

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



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1 IMPACT ON CLWYD PENSION FUND INVESTMENT STRATEGY

This report is produced by JLT Benefit Solutions ("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 is produced separately by another team in Mercer.

OVERALL

Over the 3 months to 31 December 2019, the Fund's total market value increased by £3.8m to £2,000,290,365.

Over the quarter, total Fund assets returned 0.5%, against a target of 0.8%. Total Fund (ex LDI) returned 1.0%, behind its target of 1.3%.

All strategies with the exception of In-House and LDI assets posted positive returns. Total Equities rose 2.5% followed by the Tactical Allocation Portfolio which gained 1.6%. Total Credit rose 1.5%, whilst the Managed Account Platform rose 1.0%. In-House assets detracted over the quarter returning -0.6%.

In relative terms, Total Fund assets were behind their target by 0.3%, mainly attributable to the In-House assets which underperformed its target by 1.8%, detracting 0.4% from total relative performance.

Total Equities returned 2.5% underperforming its target by 0.3%, whilst Total Credit beat its target by 0.9%, returning 1.5% against a target of 0.6%. Total Equities contribution was neutral whilst Total Credit added 0.1% to total relative returns.

Managed Futures and Hedge Funds increased by 1.1%, performing in line with its target.

In-House assets returned -0.6% against a target of 1.2%. All the sub-portfolios with the exception of Property, contributed negatively to total relative performance.

Insight's LDI portfolio decreased by 1.5% over the quarter, primarily due to rising bond yields. Overall, the overweight allocation to the LDI portfolio detracted 0.1% from relative performance.

EQUITIES

Equity markets rose in the final quarter of the year, making it the fourth consecutive quarter for growth since the falls experienced in Q4 2018. US equities in particular benefitted from improved trade sentiment, declining recessionary fears, and accommodative monetary policy. Emerging Markets and Asian equities also rose amid renewed trade optimism as US and China came agreed on a phase one trade deal. European equities gained; the economy grew modestly despite expectations of a slowdown as a result of Brexit uncertainty and trade tensions. In the UK, stocks rallied as the General Election held in December saw the Conservatives win a majority of 80 seats, their biggest victory since 1987. Following the re-election of Prime Minister Boris Johnson, it was confirmed that the UK will exit the European Union (EU) on 31 January 2020.

In Developed Markets, UK Equities led performance (+4.2%) positively influenced by the outcome of the election. All other developed regions also posted gains including North America (+1.4%), Europe (ex UK) (+0.9%), Japan (+0.2%) and Asia Pacific (+0.6%).

Over the last 12 months, all Developed Equity Markets posted positive returns. North America gained the most increasing by 26.5% over the period, UK equities gained 19.2%. Japan remained the weakest performer, returning 14.8%.

Emerging Markets increased 4.0% whilst Frontier Markets declined -0.6% over the quarter. Over the last 12 months, both Emerging and Frontier Markets were positive, returning 15.9% and 3.8%, respectively.

Total Equity assets returned 2.5% compared to a composite target of 2.8%. Wellington Emerging Market (Core) outperformed its target returning 5.4% over the quarter against a target of 4.4%. Russell WPP Global Opportunities Fund

exceeded its target by 0.3%, returning 2.2%. BlackRock World Multifactor returned 1.0%, in line with its target. Wellington Emerging Market (Local) underperformed its target returning 2.0% against a target of 4.6%.

In the Emerging Markets portfolio, stock selection in Brazil, Taiwan and South Korean and within the Financials sector, drove relative performance. Allocation to Information Technology was also beneficial. This was partially offset by stock selection in Indonesia and Mexico.

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

CREDIT

Credit markets declined over the quarter as US-China trade tensions softened, the risk of a disorderly Brexit reduced and signs of economic stabilisation in Europe and China. The US Federal Reserve's Open Market Committee (FOMC) cut its rates in October for the third time in 2019, moving the benchmark rate in the target range of 1.5% - 1.75%. The decision to cut rates once more was an attempt to keep growth continuing into 2020. The Bank of England (BoE) and the European Central Bank (ECB) kept interest rates unchanged over the quarter. However, the ECB resumed its quantitative easing programme at the start of November at a rate of €20billion a month, which will continue for an indefinite period.

Over the quarter, Long Dated Conventional Gilts, Index-Linked Gilts and UK Corporate Bonds decreased by -6.6%, -9.4% and -2.7%, respectively. Emerging Market Local Currency Debt and Emerging Market Hard Currency Debt returned -2.1% and -5.0%, respectively. Global High Yield increased by 2.5%.

Total Credit assets gained 1.5% over the quarter, outperforming its target of 0.6%. The Multi-Asset Credit sub-portfolio returned 1.9% against a target of 0.4%, whilst the Private Credit sub-portfolio (which remains in its commitment phase) delivered a return of -0.8% against a target of 1.7%.

Permira Credit Solutions III (European mandate) and BlackRock Middle Market Senior (North American mandate) were c.88% and c.51% funded respectively at the end of December as capital deployment continues for both funds.

In Investment Grade Credit, the best performing sectors were Wirelines, Refining and Tobacco, whilst the worst performing sectors were Home Construction, Industrial Other and Financial Other.

US High Yield generated a positive return over the quarter, due to a strong rally in latter end of the quarter that boosted returns by 2.1% in December alone. Gains were led by Energy which rallied following the phase one trade agreement between the US China.

In Emerging Market Debt, the top contributors to performance were the Russian duration overweight position and issue selection in Argentina and Mexico. The main detractors from performance were issue selection in Czech Republic, duration underweight in Malaysia and Chile foreign exchange overweight.

HEDGE FUNDS

Hedge Funds posted negative returns in Sterling terms over the quarter. Overall Hedge Funds returned -3.7% (in Sterling) and 3.5% (US dollar). Equity Hedge were the best performing strategies, returning -1.7% (Sterling) and 5.7% (US dollar). Global Macro were the worst performing strategies over the quarter, returning -7.4% (Sterling) and -0.5% (US dollar).

ManFRM's Managed Futures & Hedge Funds strategy grew by 1.1%, in-line with its target. ManFRM Hedge Funds (Legacy) assets, which now consists of the Liongate assets, returned -18.3% over the quarter, underperforming its target of 1.1%.

TACTICAL ALLOCATION PORTFOLIO

DIVERSIFIED GROWTH

Total Diversified Growth assets increased by 2.4% over the quarter, outperforming the target of 1.3%.

Pyrford returned 0.6%, below its target by 0.8%. Currency hedging strategies were the largest contributor to performance as Sterling strengthened against the US Dollar, Canadian Dollar, Australian Dollar and Swiss Franc. Overall, the equities within the portfolio rose; UK equities rallied following the UK General Election result and offset the falls in overseas equities as a result of Sterling strengthening. Within bonds, the short duration positioning protected the portfolio as global bond yields rose. The UK bonds positioned at the short end fell marginally whilst overseas bonds fell to a larger extent.

Investec returned 4.1%, above its target by 2.9%. 'Growth' and 'Uncorrelated' strategies contributed to performance whilst 'Defensive' strategies detracted. Exposures to Chinese and Asian equities were the main contributors as they rose on the back of progression in the US-China trade discussions. Exposure to gold benefitted the portfolio as prices rose over the quarter. Defensive currency exposures such as long Japanese Yen and short Taiwanese Dollar sold off as a function of the positive risk environment and the Japanese Yen vs Swiss Franc position also detracted as the Yen weakened.

BEST IDEAS PORTFOLIO

The Best Ideas Portfolio returned 0.9% over the quarter, ahead of its target of 0.8%. Portfolio returns over 12 months and 3 years were above the target by 15.2% and 1.8% p.a., respectively.

Performance within the sub-funds was mixed over the quarter. BlackRock Japanese equities led performance returning 7.8%, followed by BlackRock Emerging Market Equities which gained by 4.0%. LGIM Infrastructure Equities (+1.7%) and LGIM Global Natural Resources (+0.7) also gained over the period. Negative performance was generated by BlackRock US Opportunities and PIMCO Emerging Market Bonds which declined by 0.6% and 1.1%, respectively. LGIM Global Real Estate Equities and LGIM Corporate Bonds were the worst performers, generating returns of -5.9% and -4.2%.

In October, c. £14m was switched from the LGIM North American Equities Fund to the Hedged version of the same fund. The LGIM North American Equities Hedged Fund returned 9.7% from inception (2 October 2019) to the end of the quarter. Additionally, £11m was disinvested from the BlackRock Emerging Market Equities with proceeds invested in the LGIM High Yield Bond Fund.

In December, £10m was disinvested from both LGIM infrastructure Equities and LGIM Global Real Estate Equities with the proceeds totalling £20m being invested in the LGIM UK Equity Index Fund.

IN-HOUSE ASSETS

Total In-House assets returned -0.6% below its target of 1.2%. Overall this detracted 0.4% from total relative performance. The two sub-sections of the In-House assets; the Real Assets Portfolio and the Private Markets Portfolio returned -0.5% and -0.7%, respectively.

Within the Real Assets Portfolio, Property assets outperformed, returning 1.0% against a target of 0.3%. Infrastructure and Timber/ Agriculture underperformed, returning -1.2% and -4.9%, respectively against a target of 1.4%.

Within the Private Markets Portfolio, both Private Equity and Opportunistic assets underperformed their targets. Private Equity returned 0.2% against a target of 1.4%, whereas Opportunistic returned -3.8% against a target of 1.4%.

2 STRATEGIC ASSET ALLOCATION

31 DECEMBER 2019

Allocation by underlying asset class

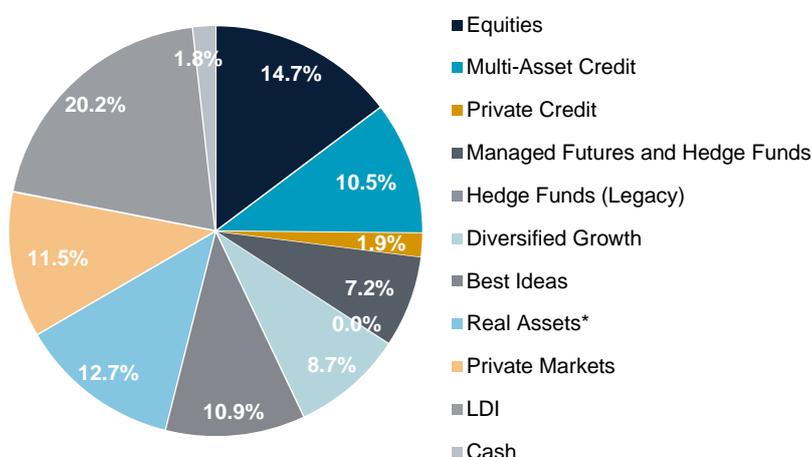
Asset Class	Market Value £	Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	166,854,417	8.3	8.0	+0.3	5.0 – 10.0
Emerging Market Equities	126,959,389	6.3	6.0	+0.3	5.0 – 7.5
Multi-Asset Credit	209,224,134	10.5	12.0	-1.5	10.0 – 15.0
Private Credit ²	37,327,235	1.9	3.0	-1.1	2.0 – 5.0
Managed Futures and Hedge Funds	144,004,254	7.2	9.0	-1.8	7.0 – 11.0
Hedge Funds (Legacy) ¹	456,411	0.0	0.0	0.0	–
Diversified Growth	175,005,093	8.7	10.0	-1.3	8.0 – 12.0
Best Ideas	218,562,211	10.9	11.0	-0.1	9.0 – 13.0
Property	122,279,989	6.1	4.0	+2.1	2.0 – 6.0
Infrastructure / Timber / Agriculture	131,022,783	6.6	8.0	-1.4	5.0 – 10.0
Private Equity / Opportunistic	229,934,122	11.5	10.0	+1.5	8.0 – 12.0
LDI & Synthetic Equities	403,234,517	20.2	19.0	+1.2	10.0 – 30.0
Cash	35,425,809	1.8	0.0	+1.8	0.0 – 5.0
TOTAL CLWYD PENSION FUND	2,000,290,365	100.0	100.0	0.0	

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

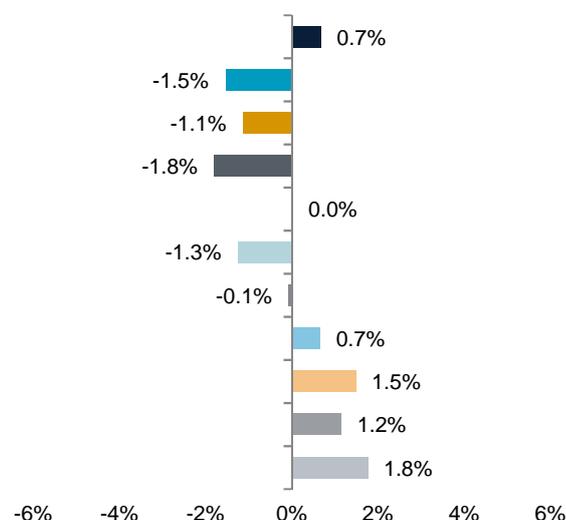
Points to note

- Permira Credit Solutions III (European mandate) and BlackRock Middle Market Senior (North American mandate) were c.88% and c.51% funded at the end of December 2019.
- The total allocation to LDI remains overweight by 1.2% relative to its strategic allocation.

Strategic Asset Allocation as at 31 December 2019



Deviation from Strategic Allocation



Notes: Totals may not sum due to rounding. * In-House Property, Infrastructure and Timber/Agriculture portfolios.

3 VALUATION AND ASSET ALLOCATION

AS AT 31 DECEMBER 2019

Manager	Fund	Market Value £	Weight %	Strategic Allocation %	Strategic Range %
Russell	WPP Global Opportunities	88,944,417	4.4	4.0	5.0 – 10.0
BlackRock	ACS World Multifactor Equity	77,910,000	3.9	4.0	
Wellington	Emerging Markets (Core)#	63,002,825	3.1	3.0	5.0 – 7.5
Wellington	Emerging Markets (Local)#	63,956,566	3.2	3.0	
Total Equity		293,813,806	14.7	14.0	
Stone Harbor	LIBOR Multi-Strategy	134,424,612	6.7	12.0	10.0 – 15.0
Stone Harbor	Multi-Asset Credit	74,799,522	3.7		
Multi-Asset Credit Portfolio		209,224,134	10.5	12.0	10.0 – 15.0
Permira	Credit Solutions III	26,853,495	1.3	1.8	2.0 – 5.0
BlackRock	Middle Market Senior	10,473,740	0.5	1.2	
Private Credit Portfolio		37,327,235	1.9	3.0	2.0 – 5.0⁽¹⁾
Total Credit		246,551,370	12.3	15.0	10.0 – 20.0
ManFRM	Managed Futures & Hedge Funds	144,004,254	7.2	9.0	7.0 – 11.0
ManFRM	Hedge Funds (Legacy)*	456,411	0.0	0.0	–
Managed Account Platform		144,460,665	7.2	9.0	7.0 – 11.0
Pyrford	Global Total Return	85,731,067	4.3	5.0	8.0 – 12.0
Investec	Diversified Growth	89,274,026	4.5	5.0	
Diversified Growth Portfolio		175,005,093	8.7	10.0	8.0 – 12.0
BlackRock	US Opportunities	19,498,206	1.0	11.0	9.0 – 13.0
BlackRock	Emerging Markets Equities	17,481,576	0.9		
Investec	Global Natural Resources	20,940,107	1.0		
LGIM	Infrastructure Equities MFG (Hedged)	21,172,517	1.1		
LGIM	Global Real Estate Equities	19,012,388	1.0		
LGIM	Sterling Liquidity	10,071,883	0.5		
PIMCO	Emerging Market Debt Local	28,030,788	1.4		
BlackRock	Japanese Equities (Hedged)	16,168,495	0.8		
LGIM	Global Corporate Bonds	18,757,249	0.9		
LGIM	High Yield Bond Fund	11,199,347	0.6		
LGIM	North American Equities (Hedged)	15,340,759	0.8		
LGIM	UK Equities	20,888,896	1.0		
Best Ideas Portfolio		218,562,211	10.9	11.0	9.0 – 13.0
Tactical Allocation Portfolio		393,567,304	19.7	21.0	15.0 – 25.0
In-House	Property	122,279,989	6.1	4.0	2.0 – 6.0
In-House	Infrastructure	111,063,760	5.6	8.0	5.0 – 10.0
In-House	Timber / Agriculture	19,959,023	1.0		
Real Assets Portfolio		253,302,772	12.7	12.0	10.0 – 15.0
In-House	Private Equity	182,695,242	9.1	10.0	8.0 – 12.0
In-House	Opportunistic	47,238,880	2.4		
Private Markets Portfolio		229,934,122	11.5	10.0	8.0 – 12.0
Total In-House Assets		483,236,894	24.2	22.0	
Insight	LDI Portfolio	403,234,517	20.2	19.0	10.0 – 30.0
Total Liability Hedging		403,234,517	20.2	19.0	10.0 – 30.0
Trustees	Cash	35,425,809	1.8	-	0.0 – 5.0
TOTAL CLWYD PENSION FUND		2,000,290,365	100.0	100.0	

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

4 PERFORMANCE SUMMARY

PERIODS ENDING 31 DECEMBER 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	2.2	1.9	n/a	n/a	n/a	n/a	n/a
n/a	BlackRock	World Multifactor Equity Tracker	1.0	1.0	18.5	18.6	n/a	n/a	n/a
	Wellington	Emerging Markets (Core) [#]	5.4	4.4	19.4	15.4	10.4	10.5	Target not met
	Wellington	Emerging Markets (Local) [#]	2.0	4.6	13.5	16.6	9.4	11.6	Target not met
Total Equity			2.5	2.8	19.0	19.2	9.9	11.0	
	Stone Harbor	LIBOR Multi-Strategy	1.9	0.4	4.9	1.7	1.7	1.5	Target met
n/a	Stone Harbor	Multi-Asset Credit	1.9	0.4	9.0	1.7	n/a	n/a	n/a
Multi-Asset Credit Portfolio			1.9	0.4	6.3	1.7	2.1	1.5	
n/a	Permira	Credit Solutions III	0.2	1.5	5.2	6.0	n/a	n/a	n/a
n/a	BlackRock	Middle Market Senior [#]	-3.3	2.2	-2.8	9.0	n/a	n/a	n/a
Private Credit Portfolio			-0.8	1.7	3.5	6.6	n/a	n/a	
Total Credit			1.5	0.6	5.9	2.4	2.4	1.9	
	ManFRM	Managed Futures & Hedge Funds	1.1	1.1	4.8	4.4	0.8	4.1	Target not met
n/a	ManFRM	Hedge Funds (Legacy) [*]	-18.3	1.1	8.0	4.4	-44.2	4.1	n/a
Managed Account Platform			1.0	1.1	4.8	4.4	-0.8	4.1	
	Pyrford	Global Total Return	0.6	1.4	5.4	6.8	1.8	7.7	Target not met
	Investec	Diversified Growth	4.1	1.2	12.5	6.0	3.3	6.9	Target not met
Total Diversified Growth			2.4	1.3	8.9	6.4	2.5	7.3	
	Best Ideas Portfolio		0.9	0.8	19.5	4.3	7.0	5.2	Target met
Tactical Allocation Portfolio			1.6	0.8	14.6	4.3	4.9	5.2	
	In-House	Property	1.0	0.3	6.5	2.1	7.0	7.0	Target met
	In-House	Infrastructure	-1.2	1.4	2.8	5.9	7.3	5.7	Target met
	In-House	Timber / Agriculture	-4.9	1.4	-0.7	5.9	-0.6	5.6	Target not met
Real Assets			-0.5	1.1	4.4	4.6	6.0	6.0	
	In-House	Private Equity	0.2	1.4	7.3	5.9	12.5	5.6	Target met
	In-House	Opportunistic	-3.8	1.4	-4.4	5.9	5.9	5.7	Target met
Private Markets Portfolio			-0.7	1.4	4.6	5.9	11.4	5.6	
Total In-House Assets			-0.6	1.2	4.5	5.2	8.6	5.8	
n/a	Insight	LDI Portfolio	-1.5	-1.5	18.0	18.0	8.7	8.7	n/a
Total (ex LDI)			1.0	1.3	9.8	7.0	5.8	5.9	
TOTAL CLWYD PENSION FUND			0.5	0.8	11.6	8.9	6.5	6.4	
Strategic Target (CPI +4.1%)			1.6		6.2		6.2		
Actuarial Target (CPI +2.0%)			1.0		4.1		4.1		

Notes: 'n/a' against the objective is for funds that have been in place for less than three years. * ManFRM Hedge Funds (Legacy) valuation includes the Liongate portfolios.
[#] BlackRock Middle Market Senior, Wellington Emerging Markets Core and Local funds are converted from US Dollar to Sterling using WM/Reuters closing price exchange rates.
 Strategic and Actuarial targets are derived from JLT Market Forecast Group assumptions (based on conditions at 31 December 2019). Current 10-year CPI assumption = 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 DECEMBER 2019

Strategy	3 months %	12 months %	3 years % p.a.
Total Equities	2.5	19.0	9.9
Composite Objective	2.8	19.2	11.0
Composite Benchmark	2.5	17.9	9.3
Total Credit	1.5	5.9	2.4
Objective	0.6	2.4	1.9
Benchmark	0.4	1.5	1.0
Managed Account Platform	1.0	4.8	-0.8
Objective	1.1	4.4	4.1
Benchmark	1.1	4.4	4.1
Total Hedge Funds (Legacy)	-18.3	8.0	-44.2
Composite Objective	1.1	4.4	4.1
Composite Benchmark	1.1	4.4	4.1
Total Diversified Growth	2.4	8.9	2.5
Composite Objective	1.3	6.4	7.3
Composite Benchmark	1.3	6.4	7.3
Best Ideas Portfolio	0.9	19.5	7.0
Objective	0.8	4.3	5.2
Benchmark	0.8	4.3	5.2
Total In-House Assets	-0.6	4.5	8.6
Composite Objective	1.2	5.2	5.8
Composite Benchmark	1.2	5.2	5.8
Total LDI Portfolio	-1.5	18.0	8.7
Composite Objective	-1.5	18.0	8.7
Composite Benchmark	-1.5	18.0	8.7
Total (ex LDI)	1.0	9.8	5.8
Composite Objective	1.3	7.0	5.9
Composite Benchmark	1.2	6.6	5.5
Total Clwyd Pension Fund	0.5	11.6	6.5
Composite Objective	0.8	8.9	6.4
Composite Benchmark	0.8	8.6	6.0

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

Notes: 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 AC World Index NDR +2.0% p.a.	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			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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It is important to understand that this is a snapshot, based on market conditions and gives an indication of how we view the entire investment landscape at the time of writing. Not only can these views change quickly at times, but they are, necessarily, generic in nature. As such, these views do not constitute advice as individual client circumstances have not been taken into account. Please also note that comparative historical investment performance is not necessarily a guide to future performance and the value of investments and the income from them may fall as well as rise. Changes in rates of exchange may also cause the value of investments to go up or down. Details of our assumptions and calculation methods are available on request.

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