

The background of the page is a close-up, slightly blurred image of a financial chart. The chart features a grid with horizontal and vertical lines. A prominent red line, likely representing a price or index, is visible, showing an upward trend. The y-axis has numerical labels such as 400, 420, 440, and 460. The overall color palette is dominated by the red of the chart line and the blue of the text, set against a light, textured background.

CLWYD PENSION FUND
INVESTMENT STRATEGY AND
MANAGER SUMMARY
PERIOD ENDING 30 JUNE 2017

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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 June 2017, the Fund's total market value increased by £66.3m to £1,742,375,697.

Over the quarter, total Fund assets returned 0.9% compared with a composite target of 1.0%. Total Fund (ex LDI) returned 1.4%, in line with its target.

In-House assets and total Equities both generated returns of 2.9%, followed by total Credit which returned 1.0%. Managed Account Platform (-1.9%) and the Best Ideas Portfolio (-0.7%), both declined, with the latter delivering its first negative quarterly return since September 2015.

In relative terms, total Fund assets returned -0.1% below the target, which was mainly attributable to the Managed Account Platform and Best Ideas portfolios which underperformed their targets by -2.8% and -2.3% respectively.

Equities returned 2.9% against a composite target of 1.8%, contributing 0.4% to total Fund performance and 0.1% to relative performance.

Multi-Asset Credit outperformed its target by 0.7% and added 0.1% to relative performance.

Managed Futures and Hedge Funds underperformed its target by -1.6% over the quarter, which detracted -0.1% from relative outperformance.

In-House assets returned 2.9% over the quarter, ahead of its target by 1.3% and made a positive contribution of 0.3% to relative returns.

Insight's LDI portfolio fell by -0.6%, mainly attributable to rising yields over the quarter. Due to the overweight allocation to LDI, overall this detracted -0.1% from the total Fund's relative outperformance.

EQUITIES

Global equity markets gained over the quarter, with positive returns (in Sterling terms) observed in all major regions except the US.

Equity assets remained resilient over the quarter despite heightened geopolitical risk and political uncertainty in Europe. Equity market growth was mainly attributable to strong economic data and corporate earnings growth across all regions. In particular, the Global Purchasing Managers' Index (PMI) for manufacturing showed expansion across developed and emerging economies, and notably in Europe. Corporate results growth bolstered investor's confidence as encouraging results were visible across most sectors except energy, where companies were affected by falling commodity prices. In local terms, US equities were positive, however, the depreciation of the US dollar against Sterling resulted in a negative Sterling return.

In Developed markets, Europe provided the strongest returns increasing by 4.6%, followed by Japan which returned 1.5%. UK and Asia Pacific (ex Japan) posted returns of 1.4% and 1.3%, respectively. Meanwhile, the US was the only region that posted negative returns, returning -0.7%.

Over the last 12 months, all developed regions posted positive returns, with Europe providing the strongest returns, increasing by 28.7%. UK equities continued to experience the lowest return of the developed markets, increasing by 18.1%.

Emerging Markets and Frontier Markets both rose by 2.4% and 2.3% respectively over the quarter, both markets saw a strong annual return of 27.8% and 23.2%, respectively.

Total Equity assets returned 2.9%, which was 1.1% above the composite target. All funds in the strategy increased, although the Wellington Emerging Markets (Core) was the only equity fund to underperform, returning 2.2% against its target of 2.7%.

Global equity exposure to financials and healthcare, which are both overweight their benchmark allocations were the main sources of return. Banks in particular outperformed the index as Citigroup gained on the positive outcome of the Fed's capital adequacy tests, doubling its dividends and increasing its share buy back programme. Stock selections within the Informational Technology sector were strong, and the overweight allocation to emerging markets and underweight to US also helped the strategy.

In Emerging Markets, stock selection in China and Russia contributed to the majority of gains, although this was offset to some extent by stock selection in South Korea and Brazil. Stock selection added most within Telecommunications and Materials, which was partially offset by detractors within Informational Technology and Financials.

MULTI-ASSET CREDIT

Global credit markets generally gained in local terms over the second quarter of 2017, with EM Debt, High Yield and Global Investment Grade all advancing, although the strengthening of Sterling against the Dollar and other currencies over the period led to declines in Sterling terms. Government bond yields, having fallen since the start of the quarter, saw a substantial rise towards the end of the quarter as the US Federal Reserve raised interest rates in June and projected a further hike later in the year. Investors reacted to the comments from central banks that suggested the European Central Bank may begin to reduce its quantitative easing purchases sooner and Mark Carney hinted that the Bank of England might raise interest rates later this year.

The US economy continued to improve and unemployment was reported to be at its lowest level since 1970; as a result the Fed raised interest rates by 25bps in June and said that it is likely to begin reducing its balance sheet. However, despite this, yields on US treasuries fell lower over the quarter.

Investment Grade bond markets rose over the quarter, supported by low volatility and improving earnings. Credit spreads tightened to three-year lows as global demand remains very strong.

Over the quarter, Long Dated Fixed Interest Gilts, Long Dated Index-Linked Gilts and Long Dated UK Corporate Bonds produced returns of -2.3%, -2.4% and -0.3% respectively, as the sell-off at the end of June reversed earlier gains. Global Bonds increased by 0.6% in local terms but returned -1.2% in Sterling terms, Emerging Market Debt and High Yield Bonds declined 0.5% and 0.7%, respectively.

Total Multi-Asset Credit returned 1.0% over the quarter, ahead of its target by 0.7%, this contributed 0.1% to total Fund performance. Overall exposure to Investment Grade Corporates contributed 0.3% to total returns, whilst High Yield, EM Debt, Securitised and Global Rates added around 0.1% to the strategy. Security selection within the High Yield and EM Debt sectors of the portfolio detracted over the period but was supported by credit spreads.

Within High Yield, Energy was the worst sector for the portfolio following increased volatility and a falling price of oil. Although elsewhere, Banking, Pharmaceuticals, Leisure and Chemicals drove the positive returns in the portfolio. In EM Debt, exposures in Sub-Saharan Africa and Eastern Europe were the portfolios' largest regional contributors, particularly Ukraine and Ivory Coast. Latin American positions declined mainly due to currency returns in Brazil, Argentina and Colombia, although exposures in Mexico outperformed significantly.

HEDGE FUNDS

Hedge Fund capital rose by \$34.1 billion over the quarter, with total assets ending the quarter at \$3.1 trillion as investor inflows exceeded redemptions for the first time since Q3 2015. Global Macro strategies in particular received the highest level of inflow as investors increased allocations to funds with a strategic emphasis on non-directional and equity beta-reducing exposures, credit and multi-strategy for protection against rising rates.

Hedge Funds (in Sterling terms) returned -2.7% over the quarter; this was primarily due to the depreciation of the US dollar against Sterling, as hedge funds returned 1.1% in US dollar terms. In Sterling terms, all strategies generated negative returns over the quarter, with Global Macro (-4.3%) delivering the worst performance.

ManFRM's Managed Futures & Hedge Funds strategy posted a negative return of -0.7%, underperforming its target by -1.6% and detracting -0.1% from relative outperformance.

ManFRM Hedge Funds (Legacy) portfolio which consists of Duet, Liongate and Pioneer (until August 2016) assets generated a negative return of -19.1%, attributable to two write-downs in the Liongate portfolios totalling c. £1.78 effective at the end of April 2017.

TACTICAL ALLOCATION PORTFOLIO

DIVERSIFIED GROWTH

Total Diversified Growth assets returned 1.7% over the quarter, underperforming the target by 0.5%. Overall, this contributed 0.2% to total Fund performance but detracted 0.1% from relative performance.

Pyrford returned 0.1% compared to a target of 2.3%. The Fund's overseas equities performed better than UK equities, returning 0.9% and -0.2% respectively. Overseas performance was led by positions in VTech Holdings (Hong Kong), as the company continued to perform strongly following an acquisition of its main competitor and Nestle (Switzerland), whose price rose following a significant investment by an activist hedge fund. In the UK portfolio, United Utilities fell 10% over the quarter on the back of fears that the next regulatory review in 2019 is likely to prove more challenging for the company. The portfolio's bond holdings detracted, as yields rose sharply towards the end of the quarter. In particular, UK bonds performed well relative to the wider market whilst overseas bonds were weaker due to Sterling strength over the period.

Investec's portfolio generated a return of 3.3% compared to a target of 2.0%. Performance was driven primarily by the Fund's 'Growth' strategies, with its 'Uncorrelated' holdings also adding to performance, albeit marginally. Almost half of the returns came from non-traditional sources of return, including relative value positions across equities, government bonds, credit and volatility, as well as active currency positions across the Growth, Defensive and Uncorrelated assets. The biggest detractor was the newly initiated Germany vs Italian government bond position and the long Japanese Yen exposure. The receding likelihood of an early election in Italy contributed to Italian bonds outperforming German bonds, while the Japanese Yen's depreciation against Sterling and the US Dollar, cost the portfolio modest amounts.

BEST IDEAS PORTFOLIO

The Best Ideas Portfolio returned -0.7%, below its target by 2.3%. Overall, this detracted -0.1% from total Fund performance and -0.2% from total Fund relative performance. Over the last 12 months, the total Best Ideas Portfolio delivered a return of 12.8% and outperformed its target of UK CPI +3.0% p.a. by 7.0%.

The performance of the Best Ideas Portfolio was negatively impacted by the Investec Global Natural Resources Fund (-9.4%) and the Wellington Commodities Fund (-4.0%) which suffered as a result of sharp price declines in the energy sector. Both funds detracted -0.1% from total Fund relative performance and total Fund performance.

The Best Ideas' strongest performer was the LGIM Japanese Equities (Hedged) Fund (6.2%) which benefitted from Sterling's appreciation against the Japanese Yen, leading to a gain of 6.2% and outperforming its target by 4.6%. Elsewhere in the portfolio, growth was generated by the LGIM North American Equity Fund (2.4%), outperforming its target by 0.8% and the BlackRock Emerging Market Equities Fund (0.7%), although this underperformed its target by -0.9%.

The F&C UK Equity-Linked Gilt Fund returned -0.4% underperforming its benchmark by -2.0%, however made neutral contributions to both total Fund relative performance and total Fund performance.

During the quarter, a new position in the BlackRock US Opportunities Fund was established with an initial investment of approximately £18m.

IN-HOUSE ASSETS

Total In-House Assets returned 2.9%, ahead of their composite target by 1.3%. Overall this contributed 0.6% to total Fund performance. The two sub-sections of the In-House assets; the Real Assets Portfolio and the Private Markets Portfolio returned 1.5% and 4.3% respectively.

It should be noted that the revised strategic weightings to Property and Infrastructure differ to the actual allocations as these are longer term allocations which will be reached once the final portfolio has been fully constructed.

Private Equity assets were the strongest section of the portfolio, returning 4.7%, ahead of its target by 3.4%.

Property (2.5%) and Opportunistic assets (1.0%) underperformed their targets by -0.2%, and -0.3% respectively.

Timber/Agriculture returned 1.6% and outperformed its target by 0.3%.

Infrastructure was the only section to decline, returning -2.1% and underperforming its target by -3.4%.

2 STRATEGIC ASSET ALLOCATION

30 JUNE 2017

Allocation by underlying asset class

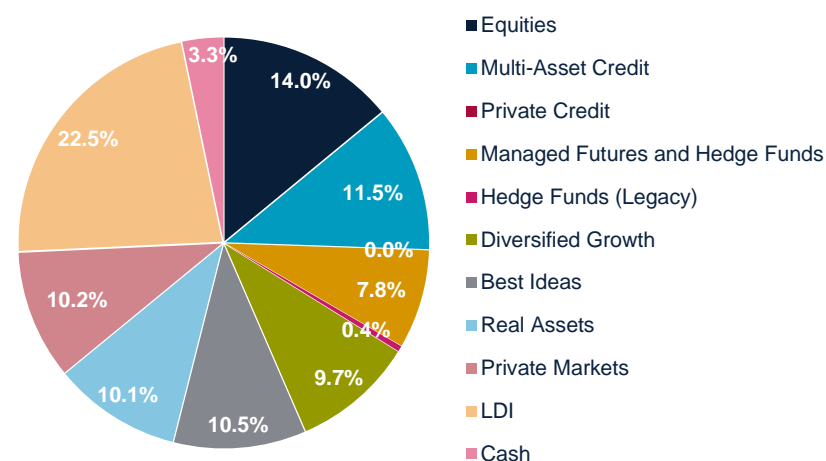
Asset Class	Market Value £	Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	134,161,874	7.7	8.0	-0.3	5.0 – 10.0
Emerging Market Equities	110,309,775	6.3	6.0	+0.3	5.0 – 7.5
Multi-Asset Credit	200,536,383	11.5	12.0	-0.5	10.0 – 15.0
Private Credit	0	0.0	3.0	-3.0	2.0 – 5.0
Managed Futures and Hedge Funds	136,647,732	7.8	9.0	-1.2	7.0 – 11.0
Hedge Funds (Legacy)*	7,791,136	0.4	0.0	+0.4	–
Diversified Growth	168,361,075	9.7	10.0	-0.3	8.0 – 12.0
Best Ideas	182,119,487	10.5	11.0	-0.5	9.0 – 13.0
Property	114,593,207	6.6	4.0	+2.6	2.0 – 6.0
Infrastructure / Timber / Agriculture	61,717,453	3.5	8.0	-4.5	5.0 – 10.0
Private Equity / Opportunistic [^]	177,942,490	10.2	10.0	+0.2	8.0 – 12.0
LDI & Synthetic Equities	391,485,816	22.5	19.0	+3.5	10.0 – 30.0
Cash	56,709,270	3.3	0.0	+3.3	0.0 – 5.0
TOTAL CLWYD PENSION FUND	1,742,375,697	100.0	100.0	0.0	

Notes: * Hedge Funds (Legacy) includes the S.A.R.E (Duet) and Liongate portfolios. ^ Private Equity / Opportunistic includes an allocation to Private Credit.

Points to note

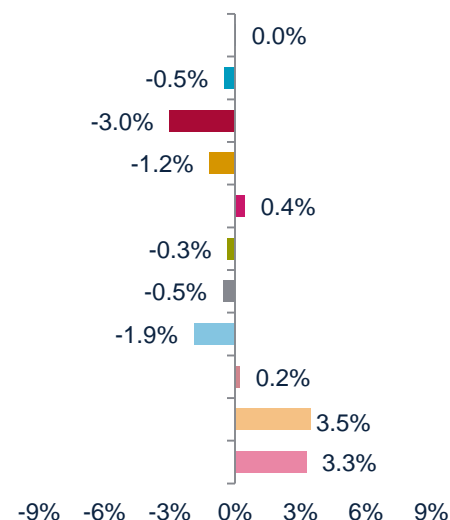
- Asset allocation reflects the strategy to be implemented as part of the 2016 Investment Strategy Review, as such a number of asset classes will be underweight for an interim period until the portfolio is fully constructed.
- Total allocation to LDI decreased by -1.0% over the quarter, however, the fund remains overweight the strategic allocation by 3.5%.

Strategic Asset Allocation as at 30 June 2017



Note: Totals may not sum due to rounding

Deviation from Strategic Allocation



3 VALUATION AND ASSET ALLOCATION AS AT 30 JUNE 2017

Manager	Fund	Market Value £	Weight %	Strategic Allocation %	Strategic Range %
Investec	Global Strategic Equity	134,161,874	7.7	4.0	5.0 – 10.0 ⁽¹⁾
Wellington	Emerging Market Equities (Core) [#]	52,936,825	3.0	3.0	5.0 – 7.5
Wellington	Emerging Market Equities (Local) [#]	57,372,950	3.3	3.0	
Total Equity		244,471,649	14.0	14.0⁽¹⁾	
Stone Harbor	Libor Multi-Strategy Portfolio	129,838,303	7.5	12.0	10.0 – 15.0
Stone Harbor	Multi-Asset Credit Portfolio	70,698,081	4.1		
Total Credit Portfolio		200,536,383	11.5	15.0⁽²⁾	10.0 – 20.0⁽²⁾
ManFRM	Managed Futures and Hedge Funds	136,647,732	7.8	9.0	7.0 – 11.0
ManFRM	Hedge Funds (Legacy)*	7,791,136	0.4	0.0	–
Managed Account Platform		144,438,867	8.3	9.0	7.0 – 11.0
Pyrford	Global Total Return	82,797,426	4.7	5.0	8.0 – 12.0
Investec	Diversified Growth	85,563,649	4.9	5.0	
Total Diversified Growth		168,361,075	9.7	10.0	8.0 – 12.0
BMO	UK Equity-Linked Gilts	10,625,922	0.6	11.0	9.0 – 13.0
LGIM	Japanese Equities (Hedged)	12,770,571	0.7		
Investec	Global Natural Resources	21,786,288	1.3		
Wellington	Commodities (Hedged)	23,595,851	1.4		
LGIM	North American Equities (Hedged)	37,436,967	2.1		
BlackRock	Emerging Markets Equities	57,983,510	3.3		
BlackRock	US Opportunities	17,920,378	1.0		
Best Ideas Portfolio		182,119,487	10.5	11.0	9.0 – 13.0
Tactical Allocation Portfolio		350,480,562	20.1	21.0	15.0 – 25.0
In-House	Property	114,593,207	6.6	4.0	2.0 – 6.0
In-House	Infrastructure	33,295,943	1.9	8.0	5.0 – 10.0
In-House	Timber / Agriculture	28,421,510	1.6		
Real Assets Portfolio		176,310,660	10.1	12.0	10.0 – 15.0
In-House	Private Equity	153,209,878	8.8	10.0	8.0 – 12.0
In-House	Opportunistic	21,968,797	1.2		
In-House	Private Credit	2,763,815	0.2		
Private Markets Portfolio		177,942,490	10.2	10.0	8.0 – 12.0
Total In-House Assets		354,253,150	20.3	22.0	
Insight	LDI Portfolio	391,485,816	22.5	19.0	10.0 – 30.0
Total LDI		391,485,816	22.5	19.0	10.0 – 30.0
Trustees	Cash	56,709,270	3.3	-	0.0 – 5.0
TOTAL CLWYD PENSION FUND		1,742,375,697	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 Includes a 4.0% strategic allocation to Smart Beta. 2 Includes a 3.0% strategic allocation to Private Credit.

4 PERFORMANCE SUMMARY

PERIODS ENDING 30 JUNE 2017

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	2.3	1.0	28.0	25.3	15.0	17.7	Target not met
● Wellington	Emerging Markets (Core) [#]	2.2	2.7	27.6	29.1	11.0	12.3	Target not met
● Wellington	Emerging Markets (Local) [#]	5.2	2.9	28.4	30.3	13.9	13.4	Target met
Total Equity		2.9	1.8	28.5	27.0	13.1	15.0	
● Stone Harbor	Multi-Asset Credit Portfolio	1.0	0.3	6.6	1.3	1.4	1.4	Target met
Total Credit Portfolio		1.0	0.3	6.6	1.3	1.4	1.4	
n/a ManFRM	Managed Futures & Hedge Funds	-0.7	0.9	-6.2	4.0	n/a	n/a	n/a
n/a ManFRM	Hedge Funds (Legacy)*	-19.1	0.9	-30.9	4.0	-3.8	4.9	n/a
Managed Account Platform		-1.9	0.9	-8.2	4.0	n/a	n/a	
● Pyrford	Global Total Return	0.1	2.3	5.4	8.5	5.2	7.0	Target not met
n/a Investec	Diversified Growth	3.3	2.0	10.0	7.7	n/a	n/a	n/a
Total Diversified Growth		1.7	2.2	7.9	8.1	4.2	6.8	
Best Ideas Portfolio		-0.7	1.6	12.8	5.8	n/a	n/a	
Tactical Allocation Portfolio		0.4	1.6	10.3	5.9	n/a	n/a	
● In-House	Property	2.5	2.7	5.8	5.2	10.5	10.5	Target met
● In-House	Infrastructure	-2.1	1.3	18.9	5.5	19.5	5.6	Target met
● In-House	Timber / Agriculture	1.6	1.3	8.7	5.5	7.0	5.6	Target met
Real Assets		1.5	1.8	n/a	n/a	n/a	n/a	
● In-House	Private Equity	4.7	1.3	14.7	5.5	14.5	5.6	Target met
● In-House	Opportunistic	1.0	1.3	2.9	5.5	-10.4	5.5	Target not met
Private Markets Portfolio		4.3	1.3	n/a	n/a	n/a	n/a	
Total In-House Assets		2.9	1.6	10.8	4.8	11.9	7.1	
n/a Insight	LDI Portfolio	-0.6	-0.6	34.4	34.4	26.3	26.3	n/a
Total (ex LDI)		1.4	1.4	10.8	8.4	6.7	6.5	
TOTAL CLWYD PENSION FUND		0.9	1.0	16.4	12.7	11.0	9.9	
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 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 2017 forecasts based on conditions as at 31 March 2017). Current long term 10 year CPI assumption 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 2017

Strategy	3 months %	12 months %	3 years % p.a.
Total Equities	2.9	28.5	13.1
Composite Objective	1.8	27.0	15.0
Composite Benchmark	1.3	24.5	12.6
Total Multi-Asset Credit	1.0	6.6	1.4
Objective	0.3	1.3	1.4
Benchmark	0.1	0.3	0.4
Managed Account Platform	-1.9	-8.2	n/a
Objective	0.9	4.0	n/a
Benchmark	0.9	4.0	n/a
Total Hedge Funds (Legacy)	-19.1	-30.9	-3.8
Composite Objective	0.9	4.0	4.9
Composite Benchmark	0.9	4.0	4.9
Total Diversified Growth	1.7	7.9	4.2
Composite Objective	2.2	8.1	6.8
Composite Benchmark	2.2	8.1	6.8
Best Ideas Portfolio	-0.7	12.8	n/a
Objective	1.6	5.8	n/a
Benchmark	1.6	5.8	n/a
Total In-House Assets	2.9	10.8	11.9
Composite Objective	1.6	4.8	7.1
Composite Benchmark	1.6	4.8	7.1
Total LDI Portfolio	-0.6	34.4	26.3
Composite Objective	-0.6	34.4	26.3
Composite Benchmark	-0.6	34.4	26.3
Total (ex LDI)	1.4	10.8	6.7
Composite Objective	1.4	8.4	6.5
Composite Benchmark	1.3	7.9	5.8
Total Clwyd Pension Fund	0.9	16.4	11.0
Composite Objective	1.0	12.7	9.9
Composite Benchmark	0.9	12.2	9.3

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% ⁽⁴⁾
TBC	Smart Beta	Global Developed Equities	TBC	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				14.0%
Stone Harbor	Libor Multi-Strategy Portfolio	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a. ⁽¹⁾	12.0%
Stone Harbor	Multi-Asset Credit Portfolio	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a.	
TBC	Private Credit	Private Credit	TBC	3.0%
Total Credit Portfolio				15.0% ⁽⁵⁾
ManFRM	Managed Futures & Hedge Funds	Managed Account Platform	3 Month LIBOR Index +3.5% p.a.	9.0% ⁽³⁾
Managed Account Platform				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				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 Balanced Funds Weighted Average	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⁽⁶⁾				22.0%
Insight	LDI Portfolio	LDI & Synthetic Equities	Composite Liabilities & Synthetic Equity	19.0%
Total Liability Hedging				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 Assets from Investec are to be apportioned to a Smart Beta Manager. Investec currently hold c. 8.0% of assets. 5 Current weighting represented by Stone Harbor benchmark. 6 An allocation to Private Credit within the In-House portfolio assets was made during the quarter.

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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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