

**CLWYD PENSION FUND**  
**INVESTMENT STRATEGY AND**  
**MANAGER SUMMARY**  
**PERIOD ENDING 30 JUNE 2018**

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# 1 IMPACT ON CLWYD PENSION FUND INVESTMENT STRATEGY

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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 2018, the Fund's total market value increased by £70.5m to £1,847,751,105.

Over the quarter, total Fund assets returned 3.2%, ahead of its target by 0.5%, mainly attributable to strong performance generated by the In-House assets and LDI Portfolio. Total Fund (ex LDI) returned 2.1%, compared with its target of 1.7%.

In-House assets returned 5.2% followed by Best Ideas assets, returning 3.4% and Equity assets which rose 2.9%. The Managed Account Platform and Total Credit declined, delivering returns of -0.7% and -1.5%, respectively.

In relative terms, total Fund assets exceeded their target, mainly due to the In-House assets which outperformed its target by 3.7%, contributing 0.8% to total relative performance.

Best Ideas assets outperformed its target by 1.9%, adding 0.2% to total relative performance.

Equities underperformed its target by 0.8% and detracted 0.1% from total relative performance.

Managed Futures and Hedge Funds fell by 1.4% and underperformed its target by 2.4%. This detracted 0.3% from overall relative performance.

Total Credit underperformed its target by 2.0%, returning -1.5% against a target of 0.5% and detracting 0.3% from overall relative performance.

Insight's LDI portfolio rose by 6.8% over the quarter, largely driven by its exposure to equity markets. Overall, the overweight allocation to the LDI portfolio contributed 0.1% to relative performance.

## EQUITIES

Global equities recovered from the falls in Q1 2018 despite the continued volatility in the markets, largely due to the monetary tightening policies in the US, trade tensions between US and China and political uncertainty in various regions.

The US Federal Reserve increased interest rates over the second quarter which led to the strengthening of the US dollar and contributed positively to US equity markets. The US-China tensions escalated over the period as Donald Trump gave indications that he may drastically increase the tariffs levied on Chinese imports. Politics also drove returns in both Developed Markets and Emerging Markets. In Emerging Markets, polls in Turkey, Brazil and Mexico triggered negative market reactions whilst in Developed Markets; Italy joined the growing list of countries voting in populist governments.

In Developed Markets, all regions demonstrated positive returns. North America led performance returning 10.0%, followed by the UK which returned 9.2%. Asia Pacific (ex Japan) rose by 4.4% whilst Europe (ex UK) and Japan increased by 3.7% and 3.2%, respectively.

Over the past year, all developed regions witnessed positive returns, led by North America, Japan and the UK with corresponding returns of 12.5%, 9.3% and 9.0%.

Emerging and Frontier Markets declined by 2.4% and 11.9%, respectively, over the quarter. Over the 12 months to 30 June 2018, Emerging Markets gained 5.9% whilst Frontier Markets declined by 1.2%.

Total Equity assets saw returns of 2.9% compared to a composite target of 3.7%. Investec Global Strategic was the only fund to outperform, returning 8.4% against a target of 7.5%. BlackRock ACS World Multifactor posted gains of 7.4%, behind its target by 0.9%. Both Wellington Emerging Markets (Core) and Wellington Emerging Market (Local) declined, posting returns of -2.1% and 3.7% and behind their targets by 0.2% and 2.1%, respectively.

Wellington Emerging Markets (Core) was the only equity fund to have achieved its 3 year target objective.

Global equity exposures to Healthcare and Energy sectors helped returns due to positive stock selection, whilst Financials and Technology detracted. Shares in US group Chemed, climbed to new all-time highs due to continued performance of its hospice care and plumbing businesses. The healthcare holdings also benefited from a rally in UnitedHealth, US healthcare provider, as it delivered strong earnings in the first quarter.

South Africa and South Korea contributed to the majority of gains due to positive stock selection, although this was offset to some extent by asset allocation in Argentina and stock selection in Russia. Manager stock selection added the most within Energy and Healthcare sectors, but this was partially offset by detractors within Consumer Discretionary and Materials.

## CREDIT

Global credit markets suffered some bouts of volatility over the quarter; US Treasuries in particular cheapened in April and May as US growth and inflation expectations continued to build, however, this was reversed in the latter part of the quarter amid a flight to quality. Demand for US government debt increased as domestic data remained strong against a challenging geopolitical backdrop, currency volatility and trade tensions. Political uncertainty in Europe including the formation of a populist Italian government resurrected concerns over the stability of the European Union, and a softening of economic data from the Eurozone further fuelled the move into US government debt.

As expected, the US Federal Reserve increased interest rates by 25bps in June whilst the European Central Bank announced that interest rates would not be going up until at least the summer of 2019. The Bank of England (BoE) decision to maintain interest rates at 0.50% in May had a short-term but significant impact on gilt markets. The BoE has since increased the base rate to 0.75% in its August meeting.

Over the quarter, Long Dated Fixed Interest Gilts, Long Dated Index-Linked Gilts and Long Dated UK Corporate Bonds declined by 0.4%, 1.2% and 1.4% respectively. Emerging Market Debt and Global High Yield posted returns of -4.8% and -0.6%, respectively. Global bonds declined 0.3% over the quarter.

Total Credit, which includes an allocation to Private Credit, returned -1.5% over the quarter, behind its target by 2.0% and detracted 0.2% from total relative return.

Investment grade credit detracted, largely due to poor market fundamentals, as higher hedging costs weighed on the market and became a headwind for overseas investors who had become big buyers of corporate bonds.

Within US High Yield, 11 out of 36 industry sectors posted negative returns. Overall, the market has experienced improved credit fundamentals over the course of the year; there were no defaults in June bringing the 12 month default rate to 1.98%. Market fundamentals in European High Yield continued to be weak due to outflows.

In Emerging Market Debt, all regions posted negative total returns; however, Investment Grade outperformed non-Investment Grade securities. Overweight allocations to Argentina, Lebanon and Ukraine were the main detractors from performance over the quarter.

## HEDGE FUNDS

Hedge funds posted a small increase in US Dollar terms, as Equity based and Event-Driven strategies were offset by Emerging Market and Global Macro. However, the depreciation of Sterling over the quarter led to a large increase in Hedge Funds of 7.1% over the quarter, as all strategies generated positive returns (in Sterling terms).

Over the 12 months to 30 June 2018, in US Dollar terms all strategies advanced, whilst in Sterling terms, with the exception of Global Macro which returned -0.5%, all strategies increased. Total Hedge Funds over this period returned 5.7% in USD and 4.0% in GBP.

ManFRM's Managed Futures & Hedge Funds strategy declined by -1.4%, behind its target of 1.0% and detracting 0.3% from total relative performance.

ManFRM Hedge Funds (Legacy) which consists of Duet (S.A.R.E.), Liongate and Pioneer (until August 2016) assets generated a return of 15.2%. In June, there was a cash distribution from Liongate of £1,665,610, the value of the holdings sold from the Liongate portfolios was only £841,104, and therefore, this resulted in the increased performance. The cash was then transferred from the ManFRM Hedge Funds (Legacy) portfolio to the ManFRM Managed Futures & Hedge Funds portfolio for investment.

## TACTICAL ALLOCATION PORTFOLIO

### *DIVERSIFIED GROWTH*

Total Diversified Growth assets gained by 0.2% over the quarter, behind its target of 2.1%. Overall, this detracted -0.2% from total relative performance.

Pyrford returned 2.0% compared to a target of 2.3%. Both the fund's equity and bond holdings were in positive territory over the period; equities rallied on the back of strong earnings prospects, rising oil prices and favourable acquisition activities whilst the bond holdings, in particular its US Treasuries positions, added to performance as short-dated bond yields fell. Holdings in overseas bonds further contributed positively due to Sterling weakness. The fund's active currency positions detracted from performance as Sterling fell, however, the fund's unhedged US dollar exposure delivered a small positive return.

Investec generated a return of -1.4% compared to a target of 1.9%. The fund's negative performance over the quarter was driven by its "Growth" and "Defensive" strategies. Within the Growth strategy, falling emerging market momentum, strengthening US dollar and geopolitical events in Brazil, Argentina and Turkey impacted on the fund's emerging vs. developed market equity position. Additionally, fears of trade restrictions negatively impacted the fund's China vs. developed market equity position. Within the fund's Defensive strategy, a strong US dollar and weakening domestic fundamentals dragged on the fund's long exposure to the Japanese Yen. Additionally, an interest rate rise in Canada caused the fund's 10 Year Canadian Bond position to contribute negatively. The Fund's infrastructure basket was the most significant contributor within the uncorrelated strategy

### *BEST IDEAS PORTFOLIO*

The Best Ideas Portfolio rose by 3.4%, ahead of its target by 1.9%. Overall, this added 0.2% to total Fund relative performance. Over the last 12 months, the Best Ideas Portfolio has delivered a return of 7.2% and outperformed its target of UK CPI +3.0% p.a. by 1.7%.

Over the quarter, positive returns were generated by all funds within the Best Ideas Portfolio, with the exception of Investec Emerging Markets Local Currency Debt (-6.3%) and BlackRock Emerging Market Equities (-3.2%). The negative performance of Investec Emerging Markets Local Currency Debt was largely attributable to its positioning in emerging market currencies; particularly the overweight allocation to the Polish zloty, which detracted as the currency fell due to its sensitivity to the falling Euro and slowing Eurozone economic activity.

LGIM Global Real Estate Equities (12.0%) was the best performer, followed by Investec Global Natural Resources and BlackRock US Opportunities which both returned 11.7%. BlackRock Japanese Equities (4.7%) and LGIM

Infrastructure Equities (4.1%) outperformed the CPI +3.0% p.a. target, whilst LGIM North American Equities and BlackRock European Equities (Hedged) posted positive returns of 3.3% and 2.3%, but underperformed the target.

During the quarter, £8,428,000 was redeemed from the Investec EMD Local Fund such that the remaining holdings totalled £10,000,000 and proceeds were invested in BlackRock US Opportunities. Additionally, in order to ensure that any future investments are implemented quickly, it was agreed that cash would be held in the LGIM Sterling Liquidity Fund; consequently an investment of £10,000 was made over the quarter to establish the position.

## IN-HOUSE ASSETS

Total In-House assets returned 5.2%, ahead of its composite target by 3.7%. Overall this added 0.8% to total relative performance. The two sub-sections of the In-House assets; the Real Assets Portfolio and the Private Markets Portfolio returned 4.6% and 5.7%, respectively.

Infrastructure assets were the strongest performers over the quarter, returning 8.3% ahead of its target by 6.9%. This contributed 0.5% to total relative performance.

Private Equity, Opportunistic and Timber/Agriculture assets all exceeded their targets, returning 5.8%, 5.6% and 4.8%, respectively.

Property assets rose by 3.1%, ahead of its target of 2.0%. This made a neutral contribution to performance.

# 2 STRATEGIC ASSET ALLOCATION

## 30 JUNE 2018

### Allocation by underlying asset class

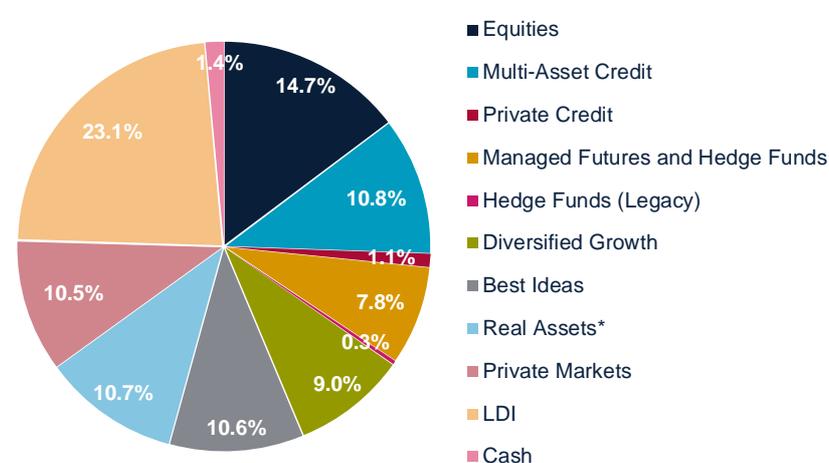
Asset Class	Market Value £	Weight %	Strategic Allocation %	Relative %	Strategic Range %
Global Equities	152,999,879	8.3	8.0	+0.3	5.0 – 10.0
Emerging Market Equities	118,582,181	6.4	6.0	+0.4	5.0 – 7.5
Multi-Asset Credit	200,345,394	10.8	12.0	-1.2	10.0 – 15.0
Private Credit <sup>^</sup>	19,901,833	1.1	3.0	-1.9	2.0 – 5.0
Managed Futures and Hedge Funds	144,245,027	7.8	9.0	-1.2	7.0 – 11.0
Hedge Funds (Legacy)*	5,622,367	0.3	0.0	+0.3	–
Diversified Growth	165,878,962	9.0	10.0	-1.0	8.0 – 12.0
Best Ideas	195,199,699	10.6	11.0	-0.4	9.0 – 13.0
Property	116,652,623	6.3	4.0	+2.3	2.0 – 6.0
Infrastructure / Timber / Agriculture	81,240,939	4.4	8.0	-3.6	5.0 – 10.0
Private Equity / Opportunistic	193,610,436	10.5	10.0	+0.5	8.0 – 12.0
LDI & Synthetic Equities	427,193,188	23.1	19.0	+4.1	10.0 – 30.0
Cash	26,278,576	1.4	0.0	+1.4	0.0 – 5.0
<b>TOTAL CLWYD PENSION FUND</b>	<b>1,847,751,105</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	

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

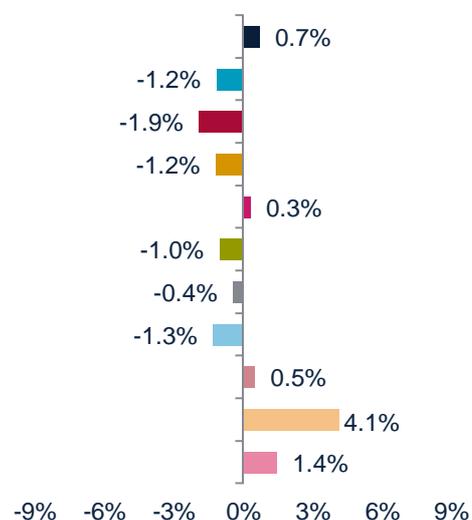
### Points to note

- 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 has increased by 0.6% over the quarter and is 4.1% overweight relative to its strategic allocation.

### Strategic Asset Allocation as at 30 June 2018



### Deviation from Strategic Allocation



Note: Totals may not sum due to rounding.

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

# 3 VALUATION AND ASSET ALLOCATION AS AT 30 JUNE 2018

Manager	Fund	Market Value £	Weight %	Strategic Allocation %	Strategic Range %		
Investec	Global Strategic Equity	80,829,879	4.4	4.0	5.0 – 10.0		
BlackRock	ACS World Multifactor Equity	72,170,000	3.9	4.0			
Wellington	Emerging Markets (Core)#	57,616,911	3.1	3.0	5.0 – 7.5		
Wellington	Emerging Markets (Local)#	60,965,270	3.3	3.0			
<b>Total Equity</b>		<b>271,582,060</b>	<b>14.7</b>	<b>14.0</b>			
Stone Harbor	LIBOR Multi-Strategy	130,172,077	7.0	12.0	10.0 – 15.0		
Stone Harbor	Multi-Asset Credit	70,173,317	3.8				
<b>Multi-Asset Credit Portfolio</b>		<b>200,345,394</b>	<b>10.8</b>	<b>12.0</b>	<b>10.0 – 15.0</b>		
Permira	Credit Solutions III	19,901,833	1.1	3.0	2.0 – 5.0		
<b>Private Credit Portfolio</b>		<b>19,901,833</b>	<b>1.1</b>	<b>3.0</b>	<b>2.0 – 5.0<sup>(1)</sup></b>		
<b>Total Credit</b>		<b>220,247,227</b>	<b>11.9</b>	<b>15.0</b>	<b>10.0 – 20.0</b>		
ManFRM	Managed Futures & Hedge Funds	144,245,027	7.8	9.0	7.0 – 11.0		
ManFRM	Hedge Funds (Legacy)*	5,622,367	0.3	0.0	–		
<b>Managed Account Platform</b>		<b>149,867,394</b>	<b>8.1</b>	<b>9.0</b>	<b>7.0 – 11.0</b>		
Pyrford	Global Total Return	82,354,508	4.5	5.0	8.0 – 12.0		
Investec	Diversified Growth	83,524,454	4.5	5.0			
<b>Diversified Growth Portfolio</b>		<b>165,878,962</b>	<b>9.0</b>	<b>10.0</b>	<b>8.0 – 12.0</b>		
LGIM	North American Equities (Hedged)	25,776,926	1.4	11.0	9.0 – 13.0		
BlackRock	US Opportunities	34,070,314	1.8				
BlackRock	European Equities (Hedged)	19,852,187	1.1				
BlackRock	Japanese Equities	20,947,905	1.1				
BlackRock	Emerging Markets Equities	40,251,758	2.2				
Investec	Global Natural Resources	15,343,595	0.8				
LGIM	Infrastructure Equities MFG (Hedged)	14,394,024	0.8				
LGIM	Global Real Estate Equities	14,956,814	0.8				
Investec	Emerging Markets Local Debt	9,596,174	0.5				
LGIM	Sterling Liquidity	10,004	0.0				
<b>Best Ideas Portfolio</b>		<b>195,199,699</b>	<b>10.6</b>			<b>11.0</b>	<b>9.0 – 13.0</b>
<b>Tactical Allocation Portfolio</b>		<b>361,078,662</b>	<b>19.5</b>			<b>21.0</b>	<b>15.0 – 25.0</b>
In-House	Property	116,652,623	6.3	4.0	2.0 – 6.0		
In-House	Infrastructure	54,320,131	2.9	8.0	5.0 – 10.0		
In-House	Timber / Agriculture	26,920,808	1.5				
<b>Real Assets Portfolio</b>		<b>197,893,562</b>	<b>10.7</b>	<b>12.0</b>	<b>10.0 – 15.0</b>		
In-House	Private Equity	156,534,525	8.5	10.0	8.0 – 12.0		
In-House	Opportunistic	37,075,911	2.0				
<b>Private Markets Portfolio</b>		<b>193,610,436</b>	<b>10.5</b>	<b>10.0</b>	<b>8.0 – 12.0</b>		
<b>Total In-House Assets</b>		<b>391,503,998</b>	<b>21.2</b>	<b>22.0</b>			
Insight	LDI Portfolio	427,193,188	23.1	19.0	10.0 – 30.0		
<b>Total Liability Hedging</b>		<b>427,193,188</b>	<b>23.1</b>	<b>19.0</b>	<b>10.0 – 30.0</b>		
Trustees	Cash	26,278,576	1.4	-	0.0 – 5.0		
<b>TOTAL CLWYD PENSION FUND</b>		<b>1,847,751,105</b>	<b>100.0</b>	<b>100.0</b>			

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 The Private Credit allocation is not yet fully funded.

# 4 PERFORMANCE SUMMARY

## PERIODS ENDING 30 JUNE 2018

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	8.4	7.5	18.3	13.7	16.2	18.7	Target not met
n/a	BlackRock ACS World Multifactor Equity	7.4	8.3	n/a	n/a	n/a	n/a	n/a
● Wellington	Emerging Markets (Core) <sup>#</sup>	-2.1	-1.9	8.8	7.9	13.7	13.5	Target met
● Wellington	Emerging Markets (Local) <sup>#</sup>	-3.7	-1.6	6.3	9.0	13.8	14.6	Target not met
<b>Total Equity</b>		<b>2.9</b>	<b>3.7</b>	<b>11.1</b>	<b>10.3</b>	<b>13.8</b>	<b>15.7</b>	
● Stone Harbor	LIBOR Multi-Strategy	-1.6	0.4	0.3	1.4	1.8	1.4	Target met
n/a	Stone Harbor Multi-Asset Credit	-2.7	0.4	-0.7	1.4	n/a	n/a	n/a
<b>Multi-Asset Credit Portfolio</b>		<b>-2.0</b>	<b>0.4</b>	<b>-0.1</b>	<b>1.4</b>	<b>1.7</b>	<b>1.4</b>	
n/a	Permira Credit Solutions III	3.9	1.5	13.3	6.0	n/a	n/a	n/a
<b>Private Credit Portfolio</b>		<b>3.9</b>	<b>1.5</b>	<b>13.3</b>	<b>6.0</b>	<b>n/a</b>	<b>n/a</b>	
<b>Total Credit</b>		<b>-1.5</b>	<b>0.5</b>	<b>0.7</b>	<b>1.6</b>	<b>n/a</b>	<b>n/a</b>	
n/a	ManFRM Managed Futures & Hedge Funds	-1.4	1.0	4.3	3.9	n/a	n/a	n/a
n/a	ManFRM Hedge Funds (Legacy) <sup>*</sup>	15.2	1.1	-6.5	3.9	-12.8	4.8	n/a
<b>Managed Account Platform</b>		<b>-0.7</b>	<b>1.0</b>	<b>3.8</b>	<b>3.9</b>	<b>n/a</b>	<b>n/a</b>	
● Pyrford	Global Total Return	2.0	2.3	-0.5	8.0	3.9	7.6	Target not met
● Investec	Diversified Growth	-1.4	1.9	-2.4	7.1	1.7	6.7	Target not met
<b>Total Diversified Growth</b>		<b>0.2</b>	<b>2.1</b>	<b>-1.5</b>	<b>7.6</b>	<b>2.8</b>	<b>7.1</b>	
<b>Best Ideas Portfolio</b>		<b>3.4</b>	<b>1.5</b>	<b>7.2</b>	<b>5.5</b>	<b>7.8</b>	<b>5.0</b>	
<b>Tactical Allocation Portfolio</b>		<b>1.9</b>	<b>1.5</b>	<b>3.0</b>	<b>5.5</b>	<b>5.3</b>	<b>5.0</b>	
● In-House	Property	3.1	2.0	7.1	10.3	8.2	8.1	Target met
● In-House	Infrastructure	8.3	1.4	9.2	5.4	17.4	5.5	Target met
● In-House	Timber / Agriculture	4.8	1.4	-0.9	5.4	7.2	5.5	Target met
<b>Real Assets</b>		<b>4.6</b>	<b>1.6</b>	<b>6.3</b>	<b>7.0</b>	<b>9.6</b>	<b>4.0</b>	
● In-House	Private Equity	5.8	1.4	11.3	5.4	14.6	5.5	Target met
● In-House	Opportunistic	5.6	1.4	19.8	5.4	1.1	5.5	Target not met
<b>Private Markets Portfolio</b>		<b>5.7</b>	<b>1.4</b>	<b>12.6</b>	<b>5.4</b>	<b>12.8</b>	<b>5.5</b>	
<b>Total In-House Assets</b>		<b>5.2</b>	<b>1.5</b>	<b>9.4</b>	<b>6.3</b>	<b>11.2</b>	<b>6.0</b>	
n/a	Insight LDI Portfolio	6.8	6.8	9.1	9.1	19.3	19.3	n/a
<b>Total (ex LDI)</b>		<b>2.1</b>	<b>1.7</b>	<b>6.0</b>	<b>6.0</b>	<b>7.1</b>	<b>6.7</b>	
<b>TOTAL CLWYD PENSION FUND</b>		<b>3.2</b>	<b>2.7</b>	<b>6.7</b>	<b>6.6</b>	<b>9.9</b>	<b>8.9</b>	
<b>Strategic Target (CPI +4.1%)</b>		<b>1.6</b>		<b>6.2</b>		<b>6.2</b>		
<b>Actuarial Target (CPI +2.0%)</b>		<b>1.0</b>		<b>4.1</b>		<b>4.1</b>		

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 (S.A.R.E) and Liongate portfolios.

<sup>#</sup> 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 (Q1 2018 forecasts based on conditions at 31 December 2017). Current long term 10 year CPI assumption is 2.1% p.a.

● Fund has met or exceeded its performance target      ● Fund has underperformed its performance target

# 5 STRATEGIC ASSET CLASSES

## PERFORMANCE TO 30 JUNE 2018

Strategy	3 months %	12 months %	3 years % p.a.
<b>Total Equities</b>	<b>2.9</b>	<b>11.1</b>	<b>13.8</b>
Composite Objective	3.7	10.3	15.7
Composite Benchmark	3.4	8.5	13.6
<b>Multi-Asset Credit Portfolio</b>	<b>-2.0</b>	<b>-0.1</b>	<b>1.7</b>
Objective	0.4	1.4	1.4
Benchmark	0.1	0.4	0.4
<b>Managed Account Platform</b>	<b>-0.7</b>	<b>3.8</b>	<b>n/a</b>
Objective	1.0	3.9	n/a
Benchmark	1.0	3.9	n/a
<b>Total Hedge Funds (Legacy)</b>	<b>15.2</b>	<b>-6.5</b>	<b>-12.8</b>
Composite Objective	1.1	3.9	4.8
Composite Benchmark	1.1	3.9	4.8
<b>Total Diversified Growth</b>	<b>0.2</b>	<b>-1.5</b>	<b>2.8</b>
Composite Objective	2.1	7.6	7.1
Composite Benchmark	2.1	7.6	7.1
<b>Best Ideas Portfolio</b>	<b>3.4</b>	<b>7.2</b>	<b>7.8</b>
Objective	1.5	5.5	5.0
Benchmark	1.5	5.5	5.0
<b>Total In-House Assets</b>	<b>5.2</b>	<b>9.4</b>	<b>11.2</b>
Composite Objective	1.5	6.3	6.0
Composite Benchmark	1.5	6.3	6.0
<b>Total LDI Portfolio</b>	<b>6.8</b>	<b>9.1</b>	<b>19.3</b>
Composite Objective	6.8	9.1	19.3
Composite Benchmark	6.8	9.1	19.3
<b>Total (ex LDI)</b>	<b>2.1</b>	<b>5.9</b>	<b>7.1</b>
<b>Composite Objective</b>	<b>1.7</b>	<b>6.0</b>	<b>6.7</b>
<b>Composite Benchmark</b>	<b>1.6</b>	<b>5.5</b>	<b>6.2</b>
<b>Total Clwyd Pension Fund</b>	<b>3.2</b>	<b>6.7</b>	<b>9.9</b>
<b>Composite Objective</b>	<b>2.7</b>	<b>6.6</b>	<b>8.9</b>
<b>Composite Benchmark</b>	<b>2.6</b>	<b>6.2</b>	<b>8.4</b>

**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%
BlackRock	World Multifactor Equity Tracker	Global Developed Equities	MSCI World Index	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%
<b>Total Equity</b>			<b>Composite Weighted Index</b>	<b>14.0%</b>
Stone Harbor	LIBOR Multi-Strategy	Multi-Asset Credit	1 Month LIBOR Index +1.0% p.a. <sup>(1)</sup>	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%
<b>Total Credit Portfolio</b>			<b>Composite Weighted Index</b>	<b>15.0%<sup>(4)</sup></b>
ManFRM	Managed Futures & Hedge Funds	Managed Account Platform	3 Month LIBOR Index +3.5% p.a.	9.0% <sup>(3)</sup>
<b>Managed Account Platform</b>			<b>3 Month LIBOR Index +3.5% p.a.</b>	<b>9.0%</b>
Pyrford	Global Total Return	Diversified Growth	UK Retail Price Index +4.5% p.a. <sup>(2)</sup>	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%
<b>Tactical Allocation Portfolio</b>			<b>UK Consumer Price Index +3.0% p.a.</b>	<b>21.0%</b>
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 UK Monthly Property Index <sup>(5)</sup>	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%
<b>Total In-House</b>			<b>Composite Weighted Index</b>	<b>22.0%</b>
Insight	LDI Portfolio	LDI & Synthetic Equities	Composite Liabilities & Synthetic Equity	19.0%
<b>Total Liability Hedging</b>			<b>Composite Liabilities &amp; Synthetic Equity</b>	<b>19.0%</b>

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. 5. The IPD Quarterly Property Index has been used to calculate the performance between 31 December 2017 and 30 June 2018.

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