

CLWYD PENSION FUND
INVESTMENT STRATEGY AND
MANAGER SUMMARY
PERIOD ENDING 30 SEPTEMBER 2018

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1 IMPACT ON CLWYD PENSION FUND INVESTMENT STRATEGY

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 30 September 2018, the Fund's total market value increased by £39.0m to £1,886,749,578.

Over the quarter, total Fund assets returned 2.5%, slightly ahead of its target of 2.4%, mainly attributable to positive stock selection, especially within the in-House assets. Total Fund (ex LDI) returned 1.6%, compared with its target of 1.7%.

In-House assets returned 4.4% followed by Best Ideas assets which returned 3.3%. Total Credit and Total Equity assets rose by 0.8% and 0.3%, respectively, whilst the Managed Account Platform declined, returning -2.2%.

In relative terms, total Fund assets exceeded their target by 0.1%, mainly due to the In-House assets which outperformed its target by 3.0%, contributing 0.7% to total relative performance.

Best Ideas assets outperformed its target by 1.8%, adding 0.2% to total relative performance.

Total Credit outperformed its target by 0.3%, returning 0.8% against a target of 0.5% and added 0.1% to overall relative performance.

Total Equities underperformed its target by 3.6% and detracted 0.5% from total relative performance.

Managed Futures and Hedge Funds fell by -0.8% and underperformed its target by 1.8%. This detracted 0.1% from overall relative performance.

Insight's LDI portfolio rose by 5.3% over the quarter, mainly due to its exposure to equity markets which offset the negative impact from rising yields. Overall, the overweight allocation to the LDI portfolio contributed 0.1% to relative performance.

EQUITIES

Global equities were positive over the third quarter, with the exception of UK equities which declined and consequently lagged all of the major regions.

US equities gained the most in developed markets, aided by strong economic momentum and tax cuts which led to US corporates outperforming both revenue and profit expectations. Meanwhile, returns in Asian and Emerging Markets equities were dampened by poor sentiment and protectionist fears. US-China trade uncertainties and US monetary tightening continue to dominate Emerging Markets; countries with large current account deficits such as Turkey and South Africa were negatively impacted by a sell-off in their respective currencies. Chinese stocks also sold off amid the trade war with the US and concerns its own monetary tightening is dampening economic growth.

In Developed Markets, North America led performance returning 8.5%, followed by Japan which returned 5.0% and Europe (ex UK) which rose by 3.2%. Asia Pacific (ex Japan) returned 0.9% whilst UK declined by 0.8%.

Over the past year, all developed regions witnessed positive returns, led by North America and Japan with respective returns of 20.3% and 13.9%. UK equities delivered 5.9% over this period whilst Europe (ex UK) equities increased by 2.5%.

Emerging and Frontier Markets delivered returns of 0.6% and -3.2%, respectively, over the quarter. Over the 12 months to 30 September 2018, Emerging Markets gained 2.0% whilst Frontier Markets declined by 6.7%.

Total Equity assets posted returns of 0.3% compared to a composite target of 3.9%. Mixed performance was experienced over the quarter, however, all funds underperformed their respective targets. Investec Global Strategic returned 3.7% against a target of 6.2% while BlackRock ACS World Multifactor posted gains of 4.3%, behind its target by 2.1%. Both Wellington Emerging Markets (Core) and Wellington Emerging Market (Local) declined, posting returns of -2.9% and -5.8% and behind their targets by 3.4% and 6.6%, respectively.

None of the funds achieved their 3 year target objectives.

Global equity exposures to Consumer Discretionary and Information Technology created a drag on performance, mainly due to the stock selection within this sector. In particular, US casino operator, Las Vegas Sands, experienced setbacks in both its domestic and Asian markets. The newly created Communication Services sector helped returns due to the lack of investment in Tencent and Facebook, which were impacted by concerns about increasing regulation and slower growth prospects.

South Africa and China contributed to the majority of gains due to positive stock selection, although this was offset to some extent by stock selection in India and Russia. Energy and Real Estate were the leading sectors, mainly due to stock selection, however, this was partially offset by stock selection in Information Technology and Financials.

CREDIT

Global credit markets were mixed over the quarter; US treasuries cheapened in July and September on the back of strong economic data, however, the sell-off was paused in August as concerns of a global trade war took center stage. Yields across the curve rose in most developed markets over the quarter; UK gilt yields rose as investors expect monetary policy continuity from the Bank of England's Governor Mark Carney's extended term whilst German bund yields rose in response to hawkish comments from the European Central Bank's President regarding a tighter labour market in the Eurozone.

In the Corporate Bond market, spreads tightened in July before being slightly undone in August due to concerns on trade tariffs and turmoil in the emerging markets. Following a unanimous vote by the Federal Open Market Committee in September, the US Federal Reserve (Fed) increased interest rates to 2.25%, in line with market expectations. The Bank of England also increased interest rates by 25bps over the quarter, whilst the European Central Bank left rates unchanged and reiterated its pledge to keep rates low until at least the summer of 2019.

Over the quarter, Long Dated Fixed Interest Gilts, Long Dated Index-Linked Gilts and Long Dated UK Corporate Bonds declined by 3.3%, 1.4% and 0.7% respectively. Emerging Market Debt and Global High Yield posted returns of -0.6% and 1.9%, respectively.

Total Credit, which includes an allocation to Private Credit, returned 0.8% over the quarter, ahead of its target by 0.3% and added 0.1% to total relative return.

Within Investment Grade Credit, Wirelines, Cable Satellite and Midstream were the best performing sectors whilst Gaming, Home Construction and Automotive were the worst performing.

In US High Yield, all industry sectors posted positive returns led by Cable and Satellite, Healthcare and Telecommunications. CCC-rated securities outperformed over the quarter as strong earnings and low default rates continue to attract investors into lower quality credits. European High Yield was positive, with the top performers being Pharmaceuticals, Transportation and Machinery.

Emerging Market Debt experienced a volatile quarter driven by deteriorating US-China trade relations, rising Italian bond yields and the strengthening of the US Dollar. However, capital flows remained steady over the period, with modest outflows in August and inflows in July and September.

HEDGE FUNDS

Hedge Funds returned 0.6% in US dollar terms and 0.2% in Sterling terms, as strong performance in Technology and Event-Driven strategies was partially offset by volatility associated with trade and tariffs and expectations for higher US rates. Emerging Markets were the only strategy to decline over 3 and 12 month periods, returning -2.0% and -0.4%, in GBP, respectively. Total Hedge Funds over the year returned 4.0% in USD and 2.3% in GBP.

ManFRM's Managed Futures & Hedge Funds strategy declined by 0.8%, behind its target of 1.0% and detracting 0.1% from total relative performance.

ManFRM Hedge Funds (Legacy) which consists of Duet (S.A.R.E.), Liongate and Pioneer (until August 2016) assets generated a return of -38.5%, over the quarter. In August, S.A.R.E. was placed into receivership and consequently, Man FRM's Independent Pricing Committee recommended that the value at the end of September is marked down by 46.6% i.e. £2,177,909. This explains the significant negative performance generated.

TACTICAL ALLOCATION PORTFOLIO

DIVERSIFIED GROWTH

Total Diversified Growth assets fell by 0.3% over the quarter, behind its target of 2.0%. Overall, this detracted 0.2% from total relative performance.

Pyrford returned 0.8% and was behind its target by 1.2%. Both the fund's equity and bond holdings performed well; equities provided the biggest contribution to returns with overseas equities performing strongly whilst short duration bonds safeguarded client capital as bond yields rose over the quarter. Holdings in overseas bonds contributed positively, with the depreciation of Sterling adding to the performance. The fund's cash and currency hedging positions marginally detracted from performance as a result of Sterling weakness.

Investec generated a return of -1.3%, and underperformed its target by 3.2%. The fund's negative performance was driven by its 'Defensive strategies', as positions taken to hedge against market risks proved to be expensive as most of these risks did not materialise. Additionally, a strong US dollar and further Fed hikes pushed yields upward, making long dated US treasury holdings the main detractor. Within the fund's 'Growth strategies', the US homebuilders equity basket was the largest detractor from performance over concerns that the US housing market has reached its peak. However, positive contributions from the total return equity insurance basket along with holdings in Japanese equities helped to offset the negative impact on the fund's overall performance. Within the fund's 'Uncorrelated strategies', the long Japanese Yen vs. Swiss Franc position was the main detractor as instability in Italy saw investors flocking to the Swiss Franc, due to its safe haven status.

BEST IDEAS PORTFOLIO

The Best Ideas Portfolio rose by 3.3%, ahead of its target by 1.8%. Overall, this added 0.2% to total Fund relative performance. Over the last 12 months, the Best Ideas Portfolio delivered a return of 7.5% and outperformed its target of CPI +3.0% p.a. by 2.0%. Over three years, the portfolio returned 11.5% p.a., 6.2% p.a. ahead of its target.

All funds within the Best Ideas Portfolio posted positive returns with the exception of LGIM Infrastructure Equities, which declined by 0.7% and BlackRock Emerging Market Equities which was flat.

LGIM North American Equities was the best performer, gaining 6.8% and outperformed the CPI +3.0% p.a. target of 1.5%. BlackRock Japanese Equities, BlackRock US Opportunities and BlackRock European Equities (Hedged) returned 5.6%, 5.1% and 4.5%, respectively. Whilst LGIM Global Real Estate Equities (+1.1%) and Investec Global Natural Resources (+0.3%) underperformed their targets.

Over the quarter, £11,000,000 was disinvested from the BlackRock Emerging Markets Equities Fund with the proceeds being equally split and reinvested in the BlackRock US Opportunities and BlackRock Japanese Equities Funds. Additionally, the position in the Investec Emerging Markets Local Currency Debt Fund was exited, and the proceeds which totalled £9,670,211 were transferred into the LGIM Global Real Estate Equity Fund.

IN-HOUSE ASSETS

Total In-House assets returned 4.4%, ahead of its composite target by 3.0%. Overall this added 0.7% to total relative performance. The two sub-sections of the In-House assets; the Real Assets Portfolio and the Private Markets Portfolio returned 1.6% and 7.2%, respectively.

Private Equity was the top performer, returning 8.3%, ahead of its target by 6.9%. This added 0.5% to total relative performance.

Opportunistic and Infrastructure assets both exceeded their target of 1.4%, returning 2.6% and 2.3%, respectively.

Property assets, which are overweight the strategic allocation and have exceeded the strategic range, returned 1.7% and were slightly ahead of their target of 1.6%.

Timber/Agriculture assets declined by 0.1% over the quarter and underperformed their target by 1.5%. This had a neutral contribution to overall performance.

2 STRATEGIC ASSET ALLOCATION

30 SEPTEMBER 2018

Allocation by underlying asset class

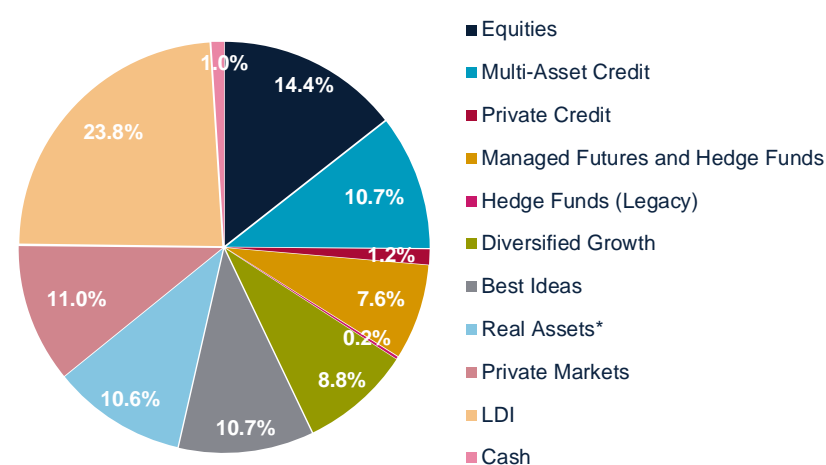
Asset Class	Market Value £	Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	159,033,857	8.4	8.0	+0.4	5.0 – 10.0
Emerging Market Equities	113,360,656	6.0	6.0	0.0	5.0 – 7.5
Multi-Asset Credit	201,871,148	10.7	12.0	-1.3	10.0 – 15.0
Private Credit [^]	23,202,737	1.2	3.0	-1.8	2.0 – 5.0
Managed Futures and Hedge Funds	143,069,048	7.6	9.0	-1.4	7.0 – 11.0
Hedge Funds (Legacy)*	3,457,308	0.2	0.0	+0.2	–
Diversified Growth	165,430,291	8.8	10.0	-1.2	8.0 – 12.0
Best Ideas	201,589,573	10.7	11.0	-0.3	9.0 – 13.0
Property	115,677,476	6.1	4.0	+2.1	2.0 – 6.0
Infrastructure / Timber / Agriculture	84,075,238	4.5	8.0	-3.5	5.0 – 10.0
Private Equity / Opportunistic	207,191,308	11.0	10.0	+1.0	8.0 – 12.0
LDI & Synthetic Equities	449,885,328	23.8	19.0	+4.8	10.0 – 30.0
Cash	18,905,608	1.0	0.0	+1.0	0.0 – 5.0
TOTAL CLWYD PENSION FUND	1,886,749,578	100.0	100.0	0.0	

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

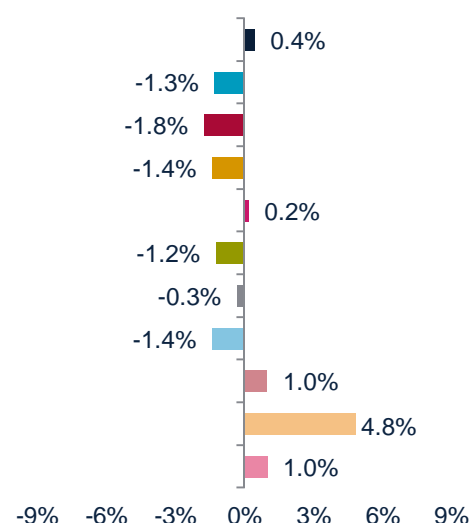
Points to note

- Asset allocation reflects the strategy to be implemented as part of the 2016 Investment Strategy Review; as such a number of asset classes will be underweight for an interim period until the portfolio is fully constructed.
- Total allocation to LDI has increased by 0.7% over the quarter and is 4.8% overweight relative to its strategic allocation. This overweight position is under review, and is likely to be reduced in the next month or two.

Strategic Asset Allocation as at 30 September 2018



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 30 SEPTEMBER 2018

Manager	Fund	Market Value £	Weight %	Strategic Allocation %	Strategic Range %
Investec	Global Strategic Equity	83,783,857	4.4	4.0	5.0 – 10.0
BlackRock	ACS World Multifactor Equity	75,250,000	4.0	4.0	
Wellington	Emerging Markets (Core)#	55,948,324	3.0	3.0	5.0 – 7.5
Wellington	Emerging Markets (Local)#	57,412,332	3.0	3.0	
Total Equity		272,394,514	14.4	14.0	
Stone Harbor	LIBOR Multi-Strategy	131,235,211	7.0	12.0	10.0 – 15.0
Stone Harbor	Multi-Asset Credit	70,635,938	3.7		
Multi-Asset Credit Portfolio		201,871,148	10.7	12.0	10.0 – 15.0
Permira	Credit Solutions III	23,202,737	1.2	3.0	2.0 – 5.0
Private Credit Portfolio		23,202,737	1.2	3.0	2.0 – 5.0⁽¹⁾
Total Credit		225,073,885	11.9	15.0	10.0 – 20.0
ManFRM	Managed Futures & Hedge Funds	143,069,048	7.6	9.0	7.0 – 11.0
ManFRM	Hedge Funds (Legacy)*	3,457,308	0.2	0.0	–
Managed Account Platform		146,526,357	7.8	9.0	7.0 – 11.0
Pyrford	Global Total Return	82,995,511	4.4	5.0	8.0 – 12.0
Investec	Diversified Growth	82,434,780	4.4	5.0	
Diversified Growth Portfolio		165,430,291	8.8	10.0	8.0 – 12.0
LGIM	North American Equities (Hedged)	27,533,181	1.5	11.0	9.0 – 13.0
BlackRock	US Opportunities	41,560,504	2.2		
BlackRock	European Equities (Hedged)	20,740,205	1.1		
BlackRock	Japanese Equities	27,908,731	1.5		
BlackRock	Emerging Markets Equities	29,250,152	1.6		
Investec	Global Natural Resources	15,391,565	0.8		
LGIM	Infrastructure Equities MFG (Hedged)	14,294,250	0.8		
LGIM	Global Real Estate Equities	24,900,964	1.3		
LGIM	Sterling Liquidity	10,020	0.0		
Best Ideas Portfolio		201,589,573	10.7	11.0	9.0 – 13.0
Tactical Allocation Portfolio		367,019,864	19.5	21.0	15.0 – 25.0
In-House	Property	115,677,476	6.1	4.0	2.0 – 6.0
In-House	Infrastructure	59,756,280	3.2	8.0	5.0 – 10.0
In-House	Timber / Agriculture	24,318,958	1.3		
Real Assets Portfolio		199,752,714	10.6	12.0	10.0 – 15.0
In-House	Private Equity	166,497,385	8.8	10.0	8.0 – 12.0
In-House	Opportunistic	40,693,923	2.2		
Private Markets Portfolio		207,191,308	11.0	10.0	8.0 – 12.0
Total In-House Assets		406,944,022	21.6	22.0	
Insight	LDI Portfolio	449,885,328	23.8	19.0	10.0 – 30.0
Total Liability Hedging		449,885,328	23.8	19.0	10.0 – 30.0
Trustees	Cash	18,905,608	1.0	-	0.0 – 5.0
TOTAL CLWYD PENSION FUND		1,886,749,578	100.0	100.0	

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 30 SEPTEMBER 2018

Manager	Fund	3 months %		12 months %		3 years % p.a.		3 Yr Performance vs Objective
		Fund	Target	Fund	Target	Fund	Target	
● Investec	Global Strategic Equity	3.7	6.2	18.7	18.1	22.1	23.8	Target not met
n/a BlackRock	ACS World Multifactor Equity	4.3	6.4	n/a	n/a	n/a	n/a	n/a
● Wellington	Emerging Markets (Core) [#]	-2.9	0.5	1.1	3.4	17.7	19.7	Target not met
● Wellington	Emerging Markets (Local) [#]	-5.8	0.8	-4.4	4.5	15.8	20.9	Target not met
Total Equity		0.3	3.9	7.0	10.6	18.1	21.3	
● Stone Harbor	LIBOR Multi-Strategy	0.8	0.4	0.0	1.5	3.2	1.4	Target met
n/a Stone Harbor	Multi-Asset Credit	0.7	0.4	-1.6	1.5	n/a	n/a	n/a
Multi-Asset Credit Portfolio		0.8	0.4	-0.6	1.5	2.8	1.4	
n/a Permira	Credit Solutions III	1.5	1.5	7.1	6.0	n/a	n/a	n/a
Private Credit Portfolio		1.5	1.5	7.1	6.0	n/a	n/a	
Total Credit		0.8	0.5	0.0	1.8	n/a	n/a	
● ManFRM	Managed Futures & Hedge Funds	-0.8	1.0	0.3	4.0	-0.7	4.0	Target not met
n/a ManFRM	Hedge Funds (Legacy) [*]	-38.5	1.0	-25.1	4.0	-25.1	4.8	n/a
Managed Account Platform		-2.2	1.0	-0.7	4.0	-2.5	4.0	
● Pyrford	Global Total Return	0.8	2.0	1.2	7.9	4.2	7.8	Target not met
● Investec	Diversified Growth	-1.3	1.9	-5.3	7.1	2.4	7.0	Target not met
Diversified Growth Portfolio		-0.3	2.0	-2.2	7.5	3.3	7.4	
● Best Ideas Portfolio		3.3	1.5	7.5	5.5	11.5	5.3	Target met
Tactical Allocation Portfolio		1.6	1.5	2.9	5.5	7.4	5.3	
● In-House	Property	1.7	1.6	8.1	9.2	7.3	7.4	Target not met
● In-House	Infrastructure	2.3	1.4	9.9	5.5	15.0	5.5	Target met
● In-House	Timber / Agriculture	-0.1	1.4	0.4	5.5	6.9	5.5	Target met
Real Assets Portfolio		1.6	1.5	7.4	6.7	n/a	n/a	
● In-House	Private Equity	8.3	1.4	19.5	5.5	14.7	5.5	Target met
● In-House	Opportunistic	2.6	1.4	23.3	5.5	3.8	5.5	Target not met
Private Markets Portfolio		7.2	1.4	20.1	5.5	n/a	n/a	
Total In-House Assets		4.4	1.4	13.6	6.2	10.9	5.7	
n/a Insight	LDI Portfolio	5.3	5.3	14.8	14.8	23.4	23.4	n/a
TOTAL (ex LDI)		1.6	1.7	5.7	6.0	8.4	7.7	
TOTAL CLWYD PENSION FUND		2.5	2.4	7.7	7.6	11.8	10.3	
Strategic Target (CPI +4.1%)		1.6		6.3		6.3		
Actuarial Target (CPI +2.0%)		1.1		4.2		4.2		

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 (Q2 2018 forecasts based on conditions at 31 March 2018).

Current long term 10 year CPI assumption is 2.2% p.a.

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

5 STRATEGIC ASSET CLASSES

PERFORMANCE TO 30 SEPT 2018

Strategy	3 months %	12 months %	3 years % p.a.
Total Equities	0.3	7.0	18.1
Composite Objective	3.9	10.6	21.3
Composite Benchmark	3.5	9.0	19.1
Multi-Asset Credit Portfolio	0.8	-0.6	2.8
Objective	0.4	1.5	1.4
Benchmark	0.2	0.5	0.4
Managed Account Platform	-2.2	-0.7	-2.5
Objective	1.0	4.0	4.0
Benchmark	1.0	4.0	4.0
Total Hedge Funds (Legacy)	-38.5	-25.1	-25.1
Composite Objective	1.0	4.0	4.8
Composite Benchmark	1.0	4.0	4.8
Total Diversified Growth	-0.3	-2.2	3.3
Composite Objective	2.0	7.5	7.4
Composite Benchmark	2.0	7.5	7.4
Best Ideas Portfolio	3.3	7.5	11.5
Objective	1.5	5.5	5.3
Benchmark	1.5	5.5	5.3
Total In-House Assets	4.4	13.6	10.9
Composite Objective	1.4	6.2	5.7
Composite Benchmark	1.4	6.2	5.7
Total LDI Portfolio	5.3	14.8	23.4
Composite Objective	5.3	14.8	23.4
Composite Benchmark	5.3	14.8	23.4
Total (ex LDI)	1.6	5.7	8.4
Composite Objective	1.7	6.0	7.7
Composite Benchmark	1.6	5.6	7.1
Total Clwyd Pension Fund	2.5	7.7	11.8
Composite Objective	2.4	7.6	10.3
Composite Benchmark	2.3	7.3	9.8

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
Investec	Global Strategic Equity	Global Developed Equities	MSCI AC World NDR Index +2.5% p.a.	4.0%
BlackRock	World Multifactor Equity Tracker	Global Developed Equities	MSCI World Index	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%
Total Equity			Composite Weighted Index	14.0%
Stone Harbor	LIBOR Multi-Strategy	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a. ⁽¹⁾	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.	3.0%
Total Credit Portfolio			Composite Weighted Index	15.0%⁽⁴⁾
ManFRM	Managed Futures & Hedge Funds	Managed Account Platform	3 Month LIBOR Index +3.5% p.a.	9.0% ⁽³⁾
Managed Account Platform			3 Month LIBOR Index +3.5% p.a.	9.0%
Pyrford	Global Total Return	Diversified Growth	UK Retail Price Index +4.5% p.a. ⁽²⁾	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%
Tactical Allocation Portfolio			UK Consumer Price Index +3.0% p.a.	21.0%
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 ⁽⁵⁾	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%
Total In-House			Composite Weighted Index	22.0%
Insight	LDI Portfolio	LDI & Synthetic Equities	Composite Liabilities & Synthetic Equity	19.0%
Total Liability Hedging			Composite Liabilities & Synthetic Equity	19.0%

Notes: 1 FTSE A Gilt's 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 December 2017 and 30 September 2018.

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