – 15.0
Private Credit <sup>^</sup>	32,959,645	1.8	3.0	-1.2	2.0 – 5.0
Managed Futures and Hedge Funds	137,809,208	7.4	9.0	-1.6	7.0 – 11.0
Hedge Funds (Legacy)*	1,131,137	0.1	0.0	+0.1	–
Diversified Growth	166,885,977	8.9	10.0	-1.1	8.0 – 12.0
Best Ideas	198,870,949	10.7	11.0	-0.3	9.0 – 13.0
Property	122,829,203	6.6	4.0	+2.6	2.0 – 6.0
Infrastructure / Timber / Agriculture	91,003,231	4.9	8.0	-3.1	5.0 – 10.0
Private Equity / Opportunistic	213,709,697	11.5	10.0	+1.5	8.0 – 12.0
LDI & Synthetic Equities	422,853,630	22.7	19.0	+3.7	10.0 – 30.0
Cash	5,764,613	0.3	0.0	+0.3	0.0 – 5.0
<b>TOTAL CLWYD PENSION FUND</b>	<b>1,866,157,609</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	

Notes: \* Hedge Funds (Legacy) include the S.A.R.E (Duet) and Liongate portfolios. ^ The Private Credit allocations are not yet fully funded. Totals may not sum due to rounding.

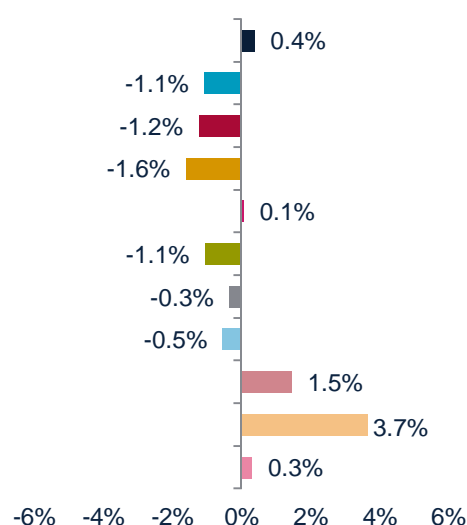
### Points to note

- Permira Credit Solutions III Fund (European mandate) and BlackRock Middle Market Senior Fund (North American mandate) were c.87% and c.29% funded at the end of March 2019.
- Total allocation to LDI remains overweight by 3.7% relative to its strategic allocation.

### Strategic Asset Allocation as at 31 March 2019



### Deviation from Strategic Allocation



Note: Totals may not sum due to rounding.

\* In-House Property, Infrastructure and Timber/Agriculture portfolios.

# 3 VALUATION AND ASSET ALLOCATION AS AT 31 MARCH 2019

Manager	Fund	Market Value £	Weight %	Strategic Allocation %	Strategic Range %
Russell	WPP Global Opportunities	78,672,640	4.2	4.0	5.0 – 10.0
BlackRock	ACS World Multifactor Equity	71,050,000	3.8	4.0	
Wellington	Emerging Markets (Core)#	57,360,616	3.1	3.0	5.0 – 7.5
Wellington	Emerging Markets (Local)#	61,467,268	3.3	3.0	
<b>Total Equity</b>		<b>268,550,524</b>	<b>14.4</b>	<b>14.0</b>	
Stone Harbor	LIBOR Multi-Strategy	131,655,520	7.1	12.0	10.0 – 15.0
Stone Harbor	Multi-Asset Credit	72,134,276	3.9		
<b>Multi-Asset Credit Portfolio</b>		<b>203,789,795</b>	<b>10.9</b>	<b>12.0</b>	<b>10.0 – 15.0</b>
Permira	Credit Solutions III	26,760,054	1.4	1.8	2.0 – 5.0
BlackRock	Middle Market Senior	6,199,591	0.3	1.2	
<b>Private Credit Portfolio</b>		<b>32,959,645</b>	<b>1.8</b>	<b>3.0</b>	<b>2.0 – 5.0<sup>(1)</sup></b>
<b>Total Credit</b>		<b>236,749,440</b>	<b>12.7</b>	<b>15.0</b>	<b>10.0 – 20.0</b>
ManFRM	Managed Futures & Hedge Funds	137,809,208	7.4	9.0	7.0 – 11.0
ManFRM	Hedge Funds (Legacy)*	1,131,137	0.1	0.0	–
<b>Managed Account Platform</b>		<b>138,940,345</b>	<b>7.4</b>	<b>9.0</b>	<b>7.0 – 11.0</b>
Pyrford	Global Total Return	83,524,306	4.5	5.0	8.0 – 12.0
Investec	Diversified Growth	83,361,671	4.5	5.0	
<b>Diversified Growth Portfolio</b>		<b>166,885,977</b>	<b>8.9</b>	<b>10.0</b>	<b>8.0 – 12.0</b>
BlackRock	US Opportunities	28,881,009	1.5	11.0	9.0 – 13.0
BlackRock	Japanese Equities	16,288,557	0.9		
BlackRock	Emerging Markets Equities	19,699,433	1.1		
Investec	Global Natural Resources	19,922,935	1.1		
LGIM	Infrastructure Equities MFG (Hedged)	32,504,525	1.7		
LGIM	Global Real Estate Equities	32,476,215	1.7		
LGIM	Sterling Liquidity	10,059	0.0		
LGIM	North American Equities (Unhedged)	14,868,955	0.8		
BlackRock	European Equities (Unhedged)	15,268,653	0.8		
PIMCO	Emerging Market Debt Local	18,950,609	1.0		
<b>Best Ideas Portfolio</b>		<b>198,870,949</b>	<b>10.7</b>	<b>11.0</b>	<b>9.0 – 13.0</b>
<b>Tactical Allocation Portfolio</b>		<b>365,756,926</b>	<b>19.6</b>	<b>21.0</b>	<b>15.0 – 25.0</b>
In-House	Property	122,829,203	6.6	4.0	2.0 – 6.0
In-House	Infrastructure	67,526,982	3.6	8.0	5.0 – 10.0
In-House	Timber / Agriculture	23,476,249	1.3		
<b>Real Assets Portfolio</b>		<b>213,832,434</b>	<b>11.5</b>	<b>12.0</b>	<b>10.0 – 15.0</b>
In-House	Private Equity	165,485,483	8.9	10.0	8.0 – 12.0
In-House	Opportunistic	48,224,214	2.6		
<b>Private Markets Portfolio</b>		<b>213,709,697</b>	<b>11.5</b>	<b>10.0</b>	<b>8.0 – 12.0</b>
<b>Total In-House Assets</b>		<b>427,542,131</b>	<b>22.9</b>	<b>22.0</b>	
Insight	LDI Portfolio	422,853,630	22.7	19.0	10.0 – 30.0
<b>Total Liability Hedging</b>		<b>422,853,630</b>	<b>22.7</b>	<b>19.0</b>	<b>10.0 – 30.0</b>
Trustees	Cash	5,764,613	0.3	-	0.0 – 5.0
<b>TOTAL CLWYD PENSION FUND</b>		<b>1,866,157,609</b>	<b>100.0</b>	<b>100.0</b>	

Notes: \* ManFRM Hedge Funds (Legacy) valuation includes S.A.R.E (Duet) and Liongate portfolio and is provided by ManFRM.

# Wellington Emerging Markets Core and Local valuations have been converted from US Dollar to Sterling using the WM/Reuters closing price exchange rates for the respective dates. 1 The Private Credit allocation is not yet fully funded.

# 4 PERFORMANCE SUMMARY

## PERIODS ENDING 31 MARCH 2019

Manager	Fund	3 months %		12 months %		3 years % p.a.		3 Yr Performance vs Objective	
		Fund	Target	Fund	Target	Fund	Target		
n/a	Russell	WPP Global Opportunities	n/a	n/a	n/a	n/a	n/a	n/a	
n/a	BlackRock	World Multifactor Equity Tracker	8.1	8.4	5.7	4.0	n/a	n/a	
●	Wellington	Emerging Markets (Core) <sup>#</sup>	8.7	7.7	-2.6	1.0	15.4	15.9	Target not met
●	Wellington	Emerging Markets (Local) <sup>#</sup>	9.1	8.0	-2.9	2.0	14.9	17.1	Target not met
<b>Total Equity</b>			<b>8.8</b>	<b>7.8</b>	<b>1.7</b>	<b>6.6</b>	<b>14.9</b>	<b>16.7</b>	
●	Stone Harbor	LIBOR Multi-Strategy	2.8	0.4	-0.4	1.7	3.2	1.4	Target met
n/a	Stone Harbor	Multi-Asset Credit	5.1	0.4	0.0	1.7	n/a	n/a	n/a
<b>Multi-Asset Credit Portfolio</b>			<b>3.6</b>	<b>0.4</b>	<b>-0.3</b>	<b>1.7</b>	<b>2.9</b>	<b>1.5</b>	
n/a	Permira	Credit Solutions III	0.4	1.4	7.3	6.0	n/a	n/a	n/a
n/a	BlackRock	Middle Market Senior	0.0	2.1	n/a	n/a	n/a	n/a	n/a
<b>Private Credit Portfolio</b>			<b>0.3</b>	<b>1.5</b>	<b>6.9</b>	<b>6.1</b>	<b>n/a</b>	<b>n/a</b>	
<b>Total Credit</b>			<b>3.2</b>	<b>0.6</b>	<b>0.4</b>	<b>2.1</b>	<b>3.1</b>	<b>1.7</b>	
●	ManFRM	Managed Futures & Hedge Funds	0.7	1.1	-5.8	4.3	-2.5	4.0	Target not met
n/a	ManFRM	Hedge Funds (Legacy) <sup>*</sup>	15.1	1.1	-72.8	4.3	-44.4	4.0	Target not met
<b>Managed Account Platform</b>			<b>0.8</b>	<b>1.1</b>	<b>-7.9</b>	<b>4.3</b>	<b>-4.6</b>	<b>4.0</b>	
●	Pyrford	Global Total Return	2.7	0.9	3.4	7.0	2.9	7.7	Target not met
●	Investec	Diversified Growth	5.1	1.0	-1.6	6.6	2.5	7.0	Target not met
<b>Total Diversified Growth</b>			<b>3.9</b>	<b>1.0</b>	<b>0.9</b>	<b>6.8</b>	<b>2.7</b>	<b>7.3</b>	
●	<b>Best Ideas Portfolio</b>		<b>8.7</b>	<b>0.6</b>	<b>5.4</b>	<b>5.0</b>	<b>8.6</b>	<b>5.3</b>	<b>Target met</b>
<b>Tactical Allocation Portfolio</b>			<b>6.5</b>	<b>0.6</b>	<b>3.3</b>	<b>5.0</b>	<b>5.7</b>	<b>5.3</b>	
●	In-House	Property	3.0	0.4	10.2	5.0	7.6	6.5	Target met
●	In-House	Infrastructure	1.4	1.4	19.5	5.8	14.6	5.6	Target met
●	In-House	Timber / Agriculture	0.7	1.4	4.4	5.8	4.6	5.5	Target not met
<b>Real Assets</b>			<b>2.3</b>	<b>1.1</b>	<b>11.9</b>	<b>5.5</b>	<b>8.6</b>	<b>5.3</b>	
●	In-House	Private Equity	-2.0	1.4	16.2	5.8	13.6	5.5	Target met
●	In-House	Opportunistic	-1.0	1.4	11.3	5.8	7.6	5.6	Target met
<b>Private Markets Portfolio</b>			<b>-1.8</b>	<b>1.4</b>	<b>15.2</b>	<b>5.8</b>	<b>12.7</b>	<b>5.5</b>	
<b>Total In-House Assets</b>			<b>0.2</b>	<b>1.2</b>	<b>13.6</b>	<b>5.6</b>	<b>10.6</b>	<b>5.5</b>	
n/a	Insight	LDI Portfolio	6.7	6.7	8.2	8.2	20.3	20.3	n/a
<b>Total (ex LDI)</b>			<b>3.8</b>	<b>2.1</b>	<b>4.0</b>	<b>5.2</b>	<b>7.0</b>	<b>6.8</b>	
<b>TOTAL CLWYD PENSION FUND</b>			<b>4.5</b>	<b>3.0</b>	<b>5.0</b>	<b>5.7</b>	<b>9.9</b>	<b>8.9</b>	
<b>Strategic Target (CPI +4.1%)</b>			<b>1.6</b>		<b>6.2</b>		<b>6.2</b>		
<b>Actuarial Target (CPI +2.0%)</b>			<b>1.0</b>		<b>4.1</b>		<b>4.1</b>		

Notes: 'n/a' against the objective is for funds that have been in place for less than three years.

\* ManFRM Hedge Funds (Legacy) currently includes the Duet (S.A.R.E) and Liongate portfolios.

# Wellington Emerging Markets Core and Wellington Emerging Markets Local data has been converted from US Dollar to Sterling using the WM/Reuters closing price exchange rates for the respective dates.

Strategic and Actuarial targets derived from the latest JLT Market Forecast Group assumptions (Q1 2019 forecasts based on conditions at 31 December 2018). Current long term 10 year CPI assumption is 2.1% p.a.

● Fund has met or exceeded its performance target    ● Fund has underperformed its performance target



# 5 STRATEGIC ASSET CLASSES

## PERFORMANCE TO 31 MARCH 2019

Strategy	3 months %	12 months %	3 years % p.a.
<b>Total Equities</b>	<b>8.8</b>	<b>1.7</b>	<b>14.9</b>
Composite Objective	7.8	6.6	16.7
Composite Benchmark	7.6	5.4	14.8
<b>Total Credit</b>	<b>3.2</b>	<b>0.4</b>	<b>3.1</b>
Objective	0.6	2.1	1.7
Benchmark	0.5	1.1	0.7
<b>Managed Account Platform</b>	<b>0.8</b>	<b>-7.9</b>	<b>-4.6</b>
Objective	1.1	4.3	4.0
Benchmark	1.1	4.3	4.0
<b>Total Hedge Funds (Legacy)</b>	<b>15.1</b>	<b>-72.8</b>	<b>-44.4</b>
Composite Objective	1.1	4.3	4.0
Composite Benchmark	1.1	4.3	4.0
<b>Total Diversified Growth</b>	<b>3.9</b>	<b>0.9</b>	<b>2.7</b>
Composite Objective	1.0	6.8	7.3
Composite Benchmark	1.0	6.8	7.3
<b>Best Ideas Portfolio</b>	<b>8.7</b>	<b>5.4</b>	<b>8.6</b>
Objective	0.6	5.0	5.3
Benchmark	0.6	5.0	5.3
<b>Total In-House Assets</b>	<b>0.2</b>	<b>13.6</b>	<b>10.6</b>
Composite Objective	1.2	5.6	5.5
Composite Benchmark	1.2	5.6	5.5
<b>Total LDI Portfolio</b>	<b>6.7</b>	<b>8.2</b>	<b>20.3</b>
Composite Objective	6.7	8.2	20.3
Composite Benchmark	6.7	8.2	20.3
<b>Total (ex LDI)</b>	<b>3.8</b>	<b>4.0</b>	<b>7.0</b>
<b>Composite Objective</b>	<b>2.1</b>	<b>5.1</b>	<b>6.8</b>
<b>Composite Benchmark</b>	<b>2.0</b>	<b>4.8</b>	<b>6.3</b>
<b>Total Clwyd Pension Fund</b>	<b>4.5</b>	<b>5.0</b>	<b>9.9</b>
<b>Composite Objective</b>	<b>3.0</b>	<b>5.7</b>	<b>8.9</b>
<b>Composite Benchmark</b>	<b>2.9</b>	<b>5.4</b>	<b>8.5</b>

**Source:** Performance is calculated by JLT Employee Benefits based on data provided by the managers and is only shown for complete periods of investment.

**Note:** Objective performance includes the funds' outperformance targets above the relevant underlying benchmarks, as shown in the Appendix. Benchmark performance is based on the underlying benchmarks without the explicit outperformance targets for the relevant funds within the Equity and Multi-Asset Credit portfolios.

# 6 SUMMARY OF MANDATES

Manager	Fund	Strategic Asset Class	Performance Objective (Net of Fees)	Strategic Allocation
Russell	WPP Global Opportunities	Global Developed Equities	MSCI World Index NDR	4.0%
BlackRock	World Multifactor Equity Tracker	Global Developed Equities	MSCI World Diversified Multi-Factor Index Midday Net	4.0%
Wellington	Emerging Market (Core)	Emerging Markets Equities	MSCI Emerging Markets Index +1.0% p.a.	3.0%
Wellington	Emerging Market (Local)	Emerging Markets Equities	MSCI Emerging Markets Index +2.0% p.a.	3.0%
<b>Total Equity</b>			<b>Composite Weighted Index</b>	<b>14.0%</b>
Stone Harbor	LIBOR Multi-Strategy	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a. <sup>(1)</sup>	12.0%
Stone Harbor	Multi-Asset Credit	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a.	
Permira	Credit Solutions III	Private Credit	Absolute Return 6.0% p.a.	1.8%
BlackRock	Middle Market Senior	Private Credit	Absolute Return 9.0% p.a.	1.2%
<b>Total Credit Portfolio</b>			<b>Composite Weighted Index</b>	<b>15.0%<sup>(4)</sup></b>
ManFRM	Managed Futures & Hedge Funds	Managed Account Platform	3 Month LIBOR Index +3.5% p.a.	9.0% <sup>(3)</sup>
<b>Managed Account Platform</b>			<b>3 Month LIBOR Index +3.5% p.a.</b>	<b>9.0%</b>
Pyrford	Global Total Return	Diversified Growth	UK Retail Price Index +4.5% p.a. <sup>(2)</sup>	5.0%
Investec	Diversified Growth	Diversified Growth	UK Consumer Price Index +4.6% p.a.	5.0%
Best Ideas	Best Ideas	Best Ideas Portfolio	UK Consumer Price Index +3.0% p.a.	11.0%
<b>Tactical Allocation Portfolio</b>			<b>UK Consumer Price Index +3.0% p.a.</b>	<b>21.0%</b>
In-House	Private Equity	Private Markets	3 Month LIBOR Index +5.0% p.a.	8.0%
In-House	Opportunistic	Private Markets	3 Month LIBOR Index +5.0% p.a.	2.0%
In-House	Property	Property	IPD UK Monthly Property Index <sup>(5)</sup>	4.0%
In-House	Infrastructure	Infrastructure	3 Month LIBOR Index +5.0% p.a.	6.0%
In-House	Timber / Agriculture	Infrastructure	3 Month LIBOR Index +5.0% p.a.	2.0%
<b>Total In-House</b>			<b>Composite Weighted Index</b>	<b>22.0%</b>
Insight	LDI Portfolio	LDI & Synthetic Equities	Composite Liabilities & Synthetic Equity	19.0%
<b>Total Liability Hedging</b>			<b>Composite Liabilities &amp; Synthetic Equity</b>	<b>19.0%</b>

Notes: 1 FTSE A Gilts All Stocks Index until 31 March 2014. 2 UK Retail Price Index +4.4% p.a. until 31 March 2015. 3 Strategic Allocation represents the composite benchmark for the Managed Account Platform. 4 Committed but uninvested element of the Private Credit strategic allocation is represented by 1 Month LIBOR Index +1.0% p.a. 5. IPD Quarterly Property Index sourced from Schroders has been used to calculate the performance between 31 March 2018 and 31 March 2019.

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