



# Clwyd Pension Fund

Economic and Market Update  
Q1 2021

# Monthly Capital Market Monitor (UK)

## March 2021

### The recovery takes hold

The year started with optimism over vaccine roll-outs, the end of a contentious US election season, and the UK finally making its transition out of the EU. However, there was reason for concern over relentless Covid-19 spread leading to new restrictions and lockdowns across the world as well as fears of vaccine resistant variants. Nevertheless, equity markets gave the new year a warm welcome with the MSCI ACWI returning 4.0% during Q1.

As investors enter the second quarter, a slightly more positive picture is emerging. Even though COVID uncertainty remains high and restrictions remain in many countries, vaccine roll-outs in a number of large developed economies kept up optimism over sustained re-openings later in the year. Leading economic indicators such as purchasing manager indices show that a recovery is well underway. The US is adding fuel to this recovery fire with another large \$1.9 trillion fiscal stimulus program. Central banks promised a continuation of easy monetary conditions – inflation come what may except where inflationary pressure is too high already such as for Brazil and Russia<sup>1</sup>. When Turkey’s central bank increased rates, its governor was replaced with a government loyalist. The Turkish lira plummeted by double digits as a consequence.

2021 started with stretched valuations for most asset classes after almost a year of policy stimulus. The number of idiosyncratic incidents that hint at bubbly markets has been mounting this year – be it the Bitcoin rally, Gamestop or most recently the failures of Greensill and Archegos Capital. The first quarter witnessed a number of volatility spikes even if over March, volatility has actually fallen back to a one year low.

Equity markets have been reflecting this manic-depressive environment with a weak January, but a recovery in February and March. As markets continue to coalesce around the reopening scenario, value stocks have been outperforming growth stocks by wide margins since February as these are the stocks expected to benefit from a return to normal social interactions. Emerging markets went strong into the year but have been falling behind since February when Chinese markets began to reflect concerns over tighter credit and a regulatory pushback against its tech sector.

Bond markets have also priced in this outlook. Longer dated nominal yields have been increasing and yield curves have been steepening globally for the year, most notably for the US where this trend has continued into March. Markets priced in higher inflation risk for both cyclical and structural reasons as well as the risk of central banks being forced to tighten monetary policy, no matter how much assurance they are giving at the moment that this will not happen any time soon.

After a dismal second half of 2020, the US dollar ended its losing streak at the beginning of the year, a trend that continued up to the end of March. Higher yields are making US fixed income more attractive for foreigners and the US economic outlook being the best among developed economies.

Cyclical commodities have been performing strongly over the year so far, especially energy in anticipation of the strong pent-up demand the global rebound is bringing. Supply chains were already stretched going into 2021 which was exacerbated further by severe winter weather in February and the temporary closure of the Suez Canal in March.

<sup>1</sup> <https://www.mercer.com/our-thinking/wealth/the-return-of-the-inflation-menace.html>

### At a Glance

Market Returns in % as of end March 2021 in GBP

Major Asset Class Returns	1M	YTD	1Y
MSCI ACWI	4.0	3.6	38.9
S&P 500	5.8	5.2	40.5
FTSE All Share	4.0	5.2	26.7
MSCI World ex-UK	4.8	4.0	40.1
MSCI EM	-0.2	1.3	42.3
Bloomberg Barclays Global Aggregate	-0.6	-5.3	-5.9
ICE Bank of America Sterling Non-Gilt	-0.3	-4.1	7.0
Bloomberg Barclays High Yield	1.4	0.0	11.6
FTSE WGBI	-0.8	-6.5	-8.5
FTA UK Over 15 year gilts	0.0	-12.5	-10.4
FTA UK 5+ year ILG's	1.9	-7.0	2.6
NAREIT Global REITs	4.3	5.1	22.2
Bloomberg Commodity TR	-0.8	5.9	21.4

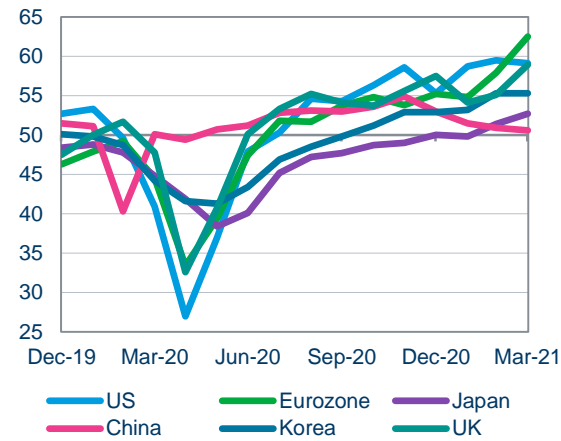
Source: Thomson Reuters Datastream

# Economy, policy and market drivers

## Economic recovery puts pressure on global supply chains

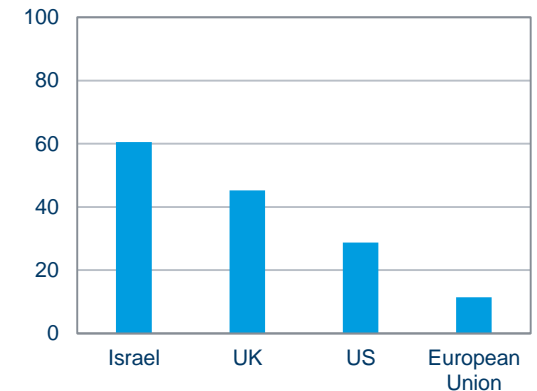
- The economic recovery is gaining momentum. Forward-looking composite purchasing manager indices for major regions are indicating a strong ongoing expansion with manufacturing still offsetting weak services. Labour markets are also healing gradually in the US, UK and Australia and are stabilising in Europe.
- Ongoing strong goods demand is putting pressure on global supply chains with worldwide shortages and bottlenecks across a range of industries. Weather disruptions earlier in the year, port backlogs, a fire in a major Japanese chip factory and a large vessel blocking the Suez canal that lasted for a week compounded the problem. The Baltic Dry Index which measures global shipping rates reached a two year high.
- Overall, the OECD has upgraded its forecast for global growth for 2021 to a significant degree, but the recovery remains uneven. While the US economy held up reasonably well in 2020Q4, growth in the UK and Japan slowed and went negative for the Eurozone.
- Growth prospects are still driven by the COVID-19 situation in different regions, which increasingly hinges on vaccination roll-outs to accelerate herd immunity and allow a sustained full reopening. The US and UK have been doing a stellar job with herd immunity expected in early summer, the EU has more catch-up to do while emerging markets are far behind. Restrictions were eased in a number of US states with Texas carrying the torch by fully reopening. The UK started tentatively reopening in late March, but lockdowns across continental Europe were extended while Brazil and India continue to struggle with the disease.
- The US-China relationship showed no signs of improving after an unproductive meeting between both countries in Alaska and a US-Japan summit where reining in China was the focus.
- The US passed another large fiscal package of \$1.9 trillion, and the Biden administration proposed an infrastructure program amounting to almost \$3TRN. The Federal Reserve reaffirmed its commitment to keep easy monetary policy in place for the foreseeable future with short dated rates not forecasted to rise until 2024 and asset purchases to continue, although there is no indication that the Fed will move to rein in the rise in longer dated yields. In the Eurozone, however, asset purchases were stepped up and soft yield control was announced. The steepening yield curve and inflationary pressure forced Turkey, Russia and Brazil to raise rates.

**Markit Manufacturing PMIs**



Source: Bloomberg; as of 31/3/21

**Share With at Least 1 Vaccine Dose**



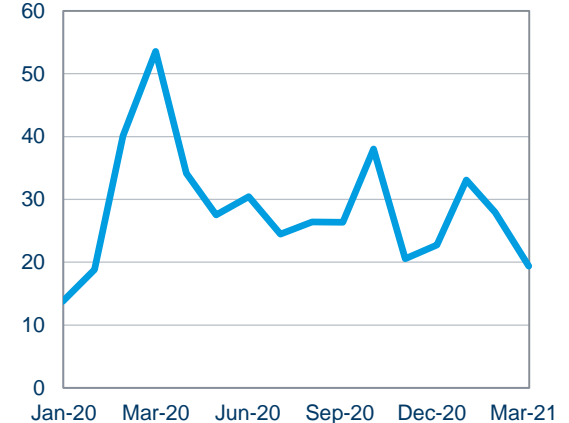
Source: Our World in Data; as of 31/3/21

**Baltic Exchange Dry Index**



Source: Bloomberg; as of 31/3/21

**VIX Index**



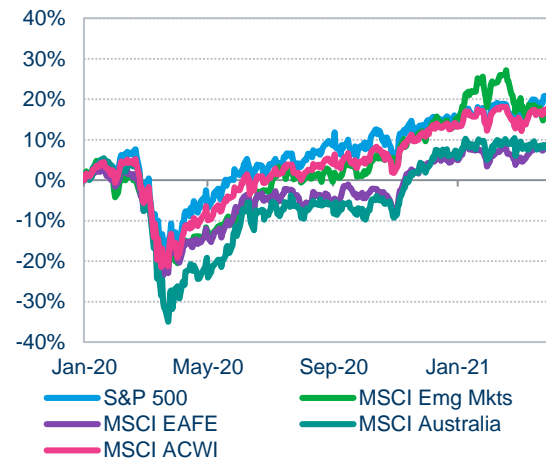
Source: Bloomberg; as of 31/3/21

# Equities

## Solid earnings outlook, positive equity returns, declining volatility

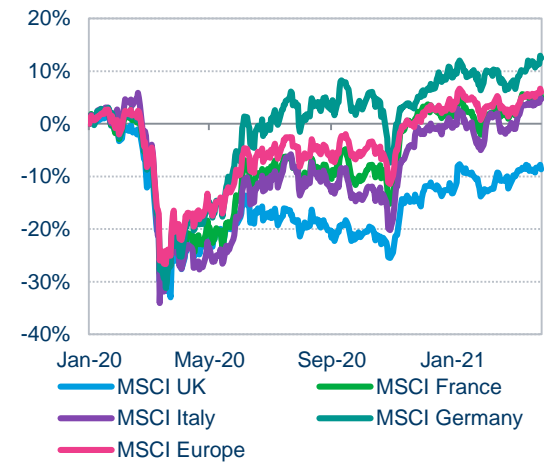
- The MSCI All Country World Index returned 4.0% for the month and 3.6% year to date. After a weak start into the month, the index rose, wobbled again in the second half, but regained its momentum and ended the month with positive returns.
- Optimism over the unfolding recovery was tempered by the continued rise in longer dated bonds yields and associated fear of tightening in financial conditions. The dividend yield for the S&P 500 reached a 15-year low and is now below the 10-year US Treasury yield<sup>1</sup>.
- Towards month end, Archegos Capital, a large family office, ran into problems with overleveraged exposure to several individual stocks. While the event drove down the prices of those individual stocks and is likely to cause losses for some banks, it seems to be an isolated incident that is relatively well contained. This did not lead to materially higher volatility as measured by the VIX index, which had been declining over March and ended the month below 20 for the first time in more than a year.
- Sectoral performance reflected developments in bond yields with value stocks beating growth stocks by a wide margin again as rising yields suggest strong economic growth which is better for value stocks than growth stocks. Value sectors such as energy and financials are also expected to benefit more from the recovery and a return to social interactions than technology driven growth stocks.
- In developed markets, the US outperformed most major countries except Germany and Italy in March.
- Emerging markets were the weakest region, returning **-0.2%** in March which was driven by the ongoing market correction in China. This was not offset by better performance for other large EM countries. China's tech stocks were hit by the rotation to value and increasing regulatory pressure. Concerns over credit tightening weighed on Chinese equity markets in general.
- According to Factset, 94 S&P 500 companies having given earnings guidance so far with 2/3 issuing positive guidance for the quarter, which is the highest number since 2006. This has likely been supportive for equity valuations this month.

**Global Equity Performance (GBP)**



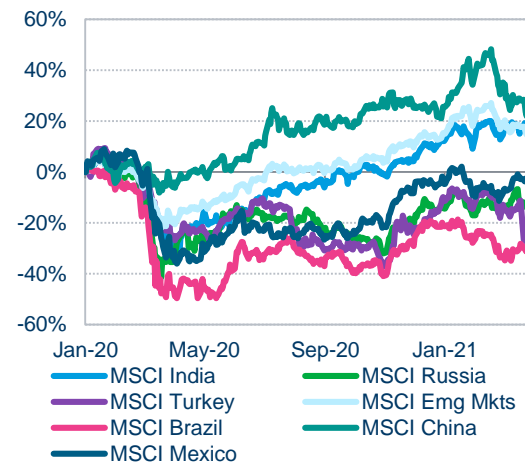
Source: Databank, Data as at 31/03/2021

**European Equity Performance (GBP)**



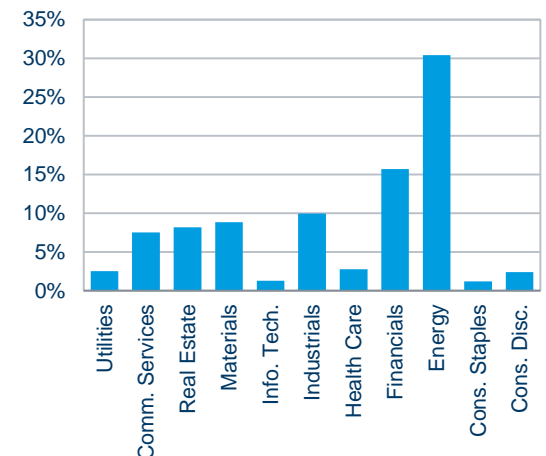
Source: Databank, Data as at 31/03/2021

**Emerging Market Equity Performance (GBP)**



Source: Databank, Data as at 31/03/2021

**MSCI USA Sector Performance (YTD - USD)**



Source: Bloomberg; as of 31/03/2021. US Dollar performance

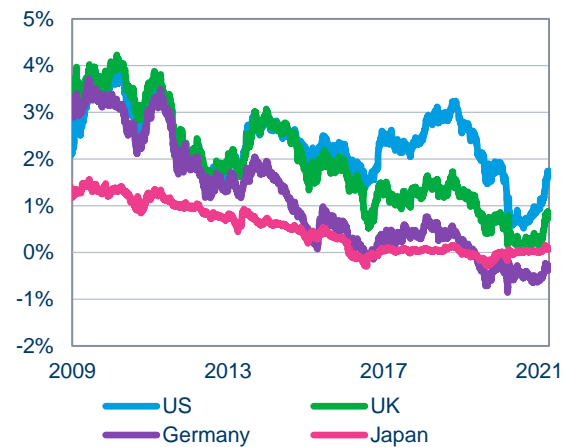
Performance figures quoted in sterling unless indicated otherwise.

# Fixed income

## US yields still on the rise, credit spreads increase marginally

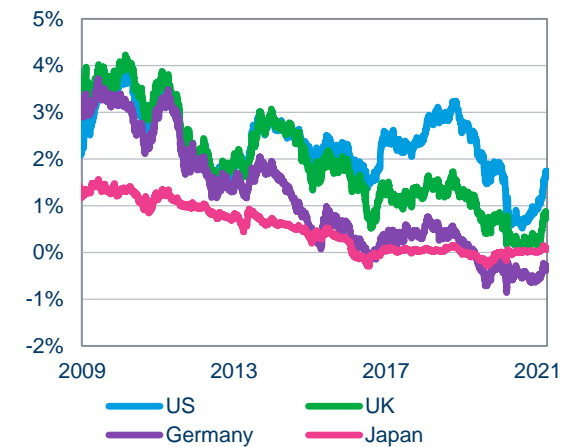
- While US long dated yields continued to rally in March, yields in other large developed economies were flat to lower, highlighting the increasing divergence in economic growth and inflation outlook this year. In the US, 10-year and 30-year Treasury yields finished at 1.74% and 2.41%, respectively<sup>1</sup>.
- The US yield curve continued steepening after the 10-year yield tested pre-pandemic levels. The Federal Reserve indicated that it would not counteract rising longer dated yields, perhaps signalling that upward pressure will remain. Favourable capital treatment for Treasury holdings by banks was allowed to expire which could reduce Treasury demand by large institutions. The first signs of rising yields tightening US financial conditions were seen in mortgage rates, which rose to their highest level for the year.
- In the UK, there was also movements in gilt yields but the moves were smaller relative to the US. The 10-year gilt yield increased by 2.5 basis points to 0.85%<sup>2</sup>. Longer dated yields moved similarly. UK 10-year breakevens rose by 17 basis points to 3.56%<sup>2</sup>.
- US inflation break-evens continued to increase in March across medium and longer maturities. The US 10-year breakeven inflation rate rose from 2.15% to 2.37%<sup>1</sup>, edging closer to the Federal Reserve's inflation target of 2% for the Personal Consumption Expenditure deflator (roughly equivalent to 2.5% CPI).
- On the credit side, investor appetite for riskier debt remained strong in the current risk-on environment and search for yield, with inflows into leveraged loan funds reaching a two-year high according to Refinitiv. Issuers are taking advantage of this trend. March was the busiest month in investment grade issuance since spring of 2020.
- IG credit spreads were virtually unchanged over the month and remained below their pre-pandemic level of 100 basis points. High yield credit spreads were also unchanged. Higher Treasury yields and unchanged spreads led to slightly negative performance over the month for investment grade, high yield and emerging market debt. IG was the worst performer within credit due to its higher duration exposure.

**10-Year Government Bond Yields**



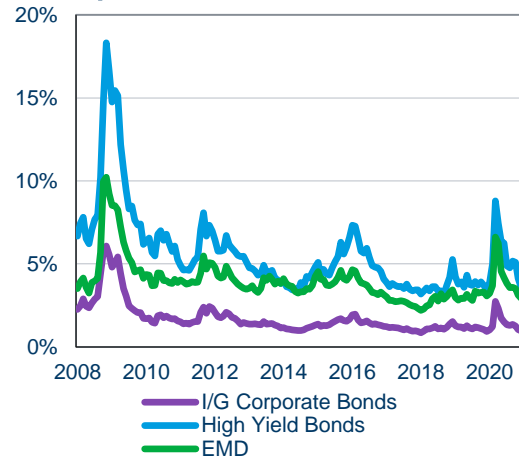
Source: Bloomberg; as of 31/03/21

**30 – 2 Year Treasury Yield Spread**



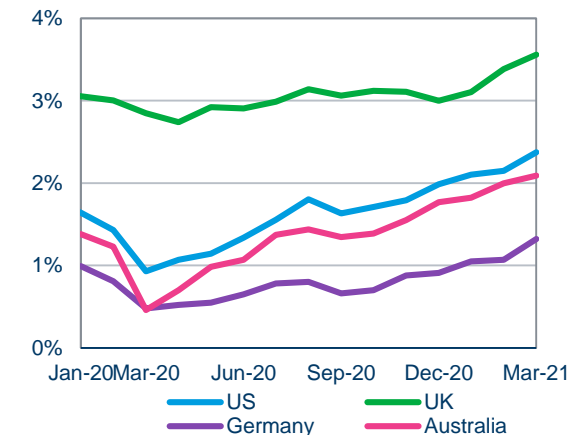
Source: Bloomberg; as of 31/03/21

**Credit Spreads**



Source: Bloomberg; as of 31/03/21

**10-Year Inflation Breakeven Rates**



Source: Bloomberg; as of 31/03/21

Performance figures quoted in sterling unless indicated otherwise.

<sup>1</sup> Source: Federal Reserve Bank of St. Louis

<sup>2</sup> Source: Bloomberg

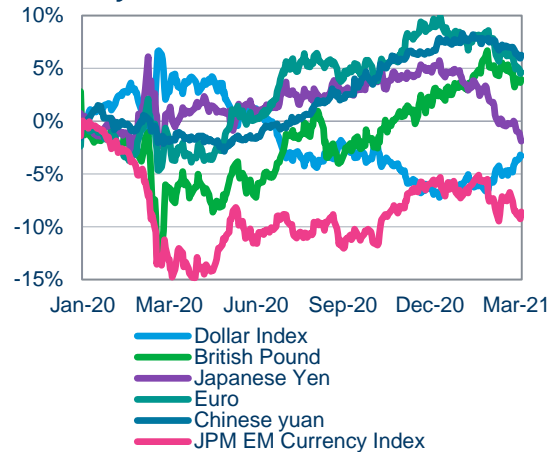


# Currencies, commodities and alternatives

## US dollar recovering, upwards pressure on commodities

- Sterling continued its strong run against the euro and yen but weakened against US dollar. Stellar vaccine rollout and subsiding Covid-19 restrictions remain a tailwind for the currency. The US dollar had a strong month against major developed currencies but performance against emerging market currencies was mixed. It strengthened against the Chinese Renminbi, Brazilian Real and Indian Rupee, the appreciation against the latter two reflecting the dire COVID situation both countries are facing. The US dollar weakened against commodity currencies such as South African Rand and Mexican Peso. The Turkish Lira plummeted over the month after President Erdogan fired the central bank's governor for raising rates to stem inflation and replaced him with a loyalist.
- Agricultural commodities were hit by a new outbreak of African Swine Fever in China which caused a sharp rise in hog futures and a commensurate decline in soy bean prices (animal feed). Overall, the Bloomberg Commodity index fell 0.8% during the month, but remains up 5.9% year to date.
- Brent oil ended the month slightly lower at around \$64<sup>1</sup>. After going close to \$70 earlier in the month when OPEC producers announced that their production cuts will remain in place and a sharp reaction to the temporary outage of the Suez Canal, upwards pressure eased again. Nevertheless, limited supply and an expected pickup in summer driving in reopened economies has raised the prospect of a leap in gas prices and brought \$3/gallon for US motorists in sight.
- Gold rose marginally by 0.6% over the month and is now down over 10% year-to-date as real interest rates keep increasing and demand for safe havens remains weak.
- The NAREIT Global REITs index returned 4% over the month. The US housing market remains tight with high demand meeting limited supply. Residential homes sales hit peaks last seen before the global financial crisis.
- Greensill Capital, a player in the alternative credit space that provided supply chain finance entered insolvency which embroiled a large Swiss bank and numerous German municipalities which had deposited cash with Greensill.
- Hedge funds, measured by the HFRX equal weighted strategies index, were pretty much flat during March.

**Currency Returns**



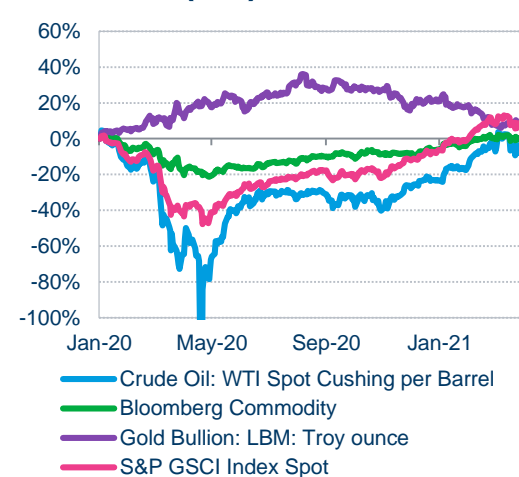
Source: Bloomberg; as of 3/31/21

**Gold (Spot, GBP)**



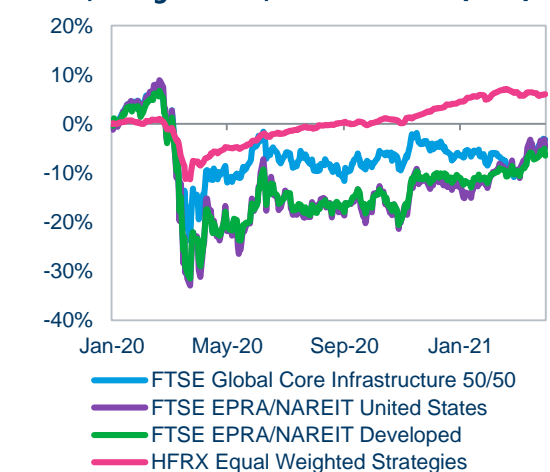
Source: Databank, Data as at 31/03/2021

**Commodities (GBP)**



Source: Databank, Data as at 31/03/2021

**REITs, Hedge Funds, Infrastructure (GBP)**



Source: Databank, Data as at 31/03/2021

Performance figures quoted in sterling unless indicated otherwise.

# Valuations and yields

## Ending 31 March 2021

### Valuations

FTSE ALL-Share	31/03/2021	31/12/2021	30/09/2020	30/06/2020
Index Level	7435.6	7068.6	6276.3	6465.2
P/E Ratio (Trailing)	995.6	-	171.8	143.8
CAPE Ratio	17.7	15.6	14.8	13.9
Dividend Yield	3.1	3	3.8	4.2
P/B	1.7	1.6	1.4	1.4
P/CF	5.3	5.1	4.4	4.5
MSCI World ex-UK	31/03/2021	31/12/2021	30/09/2020	30/06/2020
Index Level	8318.5	7932.7	6968.6	6434.3
P/E Ratio (Trailing)	33.3	32.1	27.8	23.7
CAPE Ratio	29.1	27.4	24.6	23.4
Dividend Yield	1.7	1.8	2	2.2
P/B	3.1	3.1	2.7	2.6
P/CF	12.7	12.6	11.1	11.2
MSCI EM	31/03/2021	31/12/2021	30/09/2020	30/06/2020
Index Level	638.4	624.1	521.4	475.9
P/E Ratio (Trailing)	21.5	21.7	18.6	16
CAPE Ratio	16.4	15.9	13.4	12.3
Dividend Yield	1.9	2	2.4	2.6
P/B	2.1	2	1.8	1.6
P/CF	11.9	12.5	10.4	8.7

Source: Bloomberg, Thomson Reuters Datastream

### Yields

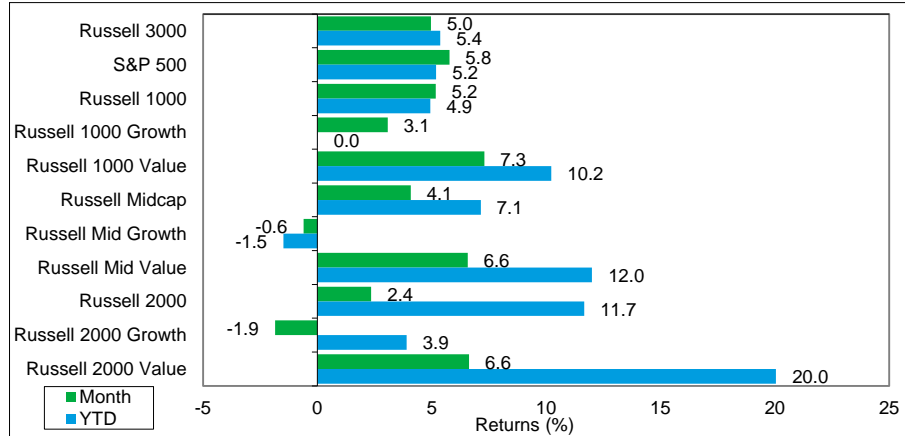
Global Bonds	31/03/2021	31/12/2021	30/09/2020	30/06/2020
Germany – 10Y	-0.29	-0.57	-0.52	-0.45
France - 10Y	-0.05	-0.34	-0.24	-0.11
US - 10Y	1.74	0.91	0.68	0.66
Switzerland – 10Y	-0.28	-0.55	-0.49	-0.44
Italy – 10Y	0.67	0.54	0.87	1.26
Spain 10Y	0.34	0.05	0.25	0.47
Japan – 10Y	0.10	0.02	0.02	0.03
Euro Corporate	0.36	0.24	0.55	0.89
Euro High Yield	3.22	3.40	4.80	5.62
EMD (\$)	5.26	4.53	5.14	5.51
EMD (LCL)	5.09	4.26	4.48	4.51
US Corporate	2.28	1.74	2.01	2.15
US Corporate High Yield	4.23	4.18	5.77	6.87
UK Bonds	31/03/2021	31/12/2021	30/09/2020	30/06/2020
SONIA	0.05	0.04	0.05	0.06
10 year gilt yield	0.85	0.20	0.23	0.17
30 year gilt yield	1.37	0.72	0.76	0.63
10 year index linked gilt yield	-2.59	-2.91	-2.94	-2.86
30 year index linked gilt yield	-1.92	-2.32	-2.19	-2.33
AA corporate bond yield	1.27	0.80	1.03	1.14
A corporate bond yield	1.51	0.97	1.25	1.41
BBB corporate bond yield	1.96	1.53	2.02	2.29

Source: Bloomberg, Thomson Reuters Datastream

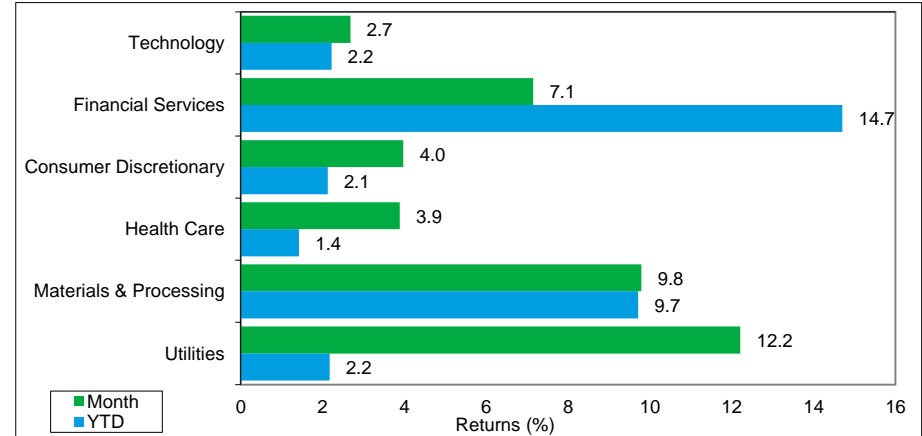
# Performance Summary (GBP)

## Style and sector equity performance ending 31 March 2021

### Style and Capitalization Market Performance



### Russell 1000 Sector Performance



Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2020	2019	2018	2017	2016
S&P 500	5.8	5.2	5.2	40.5	17.2	17.4	17.2	16.7	15.6	8.6	14.7	26.4	1.6	11.3	33.5
Russell 3000	5.0	5.4	5.4	46.1	18.1	17.8	17.6	16.5	15.5	9.0	17.2	26.0	0.6	10.6	34.5
Russell 3000 Growth	2.7	0.3	0.3	47.7	24.3	23.1	21.9	20.4	18.1	9.8	34.0	30.6	4.0	18.4	28.1
Russell 3000 Value	7.2	10.9	10.9	42.3	10.7	11.6	12.8	12.3	12.6	8.0	-0.3	21.4	-2.9	3.4	41.2
Russell 1000	5.2	4.9	4.9	44.3	18.1	18.0	17.6	16.8	15.7	8.9	17.2	26.4	1.1	11.2	33.7
Russell 1000 Growth	3.1	0.0	0.0	46.3	24.5	23.5	22.0	20.7	18.4	9.8	34.2	31.1	4.6	18.9	27.7
Russell 1000 Value	7.3	10.2	10.2	40.3	10.5	11.6	12.7	12.4	12.7	7.9	-0.4	21.7	-2.6	3.8	40.0
Russell Midcap	4.1	7.1	7.1	56.0	15.7	15.4	15.6	14.7	14.2	10.6	13.5	25.5	-3.4	8.3	35.7
Russell Mid Growth	-0.6	-1.5	-1.5	51.5	20.1	20.1	19.4	17.5	15.8	10.6	31.4	30.2	1.2	14.4	28.0
Russell Mid Value	6.6	12.0	12.0	56.2	11.6	11.3	12.5	12.3	12.7	10.3	1.7	22.2	-6.8	3.5	43.1
Russell 2500	3.0	9.9	9.9	70.2	17.8	16.0	16.9	14.5	13.9	10.7	16.3	22.8	-4.4	6.7	40.3
Russell 2500 Growth	-2.0	1.5	1.5	68.5	23.1	20.6	20.9	17.5	15.9	11.0	36.1	27.5	-1.7	13.7	30.9
Russell 2500 Value	6.4	15.7	15.7	68.5	12.4	11.5	13.1	11.7	11.9	10.1	1.6	18.8	-6.9	0.8	49.3
Russell 2000	2.4	11.7	11.7	75.1	18.3	15.4	17.3	14.1	13.4	9.9	16.3	20.7	-5.5	4.7	44.7
Russell 2000 Growth	-1.9	3.9	3.9	70.9	20.9	17.8	19.6	15.9	14.7	9.8	30.5	23.5	-3.7	11.6	32.8
Russell 2000 Value	6.6	20.0	20.0	77.1	14.4	12.2	14.5	11.9	11.7	9.7	1.4	17.7	-7.4	-1.5	57.1
Russell 1000 Technology	2.7	2.2	2.2	54.2	32.9	29.3	28.8	26.2	21.6	11.2	42.2	41.5	4.9	26.4	36.1
Russell 1000 Financial Services	7.1	14.7	14.7	55.1	18.0	15.9	18.5	16.7	15.3	6.6	3.9	28.6	-2.4	11.0	39.0
Russell 1000 Consumer Discretionary	4.0	2.1	2.1	63.7	25.3	23.8	20.7	20.1	19.8	11.0	38.5	24.2	6.1	13.4	26.8
Russell 1000 Health Care	3.9	1.4	1.4	22.7	12.8	16.8	15.3	16.0	17.8	9.4	13.4	16.8	13.2	11.5	15.8
Russell 1000 Energy	4.0	27.3	27.3	63.8	-10.6	-4.7	0.1	-2.4	-0.5	4.2	-33.0	6.5	-13.5	-9.7	50.2
Russell 1000 Producer Durables	6.8	7.0	7.0	49.3	12.4	12.6	15.0	14.7	14.1	8.6	8.4	25.7	-6.9	12.1	42.4
Russell 1000 Materials & Processing	9.8	9.7	9.7	60.7	17.7	14.0	15.1	13.0	11.6	9.2	13.9	21.6	-11.1	13.1	43.1
Russell 1000 Consumer Staples	10.4	2.9	2.9	17.3	8.9	11.0	7.4	11.8	12.7	9.7	3.8	19.3	-4.1	0.3	25.9
Russell 1000 Utilities	12.2	2.2	2.2	9.2	5.6	11.5	8.4	11.6	11.4	5.9	-3.2	21.3	6.1	-3.0	43.6

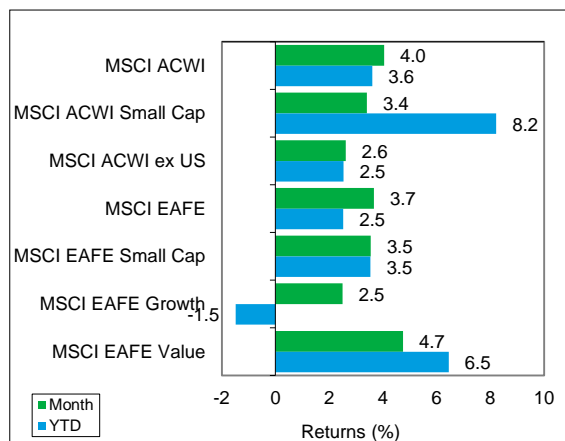
Data Source: Thomson Reuters Datastream



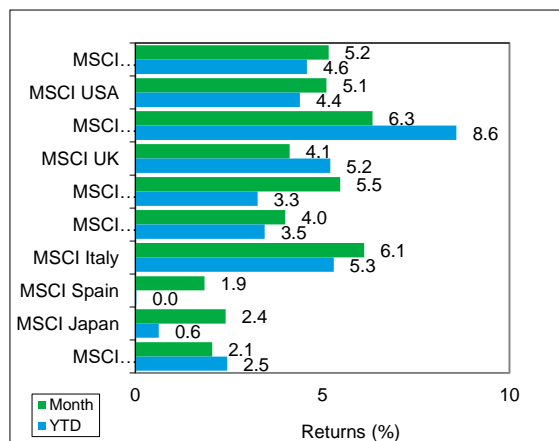
# Performance Summary (GBP)

## Global equity ending 31 March 2021

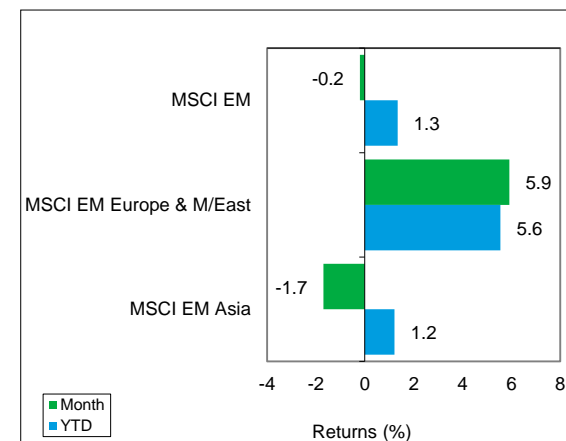
### International Equity Performance



### Developed Country Performance



### Emerging Market Performance



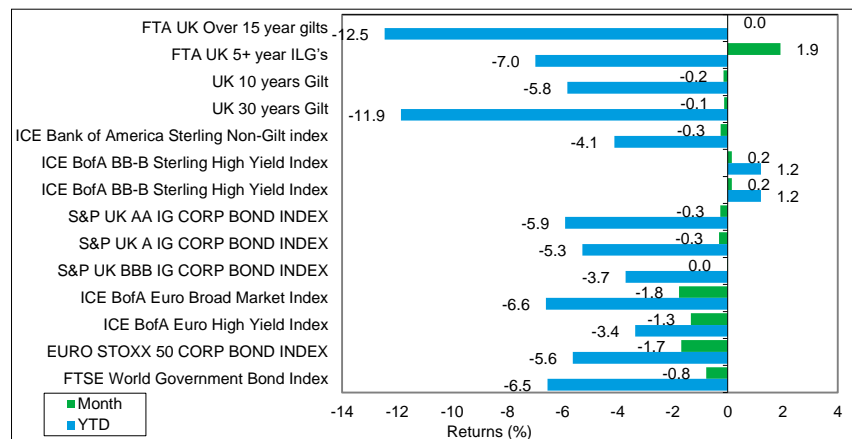
Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2020	2019	2018	2017	2016
MSCI ACWI	4.0	3.6	3.6	38.9	13.8	12.7	14.1	12.4	10.8	7.2	12.7	21.7	-3.8	13.2	28.7
MSCI ACWI IMI	4.0	4.3	4.3	42.3	14.5	13.1	14.7	12.9	11.4	8.2	13.2	22.1	-4.0	13.8	30.0
MSCI ACWI Small Cap	3.4	8.2	8.2	63.6	15.0	11.5	14.1	12.0	10.9	10.3	12.7	19.8	-9.1	13.1	33.1
MSCI ACWI ex US	2.6	2.5	2.5	34.3	9.2	7.1	10.7	8.1	6.5	6.3	7.2	16.8	-8.9	16.2	24.6
MSCI EAFE	3.7	2.5	2.5	29.9	8.1	6.6	9.7	7.7	7.1	5.6	4.5	17.3	-8.4	14.2	20.5
MSCI EAFE Growth	2.5	-1.5	-1.5	28.2	12.6	10.5	11.8	10.2	8.8	6.2	14.6	23.0	-7.4	17.7	15.6
MSCI EAFE Value	4.7	6.5	6.5	31.0	3.1	2.4	7.4	5.0	5.2	4.9	-5.6	11.6	-9.5	10.9	25.3
EM	-0.2	1.3	1.3	42.3	11.0	7.1	13.0	9.5	5.2	10.2	14.7	13.8	-9.3	25.4	32.6
North America	5.2	4.6	4.6	42.5	17.2	17.1	16.7	15.7	14.3	8.0	16.2	25.7	0.1	10.4	33.1
Europe	4.5	3.1	3.1	30.3	7.6	6.2	9.1	6.5	6.7	5.5	2.1	19.0	-9.6	14.6	18.8
EM Europe & M/East	5.9	5.6	5.6	28.2	2.1	2.6	7.2	2.6	-1.4	6.3	-10.4	14.6	-2.2	5.8	45.8
EM Asia	-1.7	1.2	1.2	43.9	15.3	10.1	15.4	12.6	8.2	10.9	24.4	14.6	-10.2	30.5	26.6
Latin America	6.0	-6.2	-6.2	34.9	-8.4	-5.5	4.9	0.8	-2.6	8.2	-16.5	12.9	-0.8	13.0	56.3
USA	5.1	4.4	4.4	42.5	17.6	17.4	17.0	16.2	15.1	8.1	17.0	25.8	0.9	10.7	32.3
Canada	6.3	8.6	8.6	43.1	9.8	10.2	10.5	7.1	3.9	7.9	2.1	22.6	-12.1	6.0	48.6
Australia	2.1	2.5	2.5	51.4	8.3	9.6	10.7	7.1	5.9	10.3	5.4	18.2	-6.5	9.6	32.9
UK	4.1	5.2	5.2	20.0	-1.4	1.5	5.2	3.7	4.8	4.4	-13.2	16.4	-8.8	11.7	19.2
Germany	5.5	3.3	3.3	43.1	11.4	4.8	8.9	6.3	6.7	5.9	8.1	16.1	-17.3	16.6	22.6
France	4.0	3.5	3.5	34.8	8.0	6.5	10.9	7.9	6.8	5.3	0.9	20.9	-7.3	17.6	25.1
Italy	6.1	5.3	5.3	37.5	6.6	3.0	9.0	3.5	2.5	1.9	-1.3	22.4	-12.6	17.3	6.8
Spain	1.9	0.0	0.0	23.0	-2.5	-2.3	4.3	0.7	1.0	4.2	-7.7	7.7	-11.0	16.0	18.1
Japan	2.4	0.6	0.6	25.6	11.0	6.9	11.4	11.0	8.8	4.4	10.9	15.0	-7.5	13.3	22.1
Brazil	5.6	-10.8	-10.8	31.6	-10.3	-6.1	8.9	1.6	-3.4	8.6	-21.5	21.4	5.7	13.4	98.3
China	-5.0	-1.3	-1.3	29.1	13.0	8.8	17.0	14.4	8.9	11.7	25.5	18.7	-13.8	40.7	20.4
India	3.6	4.1	4.1	58.5	7.3	9.8	12.1	11.6	6.0	12.2	12.0	3.4	-1.5	26.7	17.6
Russia	6.6	4.0	4.0	29.7	8.0	8.7	15.1	8.6	1.5	10.8	-15.2	45.1	5.8	-3.9	84.7

Data Source: Thomson Reuters Datastream

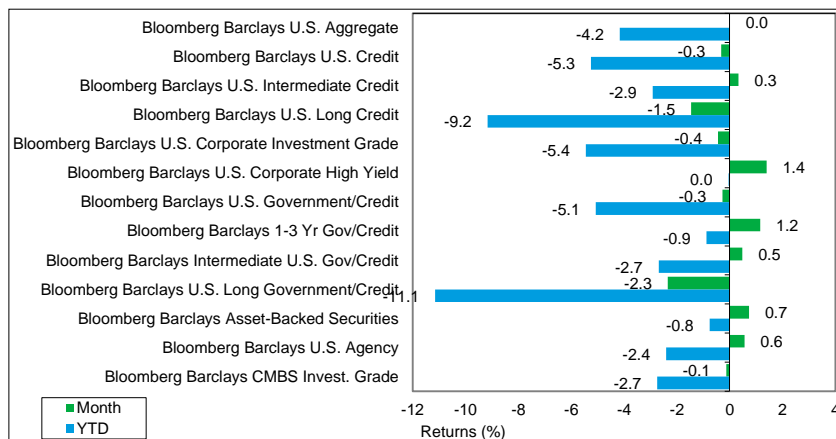
# Performance Summary (GBP)

## Fixed Income ending 31 March 2021

### Bond Performance by Duration



### Sector, Credit, and Global Bond Performance



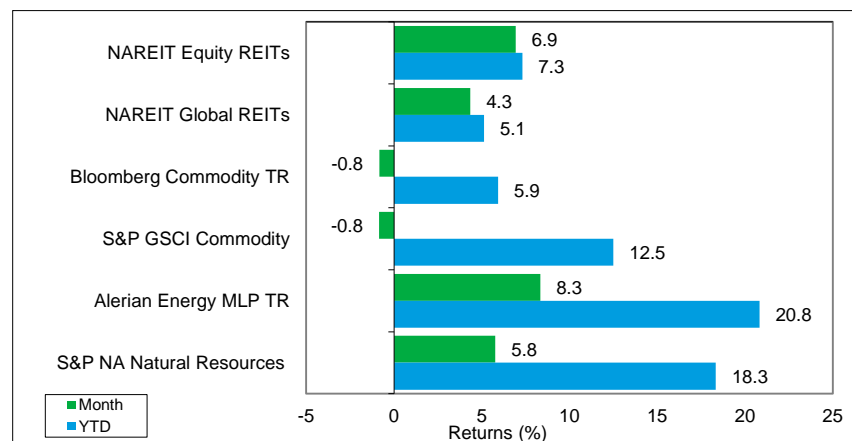
Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2020	2019	2018	2017	2016
FTA UK Over 15 year Gilts	0.0	-12.5	-12.5	-10.4	2.7	3.3	4.8	7.6	7.9	6.4	13.9	12.0	0.3	3.3	18.5
FTA UK 5+ year ILG's	1.9	-7.0	-7.0	2.6	2.5	3.5	6.4	7.7	8.1	7.3	12.4	6.8	-0.4	2.5	27.4
UK 10 years Gilt	-0.2	-5.8	-5.8	-4.4	1.5	2.9	2.8	4.5	5.0	5.4	6.6	5.2	2.0	2.7	9.3
UK 30 years Gilt	-0.1	-11.9	-11.9	-9.7	2.9	3.4	4.8	7.7	7.9	6.4	13.8	11.7	0.4	3.1	17.7
ICE Bank of America Sterling Non-Gilt index	-0.3	-4.1	-4.1	7.0	4.3	4.1	4.6	5.2	5.8	5.7	8.0	9.5	-1.6	4.3	10.6
ICE BofA BB-B Sterling High Yield Index	0.2	1.2	1.2	22.3	7.7	6.5	7.3	6.6	8.6	9.6	6.1	13.8	-1.4	8.2	10.5
S&P UK AA IG CORP BOND INDEX	-0.3	-5.9	-5.9	4.7	2.6	3.0	4.0	4.6	5.3	5.4	7.7	7.3	-0.3	3.2	12.7
S&P UK A IG CORP BOND INDEX	-0.3	-5.3	-5.3	7.3	4.0	4.2	4.7	5.5	5.9	5.8	8.4	10.4	-1.5	3.6	12.6
S&P UK BBB IG CORP BOND INDEX	0.0	-3.7	-3.7	11.5	5.5	4.9	5.4	5.5	6.5	6.5	8.7	11.6	-2.6	5.5	11.3
ICE BofA Euro Broad Market Index	-1.8	-6.6	-6.6	-0.6	2.2	1.6	3.4	3.4	3.8	6.0	9.9	0.1	1.6	4.7	19.7
ICE BofA Euro High Yield Index	-1.3	-3.4	-3.4	17.7	4.4	3.0	6.6	4.8	5.8	8.0	8.6	5.1	-2.5	11.0	26.3
EURO STOXX 50 CORP BOND INDEX	-1.7	-5.6	-5.6	3.6	1.5	1.1	3.1	2.7	3.2	--	8.5	-0.9	0.1	5.5	19.5
FTSE World Government Bond Index	-0.8	-6.5	-6.5	-8.5	1.0	2.7	3.0	4.3	3.2	1.5	6.7	1.8	5.3	-1.8	21.2
Bloomberg Barclays U.S. Aggregate	0.0	-4.2	-4.2	-9.0	1.9	5.1	3.8	5.8	4.8	4.5	4.3	4.6	5.8	-4.9	20.9
Bloomberg Barclays U.S. Credit	-0.3	-5.3	-5.3	-2.7	3.5	6.4	5.4	7.0	6.2	5.5	6.0	9.4	3.7	-2.7	24.8
Bloomberg Barclays U.S. Intermediate Credit	0.3	-2.9	-2.9	-3.1	2.4	5.7	4.5	6.2	5.3	4.9	3.8	5.4	5.9	-4.9	22.5
Bloomberg Barclays U.S. Long Credit	-1.5	-9.2	-9.2	-1.9	5.9	8.0	7.5	9.1	8.7	7.2	9.8	18.6	-1.1	2.7	30.5
Bloomberg Barclays U.S. Corporate Investment Grade	-0.4	-5.4	-5.4	-1.9	3.9	6.7	5.7	7.2	6.4	5.6	6.5	10.2	3.3	-2.5	25.4
Bloomberg Barclays U.S. Corporate High Yield	1.4	0.0	0.0	11.6	4.3	7.3	8.7	7.9	7.8	7.4	3.9	10.0	3.6	-1.3	37.3
Bloomberg Barclays U.S. Government/Credit	-0.3	-5.1	-5.1	-8.9	2.4	5.5	4.1	6.1	5.1	4.6	5.6	5.6	5.4	-4.6	21.6
Bloomberg Barclays 1-3 Yr Gov/Credit	1.2	-0.9	-0.9	-7.8	0.3	3.5	2.7	4.1	2.9	2.8	0.4	0.3	7.2	-7.1	18.5
Bloomberg Barclays Intermediate U.S. Gov/Credit	0.5	-2.7	-2.7	-7.8	1.6	4.8	3.5	5.3	4.3	4.1	3.2	2.8	6.7	-6.2	20.3
Bloomberg Barclays U.S. Long Government/Credit	-2.3	-11.1	-11.1	-11.7	5.1	7.6	6.3	8.8	8.4	6.9	12.5	15.0	1.1	1.4	26.3
Bloomberg Barclays CMBS Invest. Grade	-0.1	-2.7	-2.7	-3.3	2.8	5.1	3.7	4.8	4.3	4.5	5.2	4.9	4.7	-2.7	14.9
Bloomberg Barclays U.S. Mortgage Backed Securities	0.7	-1.9	-1.9	-9.7	0.6	4.2	3.2	5.4	4.2	4.3	0.8	2.4	6.9	-5.9	19.8
Bloomberg Barclays Municipal Bond	1.8	-1.2	-1.2	-4.3	1.9	5.3	4.1	6.3	5.7	4.5	2.2	3.6	6.8	-2.8	17.1

Data Source: Thomson Reuters Datastream

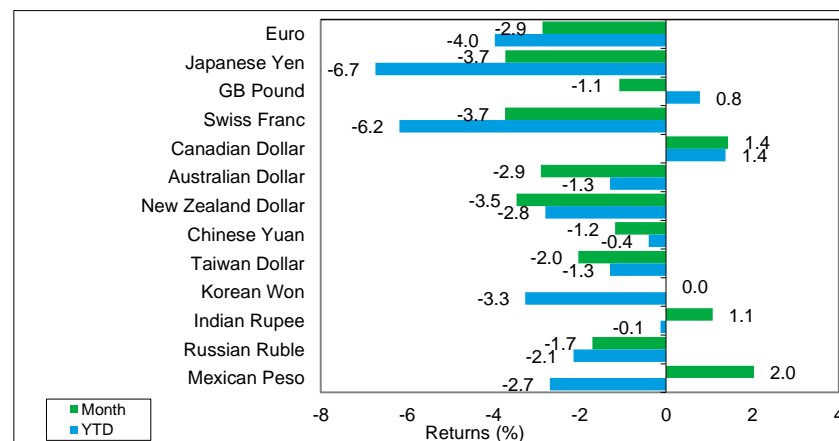
# Performance summary (GBP)

## Alternatives ending 31 March 2021

### Real Asset Performance



### Performance of Foreign Currencies versus the US Dollar



Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2020	2019	2018	2017	2016
NAREIT Equity REITs	6.9	7.3	7.3	20.6	3.2	11.4	8.1	11.9	11.0	10.6	-8.1	23.7	1.9	-0.7	29.6
NAREIT Global REITs	4.3	5.1	5.1	22.2	-0.7	6.7	5.7	8.8	8.2	8.8	-11.0	18.3	1.2	1.8	25.2
Bloomberg Commodity TR	-0.8	5.9	5.9	21.4	-0.5	0.4	3.1	-3.2	-4.9	0.3	-6.1	3.5	-5.7	-7.1	33.3
S&P GSCI Commodity	-0.8	12.5	12.5	35.0	-8.5	-4.4	2.0	-8.3	-7.2	-2.3	-26.1	13.1	-8.5	-3.4	32.8
Alerian Energy MLP TR	8.3	20.8	20.8	82.6	-13.4	-2.4	-0.5	-4.0	0.6	7.9	-30.9	2.4	-7.0	-14.6	41.1
Oil	-2.5	20.8	20.8	159.6	-3.6	-2.5	10.0	-4.9	-4.3	4.3	-23.0	29.3	-20.2	2.7	73.0
Gold	0.6	-10.3	-10.3	-3.4	11.7	9.5	7.7	7.1	3.3	10.1	20.6	14.3	3.9	3.8	29.6
S&P NA Natural Resources	5.8	18.3	18.3	55.0	-3.8	-0.9	3.1	-0.6	-0.8	4.8	-21.5	13.1	-16.2	-7.5	56.1
Euro	-2.9	-4.0	-4.0	6.3	2.3	-1.6	0.6	-2.3	-1.9	1.5	8.9	-2.3	-4.4	14.1	-3.2
Japanese Yen	-3.7	-6.7	-6.7	-2.9	0.1	-1.4	0.3	-1.0	-2.8	0.7	5.2	0.9	2.8	3.7	2.9
GB Pound	-1.1	0.8	0.8	11.0	2.8	-0.6	-0.8	-2.7	-1.5	-0.1	3.1	3.9	-5.6	9.5	-16.3
Swiss Franc	-3.7	-6.2	-6.2	1.8	2.7	0.4	0.4	-0.9	-0.3	3.1	9.3	1.4	-0.7	4.5	-1.6
Canadian Dollar	1.4	1.4	1.4	12.0	3.1	0.9	0.7	-1.8	-2.5	1.1	2.0	5.0	-7.8	6.8	3.0
Australian Dollar	-2.9	-1.3	-1.3	23.1	3.6	-0.3	-0.1	-2.7	-3.0	2.2	9.9	-0.7	-9.5	7.8	-1.0
New Zealand Dollar	-3.5	-2.8	-2.8	17.3	1.3	-1.2	0.2	-3.0	-0.9	2.8	6.6	0.3	-5.2	2.0	1.7
Chinese Yuan	-1.2	-0.4	-0.4	8.1	1.2	-1.4	-0.3	-0.7	0.0	1.2	6.7	-1.2	-5.4	6.7	-6.5
Taiwan Dollar	-2.0	-1.3	-1.3	6.4	4.1	0.7	2.5	1.0	0.3	0.7	6.5	2.2	-3.0	9.4	1.1
Korean Won	0.0	-3.3	-3.3	8.5	0.6	-1.8	0.5	-0.8	-0.2	0.9	5.7	-3.3	-4.3	13.3	-2.4
Indian Rupee	1.1	-0.1	-0.1	3.0	-2.7	-3.8	-2.0	-2.8	-4.8	-2.2	-2.3	-2.5	-8.2	6.4	-2.6
Russian Ruble	-1.7	-2.1	-2.1	3.8	-6.8	-8.9	-2.4	-10.4	-9.3	-4.7	-16.3	12.6	-17.3	6.4	19.0
Brazilian Real	-0.6	-7.8	-7.8	-7.6	-16.5	-16.3	-8.6	-12.2	-11.7	-4.7	-22.6	-3.4	-14.7	-1.7	21.7
Mexican Peso	2.0	-2.7	-2.7	16.0	-2.5	-3.9	-3.3	-6.2	-5.3	-3.8	-4.8	3.8	0.0	5.5	-17.1
BofA ML All Convertibles	-1.8	1.9	1.9	56.5	26.0	22.6	19.8	16.2	14.0	9.4	41.7	18.4	6.4	3.9	32.1
60%S&P 500/40% Barc Agg	3.5	1.5	1.5	20.7	11.1	12.5	11.9	12.4	11.3	7.0	10.6	17.7	3.3	4.8	28.5

Data Source: Thomson Reuters Datastream

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