CLWYD PENSION FUND

INVESTMENT STRATEGY AND MANAGER SUMMARY

PERIOD ENDING 30 JUNE 2019

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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 another team in Mercer.

OVERALL

Over the 3 months to 30 June 2019, the Fund’s total market value increased by £91.1m to £1,957,295,075.

Over the quarter, total Fund assets returned 4.2%, ahead of its target of 3.0%. Total Fund (ex LDI) returned 3.2%, also ahead of its target of 2.0%.

All sections within the portfolio posted positive returns and outperformed their targets; Total Equities rose by 5.3% followed by the Tactical Allocation Portfolio which increased by 4.0%. In-House assets gained by 2.9%, whilst the Managed Account Platform and Total Credit Portfolio rose by 1.7% and 1.2%, respectively.

In relative terms, Total Fund assets were ahead of their target by 1.2%, mainly attributable to the Best Ideas Portfolio which outperformed its target by 4.1%, adding 0.5% to total relative performance.

Total Equities returned 5.3% outperforming its target by 0.3%, making a neutral contribution to total relative returns.

Total Credit outperformed its target by 0.6%, returning 1.2% against a target of 0.6%. Overall, this added 0.1% to total relative performance. The outperformance was driven by the Multi-Asset Credit sub-portfolio which returned 1.1% against its target of 0.4%. The Private Credit sub-portfolio returned 1.7% against a target of 1.6%.

Managed Futures and Hedge Funds increased by 1.7%, outperforming its target by 0.6%. This made a positive contribution (+0.1%) to the overall relative performance.

In-House assets returned 2.9% against a target of 1.3% and added 0.3% to total relative performance. All the sub-portfolios generated positive returns, with the exception of the Opportunistic assets which declined marginally.

Insight’s LDI portfolio increased by 7.6% 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

Overall markets were positive over the quarter, despite the fall in May resulting from the ongoing trade war between the US and China. The ramifications of this trade war are starting to show, as global growth is seen to be slowing down and companies’ earnings are revised lower.

In Developed Markets, Europe (ex UK) led regional equity performance (+8.8%) followed by North America (+6.8%). Asia Pacific (ex Japan) posted gains of 5.9% whilst UK equities rose by 3.3%. Japan continued to lag the other developed markets, increasing by 2.9%.

Over the last 12 months, all Developed Equity markets grew with the exception of Japan which fell by 1.2%. North America achieved the largest returns, increasing by 14.1% over the period.

Emerging Markets delivered returns of 3.8% whilst Frontier Markets had a much stronger quarter, returning 8.6%. Over the last 12 months, Emerging Markets returned 8.3% whilst Frontier Markets rose by 4.3%.

Total Equity assets returned 5.3% compared to a composite target of 5.0%. Wellington Emerging Market (Core) performed in line with its target returning 3.4% over the quarter, whilst all other funds exceeded their targets.

Russell WPP Global Opportunities Fund and Wellington Emerging Market (Local) both outperformed their targets by 0.6%, whilst BlackRock World Multifactor marginally outperformed its target by 0.1%.

In the Emerging Markets portfolio, stock selection in Argentina and Brazil added to performance whilst India and South Africa detracted. Stock selection in Consumer Discretionary and Consumer Services proved to be beneficial and partially offset the poor stock selection and asset allocation in Industrials and Healthcare.

Both Wellington Emerging Market equity funds were behind their 3 year performance objectives at quarter end.

CREDIT

Global credit markets rose over the quarter, driven by increasing tensions between the US and China and fears of a global growth slowdown. The trade talks between the two countries broke down as the US increased tariffs on $200bn of Chinese goods and China retaliated. These actions exacerbated the flight-to quality, as markets braced for a trade war and contemplated on the potential adverse impact on global growth.

Global monetary policies were mainly dovish during the quarter in response to below target inflation and a slowdown in growth; the US Federal Reserve's Open Market Committee (FOMC) voted unanimously to keep US interest rates unchanged, however, it indicated that there would be potential rate cuts later in the year. Since the end of the quarter, the US Federal Reserve has cut interest rates by 0.25%. The ECB left rates unchanged over the quarter, and signalled the potential to rate cuts later in the year alongside a new round of quantitative easing. The Bank of England kept interest rates at 0.75% throughout the quarter.

Over the quarter, Long Dated Conventional Gilts and Index-Linked Gilts both increased by 2.0% whilst UK Corporate Bonds gained by 2.6%. Emerging Market Local Currency Debt and Emerging Market Hard Currency Debt returned 8.2% and 4.1%, respectively. Global High Yield increased by 2.3% over the period.

Total Credit returned 1.2% over the quarter, 0.6% ahead of its target. This added 0.1% to total relative returns. The Private Credit sub-portfolio (which is currently in its commitment phase) delivered 1.7% against a target of 1.6%.

Permira Credit Solutions III (European mandate) and BlackRock Middle Market Senior (North American mandate) were c.87% and c.29% funded respectively at the end of June as capital deployment continues for both funds.

In Investment Grade Credit, The best performing sectors were Wirelines, Food/Beverage and Life Insurance, whilst the worst performing sectors were Utility (Other), Oil Field Services and Refining.

US High Yield rallied behind a more dovish Federal Reserve and lower US Treasury yields. Over the quarter, 30 out of the 40 industry sectors outperformed the benchmark.

In Emerging Market Debt, the main drivers of performance at country level were Brazil, Mexico and Russia. Brazilian markets reacted positively to progress on pension fund reform legislation and expectations of interest rate cuts, whilst Mexico benefitted from the reversal of Donald Trump's threat to impose sanctions on the country following issues around immigration. A dovish statement from Russia's central bank and the decision of a rate cut in June provided a positive signal for further easing and a boost to Russian bonds.

HEDGE FUNDS

Hedge Funds had a positive second quarter, as all strategies posted gains in both Sterling and US dollar terms. Overall, Hedge Funds returned 4.1% in Sterling terms and 1.7% in US dollar terms. Global Macro strategies were the best performing strategies, returning 5.0% (Sterling) and 2.5% (US dollar). Emerging Market strategies, albeit positive over the quarter, were the worst performing strategies, returning 3.6% (Sterling) and 1.2% (US dollar).

Over the last 12 months, all strategies advanced in both US dollar and Sterling terms. Relative Value strategies were the best performing strategies over 12 months, posting 7.2% in Sterling terms and 3.3% in US dollar terms.

ManFRM's Managed Futures & Hedge Funds strategy grew by 1.7%, ahead of its target by 0.6%. ManFRM Hedge Funds (Legacy) assets which only consists of Liongate returned 2.7% over the quarter.

TACTICAL ALLOCATION PORTFOLIO

DIVERSIFIED GROWTH

Total Diversified Growth assets increased by 2.0% over the quarter, behind the target of 2.4%.

Pyrford returned 1.1%, underperforming its target by 1.6%. Performance was mainly driven by its overseas equity holdings with the main contributors being Asian equities. Fixed income securities added to returns, as holdings in overseas bonds rose due to Sterling depreciation. However, this did not have any effect on the portfolio due to the currency hedging that is in place.

Investec returned 3.0%, outperforming its target by 1.0%, as the 'Growth', 'Defensive' and 'Uncorrelated' strategies all contributed positively to performance. Exposures to emerging market debt overseas equities, US Treasuries and the portfolio's long currency position were all particularly beneficial to the fund's performance over the quarter. Additionally, the fund's exposure to gold generated strong returns as global equity markets turned volatile.

BEST IDEAS PORTFOLIO

The Best Ideas Portfolio returned 5.7% over the quarter, ahead of its target by 4.1%. 12 month and 3 year portfolio returns were above the target by 1.5% and 3.5% p.a., respectively.

All the sub-funds within the portfolio posted positive returns, BlackRock US Opportunities and BlackRock European Equities (Unhedged) led performance as both returned 9.6%. BlackRock Japanese Equities and LGIM Global Real Estate Equities were the worst performers in the portfolio, returning 3.4% and 2.8%, respectively.

In April, £10m was transferred from the BlackRock US Opportunities Fund and into the LGIM Sterling Liquidity Fund. In June, £5m was disinvested from both the LGIM Global REITS Fund and LGIM Listed Infrastructure Fund, with the proceeds of £10m being transferred into the LGIM Sterling Liquidity Fund. Later in the month, £2.5m was disinvested from each of the following funds: BlackRock European Equities (Unhedged), BlackRock Japanese Equities (Unhedged), LGIM North American Equities and BlackRock US Opportunities Funds, with the proceeds totalling £10m being subsequently invested into the LGIM Sterling Liquidity Fund.

IN-HOUSE ASSETS

Total In-House assets returned 2.9%, ahead of its target by 1.3%. Overall this contributed 0.3% towards total relative performance. The two sub-sections of the In-House assets; the Real Assets Portfolio and the Private Markets Portfolio returned 2.0% and 3.9%, respectively.

Within the Private Markets Portfolio, Private Equity increased over the quarter returning 5.1%, against its target of 1.4%, whereas Opportunistic assets declined by 0.1% and underperformed its target by 1.6%.

All assets within the Real Assets Portfolio rose over the quarter; Timber/ Agriculture led performance returning 2.8% outperforming its target by 1.4%. Property assets followed by generating 2.4% against its target of 0.6%, therefore outperforming by 1.7%. Infrastructure assets rose by 1.0%, but did not exceed its target of 1.4%.

2 STRATEGIC ASSET ALLOCATION
30 JUNE 2019

Allocation by underlying asset class

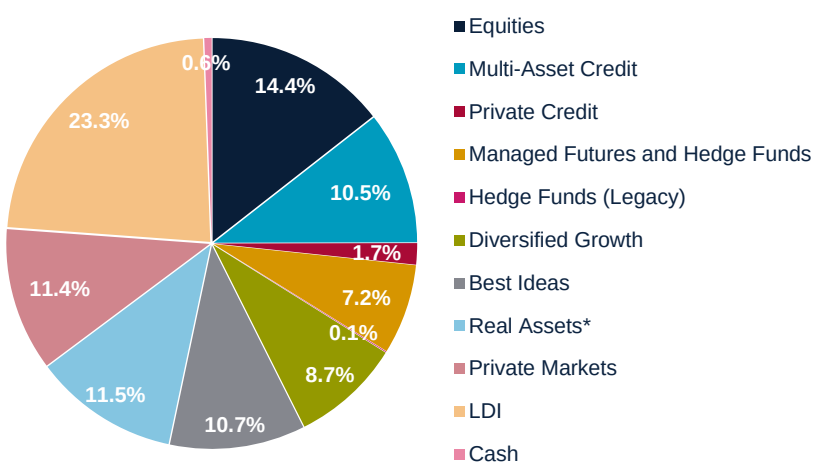
Asset Class	Market Value £	Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	159,413,075	8.1	8.0	+0.1	5.0 – 10.0
Emerging Market Equities	123,316,078	6.3	6.0	+0.3	5.0 – 7.5
Multi-Asset Credit	205,977,178	10.5	12.0	-1.5	10.0 – 15.0
Private Credit[2]	33,207,039	1.7	3.0	-1.3	2.0 – 5.0
Managed Futures and Hedge Funds	140,171,560	7.2	9.0	-1.8	7.0 – 11.0
Hedge Funds (Legacy)[1]	1,161,253	0.1	0.0	+0.1	–
Diversified Growth	170,266,801	8.7	10.0	-1.3	8.0 – 12.0
Best Ideas	210,106,332	10.7	11.0	-0.3	9.0 – 13.0
Property	124,990,658	6.4	4.0	+2.4	2.0 – 6.0
Infrastructure / Timber / Agriculture	99,686,208	5.1	8.0	-2.9	5.0 – 10.0
Private Equity / Opportunistic	222,440,450	11.4	10.0	+1.4	8.0 – 12.0
LDI & Synthetic Equities	455,200,300	23.3	19.0	+4.3	10.0 – 30.0
Cash	11,358,141	0.6	0.0	+0.6	0.0 – 5.0
TOTAL CLWYD PENSION FUND	**1,957,295,075**	**100.0**	**100.0**	**0.0**	

Notes: [1] Hedge Funds (Legacy) includes the Liongate portfolios and is provided by ManFRM. [2] The Private Credit allocations are not yet fully funded. Totals may not sum due to rounding.

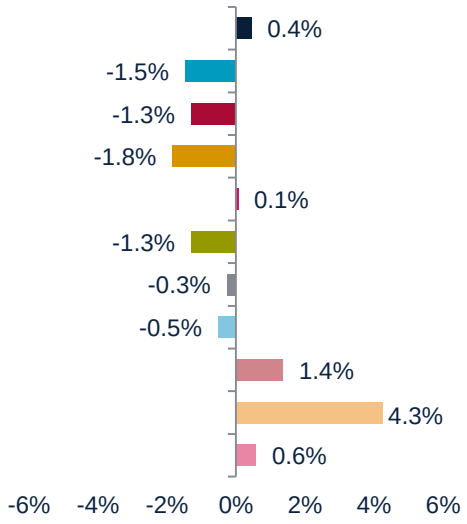
Points to note

- 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 June 2019.
- Total allocation to LDI remains overweight by 4.3% relative to its strategic allocation.

Strategic Asset Allocation as at 30 June 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 30 JUNE 2019

Manager	Fund	Market Value £	Weight %	Strategic Allocation %	Strategic Range %
Russell	WPP Global Opportunities	84,233,075	4.3	4.0	5.0 – 10.0
BlackRock	ACS World Multifactor Equity	75,180,000	3.8	4.0	
Wellington	Emerging Markets (Core)#	59,284,572	3.0	3.0	5.0 – 7.5
Wellington	Emerging Markets (Local)#	64,031,506	3.3	3.0	
Total Equity		**282,729,154**	**14.4**	**14.0**	
Stone Harbor	LIBOR Multi-Strategy	132,434,327	6.8	12.0	10.0 – 15.0
Stone Harbor	Multi-Asset Credit	73,542,852	3.8		
Multi-Asset Credit Portfolio		**205,977,178**	**10.5**	**12.0**	**10.0 – 15.0**
Permira	Credit Solutions III	27,038,538	1.4	1.8	2.0 – 5.0
BlackRock	Middle Market Senior	6,168,501	0.3	1.2	
Private Credit Portfolio		**33,207,039**	**1.7**	**3.0**	**2.0 – 5.0[1]**
Total Credit		**239,184,218**	**12.2**	**15.0**	**10.0 – 20.0**
ManFRM	Managed Futures & Hedge Funds	140,171,560	7.2	9.0	7.0 – 11.0
ManFRM	Hedge Funds (Legacy)*	1,161,253	0.1	0.0	–
Managed Account Platform		**141,332,813**	**7.2**	**9.0**	**7.0 – 11.0**
Pyrford	Global Total Return	84,438,256	4.3	5.0	8.0 – 12.0
Investec	Diversified Growth	85,828,545	4.4	5.0	
Diversified Growth Portfolio		**170,266,801**	**8.7**	**10.0**	**8.0 – 12.0**
BlackRock	US Opportunities	18,277,096	0.9	11.0	9.0 – 13.0
BlackRock	Japanese Equities	14,333,070	0.7		
BlackRock	Emerging Markets Equities	20,725,888	1.1		
Investec	Global Natural Resources	20,908,860	1.1		
LGIM	Infrastructure Equities MFG (Hedged)	29,210,612	1.5		
LGIM	Global Real Estate Equities	28,363,733	1.4		
LGIM	Sterling Liquidity	30,032,969	1.5		
LGIM	North American Equities (Unhedged)	13,384,231	0.7		
BlackRock	European Equities (Unhedged)	14,214,253	0.7		
PIMCO	Emerging Market Debt Local	20,655,621	1.1		
Best Ideas Portfolio		**210,106,332**	**10.7**	**11.0**	**9.0 – 13.0**
Tactical Allocation Portfolio		**380,373,133**	**19.4**	**21.0**	**15.0 – 25.0**
In-House	Property	124,990,658	6.4	4.0	2.0 – 6.0
In-House	Infrastructure	75,935,565	3.9	8.0	5.0 – 10.0
In-House	Timber / Agriculture	23,750,643	1.2		
Real Assets Portfolio		**224,676,866**	**11.5**	**12.0**	**10.0 – 15.0**
In-House	Private Equity	171,840,967	8.8	10.0	8.0 – 12.0
In-House	Opportunistic	50,599,483	2.6		
Private Markets Portfolio		**222,440,450**	**11.4**	**10.0**	**8.0 – 12.0**
Total In-House Assets		**447,117,316**	**22.8**	**22.0**	
Insight	LDI Portfolio	455,200,300	23.3	19.0	10.0 – 30.0
Total Liability Hedging		**455,200,300**	**23.3**	**19.0**	**10.0 – 30.0**
Trustees	Cash	11,358,141	0.6	-	0.0 – 5.0
TOTAL CLWYD PENSION FUND		**1,957,295,075**	**100.0**	**100.0**	

Notes: * ManFRM Hedge Funds (Legacy) valuation includes the Liongate portfolios and is provided by ManFRM.
Valuations for the BlackRock Middle Market Senior, Wellington Emerging Markets Core and Wellington Emerging Markets Local funds have been converted from US Dollar to Sterling using the WM/Reuters closing price exchange rates.
[1] The Private Credit allocation is not yet fully funded.

4 PERFORMANCE SUMMARY
PERIODS ENDING 30 JUNE 2019

	Manager	Fund	3 months %		12 months %		3 years % p.a.		3 Yr Performance
			Fund	Target	Fund	Target	Fund	Target	vs Objective
n/a	Russell	WPP Global Opportunities	7.1	6.5	n/a	n/a	n/a	n/a	n/a
n/a	BlackRock	World Multifactor Equity Tracker	5.8	5.7	4.2	3.6	n/a	n/a	n/a
●	Wellington	Emerging Markets (Core)#	3.4	3.4	2.9	6.4	12.6	14.0	Target not met
●	Wellington	Emerging Markets (Local)#	4.2	3.6	5.0	7.5	12.8	15.2	Target not met
Total Equity			**5.3**	**5.0**	**4.1**	**7.7**	**14.3**	**14.9**	
●	Stone Harbor	LIBOR Multi-Strategy	0.6	0.4	1.7	1.7	3.1	1.5	Target met
n/a	Stone Harbor	Multi-Asset Credit	2.0	0.4	4.8	1.7	n/a	n/a	n/a
Multi-Asset Credit Portfolio			**1.1**	**0.4**	**2.8**	**1.7**	**2.9**	**1.5**	
n/a	Permira	Credit Solutions III	2.2	1.5	5.9	6.0	n/a	n/a	n/a
n/a	BlackRock	Middle Market Senior	-0.5	2.2	n/a	n/a	n/a	n/a	n/a
Private Credit Portfolio			**1.7**	**1.6**	**5.1**	**6.3**	**n/a**	**n/a**	
Total Credit			**1.2**	**0.6**	**3.1**	**2.2**	**3.3**	**1.7**	
●	ManFRM	Managed Futures & Hedge Funds	1.7	1.1	-2.8	4.3	-1.5	4.1	Target not met
n/a	ManFRM	Hedge Funds (Legacy)*	2.7	1.1	-79.3	4.3	-42.9	4.1	n/a
Managed Account Platform			**1.7**	**1.1**	**-5.7**	**4.3**	**-3.4**	**4.1**	
●	Pyrford	Global Total Return	1.1	2.7	2.5	7.5	2.3	8.0	Target not met
●	Investec	Diversified Growth	3.0	2.0	2.8	6.7	3.2	7.1	Target not met
Total Diversified Growth			**2.0**	**2.4**	**2.6**	**7.1**	**2.7**	**7.6**	
●	**Best Ideas Portfolio**		**5.7**	**1.6**	**7.6**	**5.1**	**8.9**	**5.4**	**Target met**
Tactical Allocation Portfolio			**4.0**	**1.6**	**5.3**	**5.1**	**5.9**	**5.5**	
●	In-House	Property	2.4	0.6	8.9	4.0	7.4	6.6	Target met
●	In-House	Infrastructure	1.0	1.4	9.6	5.8	12.7	5.6	Target met
●	In-House	Timber / Agriculture	2.8	1.4	1.9	5.8	3.3	5.6	Target not met
Real Assets			**2.0**	**1.2**	**8.2**	**5.2**	**7.9**	**5.8**	
●	In-House	Private Equity	5.1	1.4	15.4	5.8	13.8	5.6	Target met
●	In-House	Opportunistic	-0.1	1.4	5.1	5.8	9.5	5.6	Target met
Private Markets Portfolio			**3.9**	**1.4**	**13.1**	**5.8**	**13.1**	**5.6**	
Total In-House Assets			**2.9**	**1.3**	**10.6**	**5.5**	**10.5**	**5.6**	
n/a	Insight	LDI Portfolio	7.6	7.6	9.0	9.0	17.8	17.8	n/a
Total (ex LDI)			**3.2**	**2.0**	**5.0**	**5.4**	**7.2**	**6.5**	
TOTAL CLWYD PENSION FUND			**4.2**	**3.0**	**6.0**	**6.1**	**9.5**	**8.4**	
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 objective is for funds that have been in place for less than three years. * ManFRM Hedge Funds (Legacy) currently includes the Liongate portfolios.
Valuations for the BlackRock Middle Market Senior, Wellington Emerging Markets Core and Wellington Emerging Markets Local funds have been converted from US Dollar to Sterling using the WM/Reuters closing price exchange rates.
Strategic and Actuarial targets derived from the latest JLT Market Forecast Group assumptions (Q2 2019 forecasts based on conditions at 31 March 2019). 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 JUNE 2019

Strategy	3 months %	12 months %	3 years % p.a.
Total Equities	**5.3**	**4.1**	**14.3**
Composite Objective	5.0	7.7	14.9
Composite Benchmark	4.9	6.6	13.2
Total Credit	**1.2**	**3.1**	**3.3**
Objective	0.6	2.2	1.7
Benchmark	0.4	1.3	0.8
Managed Account Platform	**1.7**	**-5.7**	**-3.4**
Objective	1.1	4.3	4.1
Benchmark	1.1	4.3	4.1
Total Hedge Funds (Legacy)	**2.7**	**-79.3**	**-42.9**
Composite Objective	1.1	4.3	4.1
Composite Benchmark	1.1	4.3	4.1
Total Diversified Growth	**2.0**	**2.6**	**2.7**
Composite Objective	2.4	7.1	7.6
Composite Benchmark	2.4	7.1	7.6
Best Ideas Portfolio	**5.7**	**7.6**	**8.9**
Objective	1.6	5.1	5.4
Benchmark	1.6	5.1	5.4
Total In-House Assets	**2.9**	**10.6**	**10.5**
Composite Objective	1.3	5.5	5.6
Composite Benchmark	1.3	5.5	5.6
Total LDI Portfolio	**7.6**	**9.0**	**17.8**
Composite Objective	7.6	9.0	17.8
Composite Benchmark	7.6	9.0	17.8
Total (ex LDI)	**3.2**	**5.0**	**7.2**
Composite Objective	2.0	5.4	6.5
Composite Benchmark	1.9	5.0	6.1
Total Clwyd Pension Fund	**4.2**	**6.0**	**9.5**
Composite Objective	3.0	6.1	8.4
Composite Benchmark	3.0	5.8	8.0

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 Multiple-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%
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.	1.8%
BlackRock	Middle Market Senior	Private Credit	Absolute Return 9.0% p.a.	1.2%
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	MSCI UK Monthly Property Index	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 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.

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