

HYMANS ROBERTSON LLP

## 1 Asset allocation – Q2 2018

The following table sets out the Fund's asset allocation as at 30 June 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 %
LCIV	Global Equities	197,858,526	13.5	13.0	0.5
BlackRock	Low Carbon	151,988,634	10.3	10.0	0.3
BlackRock	UK Equities	150,239,852	10.2	10.0	0.2
BlackRock	Global Equities	344,715,597	23.4	23.0	0.4
RBC	Global Emerging Market Equities	76,405,496	5.2	4.5	0.7
<b>Total Equities</b>		<b>921,208,106</b>	<b>62.7</b>	<b>60.5</b>	<b>2.2</b>
BMO	Fixed Income	232,564,000	15.8	17.0	-1.2
Columbia Threadneedle	Property	124,414,829	8.5	10.0	0.3
Columbia Threadneedle	Low Carbon Property	26,647,263	1.8		
Invesco	Multi Asset	66,698,051	4.5	5.0	-0.5
GMO	Multi Asset	98,710,948	6.7	7.5	-0.8
<b>Total Fund</b>		<b>1,470,243,197</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

Note: Numbers may not sum due to rounding

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## 2 Performance summary – Q2 2018

The following table sets out the performance of the Scheme's investment mandates as at 30 June 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	LCIV Global Eq	Black-Rock LC Eq	Black-Rock UK Eq	Black-Rock Global Eq	RBC EM Eq	BMO Fixed Income	Columbia Threadneedle Property	Columbia Threadneedle LCW	Invesco Multi Asset	GMO Multi Asset	Total Fund
Q2 2018 (%)	Fund	9.4 <sup>[1]</sup>	6.8 <sup>[1]</sup>	5.5 <sup>[1]</sup>	-1.8 <sup>[2]</sup>	-1.4 <sup>[2]</sup>	1.5 <sup>[2]</sup>	0.3 <sup>[2]</sup>	-2.2	-0.3	1.7	4.6	-0.4	-3.1	3.3
	Benchmark	9.4 <sup>[1]</sup>	6.7 <sup>[1]</sup>	6.7 <sup>[1]</sup>	-1.5 <sup>[2]</sup>	-1.6 <sup>[2]</sup>	1.4 <sup>[2]</sup>	0.3 <sup>[2]</sup>	-2.2	-0.3	2.0	2.0	0.2	0.6	4.7 <sup>[3]</sup>
	Relative	0.0	0.1	-1.1	-0.3	0.2	0.0	0.0	0.0	-0.1	-0.3	2.5	-0.6	-3.7	-1.3
12 Month (%)	Fund	9.3	12.5	16.0					3.7	1.8	9.8	9.4	-1.6	0.6	6.5
	Benchmark	9.2	10.8	10.8	n/a	n/a	n/a	n/a	6.4	1.6	9.7	9.7	0.5	1.6	7.5
	Relative	0.1	1.6	4.7					-2.6	0.3	0.1	-0.3	-2.0	-0.9	-0.9
3 Year (% p.a.)	Fund	9.7	10.8	10.3						6.5	7.6			1.2	8.4
	Benchmark	9.7	12.4	12.4	n/a	n/a	n/a	n/a	n/a	5.8	7.6	n/a	n/a	0.8	9.0
	Relative	0.0	-1.4	-1.9						0.6	0.0			0.4	-0.6
Since Inception (% p.a.)	Fund	8.9		9.8	-1.8	-1.4	1.5	0.3	20.2	6.6	6.7	8.3	2.1	2.8	
	Benchmark	8.8		11.3	-1.5	-1.6	1.4	0.3	22.9	6.2	5.8	9.4	0.5	1.3	
	Relative	0.0		-1.3	-0.3	0.2	0.0	0.0	-2.1	0.3	0.9	-1.1	1.6	1.5	
Since Inception Dates		Aug 2003	Apr 2010	Apr 2010	Jun 2018	Jun 2018	Jun 2018	Jun 2018	Dec 2015	Sep 2003	Mar 2004	May 2016	Dec 2015	Sep 2012	

[1] Returns shown are up to mandate termination and the transfer of securities to the transition account on 31 May 2018.

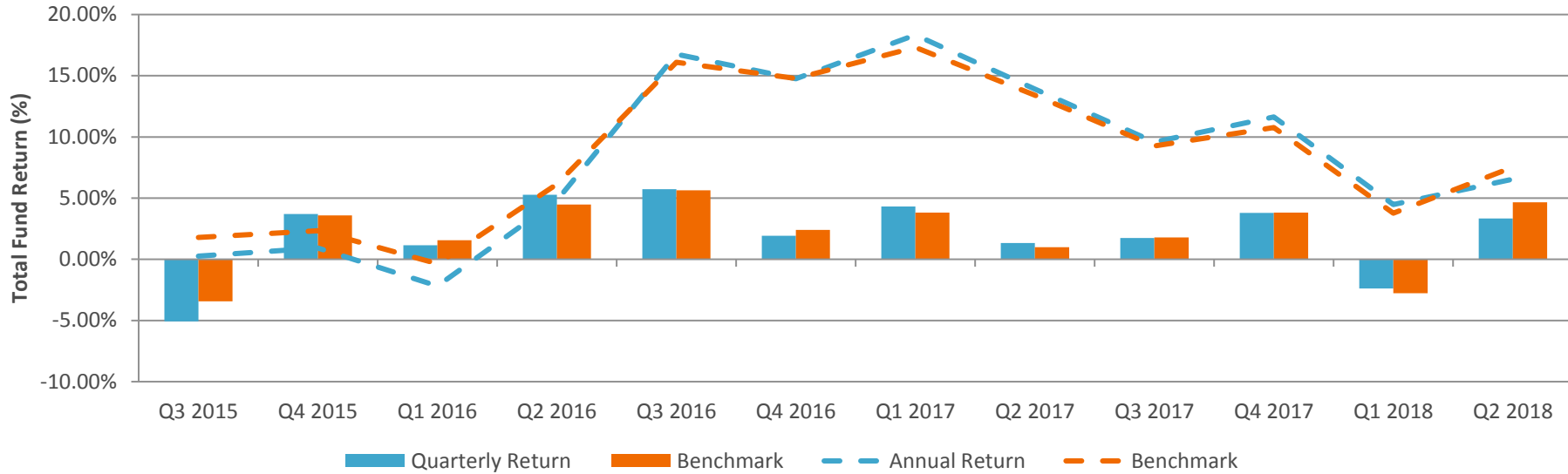
[2] Returns shown are from fund inception on 20 June 2018.

[3] Total Fund benchmark return assumes legacy benchmark for April and May and new benchmarks for June.

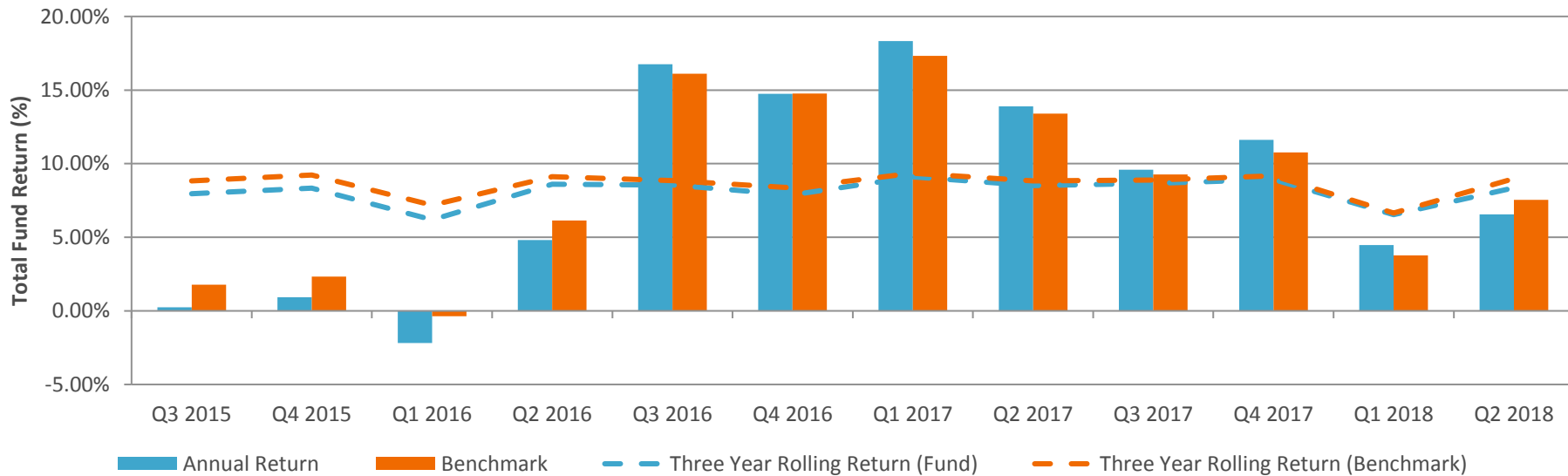
Note: Long term returns are calculated by rolling up historic quarterly returns and includes contribution of all current and historical mandates over the period.

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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 Q2 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 30 Jun	Weight % 30 Jun	Target %	Fund Return %	Benchmark Return %	Asset Allocation	Stock Selection
UBS	UK Equities	FTSE All Share	-	0.0%	0.0%	9.4 <sup>[1]</sup>	9.4 <sup>[1]</sup>	-0.09	0.00
Lazard	Global Equities	MSCI AC World (50% hedged)	-	0.0%	0.0%	6.8 <sup>[1]</sup>	6.7 <sup>[1]</sup>	0.02	0.01
Wellington	Global Equities	MSCI AC World (50% hedged)	-	0.0%	0.0%	5.5 <sup>[1]</sup>	6.7 <sup>[1]</sup>	0.02	-0.20
LCIV	Sustainable Global Equities	MSCI World Index Total Return	197,859	13.4%	13.0%	-1.8 <sup>[2]</sup>	-1.5 <sup>[2]</sup>	-0.03	-0.04
BlackRock	Low Carbon Global Equities	MSCI World Low Carbon Index	151,989	10.3%	10.0%	-1.4 <sup>[2]</sup>	-1.6 <sup>[2]</sup>	-0.02	0.02
BlackRock	UK Equities	FTSE All-Share	150,240	10.2%	10.0%	1.5 <sup>[2]</sup>	1.4 <sup>[2]</sup>	-0.01	0.00
BlackRock	Global Equities	MSCI World Net Total Return 95% hedged	344,716	23.4%	23.0%	0.3	0.3	-0.02	0.00
RBC	Global Emerging Market Equities	MSCI Emerging Markets	76,405	5.2%	4.5%	-2.2	-2.2	-0.07	0.00
<b>Total Equities</b>			<b>921,208</b>	<b>62.7%</b>	<b>60.5%</b>	<b>5.6</b>	<b>7.3</b>	<b>-0.20</b>	<b>-0.20</b>
BMO	Bonds	Bonds Composite <sup>[3]</sup>	232,564	15.8%	17.0%	-0.3	-0.3	0.03	-0.01
Threadneedle	Property	IPD UK Quarterly All Balanced Property Index	124,415	8.4%	7.5%	1.7	2.0	-0.03	-0.03
Threadneedle	Low Carbon Property	IPD UK Quarterly All Balanced Property Index	26,647	1.8%	2.5%	4.6	2.0	0.02	0.05
Invesco	Targeted Return	£LIBOR 3M	66,698	4.5%	5.0%	-0.4	0.2	0.01	-0.03
GMO	Absolute Return	OECD CPI G7 (GBP)	98,711	6.7%	7.5%	-3.1	0.6	0.01	-0.27
<b>Total Scheme</b>			<b>1,470,243</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.3</b>	<b>4.7</b>	<b>-0.15</b>	<b>-0.48</b>

[1] Returns shown are until the close of the mandates on 31 May 2018.

[2] Returns shown are from fund inception on 20 June 2018.

[3] 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.

## HYMANS ROBERTSON LLP

**4.2 Estimated Performance Analysis – 12 months to 30 June 2018**

The table below represents the manager performance over the 12 months to 30 June 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 30 Jun	Weight % 30 Jun	Target %	Fund Return %	Benchmark Return %	Asset Allocation	Stock Selection
UBS	UK Equities	FTSE All Share	-	0.0%	0.0%	9.3 <sup>[1]</sup>	9.2 <sup>[1]</sup>	-0.08	0.02
Lazard	Global Equities	MSCI AC World (50% hedged)	-	0.0%	0.0%	12.5 <sup>[1]</sup>	10.8 <sup>[1]</sup>	0.03	0.24
Wellington	Global Equities	MSCI AC World (50% hedged)	-	0.0%	0.0%	9.4 <sup>[1]</sup>	10.8 <sup>[1]</sup>	0.03	-0.23
LCIV	Sustainable Global Equities	MSCI World Index Total Return	197,859	13.4%	13.0%	n/a	n/a	n/a	n/a
BlackRock	Low Carbon Global Equities	MSCI World Low Carbon Index	151,989	10.3%	10.0%	n/a	n/a	n/a	n/a
BlackRock	UK Equities	FTSE All-Share	150,240	10.2%	10.0%	n/a	n/a	n/a	n/a
BlackRock	Global Equities	MSCI World Net Total Return 95% hedged	344,716	23.4%	23.0%	n/a	n/a	n/a	n/a
RBC	Global Emerging Market Equities	MSCI Emerging Markets	76,405	5.2%	4.5%	3.7	6.4	-0.01	-0.15
<b>Total Equities</b>			<b>921,208</b>	<b>62.7%</b>	<b>60.5%</b>	<b>7.5</b>	<b>9.1</b>	<b>-0.04</b>	<b>-0.10</b>
BMO	Bonds	Bonds Composite <sup>[2]</sup>	232,564	15.8%	17.0%	1.8	1.6	0.02	0.04
Threadneedle	Property	IPD UK Quarterly All Balanced Property Index	124,415	8.4%	7.5%	9.8	9.7	0.01	0.00
Threadneedle	Low Carbon Property	IPD UK Quarterly All Balanced Property Index	26,647	1.8%	2.5%	9.4	9.7	-0.02	-0.01
Invesco	Targeted Return	£LIBOR 3M	66,698	4.5%	5.0%	-1.6	0.5	0.03	-0.09
GMO	Absolute Return	OECD CPI G7 (GBP)	98,711	6.7%	7.5%	0.6	1.8	0.03	-0.09
<b>Total Scheme</b>			<b>1,470,243</b>	<b>100.0%</b>	<b>100.0%</b>	<b>6.5</b>	<b>7.5</b>	<b>0.04</b>	<b>-0.24</b>

[1] Returns shown are until the close of the mandates on 31 May 2018.

[2] 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.

## HYMANS ROBERTSON LLP

**4.3 Estimated Performance Analysis – 3 years to 30 June 2018**

The table below represents the manager performance over the 3 years to 30 June 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 30 Jun	Weight % 30 Jun	Target %	Fund Return %	Benchmark Return %	Asset Allocation	Stock Selection
UBS	UK Equities	FTSE All Share	-	0.0%	0.0%	9.7 <sup>[1]</sup>	9.7 <sup>[1]</sup>	-0.13	0.02
Lazard	Global Equities	MSCI AC World (50% hedged)	-	0.0%	0.0%	10.8 <sup>[1]</sup>	12.4 <sup>[1]</sup>	0.05	-0.76
Wellington	Global Equities	MSCI AC World (50% hedged)	-	0.0%	0.0%	11.1 <sup>[1]</sup>	12.4 <sup>[1]</sup>	0.04	-0.67
LCIV	Sustainable Global Equities	MSCI World Index Total Return	197,859	13.4%	13.0%	n/a	n/a	n/a	n/a
BlackRock	Low Carbon Global Equities	MSCI World Low Carbon Index	151,989	10.3%	10.0%	n/a	n/a	n/a	n/a
BlackRock	UK Equities	FTSE All-Share	150,240	10.2%	10.0%	n/a	n/a	n/a	n/a
BlackRock	Global Equities	MSCI World Net Total Return 95% hedged	344,716	23.4%	23.0%	n/a	n/a	n/a	n/a
RBC	Global Emerging Market Equities	MSCI Emerging Markets	76,405	5.2%	4.5%	n/a	n/a	0.08	-0.29
<b>Total Equities</b>			<b>921,208</b>	<b>62.7%</b>	<b>60.5%</b>	<b>6.9</b>	<b>8.1</b>	<b>0.04</b>	<b>-1.70</b>
BMO	Bonds	Bonds Composite <sup>[2]</sup>	232,564	15.8%	17.0%	6.5	5.8	-0.12	0.33
Threadneedle	Property	IPD UK Quarterly All Balanced Property Index	124,415	8.4%	7.5%	7.6	7.6	0.06	0.04
Threadneedle	Low Carbon Property	IPD UK Quarterly All Balanced Property Index	26,647	1.8%	2.5%	n/a	n/a	-0.05	-0.03
Invesco	Targeted Return	£LIBOR 3M	66,698	4.5%	5.0%	n/a	n/a	0.11	0.24
GMO	Absolute Return	OECD CPI G7 (GBP)	98,711	6.7%	7.5%	1.2	1.0	0.14	-0.01
<b>Total Scheme</b>			<b>1,470,243</b>	<b>100.0%</b>	<b>100.0%</b>	<b>8.4</b>	<b>9.0</b>	<b>0.19</b>	<b>-1.14</b>

[1] Returns shown are until the close of the mandates on 31 May 2018.

[2] 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.

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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