

CLWYD PENSION FUND
INVESTMENT STRATEGY AND
MANAGER SUMMARY
PERIOD ENDING 30 SEPTEMBER 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 September 2017, the Fund's total market value increased by £15.0m to £1,757,395,109.

Over the quarter, total Fund assets returned 1.4%, and was in line with its target. Total Fund (ex LDI) returned 1.8%, compared with its target of 1.7%.

Total Equities generated returns of 4.2%, followed by Best Ideas which gained 2.9%. Managed Account Platform assets delivered 2.2%, whilst Total Credit and In-House assets returned 1.3% and 0.4%, respectively.

In relative terms, total Fund assets met their target, mainly attributable to the Managed Futures & Hedge Funds portfolio which outperformed its target by 2.2%. The Diversified Growth and In-House portfolios detracted the most (-0.2%) from relative performance.

Equities, which returned 4.2% against a composite target of 3.6%, contributed 0.6% to total Fund performance and 0.1% to total relative performance.

Total Credit, which now includes an allocation to Private Credit, outperformed its target by 1.0% and added 0.2% to total relative performance.

Managed Futures and Hedge Funds outperformed its target by 2.2% over the quarter, and added 0.2% to total relative performance.

In-House assets returned 0.4% over the quarter, behind its target by 1.1% and detracted -0.2% from total relative performance.

Insight's LDI portfolio rose by 0.1% as yields remained steady over the quarter, overall the portfolio made a neutral contribution to relative performance.

EQUITIES

Global equity markets gained over the quarter, with positive returns (in Sterling terms) observed in all major regions. Despite continuing geopolitical risk and the wave of hurricanes that have swept the Atlantic equities have delivered strong recent performance.

European equities led performance (in Sterling terms) as market confidence was boosted by positive employment and manufacturing data, as well as a reacceleration in the services sector. Consequently, the European Central Bank hinted at normalising monetary policy. US equities increased on the back of strong economic data, whilst the rise in Emerging and Asian markets was driven by increased cash inflows. Brent crude oil prices gained c.20% over the quarter on the back of production cuts and improved demand, which therefore benefitted the energy and materials sectors in particular.

In Developed markets, Europe continued to provide the strongest returns, increasing by 3.9%, followed by UK which returned 2.1%. Asia Pacific (ex Japan) and the US posted returns of 1.8% and 1.2%, respectively. Japan delivered the lowest return of the Developed markets, returning 0.8%.

Over the last 12 months, all developed regions posted positive returns, led by Europe which posted gains of 22.6%. Japan generated the lowest return over the same period, increasing by 11.4%.

Emerging Markets and Frontier Markets both rose by 4.6% and 4.7% respectively over the quarter, both markets seeing a strong annual return of 19.0% and 21.9%, respectively.

Total Equity assets returned 4.2%, ahead of the composite target by 0.6%. All funds in the strategy increased; Investec Global Strategic Equity returned 3.5% against its target of 2.5% whilst the Wellington Emerging Markets (Core) and Emerging Markets (Local) funds delivering returns of 4.5% and 4.7%. However, both the Wellington funds underperformed their targets by 0.4%.

Global equity exposures to China and Emerging Markets, which are both overweight their benchmark allocations helped performance over the quarter. Stock selection within the IT and Semiconductor sectors drove performance; within IT, Alibaba advanced on a positive earnings report and analyst ratings whilst in Semiconductors, ON Semiconductor rallied following an earnings report and trading updates that was better than expected.

In Emerging Markets, exposures to Taiwan and Kazakhstan contributed to the majority of gains, although this was offset to some extent by exposures to South Korea and Chile. Manager stock selection added the most within Financials and Healthcare, but this was partially offset by detractors within Consumer Discretionary and Materials.

CREDIT

Global credit markets advanced over the third quarter of 2017, however, a strengthening of Sterling against the US Dollar and other currencies over the period led to a decrease in returns in Sterling terms, and a decline in the case of Global High Yield Bonds. The sell-off in credit markets which was prompted by the perception of a hawkish tone from central banks continued through the third quarter. However, an uptick in volatility driven by the escalation of geopolitical tensions between the US and North Korea and several natural catastrophes led to increased demand for safe haven assets. The US Federal Reserve maintained interest rates at their current level but continued to project a rate increase before the end of 2017. Despite the increase in market volatility, bond yields ended the quarter largely unchanged.

Economic data from the US continued to be positive over the period and markets were encouraged further by the Trump administration's tax reforms which were unveiled towards the end of the quarter. Credit spreads tightened, supported by improved growth prospects and relatively stable yields.

Over the quarter, Long Dated Fixed Interest Gilts, Long Dated Index-Linked Gilts and Long Dated UK Corporate Bonds produced returns of -0.5%, -0.8% and -0.5% respectively, as markets reacted to a possible imminent rise in interest rates. Emerging Market Debt and Global High Yield both rose in local terms, however, the latter declined by -0.4% in Sterling terms whilst the former posted gains of 1.2%. Global Bonds fell by -1.2% (in Sterling terms).

Total Credit returned 1.3% over the quarter, ahead of its target by 1.0%, and added 0.2% to total relative return.

Asset allocation and security selection both made positive contributions to return, and in particular, the increased allocations to Emerging Market Debt Hard Currency and Local Currency benefitted the portfolio. Additionally, stock selection in Argentina and Brazil within Emerging Market Debt proved to be beneficial.

Within High Yield, lower quality credits and the recovery in the Energy sector drove the positive gains as oil prices increased. As a result, Energy was the leading performer within the portfolio followed by Transportation (excluding Air & Rail) and Steel. In Emerging Market Debt, exposures in Latin America were the largest contributor, led by currency gains in Brazil and Colombia against the US Dollar and falling interest rates in Brazil. Inflows continued to rise over the quarter, with an additional \$26bn injected over the quarter, bringing the year to date total to \$92bn.

HEDGE FUNDS

Hedge Fund capital rose to \$3.15 trillion over the quarter, as economic growth prospects improved despite continued geopolitical risks. Investor inflows were positive, with Global Macro Strategies in particular continuing to

receive the highest level of inflows. Hedge Funds (in Sterling terms) returned -1.0% over the quarter primarily due to the appreciation of Sterling against the US Dollar, as hedge funds returned 2.3% in US dollar terms. In Sterling terms, Emerging Markets and Equity Hedge returned 1.9% and 0.4%, respectively. All other strategies generated negative returns over the quarter, with Global Macro (-2.8%) delivering the worst returns.

ManFRM's Managed Futures & Hedge Funds strategy posted positive return of 3.2%, outperforming its target by 2.3% and contributing 0.2% to total relative performance.

ManFRM Hedge Funds (Legacy) portfolio which consists of Duet (S.A.R.E.), Liongate and Pioneer (until August 2016) assets generated a negative return of -14.5% as a result of further write downs.

TACTICAL ALLOCATION PORTFOLIO

DIVERSIFIED GROWTH

Total Diversified Growth assets returned 0.5% over the quarter, underperforming the target by 1.6%. Overall, this detracted -0.2% from total relative performance.

Pyrford returned -0.9% compared to a target of 2.1%. Poor stock selection in both UK and overseas equities was the largest detractor from returns, as markets reacted to rising rates by rotating out of defensive companies that offer strong dividend support and into more cyclical companies. In particular, British American Tobacco fell, as the US drugs regulator unveiled plans to reduce nicotine levels in cigarettes to non-additive levels. Positive gains were seen from BP following the recent rise in oil prices. The fund's bond holdings also detracted from returns as bond yields rose sharply towards the end of the quarter.

Investec's portfolio generated a return of 0.5% compared to a target of 2.1%. Performance over the quarter was primarily driven by the fund's 'Growth' strategies due to the stock selection within the total return equity holdings. 'Uncorrelated' strategies also contributed positively due to the short US domestic restaurants vs. US large cap relative value equity position. With concerns around the hurricanes in southern United States impacting sentiment, the US restaurants sub-sector underperformed the market. 'Defensive' strategies were the primary detractors from performance over the quarter as Sterling currency appreciation adversely impacted currency hedging strategies.

BEST IDEAS PORTFOLIO

The Best Ideas Portfolio returned 2.9%, above its target by 1.3%. Overall, this contributed 0.1% to the total Fund relative performance. Over the last 12 months, the Best Ideas Portfolio has delivered a return of 8.7% and outperformed its target of UK CPI +3.0% p.a. by 2.6%.

In a reversal of last quarter's performance, the Investec Global Natural Resources Fund was the strongest (7.1%) within the Best Ideas Portfolio, as exposure to oil equities proved profitable following the surge in prices.

Elsewhere in the portfolio, growth was generated by BlackRock Emerging Market Equities (4.5%) and LGIM North American Equities (4.3%), which outperformed their targets by 3.0% and 2.8%, respectively. Both funds made marginal contributions to total relative performance. F&C's UK Equity-Linked Gilt Fund returned 0.3%, behind its benchmark by 1.3%.

BlackRock's US Opportunities Fund was the only fund within the Best Ideas Portfolio to decline over the period, returning -0.4% and underperforming its benchmark by 2.0%.

During the quarter, the portfolio exited positions in LGIM Japanese Equities (Hedged) and Wellington Commodities, with the proceeds being redeployed into three new funds; LGIM Infrastructure Equity MFG Fund, LGIM Global Real Estate Equity Fund and BlackRock European Equities (Hedged) Fund.

Additionally, positions in the LGIM North American Equities (Hedged) and BlackRock Emerging Markets Equities were trimmed, and a new position in the Investec Emerging Markets Local Currency Fund was established.

IN-HOUSE ASSETS

Total In-House assets returned 0.4%, behind its composite target by 1.1%. Overall this detracted 0.2% 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 0.3% respectively.

Infrastructure assets were the strongest sector of the portfolio, returning 1.5% and outperforming its target by 0.2%.

Property and Private Equity assets both returned 0.7%, and underperformed by -1.9% and -0.6%, respectively.

Opportunistic assets and Timber/Agriculture declined by -1.8% and -1.4%, respectively and underperformed their targets by 3.1% and 2.7%.

2 STRATEGIC ASSET ALLOCATION

30 SEPTEMBER 2017

Allocation by underlying asset class

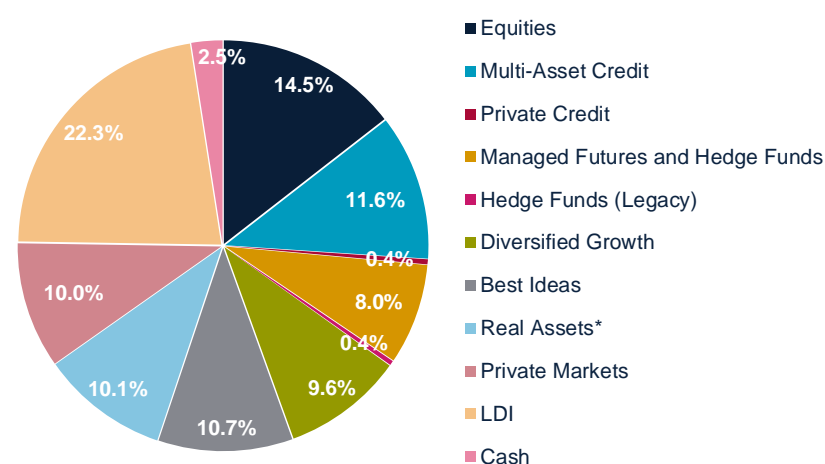
Asset Class	Market Value £	Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	139,212,542	7.9	8.0	-0.1	5.0 – 10.0
Emerging Market Equities	115,424,721	6.6	6.0	+0.6	5.0 – 7.5
Multi-Asset Credit	203,061,333	11.6	12.0	-0.4	10.0 – 15.0
Private Credit [^]	7,294,695	0.4	3.0	-2.6	2.0 – 5.0
Managed Futures and Hedge Funds	140,964,575	8.0	9.0	-1.0	7.0 – 11.0
Hedge Funds (Legacy)*	6,661,678	0.4	0.0	+0.4	–
Diversified Growth	169,120,988	9.6	10.0	-0.4	8.0 – 12.0
Best Ideas	187,454,624	10.7	11.0	-0.3	9.0 – 13.0
Property	114,670,360	6.5	4.0	+2.5	2.0 – 6.0
Infrastructure / Timber / Agriculture	62,587,737	3.6	8.0	-4.4	5.0 – 10.0
Private Equity / Opportunistic	175,800,130	10.0	10.0	0.0	8.0 – 12.0
LDI & Synthetic Equities	391,755,895	22.3	19.0	+3.3	10.0 – 30.0
Cash	43,385,831	2.5	0.0	+2.5	0.0 – 5.0
TOTAL CLWYD PENSION FUND	1,757,395,109	100.0	100.0	0.0	

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

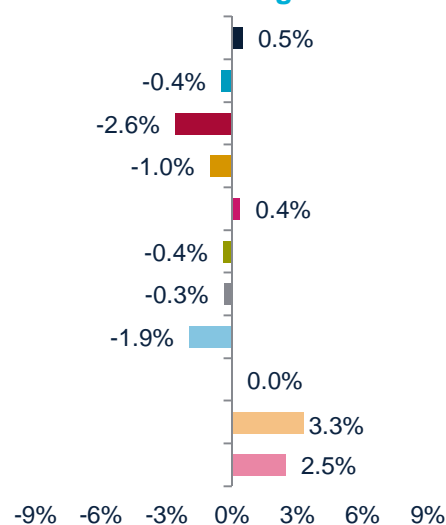
Points to note

- 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 -0.2% over the quarter, however, the fund remains overweight the strategic allocation by 3.3%.

Strategic Asset Allocation as at 30 September 2017



Deviation from Strategic Allocation



Note: Totals may not sum due to rounding.

* In-House Property, Infrastructure and Timber/Agriculture portfolios.

3 VALUATION AND ASSET ALLOCATION AS AT 30 SEPTEMBER 2017

Manager	Fund	Market Value £	Weight %	Strategic Allocation %	Strategic Range %
Investec	Global Strategic Equity	139,212,542	7.9	4.0	5.0 – 10.0 ⁽¹⁾
Wellington	Emerging Markets (Core)#	55,344,729	3.1	3.0	5.0 – 7.5
Wellington	Emerging Markets (Local)#	60,079,993	3.4	3.0	
Total Equity		254,637,263	14.5	14.0⁽¹⁾	
Stone Harbor	LIBOR Multi-Strategy	131,272,297	7.5	12.0	10.0 – 15.0
Stone Harbor	Multi-Asset Credit	71,789,036	4.1		
Multi-Asset Credit Portfolio		203,061,333	11.6	12.0	10.0 – 15.0
Permira	Credit Solutions III	7,294,695	0.4	3.0	2.0 – 5.0
Private Credit Portfolio		7,294,695	0.4	3.0	2.0 – 5.0⁽²⁾
Total Credit		210,356,028	12.0	15.0	10.0 – 20.0
ManFRM	Managed Futures & Hedge Funds	140,964,575	8.0	9.0	7.0 – 11.0
ManFRM	Hedge Funds (Legacy)*	6,661,678	0.4	0.0	–
Managed Account Platform		147,626,253	8.4	9.0	7.0 – 11.0
Pyrford	Global Total Return	82,047,221	4.7	5.0	8.0 – 12.0
Investec	Diversified Growth	87,073,767	5.0	5.0	
Diversified Growth Portfolio		169,120,988	9.6	10.0	8.0 – 12.0
F&C	UK Equity-Linked Gilts	10,654,841	0.6	11.0	9.0 – 13.0
LGIM	North American Equities (Hedged)	28,794,950	1.6		
BlackRock	US Opportunities	17,848,211	1.0		
BlackRock	European Equities (Hedged)	13,063,643	0.7		
BlackRock	Emerging Markets Equities	51,347,584	2.9		
Investec	Global Natural Resources	23,327,908	1.3		
LGIM	Infrastructure Equities MFG (Hedged)	11,926,364	0.7		
LGIM	Global Real Estate Equities	11,670,328	0.7		
Investec	Emerging Markets Local Debt	18,820,795	1.1		
Best Ideas Portfolio		187,454,624	10.7		
Tactical Allocation Portfolio		356,575,612	20.3	21.0	15.0 – 25.0
In-House	Property	114,670,360	6.5	4.0	2.0 – 6.0
In-House	Infrastructure	34,687,700	2.0	8.0	5.0 – 10.0
In-House	Timber / Agriculture	27,900,037	1.6		
Real Assets Portfolio		177,258,097	10.1	12.0	10.0 – 15.0
In-House	Private Equity	151,874,075	8.6	10.0	8.0 – 12.0
In-House	Opportunistic	23,926,055	1.4		
Private Markets Portfolio		175,800,130	10.0	10.0	8.0 – 12.0
Total In-House Assets		353,058,227	20.1	22.0	
Insight	LDI Portfolio	391,755,895	22.3	19.0	10.0 – 30.0
Total Liability Hedging		391,755,895	22.3	19.0	10.0 – 30.0
Trustees	Cash	43,385,831	2.5	-	0.0 – 5.0
TOTAL CLWYD PENSION FUND		1,757,395,109	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, which is not yet funded. 2 The Private Credit allocation is not yet fully funded.

4 PERFORMANCE SUMMARY

PERIODS ENDING 30 SEPTEMBER 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	3.5	2.5	18.3	17.7	15.1	17.2	Target not met
● Wellington	Emerging Markets (Core) [#]	4.5	4.9	17.2	20.2	12.1	13.2	Target not met
● Wellington	Emerging Markets (Local) [#]	4.7	5.1	20.4	21.4	13.9	14.4	Target not met
Total Equity		4.2	3.6	18.6	19.3	13.2	15.1	
● Stone Harbor	LIBOR Multi-Strategy	1.1	0.3	5.7	1.3	1.6	1.4	Target met
n/a	Stone Harbor Multi-Asset Credit	1.5	0.3	n/a	n/a	n/a	n/a	n/a
Multi-Asset Credit Portfolio		1.3	0.3	5.8	1.3	2.0	1.4	
n/a	Permira Credit Solutions III	3.6	1.5	n/a	n/a	n/a	n/a	n/a
Private Credit Portfolio		3.6	1.5	n/a	n/a	n/a	n/a	
Total Credit		1.3	0.3	n/a	n/a	n/a	n/a	
n/a	ManFRM Managed Futures & Hedge Funds	3.2	0.9	-1.5	3.8	n/a	n/a	n/a
n/a	ManFRM Hedge Funds (Legacy) [*]	-14.5	0.9	-30.6	3.9	-9.5	4.8	n/a
Managed Account Platform		2.2	0.9	-3.5	3.8	n/a	n/a	
● Pyrford	Global Total Return	-0.9	2.1	1.5	8.8	4.4	7.2	Target not met
n/a	Investec Diversified Growth	0.5	2.0	7.4	7.9	n/a	n/a	n/a
Total Diversified Growth		0.5	2.1	5.3	8.4	4.0	6.9	
Best Ideas Portfolio		2.9	1.6	8.7	6.1	n/a	n/a	
Tactical Allocation Portfolio		1.7	1.6	7.0	6.2	n/a	n/a	
● In-House	Property	0.7	2.7	6.1	10.4	9.8	9.6	Target met
● In-House	Infrastructure	1.5	1.3	18.4	5.3	20.2	5.5	Target met
● In-House	Timber / Agriculture	-1.4	1.3	4.9	5.4	5.5	5.5	Target met
Real Assets Portfolio		0.5	1.7	7.9	7.0	n/a	n/a	
● In-House	Private Equity	0.7	1.3	11.1	5.4	13.2	5.5	Target met
● In-House	Opportunistic	-1.8	1.3	-2.2	5.3	-11.0	5.5	Target not met
Private Markets Portfolio		0.3	1.3	9.6	5.4	n/a	n/a	
Total In-House Assets		0.4	1.5	8.7	6.2	10.9	6.7	
n/a	Insight LDI Portfolio	0.1	0.1	12.0	12.0	22.4	22.4	n/a
Total (ex LDI)		1.8	1.7	8.2	7.4	6.5	6.6	
TOTAL CLWYD PENSION FUND		1.4	1.4	9.2	8.1	10.0	9.3	
Strategic Target (CPI +4.1%)		1.6		6.3		6.3		
Actuarial Target (CPI +2.0%)		1.1		4.2		4.2		

Notes: "n/a" against the objective is for funds that have been in place for less than three years.

* ManFRM Hedge Funds (Legacy) currently includes the S.A.R.E (Duet) and Liogate 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 (Q3 2017 forecasts based on conditions as at 30 June 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 SEPT 2017

Strategy	3 months %	12 months %	3 years % p.a.
Total Equities	4.2	18.6	13.2
Composite Objective	3.6	19.3	15.1
Composite Benchmark	3.0	16.9	12.8
Multi-Asset Credit Portfolio	1.3	5.8	2.0
Objective	0.3	1.3	1.4
Benchmark	0.1	0.3	0.4
Managed Account Platform	2.2	-3.5	n/a
Objective	0.9	3.9	n/a
Benchmark	0.9	3.9	n/a
Total Hedge Funds (Legacy)	-14.5	-30.6	-9.5
Composite Objective	0.9	3.9	4.8
Composite Benchmark	0.9	3.9	4.8
Total Diversified Growth	0.5	5.3	4.0
Composite Objective	2.1	8.4	6.9
Composite Benchmark	2.1	8.4	6.9
Best Ideas Portfolio	2.9	8.7	n/a
Objective	1.6	6.1	n/a
Benchmark	1.6	6.1	n/a
Total In-House Assets	0.4	8.7	10.9
Composite Objective	1.5	6.2	6.7
Composite Benchmark	1.5	6.2	6.7
Total LDI Portfolio	0.1	12.0	22.4
Composite Objective	0.1	12.0	22.4
Composite Benchmark	0.1	12.0	22.4
Total (ex LDI)	1.8	8.2	6.5
Composite Objective	1.7	7.4	6.6
Composite Benchmark	1.5	6.8	6.0
Total Clwyd Pension Fund	1.4	9.2	10.0
Composite Objective	1.4	8.1	9.3
Composite Benchmark	1.3	7.6	8.8

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

Note: Objective performance includes the funds' outperformance targets above the relevant underlying benchmarks, as shown in the Appendix. Benchmark performance is based on the underlying benchmarks without the explicit outperformance targets for the relevant funds within the Equity and Multi-Asset Credit portfolios.

6 SUMMARY OF MANDATES

Manager	Fund	Strategic Asset Class	Performance Objective (Net of Fees)	Strategic Allocation
Investec	Global Strategic Equity	Global Developed Equities	MSCI AC World NDR Index +2.5% p.a.	4.0% ⁽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			Composite Weighted Index	14.0%
Stone Harbor	Libor Multi-Strategy	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a. ⁽¹⁾	12.0%
Stone Harbor	Multi-Asset Credit	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a.	
Permira	Credit Solutions III	Private Credit	Absolute Return 6.0% p.a.	3.0%
Total Credit			Composite Weighted Index	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			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	Real Assets	IPD Balanced Funds Weighted Average	4.0%
In-House	Infrastructure	Real Assets	3 Month LIBOR Index +5.0% p.a.	6.0%
In-House	Timber / Agriculture	Real Assets	3 Month LIBOR Index +5.0% p.a.	2.0%
Total In-House Assets			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 Assets from Investec are to be apportioned to a Smart Beta Manager. Investec currently hold c. 8.0% of assets. 5 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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