

HYMANS ROBERTSON LLP

1 Asset allocation – Q1 2018

The following table sets out the Fund's asset allocation as at 31 March 2018 against the target allocation. The valuations have been provided by the Scheme's investment managers.

Manager	Mandate	Asset Allocation £	Asset Allocation %	Target Allocation %	Relative %
UBS	UK Equities	329,239,060	23.1	25.0	-1.9
Lazard	Global Equities	234,781,350	16.5	15.5	1.0
Wellington	Global Value	233,490,423	16.4	15.5	0.9
RBC	Global Emerging Market Equities	78,129,554	5.5	4.5	1.0
Total Equities		875,640,387	61.4	60.5	0.9
BMO	Fixed Income	233,280,000	16.4	17.0	-0.6
Columbia Threadneedle	Property	123,468,100	8.7	10.0	0.4
Columbia Threadneedle	Low Carbon Property	25,601,312	1.8		
Invesco	Multi Asset	66,882,571	4.7	5.0	-0.3
GMO	Multi Asset	101,856,829	7.1	7.5	-0.4
Total Fund		1,426,729,199	100.0	100.0	0.0

Note: Numbers may not sum due to rounding

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2 Performance summary – Q1 2018

The following table sets out the performance of the Scheme's investment mandates as at 31 March 2018 against their respective benchmarks. Details of the performance benchmarks for each mandate are set out in Appendix 1.

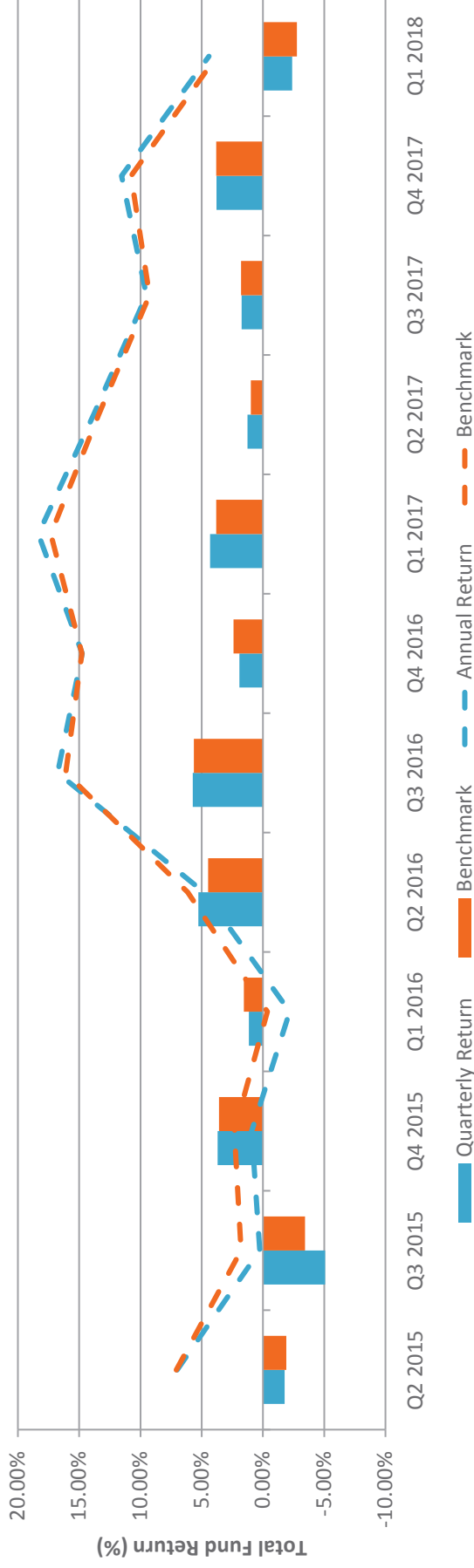
The table also shows the total Scheme performance against benchmark as calculated by Hymans Robertson. The performance and benchmark numbers have been provided by the Scheme's investment managers.

	UBS UK Eq	Lazard Global Eq	Wellington Global Eq	RBC EM Eq	BMO Fixed Income	Columbia Threadneedle Property	Columbia Threadneedle LCW	Invesco Multi Asset	GMO Multi Asset	Total Scheme
Q1 18 (%)	Fund -6.8	-1.7	-2.5	-3.3	-0.2	2.0	2.0	0.2	0.1	-2.4
	Benchmark -6.9	-3.7	-3.7	-2.2	-0.3	1.9	1.9	0.1	0.8	-2.8
	Relative 0.1	2.1	1.2	-1.1	0.1	0.1	0.1	0.0	-0.8	0.4
12 Month (%)	Fund 1.3	7.7	16.0	8.3	1.7	9.6	7.0	0.1	6.0	4.4
	Benchmark 1.2	5.3	5.3	11.4	0.9	10.0	10.0	0.4	1.6	3.8
	Relative 0.1	2.3	10.2	-2.7	0.8	-0.4	-2.8	-0.3	4.4	0.6
3 Year (% p.a.)	Fund 5.9	7.7	10.3	n/a	5.1	8.2	n/a	n/a	2.2	6.5
	Benchmark 5.9	8.8	8.8	n/a	4.6	8.1	n/a	n/a	0.8	6.6
	Relative 0.0	-1.0	1.4	n/a	0.5	0.1	n/a	n/a	1.4	-0.1
Since Inception (% p.a.)	Fund 8.2	8.6	8.9	23.6		6.7	6.1	2.5	3.6	
	Benchmark 8.1	9.4	9.4	26.9		5.7	9.7	0.5	1.3	
	Relative 0.0	-0.7	-0.4	-2.6	#N/A	0.9	-3.2	2.1	2.3	
Since Inception Dates	August 2003	April 2010	April 2010	December 2015	September 2003	March 2004	December 2016	December 2015	September 2012	

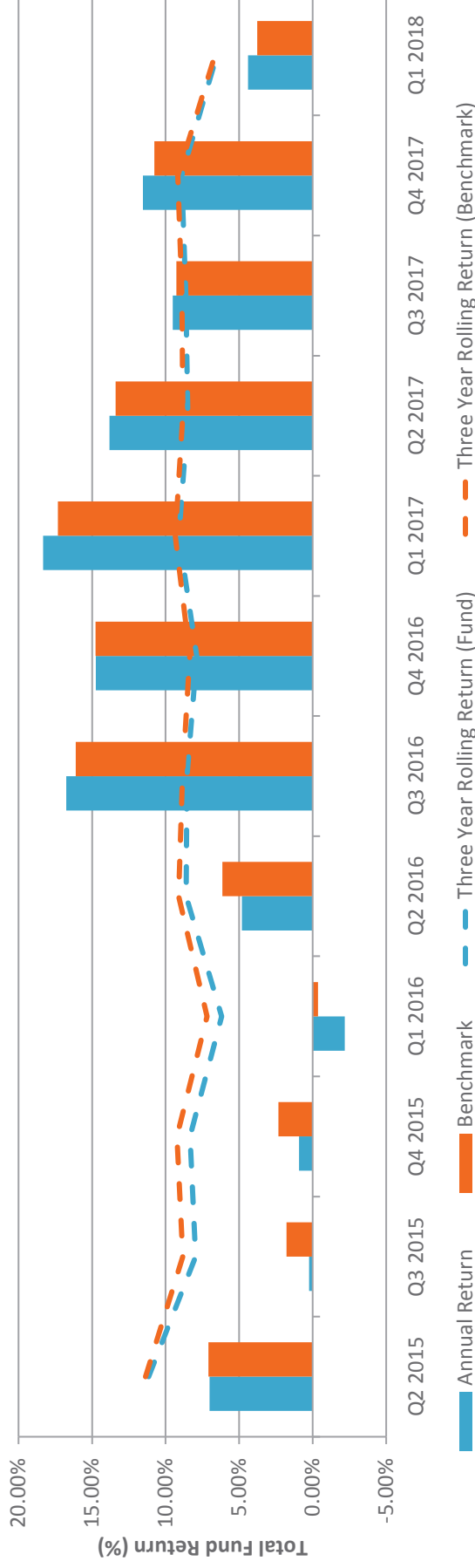
Note: Long term returns are calculated by rolling up historic quarterly returns and includes contribution of all current and historical mandates over the period.

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2.1 Performance summary – Quarterly returns and rolling one year performance



2.2 Performance summary – Annual returns and rolling three year performance



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4 Performance Analysis

4.1 Estimated Performance Analysis Q1 2018

The table below represents the manager performance over the quarter and illustrates Stock Selection contributions from each of the Fund's managers and the impact from over/underweight positions relative to benchmark/target weighting (Asset Allocation).

Manager	Asset Class	Benchmark	Market Value £'000 Q1	Weight % Q1	Target %	Fund Return %	Benchmark Return %	Asset Allocation	Stock Selection
UBS	UK Equities	FTSE All Share	329,239	23.1%	25.0%	-6.8	-6.9	0.02	0.02
Lazard	Global Equities	MSCI AC World (50% hedged)	234,781	16.5%	15.5%	-1.7	-3.7	-0.01	0.33
Wellington	Global Equities	MSCI AC World (50% hedged)	233,490	16.4%	15.5%	-2.5	-3.7	-0.01	0.20
RBC	Global Emerging Market Equities	MSCI Emerging Markets	78,130	5.5%	4.5%	-3.3	-2.2	0.01	-0.06
Total Equities			875,640	61.4%	60.5%	-2.6	-3.0	0.00	0.49
BMO	Bonds	Bonds Composite ⁽¹⁾	233,280	16.4%	17.0%	-0.2	-0.3	-0.02	0.02
Threadneedle	Property	IPD UK Quarterly All Balanced Property Index	123,468	8.7%	7.5%	2.0	1.9	0.04	0.01
Threadneedle	Low Carbon Property	IPD UK Quarterly All Balanced Property Index	25,601	1.8%	2.5%	2.0	1.9	-0.03	0.00
Invesco	Targeted Return	£LIBOR 3M	66,883	4.7%	5.0%	0.2	0.1	-0.03	0.00
GMO	Absolute Return	OECD CPI G7 (GBP)	101,857	7.1%	7.5%	0.1	0.8	-0.04	-0.05
Total Scheme			1,426,729	100.0%	100.0%	-2.4	-2.8	-0.08	0.47

1. BMO benchmark is 37.5% FTA Govt All stocks; 37.5% ML-£ Non-Gilt All Stocks Index; 25% FTA Govt IL >5yrs

Note: We do not have the details of the cash held in the trustee bank account. As a result, the effective asset allocation may differ from that shown in the table above.

- At the end of March 2018, the Fund was overweight to equities.

Positives

- Outperformance from the Lazard and Wellington. Overall the Scheme broadly matched its benchmark.

Negatives

- Underperformance from RBC and GMO.

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4.2 Estimated Performance Analysis – 12 months to 31 March 2018

The table below represents the manager performance over the 12 months to 31 March 2018 and illustrates Stock Selection contributions from each of the Fund's managers and the impact from over/underweight positions relative to benchmark/target weighting (Asset Allocation).

Manager	Asset Class	Benchmark	Market Value £'000 Q1	Weight % Q1	Target %	Fund Return %	Benchmark Return %	Asset Allocation	Stock Selection
UBS	UK Equities	FTSE All Share	329,239	23.1%	25.0%	1.3	1.2	0.00	0.02
Lazard	Global Equities	MSCI AC World (50% hedged)	234,781	16.5%	15.5%	7.7	5.3	0.01	0.36
Wellington	Global Equities	MSCI AC World (50% hedged)	233,490	16.4%	15.5%	4.7	5.3	0.01	-0.10
RBC	Global Emerging Market Equities	MSCI Emerging Markets	78,130	5.5%	4.5%	8.3	11.4	0.07	-0.15
Total Equities			875,640	61.4%	60.5%	2.8	2.5	0.10	0.13
BMO	Bonds	Bonds Composite ⁽¹⁾	233,280	16.4%	17.0%	1.7	0.9	-0.01	0.14
Threadneedle	Property	IPD UK Quarterly All Balanced Property Index	123,468	8.7%	7.5%	9.6	10.0	0.05	-0.03
Threadneedle	Low Carbon Property	IPD UK Quarterly All Balanced Property Index	25,601	1.8%	2.5%	7.0	10.0	-0.04	-0.05
Invesco	Targeted Return	£LIBOR 3M	66,883	4.7%	5.0%	0.1	0.4	0.02	-0.01
GMO	Absolute Return	OECD CPI G7 (GBP)	101,857	7.1%	7.5%	6.0	1.5	0.02	0.29
Total Scheme			1,426,729	100.0%	100.0%	4.4	3.8	0.14	0.46

1. BMO benchmark is 37.5% FTA Govt All stocks; 37.5% ML £ Non-Gilt All Stocks Index; 25% FTA Govt IL >5yrs

Note: We do not have the details of the cash held in the trustee bank account. As a result, the effective asset allocation may differ from that shown in the table above.

Positives

- Outperformance from UBS, Lazard, BMO and GMO. Overall the Scheme is ahead of its benchmark

Negatives

- Underperformance from Wellington, RBC, Invesco and both Threadneedle Property mandates.

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4.3 Estimated Performance Analysis – 3 years to 31 March 2018

The table below represents the manager performance over the 3 years to 31 March 2018 and illustrates Stock Selection contributions from each of the Fund's managers and the impact from over/underweight positions relative to benchmark/target weighting (Asset Allocation).

Manager	Asset Class	Benchmark	Market Value £'000 Q4	Weight % Q4	Target %	Fund Return %	Benchmark Return %	Asset Allocation	Stock Selection
UBS	UK Equities	FTSE All Share	329,239	23.1%	25.0%	5.9	5.9	-0.04	0.02
Lazard	Global Equities	MSCI AC World (50% hedged)	234,781	16.5%	15.5%	7.7	8.8	0.00	-0.50
Wellington	Global Equities	MSCI AC World (50% hedged)	233,490	16.4%	15.5%	8.1	8.8	-0.01	-0.35
RBC	Global Emerging Market Equities	MSCI Emerging Markets	78,130	5.5%	4.5%	n/a	n/a	0.14	-0.29
Total Equities			875,640	61.4%	60.5%	4.6	4.9	0.11	-1.12
BMO	Bonds	Bonds Composite ⁽¹⁾	233,280	16.4%	17.0%	5.1	4.6	-0.11	0.26
Threadneedle	Property	IPD UK Quarterly All Balanced Property Index	123,468	8.7%	7.5%	8.2	8.1	0.04	0.07
Threadneedle	Low Carbon Property	IPD UK Quarterly All Balanced Property Index	25,601	1.8%	2.5%	n/a	n/a	-0.07	-0.07
Invesco	Targeted Return	£LIBOR 3M	66,883	4.7%	5.0%	n/a	n/a	0.10	0.26
GMO	Absolute Return	OECD CPI G7 (GBP)	101,857	7.1%	7.5%	2.2	1.0	0.09	0.18
Total Scheme			1,426,729	100.0%	100.0%	6.5	6.6	0.15	-0.42

1. BMO benchmark is 37.5% FTA Govt All stocks; 37.5% ML £ Non-Gilt All Stocks Index; 25% FTA Govt IL >5yrs

Note: We do not have the details of the cash held in the trustee bank account. As a result, the effective asset allocation may differ from that shown in the table above.

Positives

- Outperformance from Invesco, BMO and GMO. Overall the scheme broadly matched its benchmark.

Negatives

- Underperformance from Lazard and Wellington.

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5 Risk Warnings

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets.

Exchange rates may also affect the value of any investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Private equity investments, whether held directly or in pooled fund arrangements carry a higher risk than publicly quoted securities; the nature of private equity pooling vehicles makes them particularly illiquid and investment in private equity should be considered to have a long time horizon.

Hymans Robertson LLP has relied upon third parties and may use internally generated estimates for the provision of data quoted, or used, in the preparation of this report. Whilst every effort has been made to ensure the accuracy of such estimates or data, we cannot accept responsibility for any loss arising from their use.

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For and on behalf of Hymans Robertson LLP