



3rd Quarter, 2013

London Borough of Hillingdon

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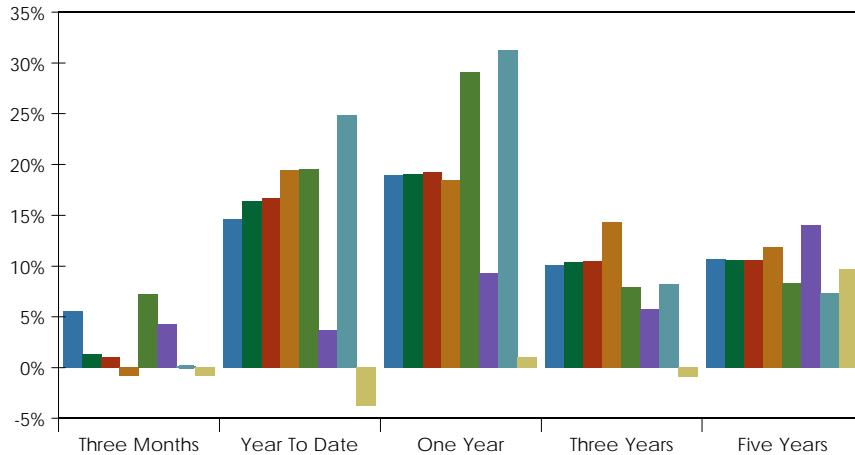
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Equity Index Performance (in GBP)

Performance History



Performance Returns%

	Three Months	Year To Date	One Year	Three Years	Five Years
■ FTSE All Share	5.6	14.6	18.9	10.1	10.7
■ FT: World	1.3	16.3	19.0	10.4	10.5
■ FT: World ex UK	1.0	16.7	19.2	10.5	10.6
■ FT: AWI North America	-0.8	19.4	18.4	14.3	11.8
■ FT: Developed Europe ex UK	7.3	19.5	29.1	7.9	8.3
■ FT: Developed Asia Pac x Jp	4.3	3.6	9.2	5.7	14.0
■ FT AW: Japan	0.1	24.8	31.2	8.2	7.3
■ MSCI Emerging Markets GD	-0.8	-3.7	1.0	-0.9	9.6

Ending quarter three, positive forecasts for the global economic outlook from the OECD were overshadowed by the political stalemate in the US. It is unthinkable that the US government will allow a default to occur but should that come to pass a depression of unprecedented magnitude would surely follow. Despite the prediction that advanced economies would continue at the stronger rates of quarter two, massive unemployment and economic hardship still affects swathes of Europe. It emerged that the market capitalisation of US banks is now twice that of the BRIC energy and material companies, having fallen behind that level five years ago, just before Lehmans collapsed. The Fed cut its growth forecast and maintained asset purchasing at \$85bn per month which led global stocks to 5 year highs in mid-September and gave a welcome boost to both the emerging markets and gold. Globally, Basic Materials gained most value over the three months following two poor quarters, Industrials were the second best performer and Utilities lost most value. The price of crude oil futures ended the quarter up slightly at \$108 per barrel. The FTSE World was up by 1.3% (GBP) over quarter three 2013 and is now ahead by 19% over one year (GBP).

UK GDP increased by 0.7% in the second quarter of 2013 and its predicted growth could reach 1% for Q3. The flotation of Royal Mail caused huge investor interest prior to offer and public outrage from some quarters afterwards when it appeared to have been undervalued by around 40%. Foxtons and Zoopla are the latest names linked with further IPOs. Vodafone investors are set to benefit from the sale of its US mobile business for \$130bn. The government raised £3.2bn from the sale of its 6% stake in Lloyds Bank. BP won a legal victory to limit compensation payments to companies that had not experienced "traceable loss". Demand for London property has lifted the average English house price by 3.7% over the year to July. Unemployment fell slightly again to 7.7%. Basic Materials switched from weakest sector to 2nd strongest, Technology gained most value and Oil & Gas lost most. The FTSE All Share was up 5.6% (GBP) over the third quarter and remains ahead over one year, now by 18.9% (GBP).

Having suffered its longest recession since the introduction of the single currency the Eurozone has now emerged from its 18 month slump with Q2 GDP of 0.3%. The underlying problems remain; Unemployment is at 12% and Greece is expected to receive a third bailout of \$10bn in November. Despite Germany leading the charge, its unemployment rate ended Q3 up at 3mm as China's slowdown continues to dent exports. US investors pumped \$65bn into European equities in the first half of 2013 showing increased confidence in the burgeoning recovery. Hedge funds have continued to pursue investment in Greek banking stock prompting those banks to request an expedited reprivatisation schedule. The FTSE Developed Europe ex UK index returned 7.3% (GBP) over quarter three and 29.1% (GBP) over the year.

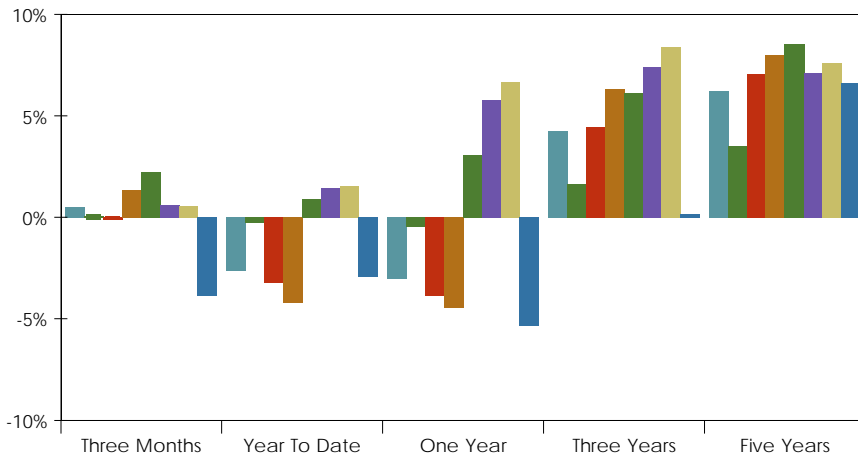
The Fed surprised many by maintaining its rate of asset purchasing and justified that by downgrading its 2013 forecast to range between 2 and 2.3%. The government shut down had far reaching consequences which might not be fully felt until later, such as the impact on many fledgling small businesses. 800k staff were told to stay at home on unpaid leave following the closures. No September payroll information was available as a result of the shutdown. After a surge in exports, US GDP grew at an annualised rate of 2.5% over Q2 up from the initial estimate reported last quarter. Twitter laid out plans for an IPO expected to raise \$1bn despite never turning a profit in its 7 years. Chrysler also filed documents for an IPO. JPMorgan is preparing to settle with US authorities over its outstanding mortgage backed securities issues in a deal worth \$11bn. Blackberry has agreed a deal to take it back into private ownership after a Canadian consortium bid \$4.7bn. The firm saw its value drop from a peak of \$83bn in 2008 to just \$4.2bn this year. Basic Materials and Industrials made the biggest gains over Q3 and Telecoms was the worst performing sector. The FTSE North America index returned -0.8% (GBP) over the third quarter and 18.4% (GBP) for the year.

Japan's exports rose the most since 2010 in August and business confidence is pushing higher. GDP was confirmed at 3.8% for quarter two, the third straight quarter of growth. Nintendo is taking on Microsoft and Sony over market share of games consoles by cutting prices and introducing cheaper units. Japanese car manufacturers are benefitting from the weaker Yen but continue to struggle in China as ill feeling rumbles on over the disputed Islands in the South China Sea. Samsung has estimated a record profit of \$9.4bn in Q3. The company broke new ground as the first global mobile company to introduce a Dick Tracy style smartwatch. The FTSE Japan returned 0.1% (GBP) for quarter three and the FTSE Developed Asia Pacific ex Japan returned 4.3% (GBP). Leaders of the BRIC nations announced they will set up a \$100bn fund to guard against financial shock. Their currencies are vulnerable to investors wary of the situation in the US and the end of financial stimulus there. Foxconn, the Chinese maker of the iPhone is struggling to attract assembly line staff as the nation's young shun factory work for careers in the service industry. US firms have been "reshoring" manufacturing operations from China as wage inflation has eroded competitive advantage. Brazil raised interest rates again in its battle with inflation. India also raised its main rate citing the same reason. Gold was up from last quarter ending September above \$1,300 per ounce. The MSCI Emerging Markets index returned -0.8% (GBP) for the third quarter and 1% (GBP) for the year.



Fixed Income Index Performance (in GBP)

Performance History



Performance Returns %

	Three Months	Year To Date	One Year	Three Years	Five Years
FTSE All Stock Index	0.5	-2.6	-3.0	4.2	6.2
FTSE All Stock 0-5 Yr. Gilts	0.0	-0.2	-0.5	1.6	3.5
FTSE All Stock 5-15 Yr. Gilts	-0.1	-3.2	-3.9	4.5	7.0
FTSE All Stock > 15 Yr. Gilts	1.3	-4.2	-4.4	6.3	8.0
ML STG N-Gilts All Stocks	2.2	0.9	3.0	6.1	8.5
FTSE Index Linked	0.6	1.4	5.8	7.4	7.1
FTSE Index Linked 5+ yrs	0.5	1.5	6.6	8.3	7.6
JPM GBI Global	-3.8	-2.9	-5.3	0.1	6.6

The prospect of the end of quantitative easing weighed on investor sentiment through Q3. In September, with analysts expecting the Federal Reserve to lay out a timetable for trimming the nation's \$85bn-a-month bond purchase program, the Fed surprised investors in announcing that it will keep QE going at the same rate for a while longer amid concerns that the US economy remains fragile and that potential headwinds from the nation's impending debt ceiling debate could have a significant impact on the already faltering recovery. The decision triggered a resurgence in US Treasury, German bund and UK gilt prices. The global economy continues to strengthen and in Q3 recorded the biggest leap in growth for 18 months with the JPMorgan Global Manufacturing & Services PMI reading 53.5 at the end of September, the 50th consecutive month of expansion. Strong growth in Germany and France helped haul the Eurozone out of recession in Q2 following six straight quarters of contraction. In the Far East, both Japan and China enjoyed promising quarters. Japan's Q2 growth figure was revised to 3.8%, improving labour market numbers helped boost market sentiment further and the award of the 2020 Olympics to the city of Tokyo is hoped to be a long-term economic boost to the entire nation. China continues to report positive economic data as it stabilises following a period of anaemic growth. The nation's PMI reading was in expansionary territory in September at 51.2, with growth recorded for two successive months. Elsewhere, central banks in India, Brazil and Indonesia were forced to hike interest rates in order to combat rising inflation. The JPM Global Government Bond and Barclays Capital Global Aggregate Corporate Bond indices were down over the quarter at -3.8% (GBP) and -3.7% (GBP) respectively.

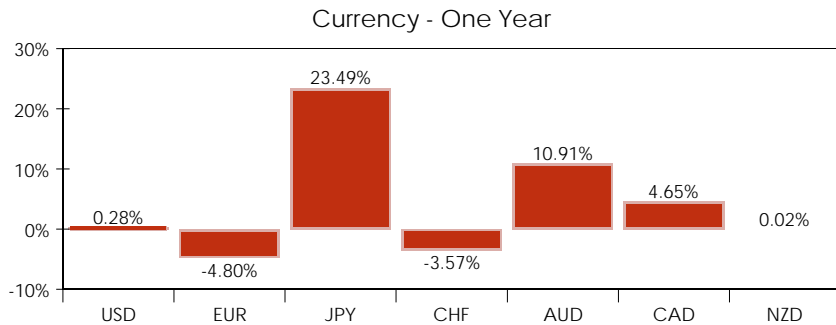
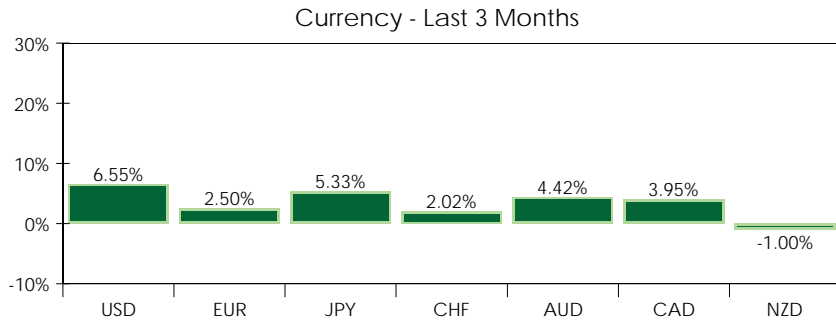
Bank of England governor Mark Carney unveiled 'Forward Guidance', setting a direct link between interest rates and the UK's unemployment rate. The Monetary Policy Committee (MPC) will hold interest rates at the current emergency level of 0.5% and not examine a potential increase, or reversal of quantitative easing, until the jobless rate falls to a threshold of 7%. The latest UK unemployment numbers show a drop to 7.7% between May and July from 7.8% in the previous three months. Further good news came in the shape of the second quarter's GDP figure of 0.7%, nearly twice the pace of growth from the previous quarter, with all three key sectors - services, production and construction - expanding. The manufacturing PMI hit a two-and-a-half year high of 57.1 in August, before easing slightly to 56.7 at the end of the quarter as weaker export orders weighed on output. The GFK Consumer Confidence Index rose to its highest level since November 2007 and in harmony, a CBI survey indicated that retailers were also growing in confidence, leading the business lobby organisation to increase its economic growth forecast for 2013 from 1% to 1.2% and its 2014 forecast from 2% to 2.3%. UK inflation, as measured by the consumer prices index, remains stubbornly high at 2.7% at the end of August, the 45th consecutive month the headline rate has been above the Bank's CPI inflation target of 2.0%. The benchmark 10-year gilt yield, beginning the quarter at 2.44%, rose as high as 3.02%, before falling back to settle at 2.72%. The FTSE All Stock Gilt index returned +0.5% (GBP) for the quarter while the ML Sterling Non Gilts gained +2.2% (GBP).

After 18-months of economic contraction, the worst slump to hit continental Europe in 40 years, the eurozone exited recession as final Q2 GDP figures revealed the economy had expanded 0.3%. Germany and France benefitted from the first sustained period of stable market conditions since the start of the debt crisis and saw their domestic economies grow by 0.7% and 0.5% respectively. The pace of contraction in Spain, Italy and the Netherlands slowed, and the unemployment rate across the region eased markedly, adding to hopes that the region is now on the path to recovery. Business and consumer sentiment reached their highest levels in more than two years, and the July reading of the Markit composite purchasing managers' (PMI) index posted 50.5, above the neutral 50.0 mark for the first time since January 2012, with the quarter-end reading of 52.2 a 27-month high. Early in the quarter, the European Central Bank, in line with the Bank of England, introduced its own forward guidance by committing long-term to a continued "accommodative" monetary policy by keeping interest rates unchanged or lower for an extended period. German bund yields remained stable over the quarter, rising 5 basis points to 1.78%. The spectre of default still loomed however, and in August fears surfaced that Greece may require a third bailout, with the International Monetary Fund (IMF) estimating the nation's embattled economy was facing a fiscal shortfall of around 11bn euros to the end of 2015. The JPM European Govt Bond index returned 1.4% (EUR) and the Barclay Capital Euro Aggregate Credit index 1.3% (EUR) for the quarter. The iTraxx Europe 5yr CDS index, representative of 125 investment grade entities across 6 sectors, tightened considerably from 119.6 at the end of June and closed the quarter at 94.6.

July and August saw investor appetite wane as US markets laboured under the uncertainty surrounding an anticipated announcement at the September FOMC meeting on tapering of the Federal Reserve's bond purchase program. Such concerns proved to be unfounded as the Fed opted to err on the side of caution, both surprising and pleasing markets in making no change to the current QE programme, citing ongoing concerns on the health of the US economy as the reason for maintaining the status quo. Macro economic news during the second quarter was mixed. The manufacturing PMI read 52.8 in September, the lowest level for the quarter, as business conditions saw only a moderate improvement and new order growth slowed to a five-month low. Spending at retail businesses rose only 0.2% in August, marking the smallest gain in four months, the labour market recovery slowed with fewer jobs created month-on-month throughout the quarter, and the housing market revival appears to be cooling, with data revealing that new home sales plunged 13.4% in July and builder confidence falling for the first time in four months. Brighter news came from Moody's, the ratings agency, which cheered US markets in raising the sovereign debt outlook to stable from negative and upholding the nation's triple-A rating, and the second quarter GDP growth figure was revised up from 1.6% to 2.5%. The benchmark 10-year US Treasury yield, having opened the quarter at 2.49%, climbed as high as 2.98% before falling back to end the quarter at 2.62%. For the quarter the JPM US Government Bond Index was flat at 0.0% (USD) while the Barclay Capital US Aggregate Corporate Bond Index returned -0.8% (USD).



Currency Performance (in GBP)



	Three Months	Year To Date	One Year	Three Years	Five Years
United States dollar	6.55	-0.38	0.28	0.91	-1.92
European Union euro	2.50	-3.01	-4.80	1.19	-1.18
Japanese yen	5.33	12.27	23.49	6.27	-3.49
Swiss franc	2.02	-1.60	-3.57	-1.67	-6.22
Australian dollar	4.42	10.09	10.91	2.07	-5.32
Canadian dollar	3.95	2.81	4.65	0.98	-2.59
New Zealand dollar	-1.00	-1.33	0.02	-3.23	-6.33

The third quarter of 2013 saw a weakening of the Dollar against all reported currencies. Sterling on the other hand, strengthened against all major currencies. In Japan, the unemployment rate jumped to 4.1% in August from 3.8% in July, as the number of unemployed people grew by 210,000. This is the largest monthly rise in unemployment since July 2009, but 70,000 of these people were new entrants into the workforce, suggesting that some people have returned to the labour market as the economy has picked up. The Tankan survey, conducted by the Bank of Japan, which surveys companies of all sizes across the country, showed that the headline measure of confidence among large and medium-sized enterprises was at its highest level since the last quarter of 2007. The Chinese government deployed a "mini-stimulus" in July, using tax cuts for small businesses, assistance for exporters and increased investment in railway construction to prop up the economy. The PMI survey suggests that while these various measures have helped stabilise the economy, there has been no major pick-up. In early August, the Reserve Bank of Australia cut its official cash rate from 2.75% to 2.50%, the lowest official rate for over 50 years and the first time that interest rates have been cut during an election campaign. Kevin Rudd lost the federal election to the coalition led by Tony Abbot. Abbot, Australia's 28th Prime Minister, declared "Australia is under new management and Australia is once again open for business."

In the UK, Q3 2013 saw Sterling strengthen against the Dollar, Yen and Euro. The Bank of England's Monetary Policy Committee at its meeting on 4 September voted to maintain the official interest rate at 0.5%. Policy holders have pledged to keep interest rates at their record low of 0.5% until the unemployment rate falls to 7%. The annual rate of inflation in the UK, as measured by the consumer price index, is reported at 2.7% in August, the same level as in May. It means prices are still rising faster than wages, which rose by 1.0% on average over the same period. David Cameron says Britain is "turning a corner" but admits the government still has "still got a long way to go" on unemployment. Unemployment in the UK fell by 24,000 to 2.49 million in the 3 months to July 2013. The rate of unemployment dropped to 7.7% in July, down from 7.8% in April. However, the number of people working part-time because they cannot find a full-time job rose to 1.45 million, the highest since records began in 1992 and double the number of five years ago. In a further sign of economic revival, house prices are now rising at their fastest rate for five years, according to the Nationwide building society. The average house is now worth £172,127 - its highest level since 2008. Sterling closed the quarter up against the Dollar, Yen and Euro by 6.6%, 5.3% and 2.5% respectively.

In the US, the end of September 2013 saw the US government speeding headlong into a partial government shutdown. With the US government set to shut down numerous agencies and send tens of thousands of workers home on unpaid leave, the dollar came under pressure as the deadline approached. The dollar ended the quarter weakened against all major currencies. Federal Reserve chief, Ben Bernanke, surprised international markets in late September by not reducing the \$85bn-a-month stimulus program. He announced that due to downside risk to the outlook for the economy, it would maintain the bond purchases at the current rate. US consumer confidence declined in September as Americans turned more pessimistic about the economy, their own finances and government budget policies. The University of Michigan says its final reading of consumer sentiment dropped to 77.5 in September from 82.1 in August. It was the second straight decline after confidence reached a six-year high of 85.1 in July. In August the US un-employment rate fell to 7.3% compared to 7.6% in June. The number of long-term unemployed (those jobless for 27 weeks or more) was unchanged at 4.3 million. These individuals accounted for 37.9% of the total unemployed. Unemployment for teenagers remained extremely high at 22.7%. The US trade deficit stood at \$39.1bn in July 2013. July saw exports fall 0.6% from June's record level as sales of capital goods, such as aircraft and engines slowed. The US continues to run a huge trade deficit with China, and in July it hit a record of \$30.1bn. Many in the US say that Chinese firms have an unfair advantage as the government keeps its currency weak, which makes Chinese goods more competitive on the global market. The weakness of European economies is also evident in that US exports to the European Union fell by 7.4% in July to \$21.1bn. The Dollar ended the quarter down against Sterling, Euro and Yen by 6.6%, 4.1% and 1.2% respectively.

In the Euro area, the Euro strengthened against the Dollar and Yen but weakened compared to Sterling. The governing council of the European Central Bank kept its benchmark interest rate on hold at 0.50%. ECB president Mario Draghi said rates were likely to be left at this level for an "extended period". Mr Draghi said the ECB was "ready to consider all available instruments" to maintain financial stability and ensure that economic recovery in the Eurozone takes hold. Eurozone economic confidence hit a two year high in September matching other recent signs of improvement. The strong increase "resulted from markedly improved confidence across all business sectors" the European Commission said. Economic sentiment improved in three of the five biggest Eurozone economies, namely Spain, Italy and France. Unemployment in the Eurozone remained high in August at 12.0%, highlighting the fragile nature of the economic recovery that the 17-country block has enjoyed over the past few months. The number of unemployed now sits at 19.18 million. The improvement in the Eurozone labour market has come in the wake of the region's emergence from its longest-ever recession. The overall figures mask huge divergences: while Germany has an unemployment rate of 5.2%, Greece and Spain have over a quarter of their potential workforce out of work. Improving manufacturing activity since June has helped to leave the overall number of people out of work unchanged at 19.2 million in August. The Euro ended the quarter up against the Dollar and Yen by 4.1% and 2.8%, but weakened against sterling by 2.5%.



Scheme Performance

Global Equity markets saw further increases during the third quarter of 2013 with the exception of US and Emerging Markets, the main reason for this being the weakening of the US Dollar. UK Bond indices regained some of the previous quarter's losses, while across the globe bond markets continued to fall, again the large drop in USD being a major factor. Against this backdrop the London Borough of Hillingdon returned 2.43% but this fell just 8 basis points short of the Total Plan benchmark of 2.52%. In monetary terms this is a growth in assets of £16.4 million and the value of the combined scheme now stands at £698.7 million as at 30th September 2013. During this period SSGA Drawdown was terminated and this along with additional funds from cash were used to invest in the new UBS Tactical mandate, while M&G also received some additional funds. Looking further into the analysis the most notable effects were the outperformance of UBS although this was offset by the negative impact of Private Equity and Infrastructure. While in allocation terms most mandates are in line with the neutral position, so effects are minimal.

Over the longer periods, the Scheme continues to outperform, producing a return of 14.15% over the year versus 11.62%. Over the year selection effects in UBS continue to add value coupled with the good results in Ruffer, similar to the quarter, allocation is fairly balanced with only small impacts in some areas. The 3 year numbers show a 0.90% relative return, however the 5 year period is slightly down on the target by 5 basis points with a return of exactly 8% per annum. Conversely, since inception in September 1995, the Fund remains ahead of target by 5 basis points with an annualised return of 6.74% against 6.68%.

Manager Performance

Barings

In the first full quarter for the new Barings mandate the fund produced a return of 1.38% which compares favourably against the target of the 3 Month LIBOR +4% per annum, which posted 1.12%. However in the short period since inception in April 2013 they return 0.21% which is below the target of 1.95%.

JP Morgan

Over the third quarter JP Morgan returned 0.94%, which was just 6 basis points ahead of the 0.87% target for the 3 Month LIBOR + 3%. This was not enough to make up for the losses seen last quarter and means the year to date and 1 year periods still fall behind target with relative returns of -2.83% and -2.05% respectively, while since inception (November 2011) remains just ahead with figures of 3.93% versus 3.74%, which is 0.18% on a relative annualised basis.

Kempen

In contrast to the previous quarter the Kempen mandate produced both positive absolute and relative returns with 2.48% versus 1.93% for the MSCI All World Index +2%, leading to an outperformance of 0.54%. However, since inception in January 2013, despite the absolute return improving to 5.70% the relative return falls to -4.91% when compared to the benchmark of 11.16%.

Macquarie

Macquarie wiped out most of the gains of 2013 by posting the second lowest absolute return at -7.37%, against the 3 Month LIBOR +3% p.a. is a relative return of -8.17%. Which means for the year so far they still deliver growth of 1.14% but this is below the benchmark of 2.63%; while over the last twelve months this underperformance grows further with 1.04% versus 3.53%. In the 3 years since inception they've delivered eight negative quarterly relative returns, leading to an annualised loss of -8.49% against the target of 3.78%.



Manager Performance

M&G Investments

In the third quarter M&G produced a 2.15%, which against the 3 Month LIBOR +4% p.a return of 1.12% translates as an outperformance of 1.03%. Over the last year the account registers 6.61% against 4.53% whilst since inception at the end of May 2010, the portfolio return falls to 5.18% pa return whilst the benchmark is 4.78% pa. While the since inception Internal Rate of Return for this portfolio moves further ahead of the target with a figure of 6.18% opposed to the comparator of 4.70%.

Newton

During the third quarter of 2013 Newton posted a -0.38% return compared to 1.68% for the FTSE World Index +2%, leading to an underperformance of -2.02%. Which feeds into the since inception (January 2013) numbers with a return of 7.39% against the benchmark of 9.03%, producing a relative return of -1.51%.

Ruffer

The Ruffer portfolio produced 0.14% over the last three months, which is almost exactly the same as the 0.13% for LIBOR 3 Month GBP. Driven by Q1's return all longer periods show high absolute and relative returns, so over the last twelve month post a return of 13.46% against 0.54% for the target, resulting in the highest outperformance of all mandates at 12.85%. While since the inception of the fund in May 2010 ten out of thirteen quarters show positive returns and lead to figures of 6.62% versus 0.77% per annum, which translates as a relative return of 5.80%.

Private Equity

The private equity assets, consisting of funds with Adam Street and LGT, ended their run of positive returns with quarterly figures of -4.19% and -1.83% respectively. Despite this the one year figures remain positive with Adam Street on 9.04% and LGT with 12.11%. Over the longer periods, the outlook over which private equity investments should be measured, returns remain positive. Over three years Adam Street increases to 12.34% while LGT falls to 9.33% for the same period. Then since their respective inceptions in May 2004 and January 2005, while LGT falls further to 8.45% pa, Adam Street drops to 1.55% pa.

At present no benchmark has been applied to these mandates.

SSGA

The SSGA passively managed portfolio produced a return of 3.57% in the quarter which was a mere 2 basis points below the benchmark; further analysis confirms the passive nature with all categories aligned with their respective indices. So over the year they produce an 16.43% return, which is 11 basis points behind target, while over 3 years the per annum return falls to 9.17% which exactly matches the benchmark. Since inception (November 2008) a return of 13.40% pa is just 2 basis points above the benchmark, but the passive nature is best demonstrated by the 3 year R squared and beta figures of 1, while the tracking error is just 0.16.

UBS

UBS UK Equity produced a return of 8.61%, which compared to the FTSE All Share figure of 5.58%, once again demonstrates the highest outperformance seen this period at 2.87%. Looking into the attribution analysis, stock selection was the main driver with most sectors, except Health Care and Oil & Gas, adding value the most significant being in Consumer Services, Industrials and Financials. Whilst within allocation the most significant decisions were the large underweight of Consumer Goods (0.55%) and overweighting Consumer Services (0.34%). These results filter through the longer periods and over the year demonstrate the highest absolute return with 31.40% and the second highest relative figure of 10.48%. This outperformance is also attributable to selection effects and Financials lead the way (3.82%) coupled with Consumer Services (2.42%), while the overweight of Consumer Services is the stand-out effect within asset allocation. UBS maintain this outperformance although relative returns are reducing over time, translating as a since inception return of 10.44% versus 9.07% on an annualised basis.

UBS Property

The UBS Property portfolio produced a return of 2.18%, in contrast to last quarter this was 22 basis points below the IPD UK PPFI All Balanced Funds index figure of 2.40% by. Underperformance continues to be seen in all long periods, with 1 and 3 year showing positive absolute returns of 3.05% and 4.40% respectively by these were -1.42% and -0.51% below the benchmark. Since inception, in March 2006, the funds loses value with a figure of -0.38% while the benchmark shows a positive 0.29% return, meaning the underperformance is now -67 basis points.

UBS Tactical

The UBS Tactical mandate was funded during this quarter and over that period produces a return of -7.94% against the Barclays US Inflation Linked Index of -5.74%.



Active Contribution

By Manager

	Portfolio	Benchmark	Excess Return	Relative Return	Active Contribution 07/13	Portfolio	Benchmark	Excess Return	Relative Return	Active Contribution 08/13	Portfolio	Benchmark	Excess Return	Relative Return	Active Contribution 09/13	Active Contribution 3Q 2013
Adam Street	0.31	-	0.31	-	68,734.91	-2.00	-	-2.00	-	-444,282.08	-3.01	-	-3.01	-	-645,172.63	-1,020,719.80
Barings	2.59	0.37	2.22	2.21	1,364,956.31	-1.53	0.37	-1.91	-1.90	-1,201,887.90	0.36	0.37	-0.01	-0.01	-3,973.60	159,094.81
JP Morgan	1.40	0.29	1.11	1.11	824,032.89	-0.46	0.29	-0.75	-0.75	-563,976.04	0.00	0.29	-0.29	-0.29	-215,996.02	44,060.83
Kempen	4.73	5.50	-0.78	-0.74	-374,924.01	-3.93	-3.87	-0.06	-0.06	-28,273.65	1.87	0.50	1.36	1.36	628,839.64	225,641.98
LGT	1.87	-	1.87	-	321,849.60	-2.61	-	-2.61	-	-450,338.72	-1.35	-	-1.35	-	-222,689.93	-351,179.05
Macquarie	-1.72	0.29	-2.01	-2.00	-160,336.05	-1.68	0.29	-1.97	-1.97	-128,097.47	-4.14	0.29	-4.43	-4.42	-306,620.72	-595,054.24
M&G Investments	-0.12	0.37	-0.49	-0.49	-101,371.05	0.04	0.37	-0.33	-0.33	-71,927.93	2.23	0.37	1.86	1.85	406,686.08	233,387.10
Newton	3.64	5.00	-1.36	-1.29	-323,493.86	-3.64	-3.83	0.19	0.20	43,834.02	-0.25	0.69	-0.94	-0.94	-215,350.01	-495,009.85
Ruffer	1.76	0.04	1.71	1.71	1,442,546.84	-1.41	0.04	-1.46	-1.46	-1,248,439.23	-0.18	0.04	-0.22	-0.22	-185,922.46	8,185.15
SSGA	4.89	4.93	-0.04	-0.04	-52,003.41	-2.45	-2.47	0.02	0.02	26,477.97	1.22	1.22	-0.00	-0.00	-3,215.76	-28,741.20
UBS	7.89	6.78	1.10	1.03	1,477,909.09	-0.71	-2.21	1.50	1.54	1,993,324.27	1.39	1.12	0.28	0.27	377,858.73	3,849,092.10
UBS Property	0.86	0.78	0.07	0.07	37,465.30	0.70	0.92	-0.21	-0.21	-108,877.08	0.60	0.68	-0.08	-0.08	-40,485.19	-111,896.97
UBS Tactical	-0.66	0.72	-1.39	-1.38	-196,686.94	-4.72	-3.45	-1.26	-1.31	-170,336.82	-2.74	-3.07	0.33	0.34	42,620.04	-324,403.72

Total Fund Market Value at Qtr End: £698.7 M



Scheme Performance

	Market Value £m	% of Fund	<u>Three Months</u>				<u>Year To Date</u>				<u>One Year</u>			
			Portfolio	Benchmark	Excess Return	Relative Return	Portfolio	Benchmark	Excess Return	Relative Return	Portfolio	Benchmark	Excess Return	Relative Return
London Borough of Hillingdon	698.7	100.00	2.43	2.52	-0.08	-0.08	10.69	9.24	1.45	1.33	14.15	11.62	2.53	2.27

By Manager

	Market Value £m	% of Fund	Portfolio	Benchmark	Excess Return	Relative Return	Portfolio	Benchmark	Excess Return	Relative Return	Portfolio	Benchmark	Excess Return	Relative Return
Adam Street	20.8	2.98	-4.65	-	-	-	6.94	-	-	-	8.56	-	-	-
Barings	62.1	8.89	1.38	1.12	0.27	0.27	-	-	-	-	-	-	-	-
JP Morgan	74.5	10.66	0.94	0.87	0.06	0.06	-0.28	2.63	-2.91	-2.83	1.41	3.53	-2.12	-2.05
Kempen	46.8	6.70	2.48	1.93	0.55	0.54	-	-	-	-	-	-	-	-
LGT	16.3	2.33	-2.13	-	-	-	6.95	-	-	-	11.46	-	-	-
Macquarie	6.6	0.95	-7.37	0.87	-8.25	-8.17	1.14	2.63	-1.49	-1.45	1.04	3.53	-2.49	-2.40
M&G Investments	22.3	3.18	2.15	1.12	1.04	1.03	5.50	3.38	2.12	2.05	6.61	4.53	2.08	1.98
Newton	22.6	3.24	-0.38	1.68	-2.05	-2.02	-	-	-	-	-	-	-	-
Ruffer	84.2	12.06	0.14	0.13	0.01	0.01	10.71	0.39	10.32	10.29	13.46	0.54	12.92	12.85
SSGA	138.4	19.80	3.57	3.59	-0.02	-0.02	12.17	12.30	-0.14	-0.12	16.43	16.56	-0.13	-0.11
UBS	136.4	19.53	8.61	5.58	3.03	2.87	23.11	14.56	8.56	7.47	31.40	18.93	12.46	10.48
UBS Property	51.1	7.32	2.18	2.40	-0.22	-0.22	4.48	4.95	-0.47	-0.45	3.05	4.53	-1.48	-1.42
UBS Tactical	13.0	1.86	-7.94	-5.74	-2.20	-2.33	-	-	-	-	-	-	-	-

Total Fund Market Value at Qtr End: £698.7 M



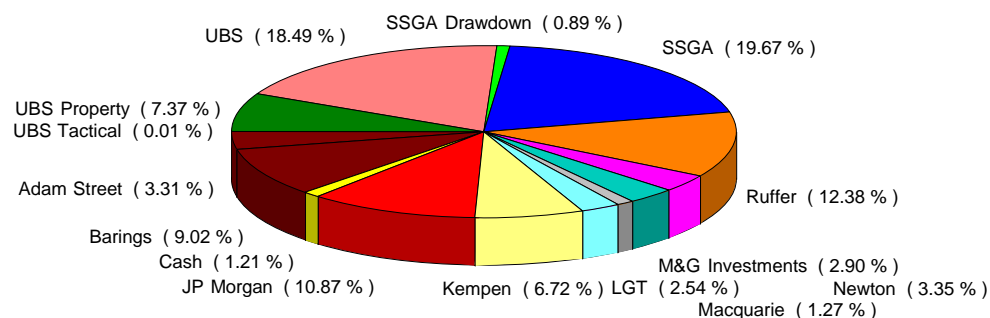
Scheme Performance

	<u>Three</u> <u>Years</u>				<u>Five</u> <u>Years</u>				Inception Date	<u>Inception</u> <u>To Date</u>			
	Portfolio	Benchmark	Excess Return	Relative Return	Portfolio	Benchmark	Excess Return	Relative Return		Portfolio	Benchmark	Excess Return	Relative Return
London Borough of Hillingdon	8.30	7.33	0.97	0.90	8.00	8.05	-0.05	-0.05	30/09/95	6.74	6.68	0.05	0.05
<u>By Manager</u>													
	Portfolio	Benchmark	Excess Return	Relative Return	Portfolio	Benchmark	Excess Return	Relative Return	Inception Date	Portfolio	Benchmark	Excess Return	Relative Return
Adam Street	11.70	-	-	-	5.95	-	-	-	31/01/05	1.47	-	-	-
Barings	-	-	-	-	-	-	-	-	24/04/13	0.21	1.95	-1.74	-1.71
JP Morgan	-	-	-	-	-	-	-	-	08/11/11	3.93	3.74	0.19	0.18
Kempen	-	-	-	-	-	-	-	-	31/01/13	5.70	11.16	-5.46	-4.91
LGT	8.58	-	-	-	5.24	-	-	-	31/05/04	8.28	-	-	-
Macquarie	-8.49	3.78	-12.27	-11.82	-	-	-	-	30/09/10	-8.49	3.78	-12.27	-11.82
M&G Investments	5.31	4.79	0.52	0.50	-	-	-	-	31/05/10	5.18	4.78	0.40	0.38
Newton	-	-	-	-	-	-	-	-	24/01/13	7.39	9.03	-1.64	-1.51
Ruffer	7.16	0.78	6.39	6.34	-	-	-	-	28/05/10	6.62	0.77	5.85	5.80
SSGA	9.17	9.17	-0.00	-0.00	-	-	-	-	30/11/08	13.40	13.37	0.02	0.02
UBS	13.86	10.07	3.79	3.44	12.74	11.16	1.59	1.43	31/12/88	10.44	9.07	1.37	1.26
UBS Property	4.40	4.93	-0.53	-0.51	0.50	1.59	-1.09	-1.08	31/03/06	-0.38	0.29	-0.67	-0.67
UBS Tactical	-	-	-	-	-	-	-	-	30/06/13	-7.94	-5.74	-2.20	-2.33

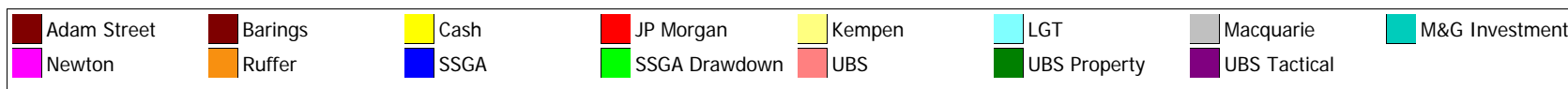
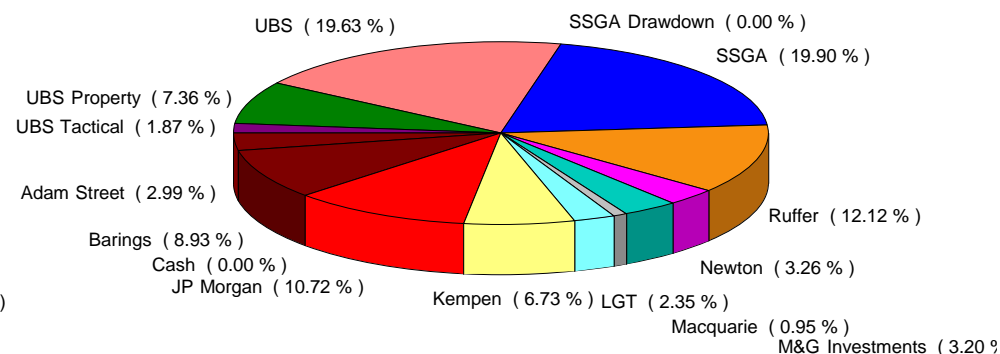
Total Fund Market Value at Qtr End: £698.7 M



Weighting at Beginning of Period



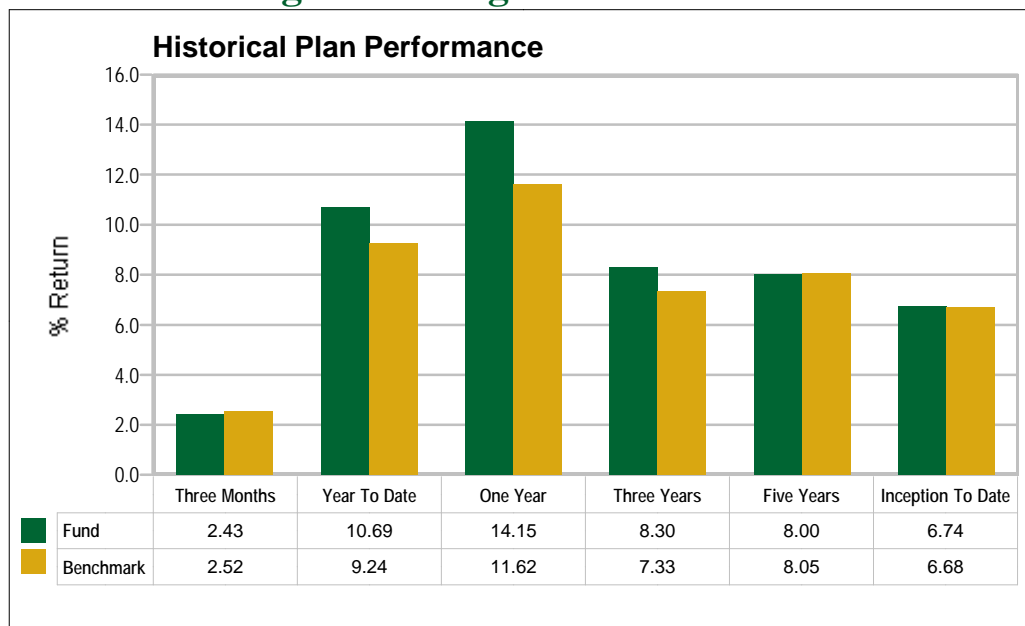
Weighting at End of Period



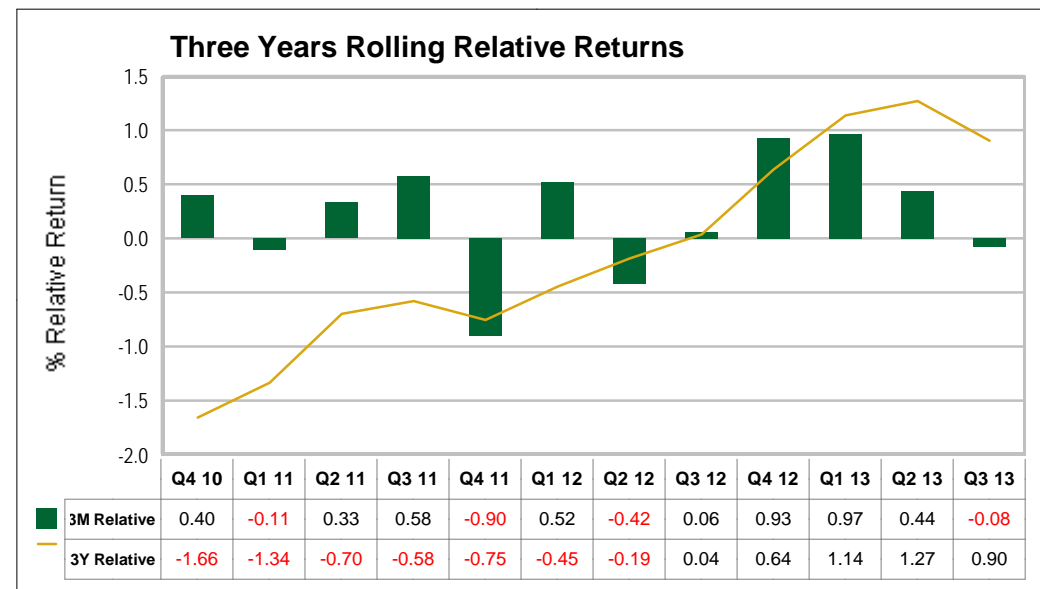
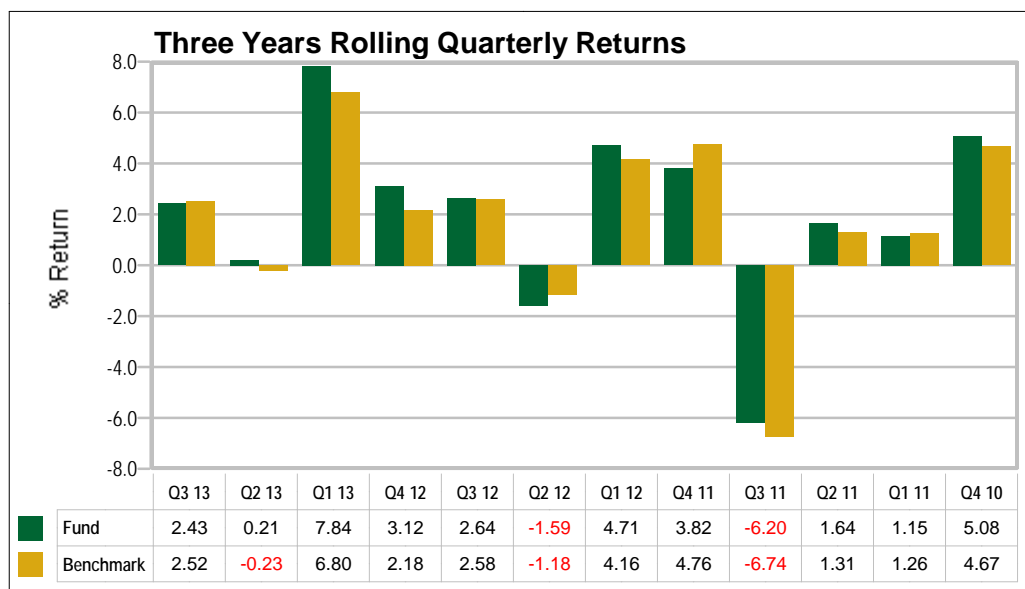
	Opening Market Value £(000)	% of Fund	Net Investment £(000)	Appreciation £(000)	Income Received £(000)	Closing Market Value £(000)	% of Fund
London Borough of Hillingdon	682,370	100.00	-250	14,759	1,851	698,730	100.00
Adam Street	22,508	3.30	-677	-1,026	0	20,805	2.98
Barings	61,256	8.98	8	848	0	62,112	8.89
Cash	8,238	1.21	-8,227	4	0	15	0.00
JP Morgan	73,807	10.82	0	690	0	74,497	10.66
Kempen	45,649	6.69	0	1,084	49	46,782	6.70
LGT	17,248	2.53	-583	-352	0	16,313	2.33
Macquarie	8,645	1.27	-1,488	-544	0	6,613	0.95
M&G Investments	19,704	2.89	2,078	471	0	22,253	3.18
Newton	22,722	3.33	0	-85	0	22,637	3.24
Ruffer	84,124	12.33	0	-187	305	84,242	12.06
SSGA	133,588	19.58	0	4,767	0	138,355	19.80
SSGA Drawdown	6,039	0.89	-6,038	-0	0	1	0.00
UBS	125,616	18.41	0	9,879	941	136,435	19.53
UBS Property	50,051	7.33	0	560	530	51,141	7.32
UBS Tactical	84	0.01	14,002	-1,148	27	12,966	1.86



London Borough of Hillingdon

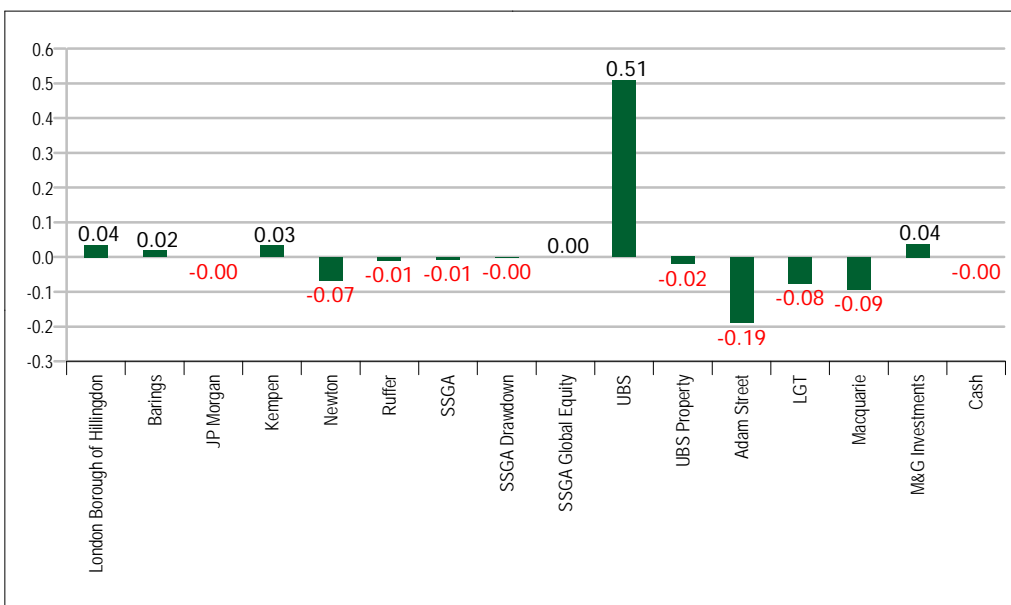


Risk Statistics - 3 years	Fund	B'mark
Performance Return	8.30	7.33
Standard Deviation	6.42	5.89
Relative Return	0.90	
Tracking Error	1.34	
Information Ratio	0.72	
Beta	1.07	
Alpha	0.51	
R Squared	0.96	
Sharpe Ratio	1.12	1.06
Percentage of Total Fund	100.0	
Inception Date	Sep-1995	
Opening Market Value (£000)	682,370	
Net Investment (£000)	-250	
Income Received (£000)	1,851	
Appreciation (£000)	14,759	
Closing Market Value (£000)	698,730	

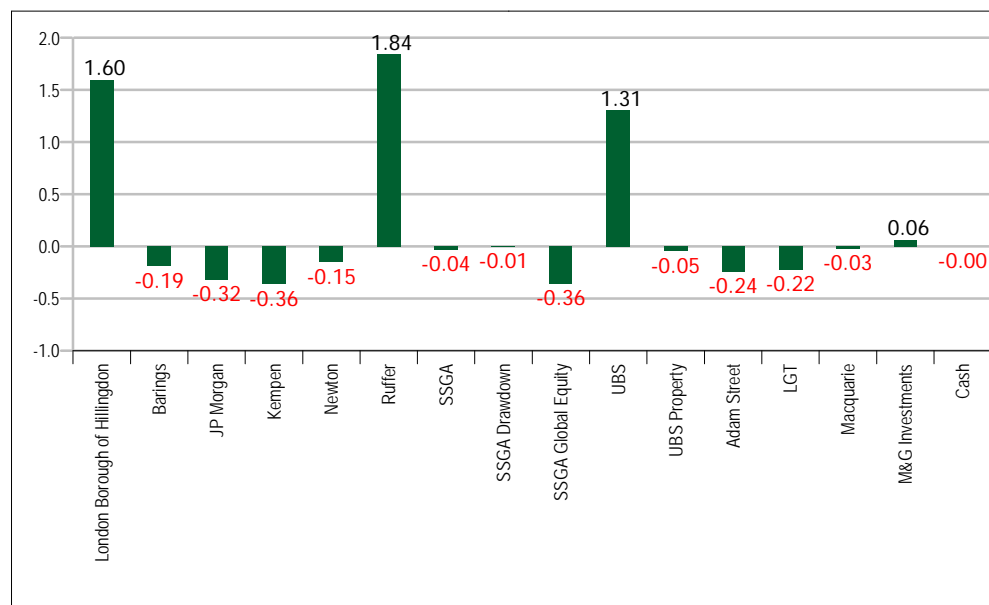




Three Months



Year to Date

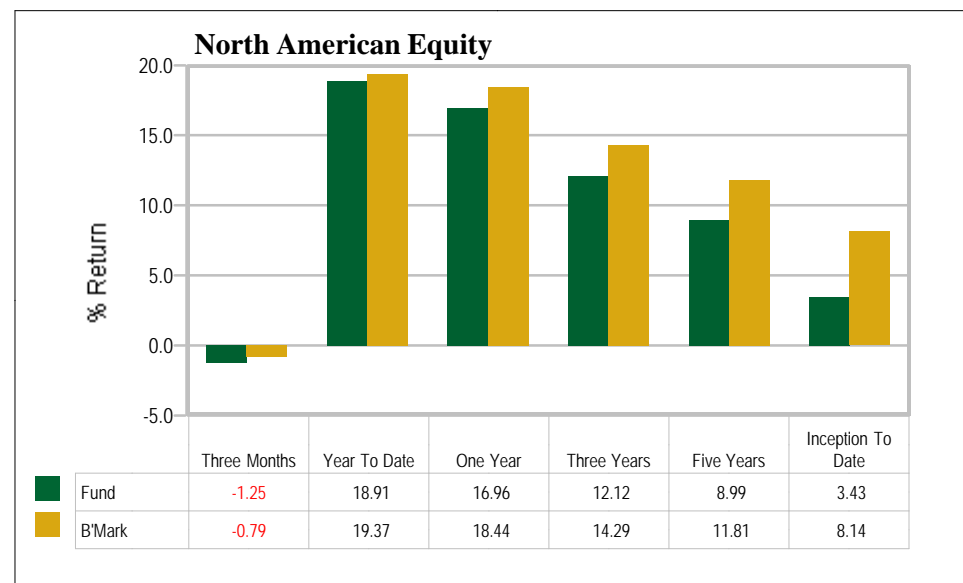
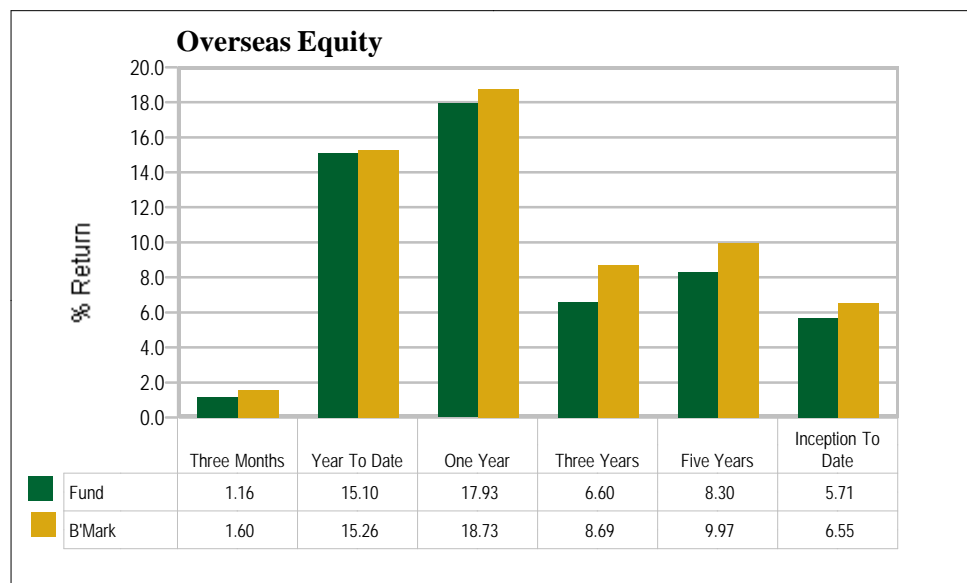
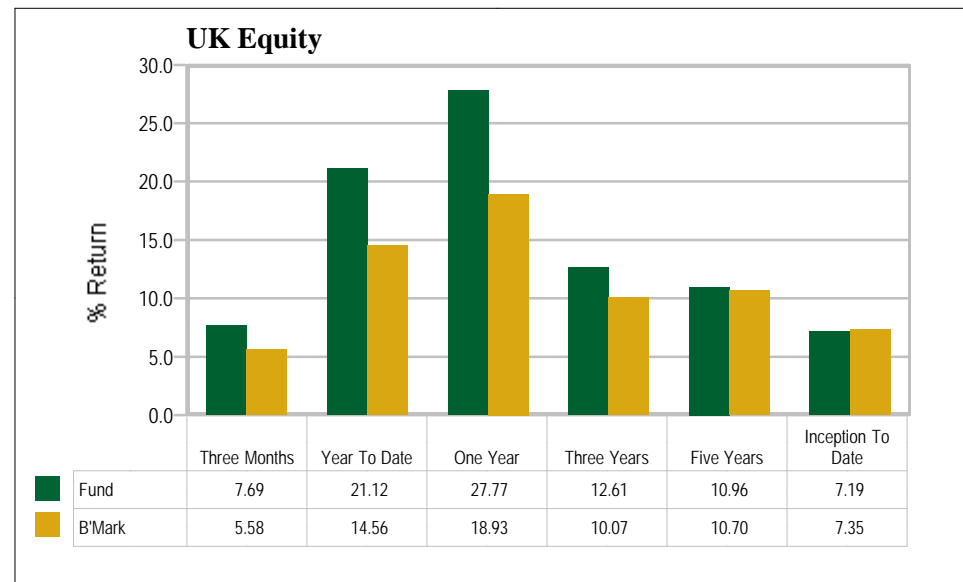
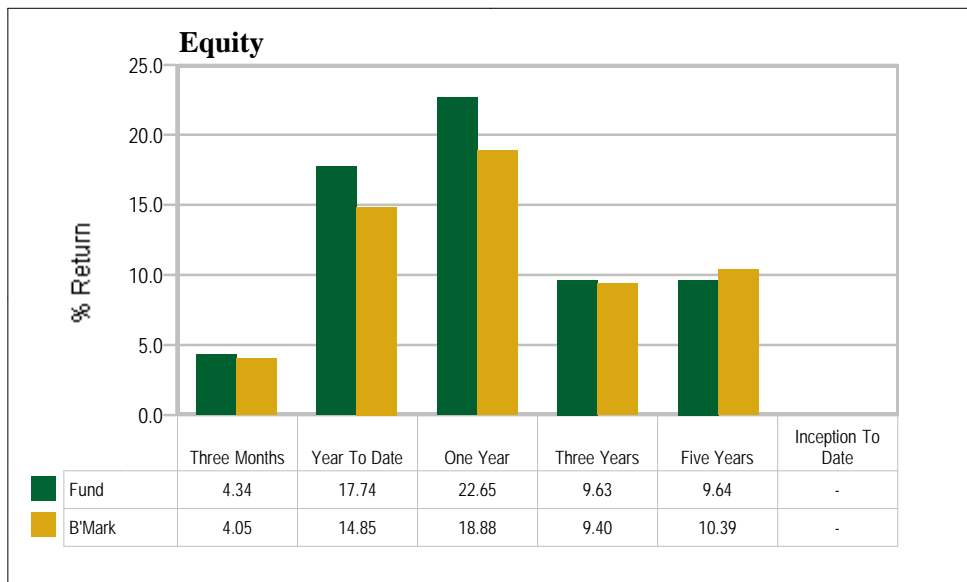


	Fund Return	Index Return	Relative Return	Asset Allocation	Stock Selection	Relative Contribution
London Borough of Hillingdon	2.43	2.40	0.04	-0.11	0.15	0.04
Barings	1.38	1.12	0.27	-0.00	0.02	0.02
JP Morgan	0.94	0.87	0.06	-0.01	0.00	-0.00
Kempen	2.48	1.93	0.54	-0.00	0.03	0.03
Newton	-0.38	1.68	-2.02	-0.00	-0.07	-0.07
Ruffer	0.14	0.13	0.01	-0.01	-0.00	-0.01
SSGA	3.57	3.59	-0.02	-0.00	-0.00	-0.01
SSGA Drawdown	-3.78	1.13	-4.85	-0.00	-0.00	-0.00
SSGA Global Equity	-	-	0.00	0.00	0.00	0.00
UBS	8.61	5.58	2.87	-0.04	0.54	0.51
UBS Property	2.18	2.40	-0.22	-0.00	-0.02	-0.02
Adam Street	-4.65	1.17	-5.76	-0.00	-0.19	-0.19
LGT	-2.13	1.17	-3.26	0.01	-0.08	-0.08
Macquarie	-7.37	0.87	-8.17	-0.01	-0.09	-0.09
M&G Investments	2.15	1.12	1.03	0.00	0.03	0.04
Cash	30.30	0.09	30.18	-0.00	0.00	-0.00

	Fund Return	Index Return	Relative Return	Asset Allocation	Stock Selection	Relative Contribution
London Borough of Hillingdon	10.69	8.95	1.60	-0.44	1.52	1.60
Barings	-	-	0.00	0.01	-0.20	-0.19
JP Morgan	-0.28	2.63	-2.83	-0.01	-0.32	-0.32
Kempen	5.62	-	5.62	-0.02	-0.35	-0.36
Newton	7.39	9.03	-1.51	-0.02	-0.14	-0.15
Ruffer	10.71	0.39	10.29	-0.03	1.88	1.84
SSGA	12.17	12.30	-0.12	-0.01	-0.02	-0.04
SSGA Drawdown	-4.77	0.55	-5.29	-0.00	-0.00	-0.01
SSGA Global Equity	-	-	0.00	-0.17	-0.19	-0.36
UBS	23.11	14.56	7.47	-0.05	1.36	1.31
UBS Property	4.48	4.95	-0.45	-0.02	-0.03	-0.05
Adam Street	6.94	15.35	-7.29	0.01	-0.25	-0.24
LGT	6.95	15.35	-7.29	-0.02	-0.20	-0.22
Macquarie	1.14	2.63	-1.45	-0.01	-0.01	-0.03
M&G Investments	5.50	3.38	2.05	0.00	0.06	0.06
Cash	30.54	0.27	30.18	-0.00	0.00	-0.00

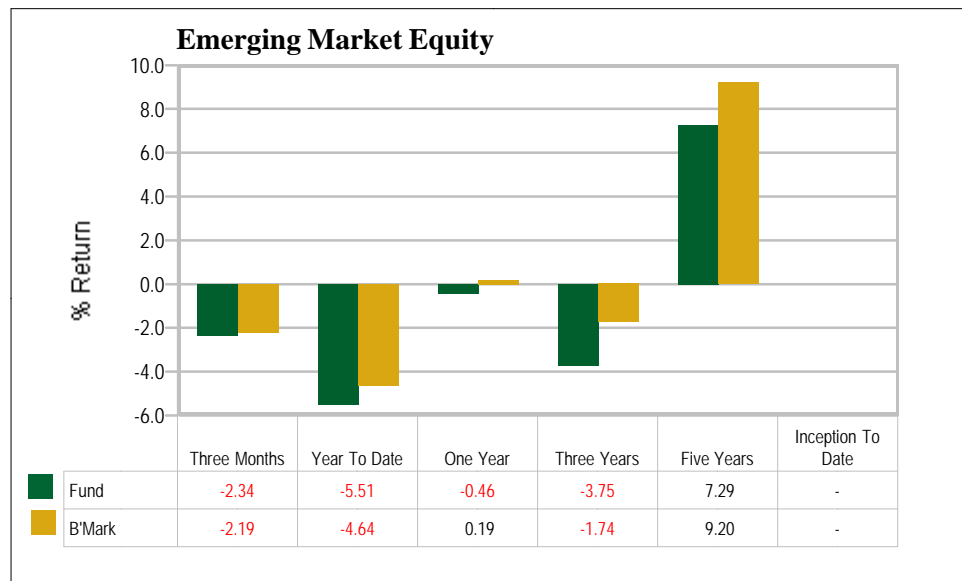
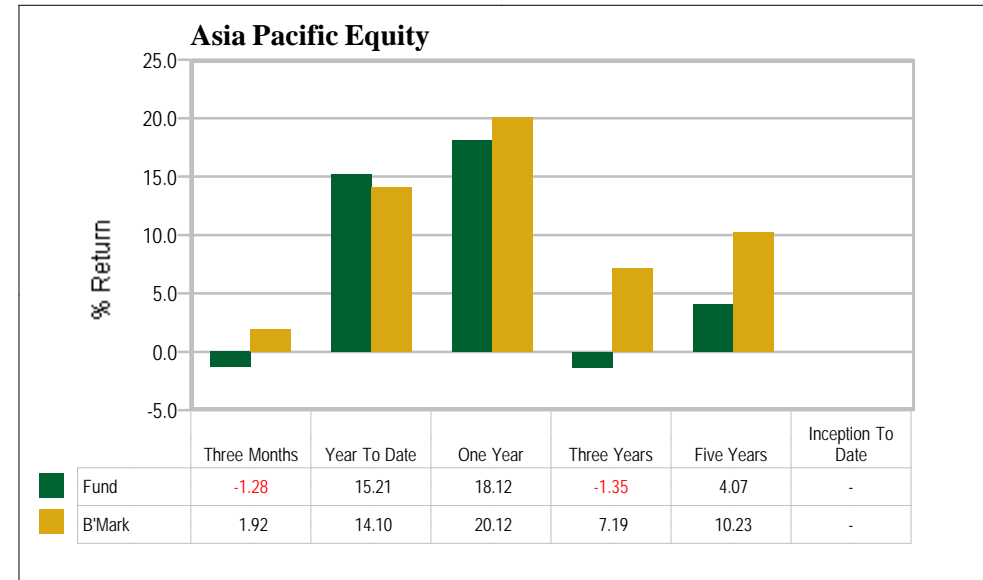
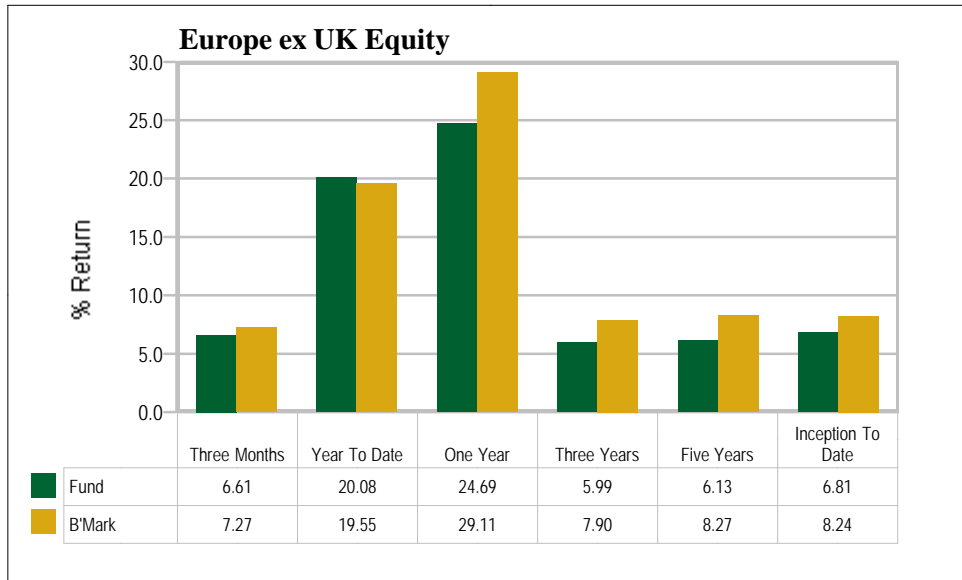


London Borough of Hillingdon



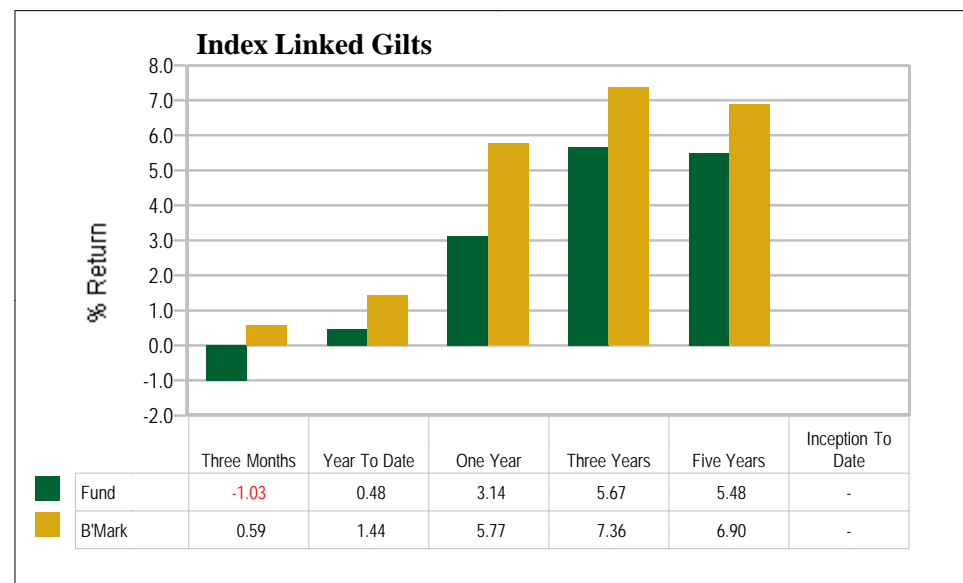
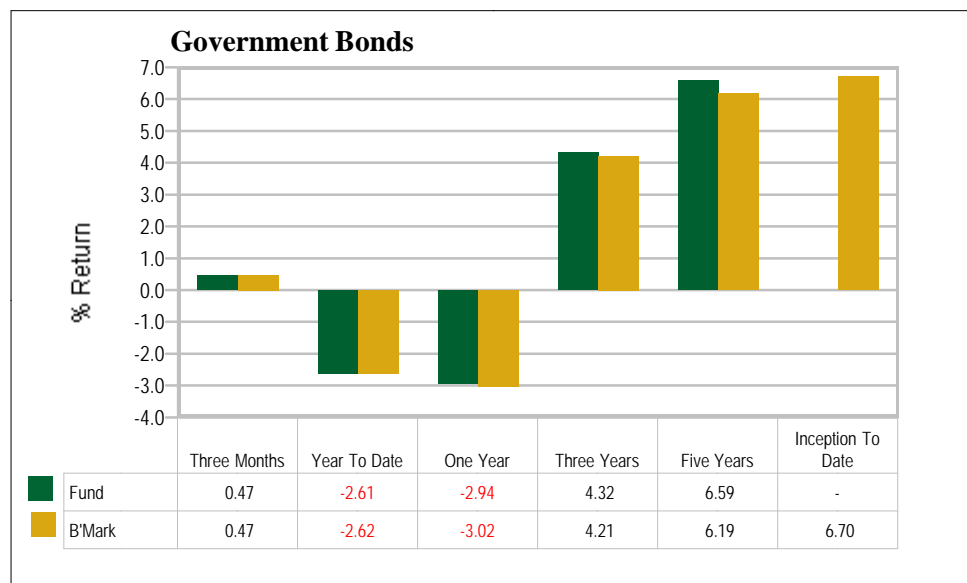
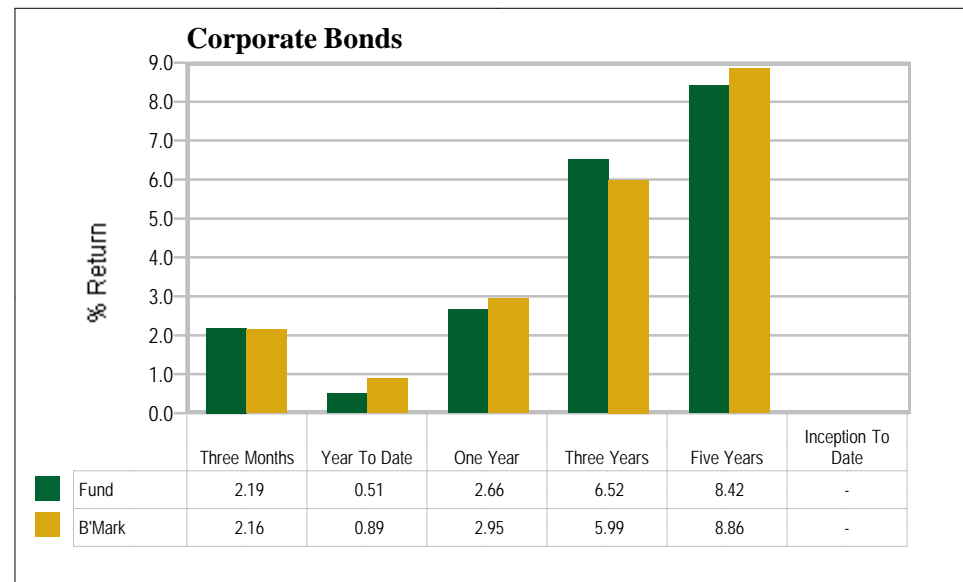
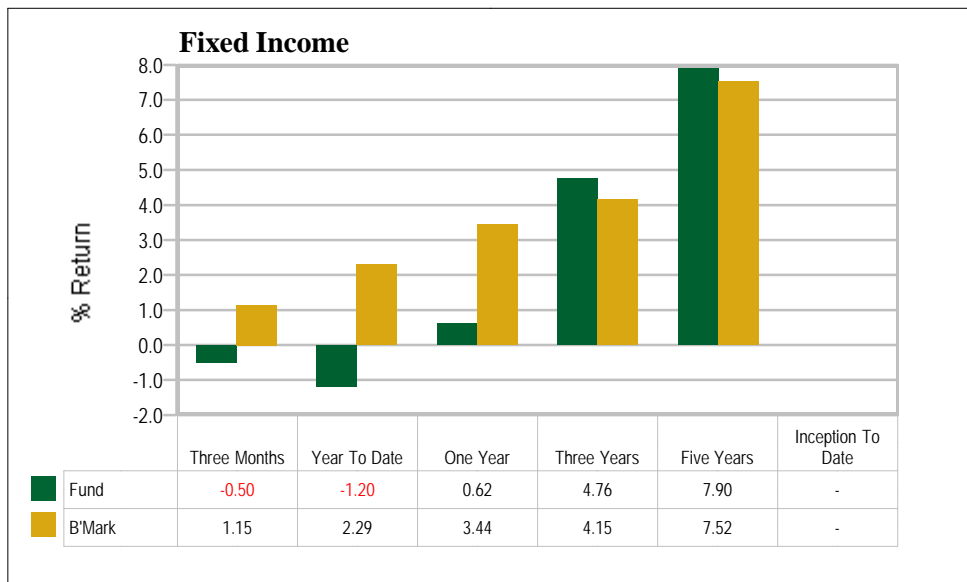


London Borough of Hillingdon



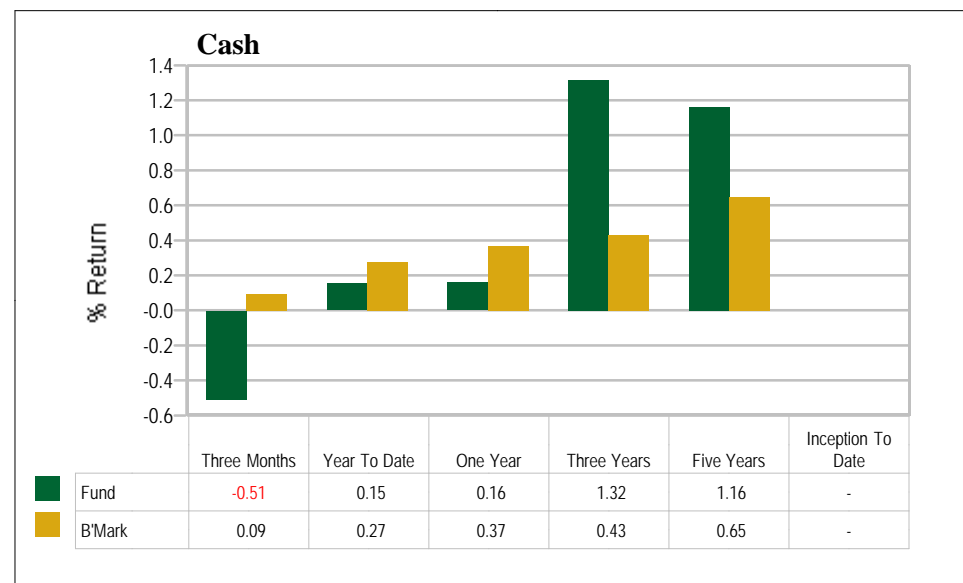
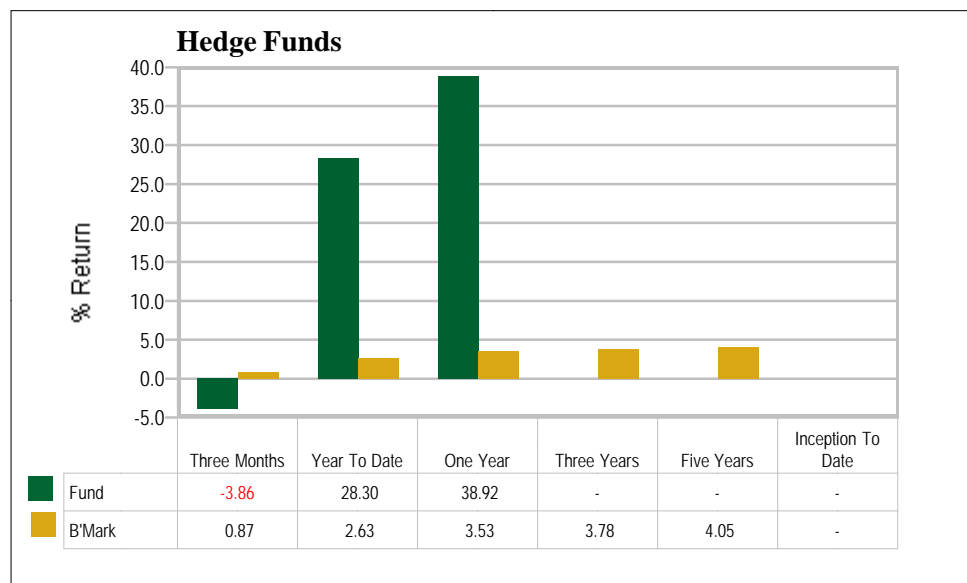
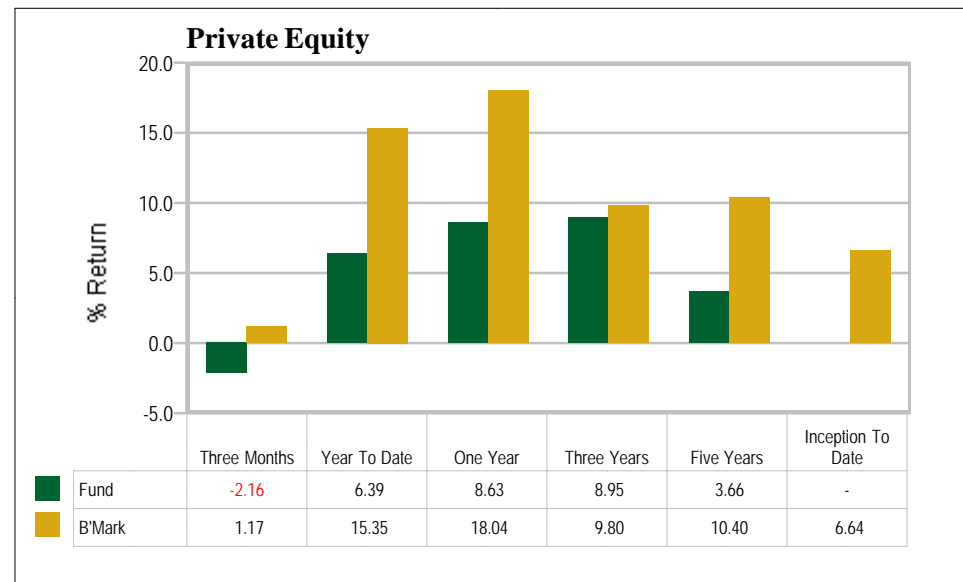


London Borough of Hillingdon





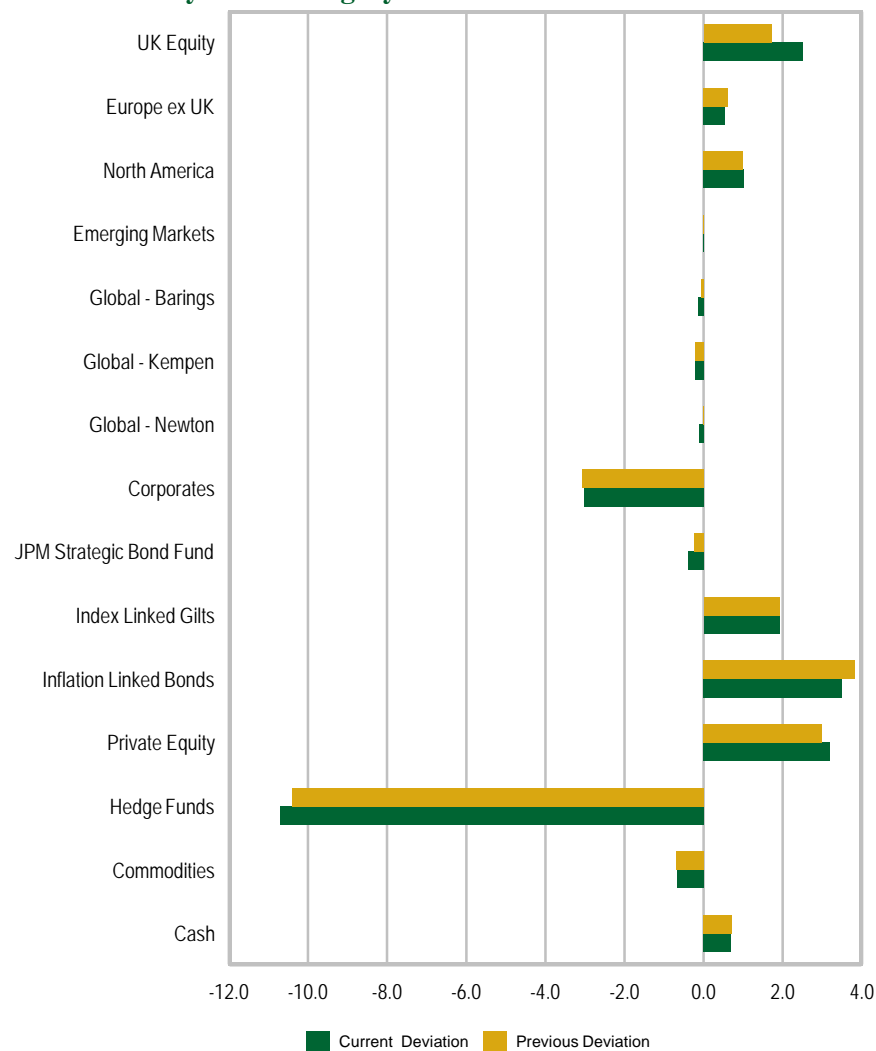
London Borough of Hillingdon





London Borough of Hillingdon

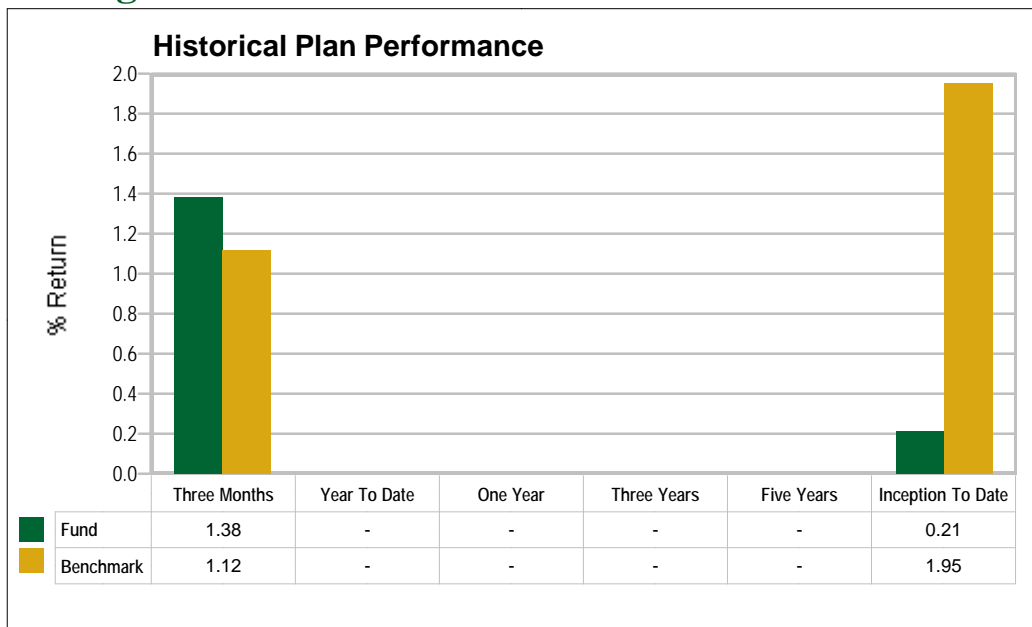
By Asset Category



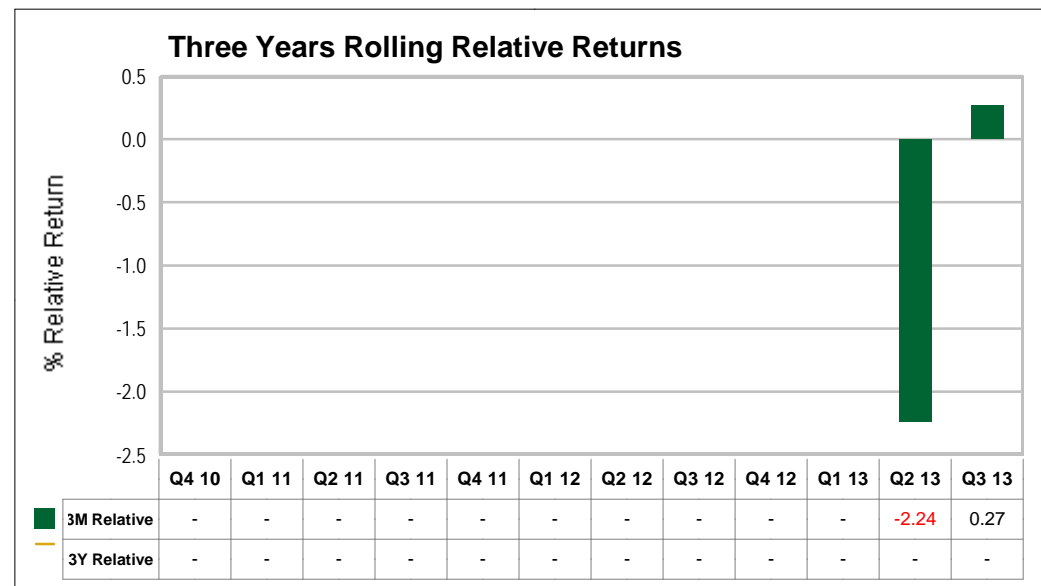
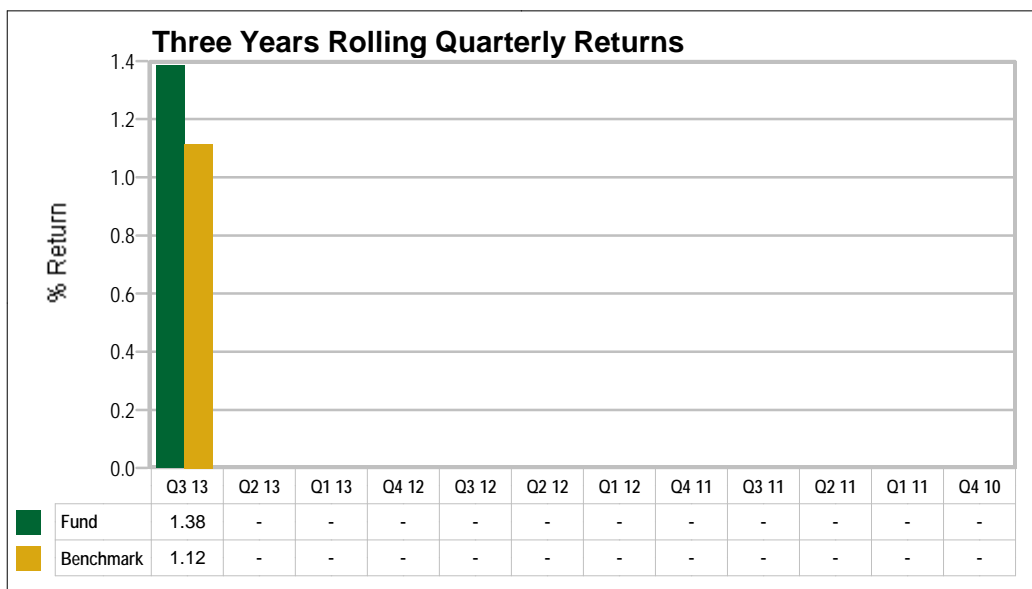
	Current Quarter	Previous Quarter	Current Benchmark	Current Deviation	Previous Benchmark	Previous Deviation
UK Equity	29.32	28.52	26.81	2.51	26.81	1.71
Europe ex UK	2.74	2.81	2.20	0.54	2.20	0.61
North America	3.20	3.19	2.18	1.02	2.18	1.01
Emerging Markets	0.58	0.61	0.60	-0.02	0.60	0.01
Global - Barings	8.89	8.98	9.04	-0.15	9.04	-0.06
Global - Kempen	6.69	6.69	6.91	-0.22	6.91	-0.22
Global - Newton	3.24	3.33	3.36	-0.12	3.36	-0.03
Corporates	1.71	1.65	4.73	-3.02	4.73	-3.08
JPM Strategic Bond Fund	10.66	10.82	11.06	-0.40	11.06	-0.24
Index Linked Gilts	4.22	4.23	2.31	1.91	2.31	1.92
Inflation Linked Bonds	3.50	3.82		3.50		3.82
Private Equity	9.20	9.00	6.01	3.19	6.01	2.99
Hedge Funds	1.59	1.89	12.28	-10.69	12.28	-10.39
Commodities	0.60	0.57	1.27	-0.67	1.27	-0.70
Cash	2.54	2.57	1.85	0.69	1.85	0.72



Barings



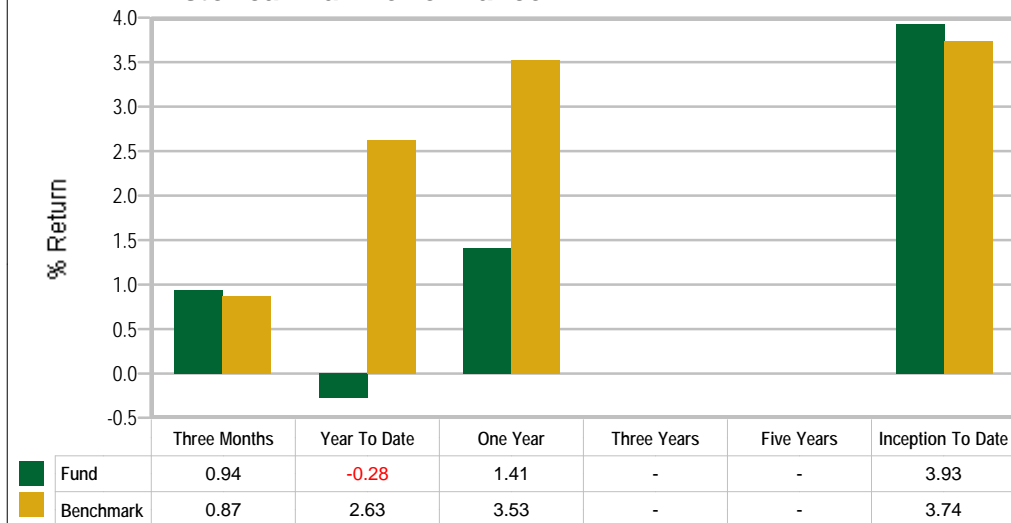
Risk Statistics - 3 years	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	8.9	
Inception Date	Apr-2013	
Opening Market Value (£000)	61,256	
Net Investment (£000)	8	
Income Received (£000)	0	
Appreciation (£000)	848	
Closing Market Value (£000)	62,112	





JP Morgan

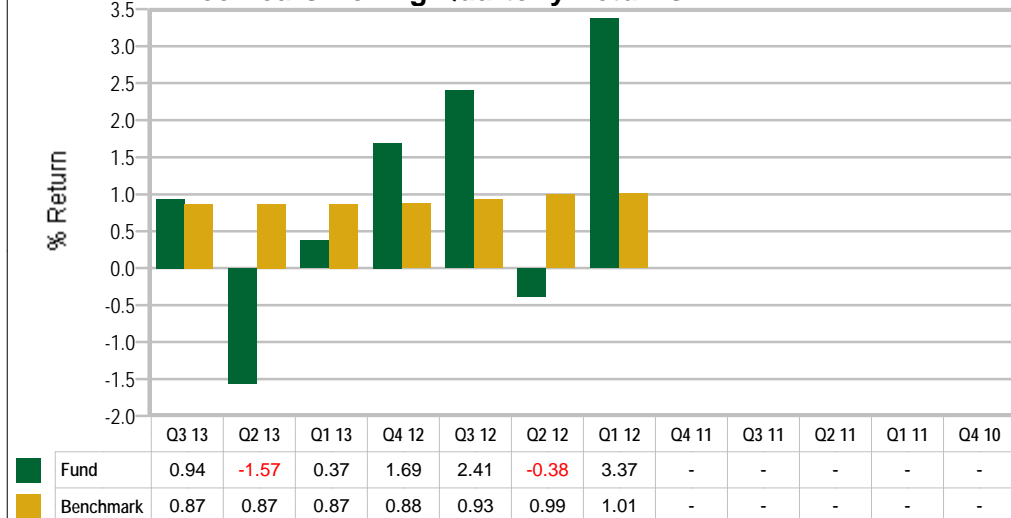
Historical Plan Performance



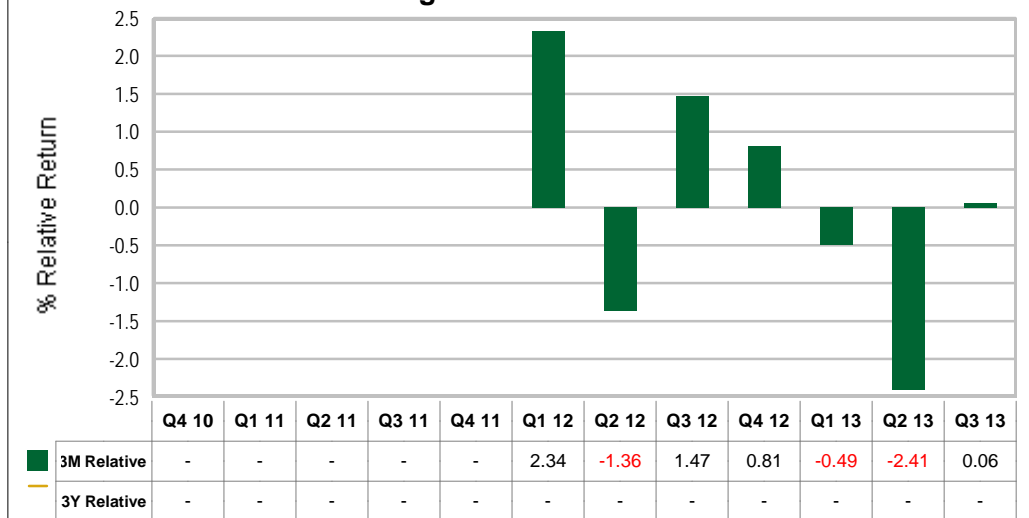
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	10.7	
Inception Date	Nov-2011	
Opening Market Value (£000)	73,807	
Net Investment (£000)	0	
Income Received (£000)	0	
Appreciation (£000)	690	
Closing Market Value (£000)	74,497	

Three Years Rolling Quarterly Returns

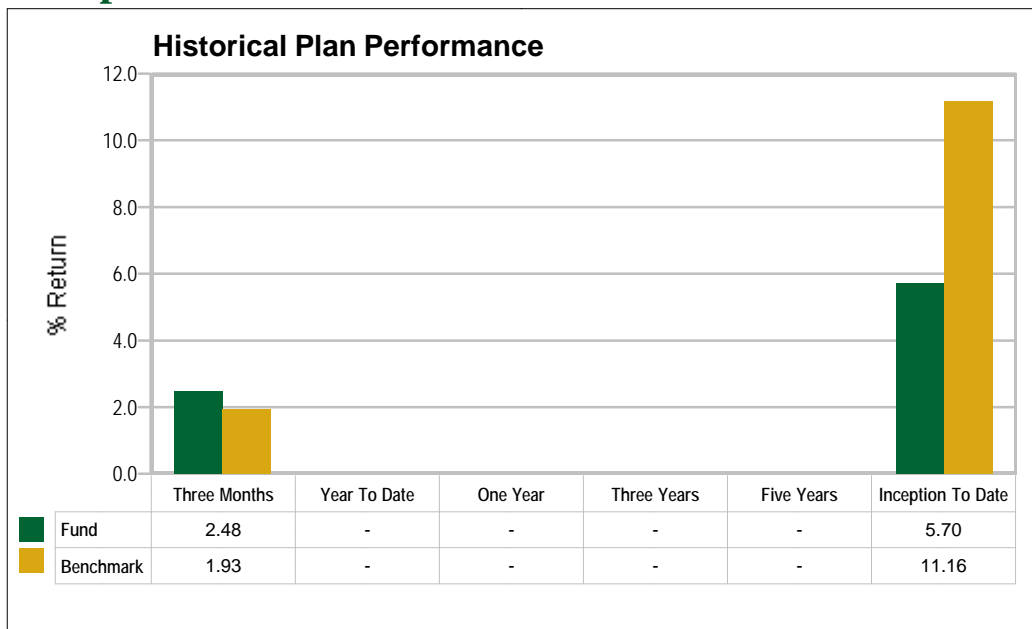


Three Years Rolling Relative Returns

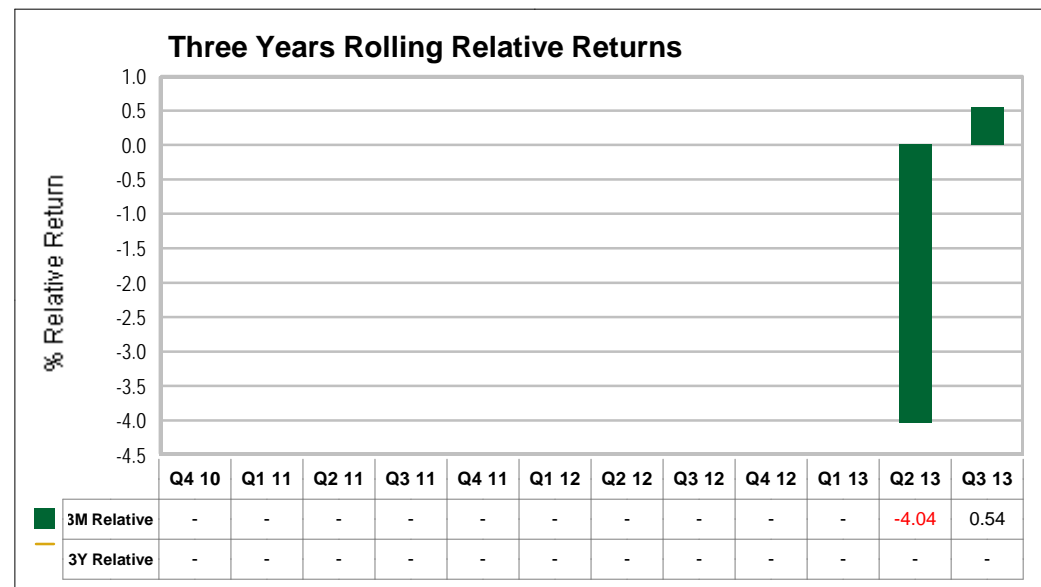
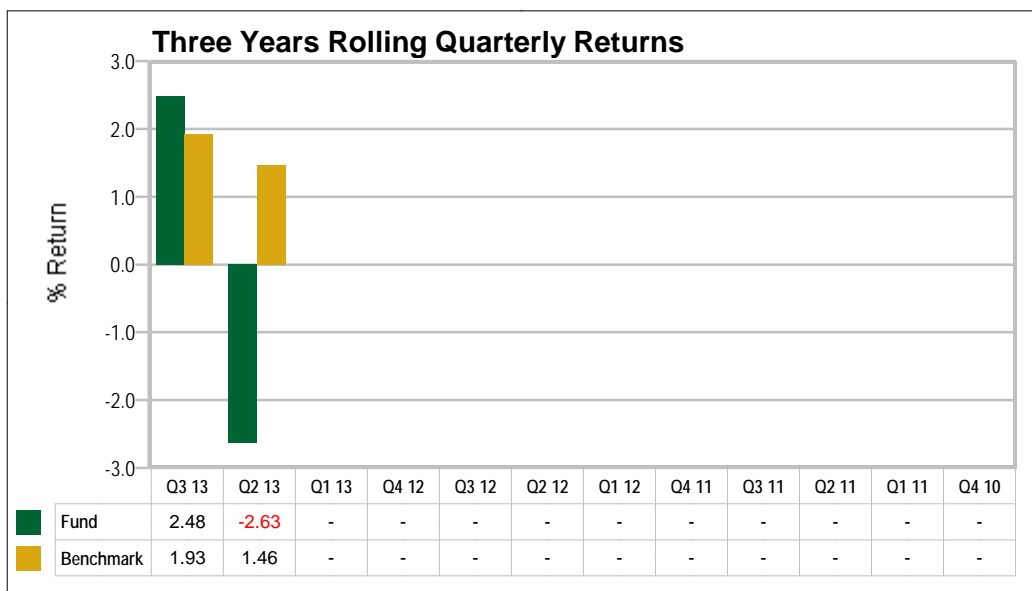




Kempen

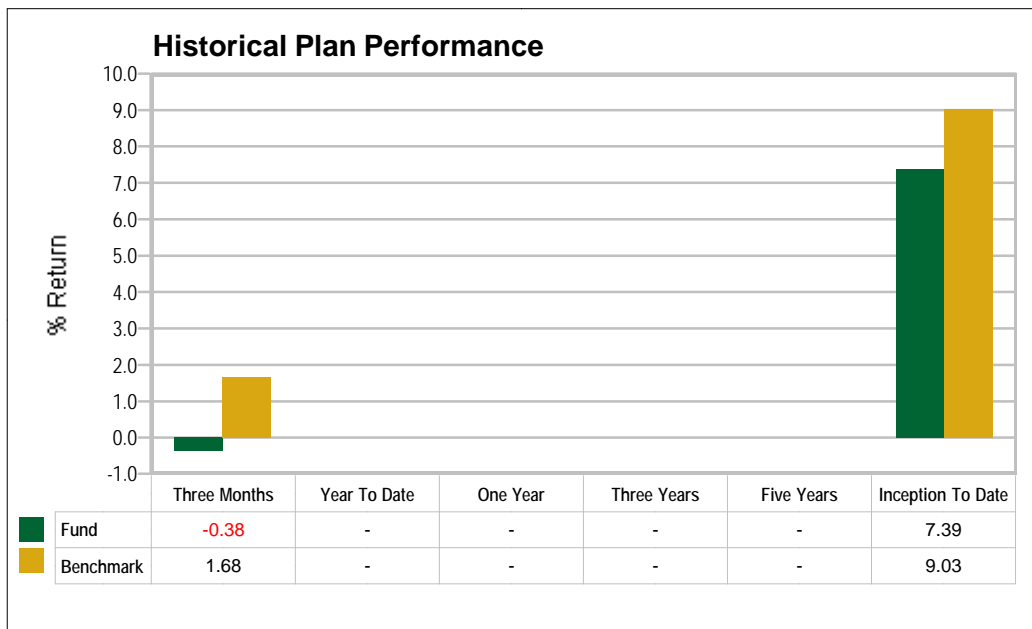


Risk Statistics - 3 years	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	6.7	-
Inception Date	Jan-2013	-
Opening Market Value (£000)	45,649	-
Net Investment (£000)	0	-
Income Received (£000)	49	-
Appreciation (£000)	1,084	-
Closing Market Value (£000)	46,782	-

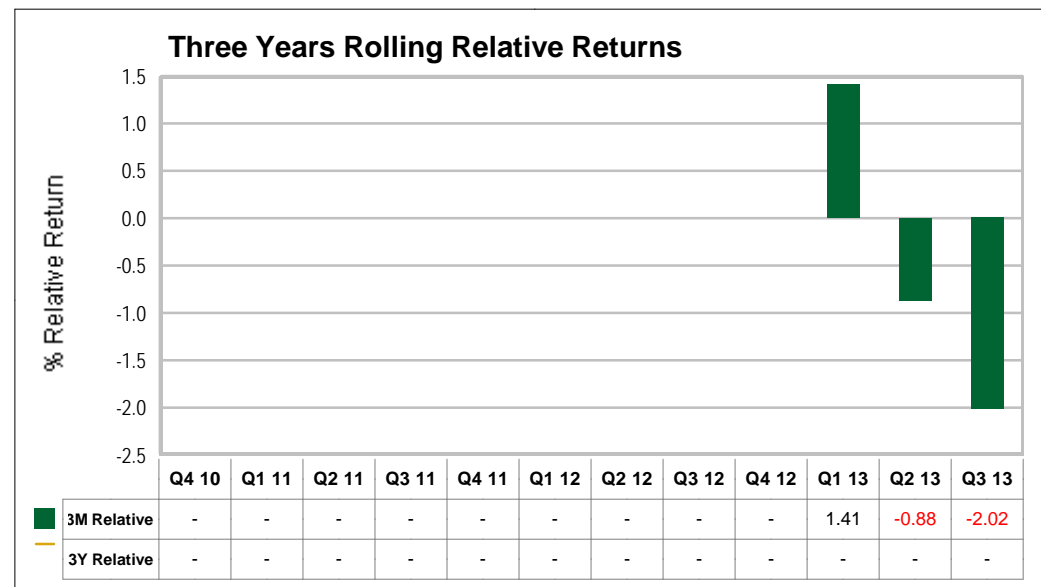
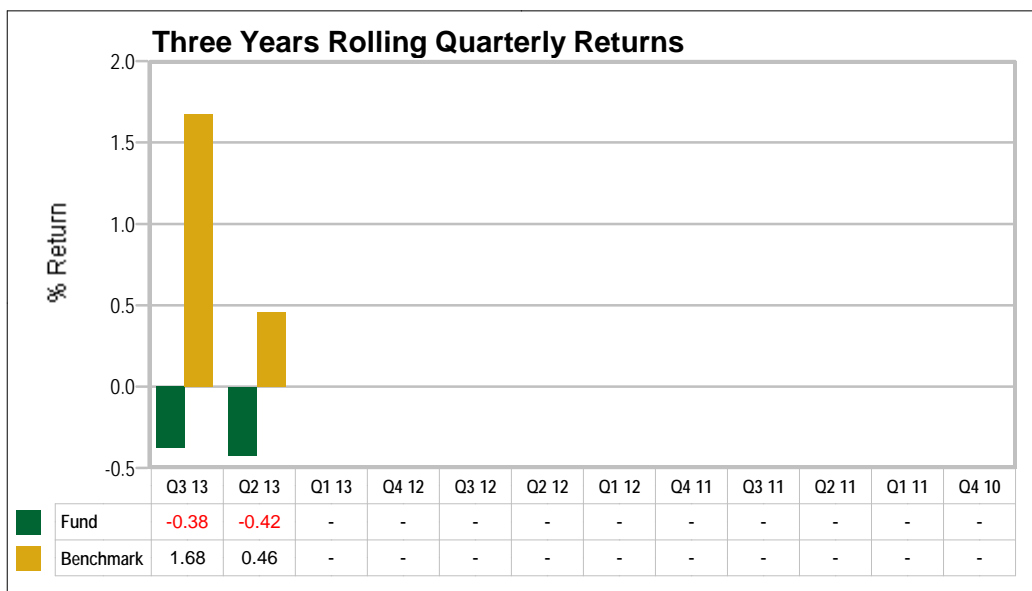




Newton



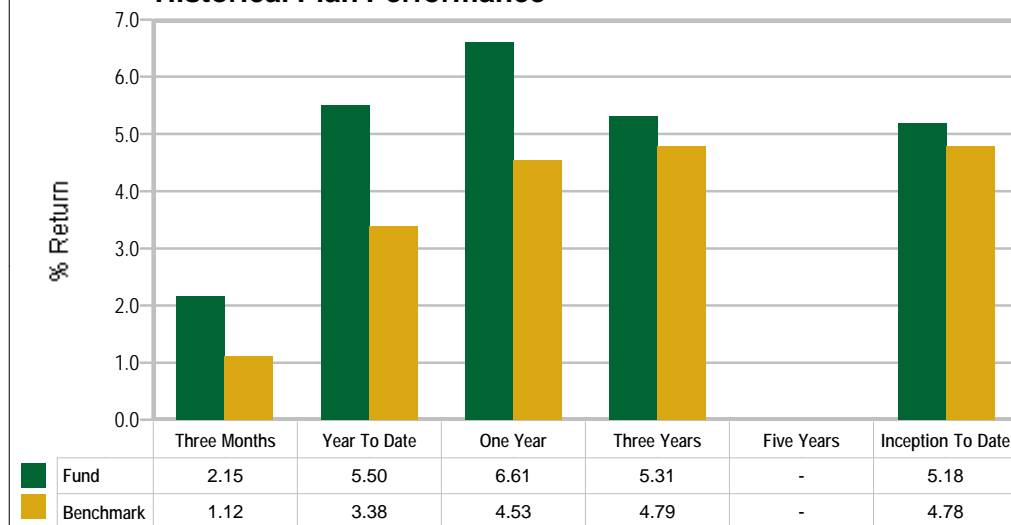
Risk Statistics - 3 years	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	3.2	
Inception Date	Jan-2013	
Opening Market Value (£000)	22,722	
Net Investment £(000)	0	
Income Received £(000)	0	
Appreciation £(000)	-85	
Closing Market Value (£000)	22,637	





M&G Investments

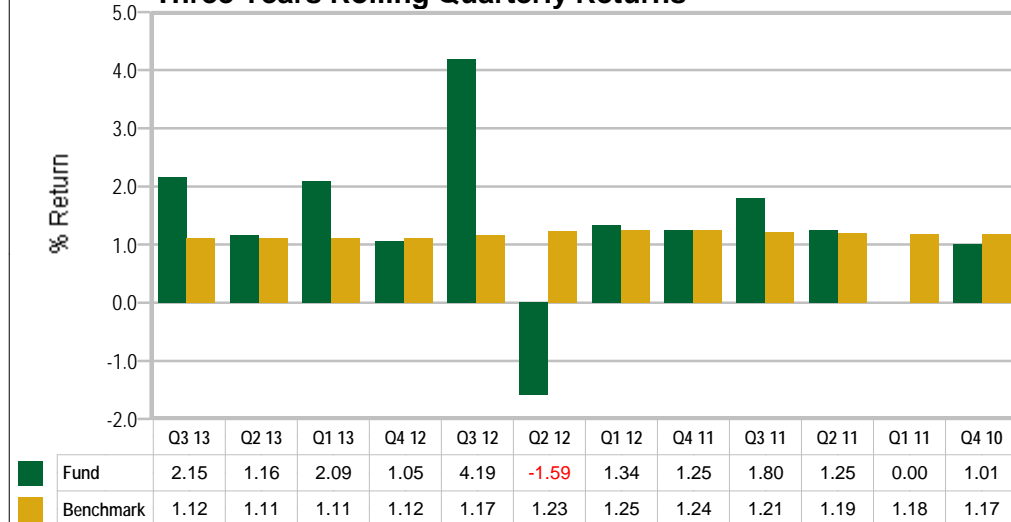
Historical Plan Performance



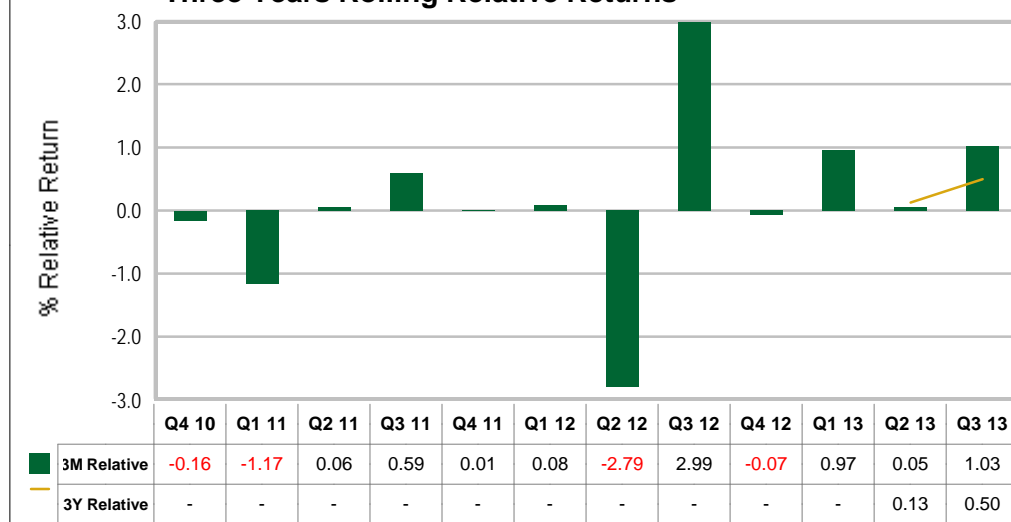
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	5.31	4.79
Standard Deviation	2.72	0.06
Relative Return	0.50	
Tracking Error	2.73	
Information Ratio	0.19	
Beta	3.07	
Alpha	-6.70	
R Squared	0.01	
Sharpe Ratio	1.55	63.76
Percentage of Total Fund	3.2	
Inception Date	May-2010	
Opening Market Value (£000)	19,704	
Net Investment (£000)	2,078	
Income Received (£000)	0	
Appreciation (£000)	471	
Closing Market Value (£000)	22,253	

Three Years Rolling Quarterly Returns

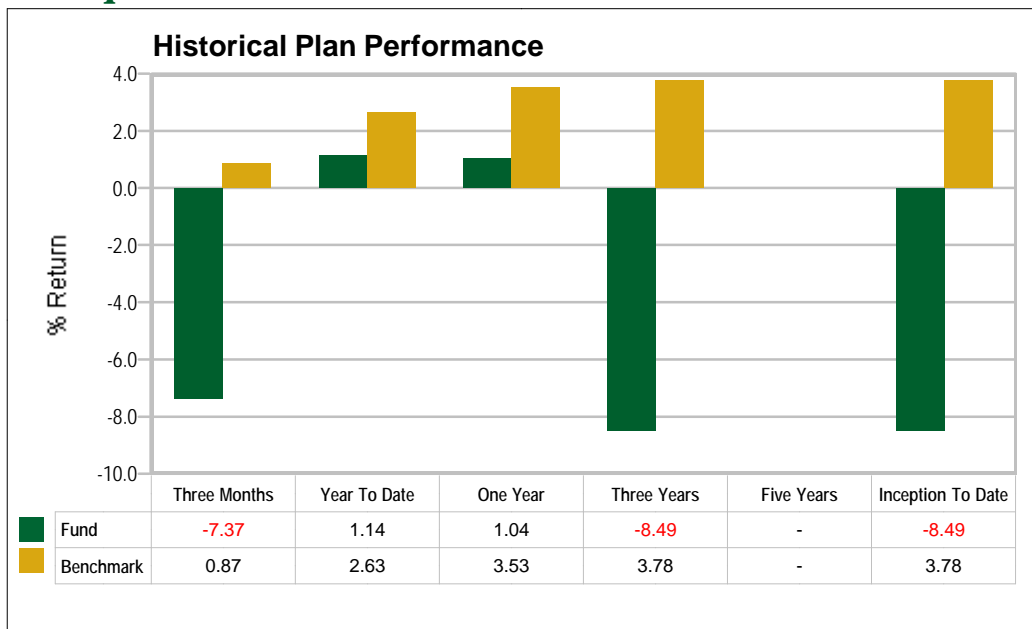


Three Years Rolling Relative Returns



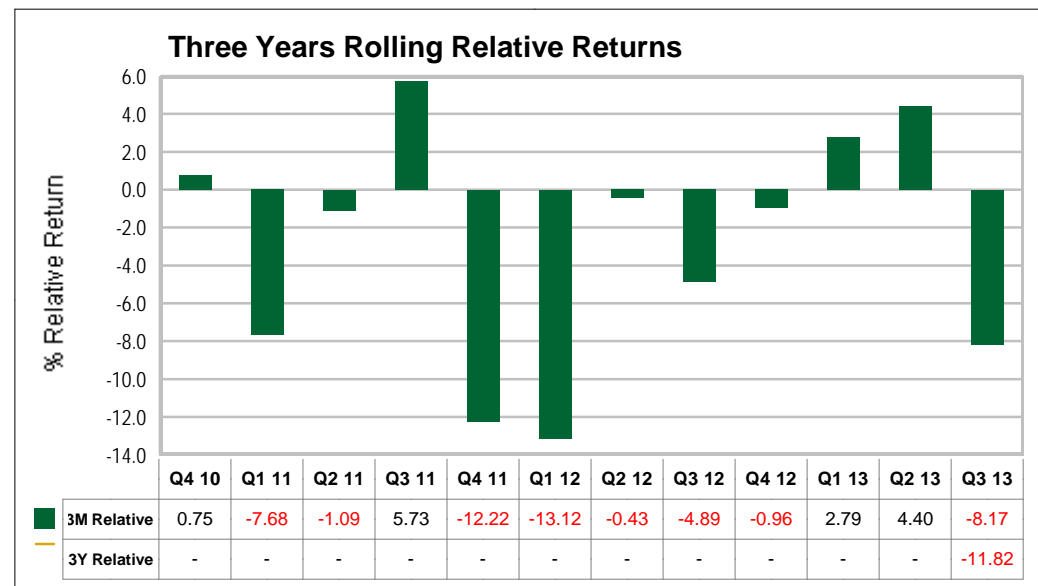
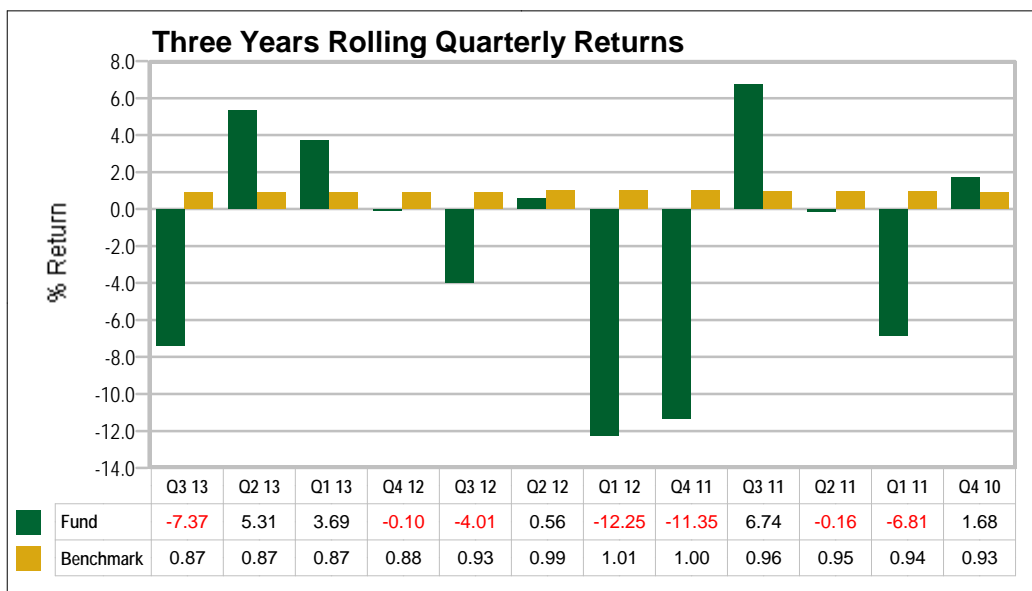


Macquarie



Risk Statistics - 3 years

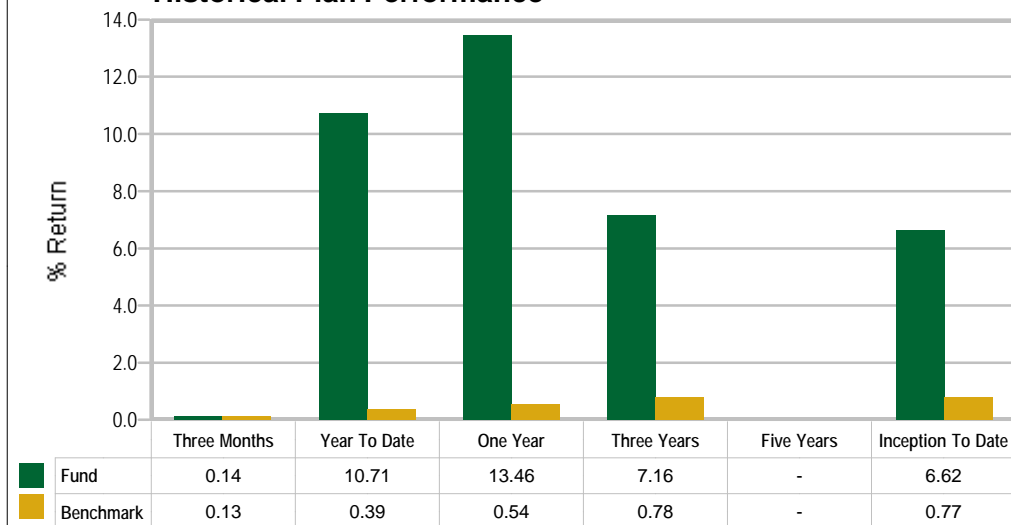
	Fund	B'mark
Performance Return	-8.49	3.78
Standard Deviation	11.75	0.06
Relative Return	-11.82	
Tracking Error	11.76	
Information Ratio	-1.04	
Beta	35.53	
Alpha	-65.82	
R Squared	0.05	
Sharpe Ratio	-0.82	46.38
Percentage of Total Fund	0.9	
Inception Date	Sep-2010	
Opening Market Value (£000)	8,645	
Net Investment (£000)	-1,488	
Income Received (£000)	0	
Appreciation (£000)	-544	
Closing Market Value (£000)	6,613	





Ruffer

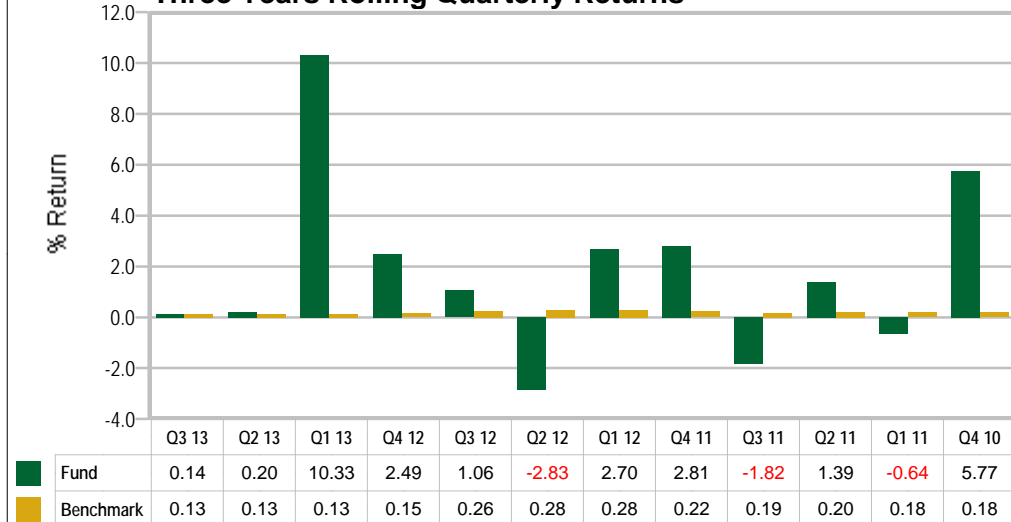
Historical Plan Performance



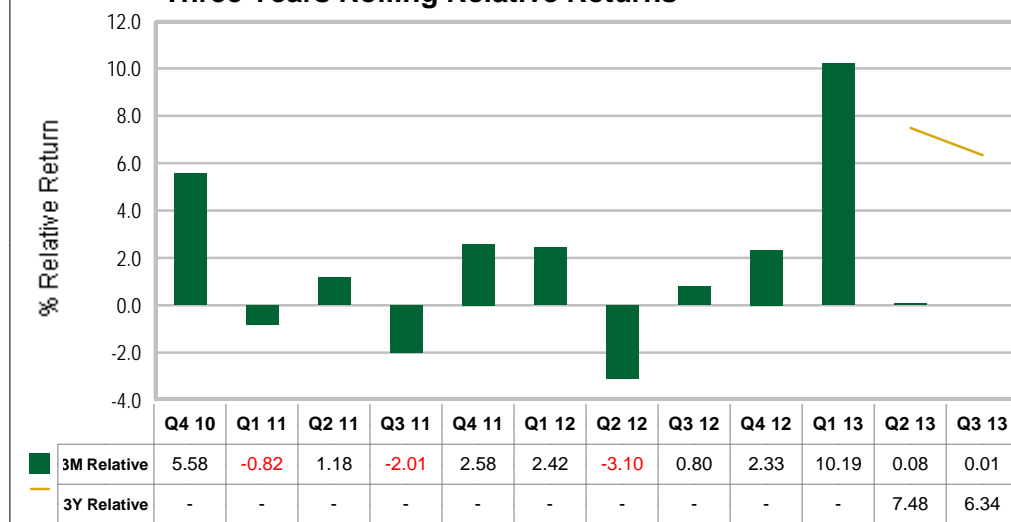
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	7.16	0.78
Standard Deviation	5.72	0.06
Relative Return	6.34	
Tracking Error	5.73	
Information Ratio	1.11	
Beta	25.92	
Alpha	14.99	
R Squared	0.08	
Sharpe Ratio	1.06	-4.83
Percentage of Total Fund	12.1	
Inception Date	May-2010	
Opening Market Value (£000)	84,124	
Net Investment (£000)	0	
Income Received (£000)	305	
Appreciation (£000)	-187	
Closing Market Value (£000)	84,242	

Three Years Rolling Quarterly Returns

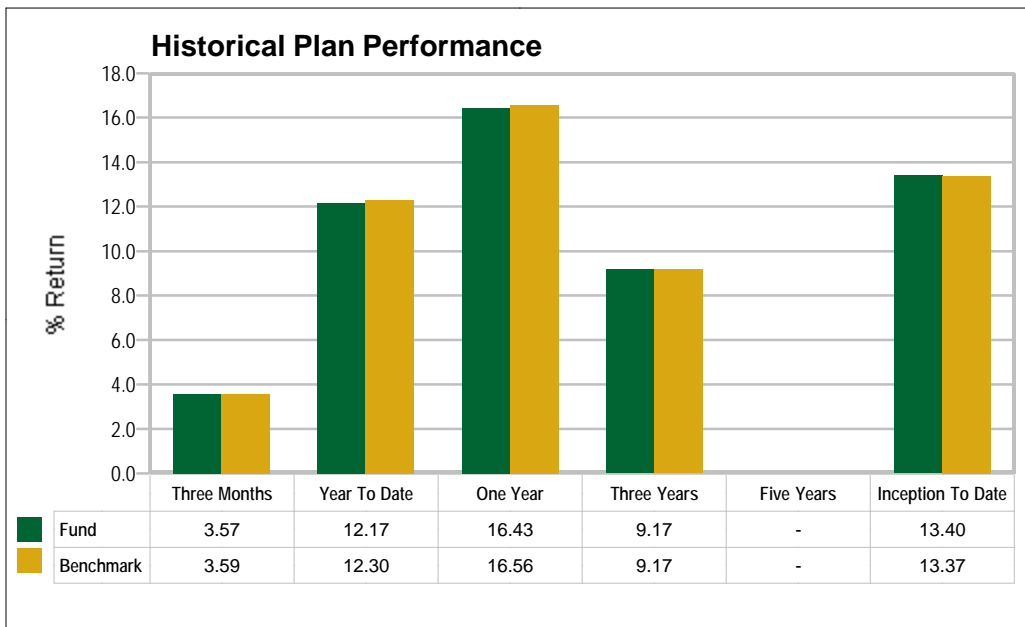


Three Years Rolling Relative Returns



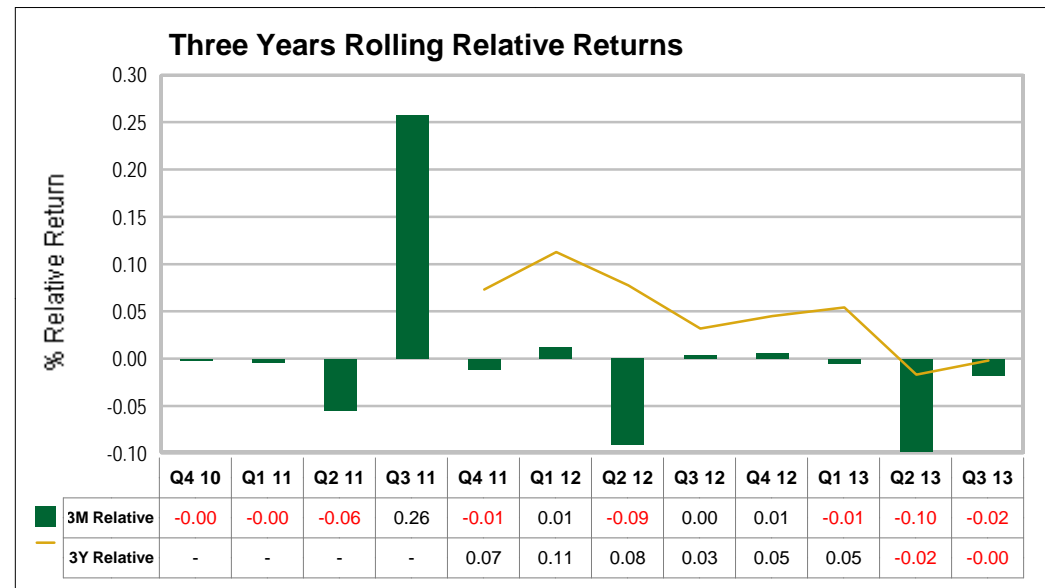
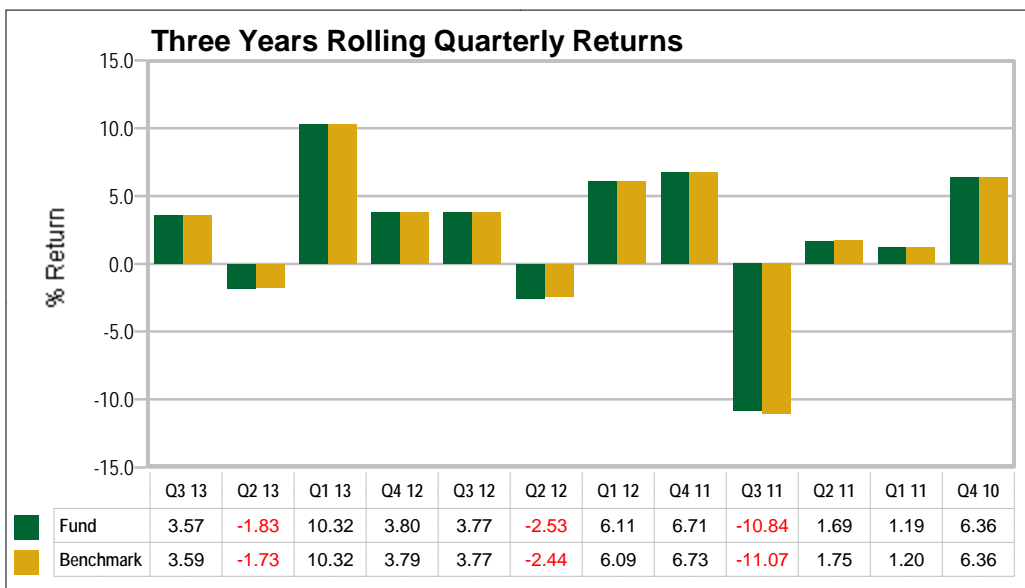


SSGA



Risk Statistics - 3 years

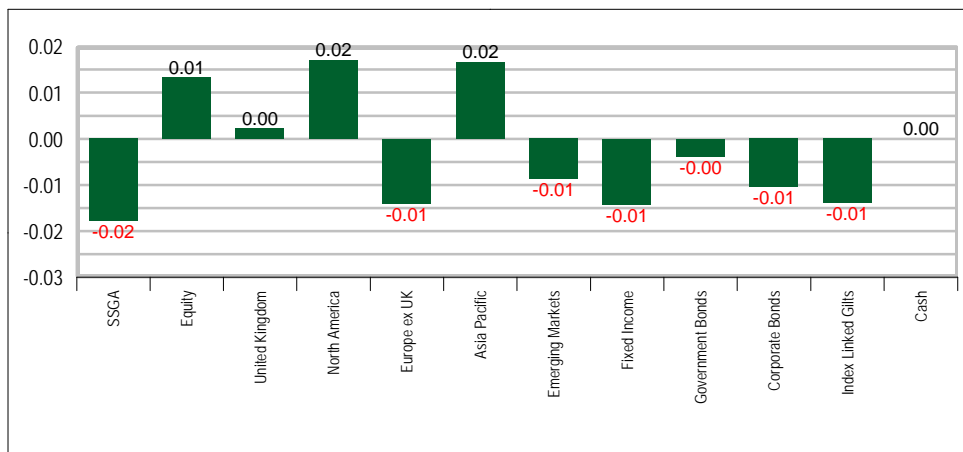
	Fund	B'mark
Performance Return	9.17	9.17
Standard Deviation	9.43	9.50
Relative Return	-0.00	
Tracking Error	0.16	
Information Ratio	-0.01	
Beta	0.99	
Alpha	0.05	
R Squared	1.00	
Sharpe Ratio	0.86	0.85
Percentage of Total Fund	19.8	
Inception Date	Nov-2008	
Opening Market Value (£000)	133,588	
Net Investment (£000)	0	
Income Received (£000)	0	
Appreciation (£000)	4,767	
Closing Market Value (£000)	138,355	





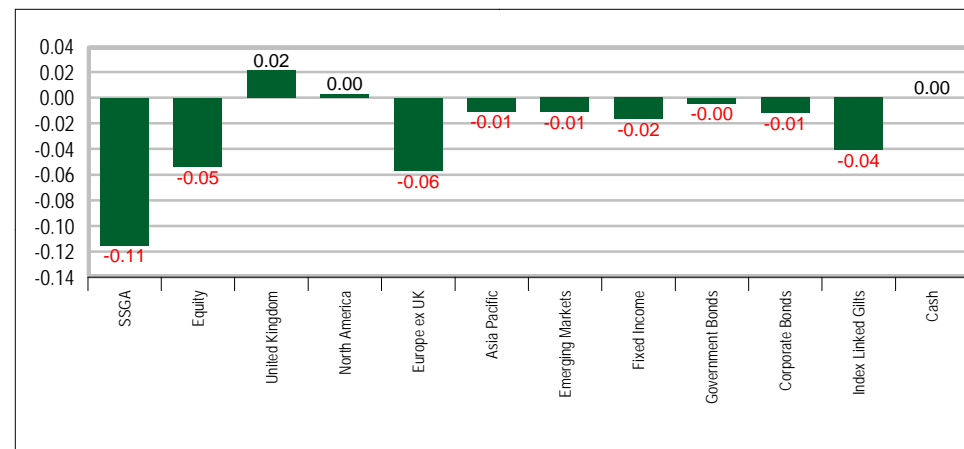
SSGA

Relative Contribution - Three Months



	Return	Benchmark	Relative Return	Hedging Effect	Passive Currency	Asset Allocation	Stock Selection	Relative contribution
SSGA	3.57	3.59	-0.02	0.00	0.70	-0.06	-0.65	-0.02
Equity	4.14	-	4.14	0.00	0.17	-0.05	-0.11	0.01
United Kingdom	5.59	5.58	0.00	0.00	0.02	-0.02	0.00	0.00
North America	-0.82	-0.79	-0.03	0.00	-0.00	-0.00	0.02	0.02
Europe ex UK	7.22	7.27	-0.05	0.00	-0.02	-0.00	0.01	-0.01
Asia Pacific	2.10	1.92	0.17	0.00	-0.06	-0.02	0.09	0.02
Emerging Markets	-2.34	-2.19	-0.15	0.00	0.22	-0.01	-0.23	-0.01
Fixed Income	1.93	-	1.93	0.00	0.52	0.00	-0.53	-0.01
Government Bonds	0.47	0.47	-0.00	0.00	-0.01	-0.01	0.01	-0.00
Corporate Bonds	2.19	2.16	0.03	0.00	0.53	0.01	-0.55	-0.01
Index Linked Gilts	0.62	0.59	0.02	0.00	0.01	-0.02	-0.00	-0.01
Cash	-	-	0.00	0.00	0.00	0.00	0.00	0.00

Relative Contribution - One Year

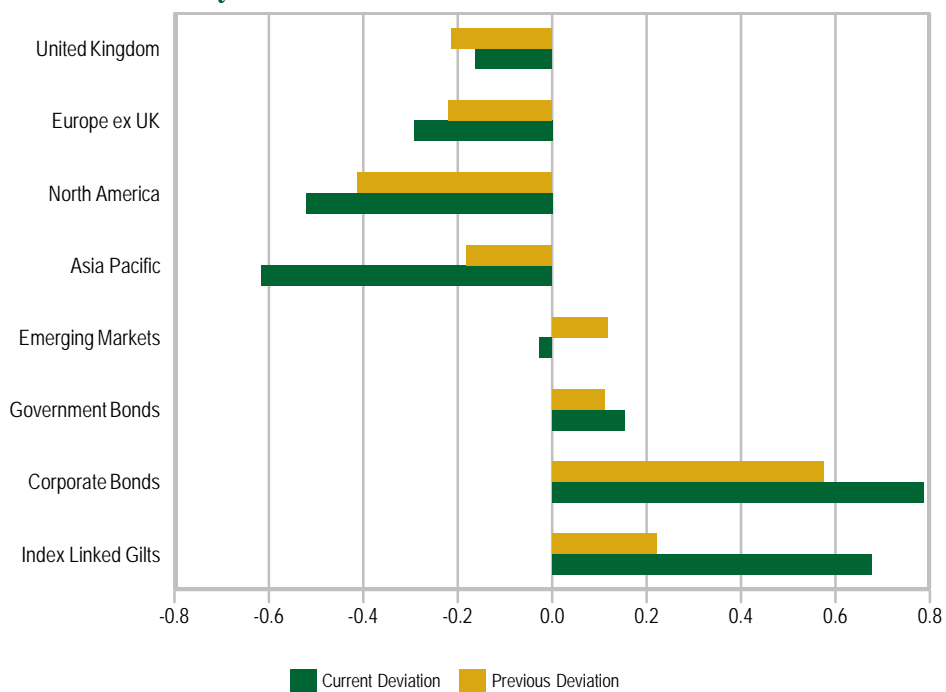


	Return	Benchmark	Relative Return	Hedging Effect	Passive Currency	Asset Allocation	Stock Selection	Relative contribution
SSGA	16.43	16.56	-0.11	0.00	-0.79	-0.16	0.85	-0.11
Equity	19.70	-	19.70	0.00	-0.84	-0.11	0.90	-0.05
United Kingdom	19.00	18.93	0.06	0.00	0.02	-0.03	0.03	0.02
North America	18.37	18.43	-0.06	0.00	0.05	-0.00	-0.04	0.00
Europe ex UK	28.79	29.11	-0.25	0.00	0.06	-0.01	-0.10	-0.06
Asia Pacific	20.20	20.12	0.07	0.00	-1.17	-0.06	1.23	-0.01
Emerging Markets	-0.07	0.19	-0.26	0.00	0.20	-0.01	-0.20	-0.01
Fixed Income	2.04	-	2.04	0.00	0.03	0.00	-0.05	-0.02
Government Bonds	-2.94	-3.02	0.08	0.00	-0.01	-0.01	0.01	-0.00
Corporate Bonds	2.94	2.83	0.11	0.00	0.04	0.01	-0.06	-0.01
Index Linked Gilts	5.79	5.77	0.02	0.00	0.01	-0.05	-0.00	-0.04
Cash	-	-	0.00	0.00	0.00	0.00	0.00	0.00



SSGA

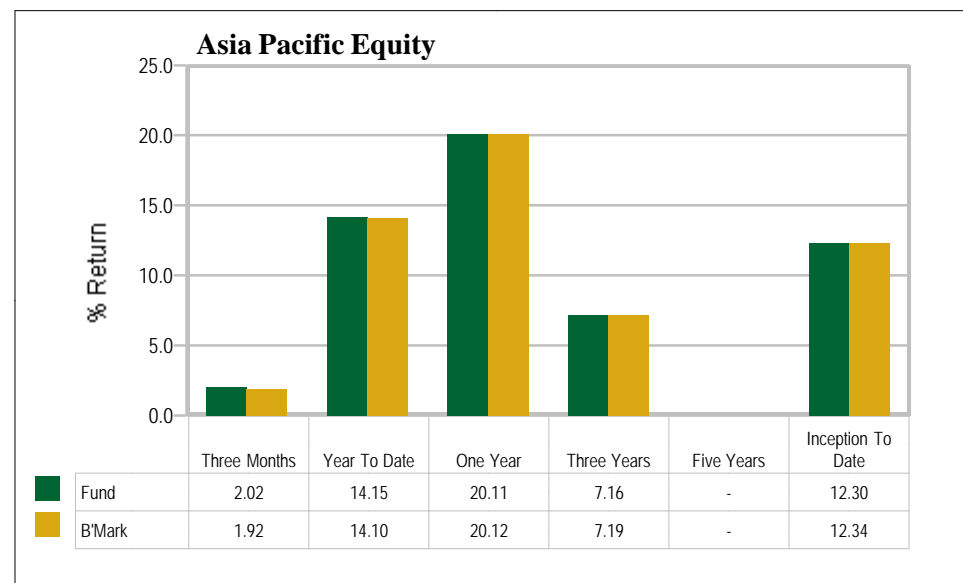
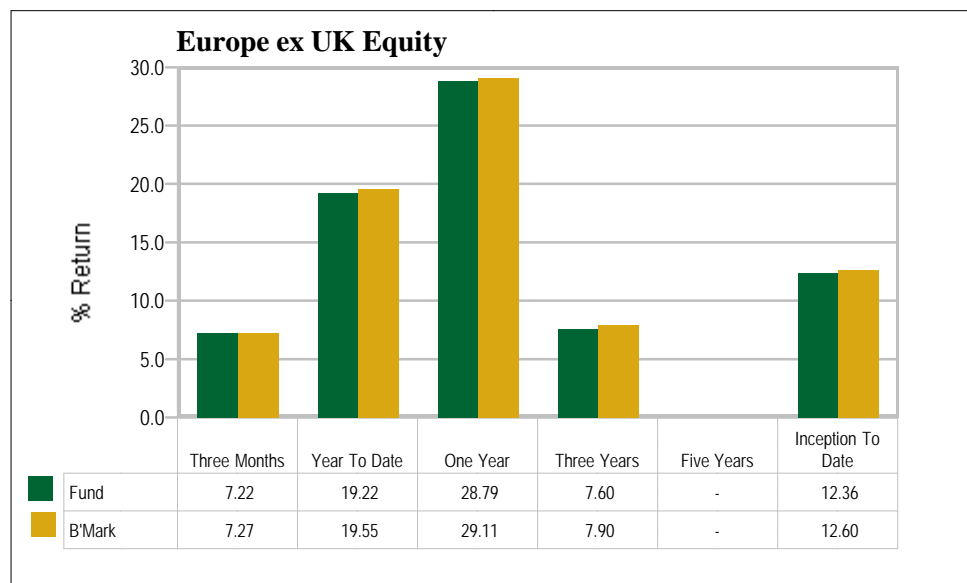
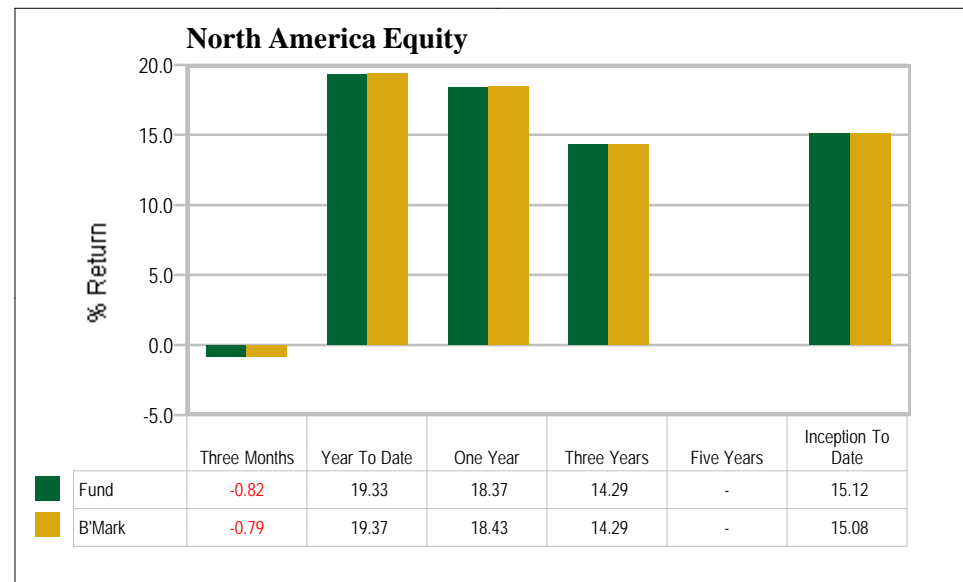
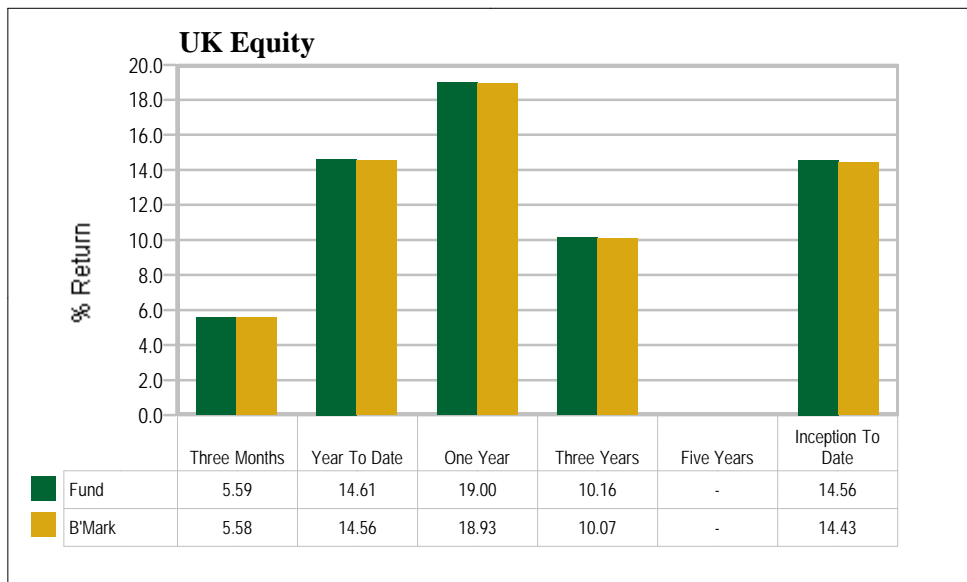
By Sector



	Current Quarter	Previous Quarter	Current Benchmark	Current Deviation	Previous Benchmark	Previous Deviation
United Kingdom	43.92	43.87	44.08	-0.16	44.08	-0.21
Europe ex UK	10.96	11.03	11.25	-0.29	11.25	-0.22
North America	10.92	11.03	11.44	-0.52	11.44	-0.41
Asia Pacific	10.87	11.31	11.49	-0.62	11.49	-0.18
Emerging Markets	2.95	3.10	2.98	-0.03	2.98	0.12
Government Bonds	1.52	1.48	1.37	0.15	1.37	0.11
Corporate Bonds	8.63	8.41	7.84	0.79	7.84	0.57
Index Linked Gilts	10.23	9.77	9.55	0.68	9.55	0.22

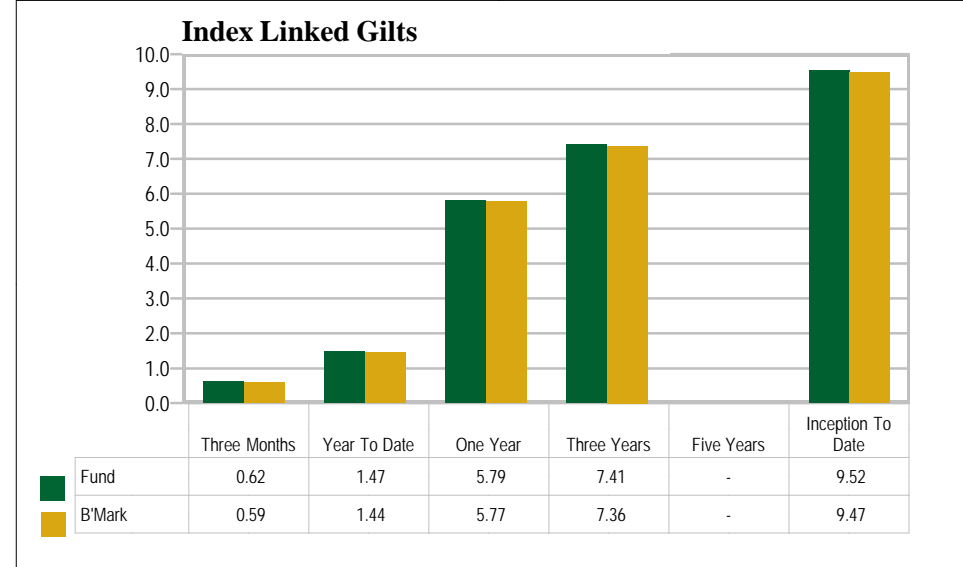
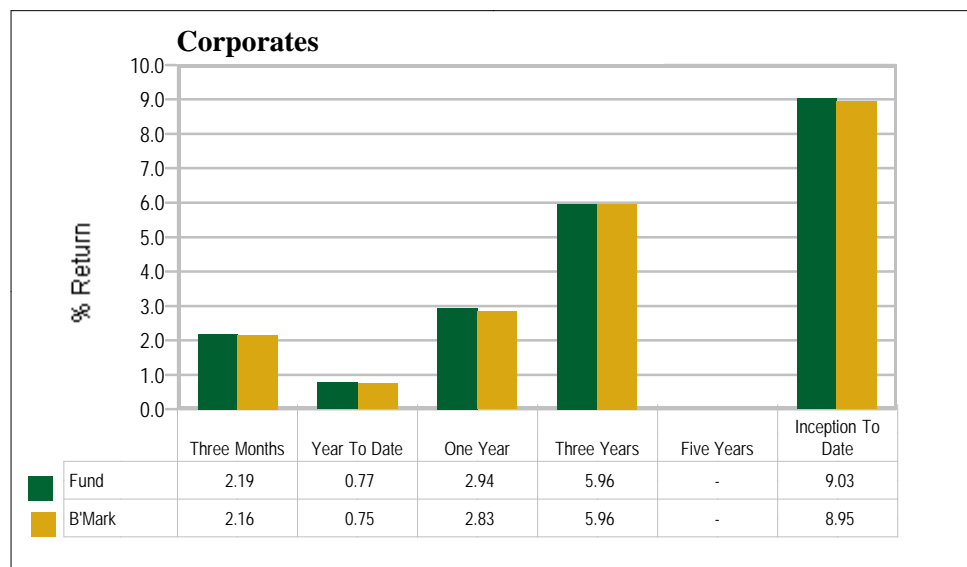
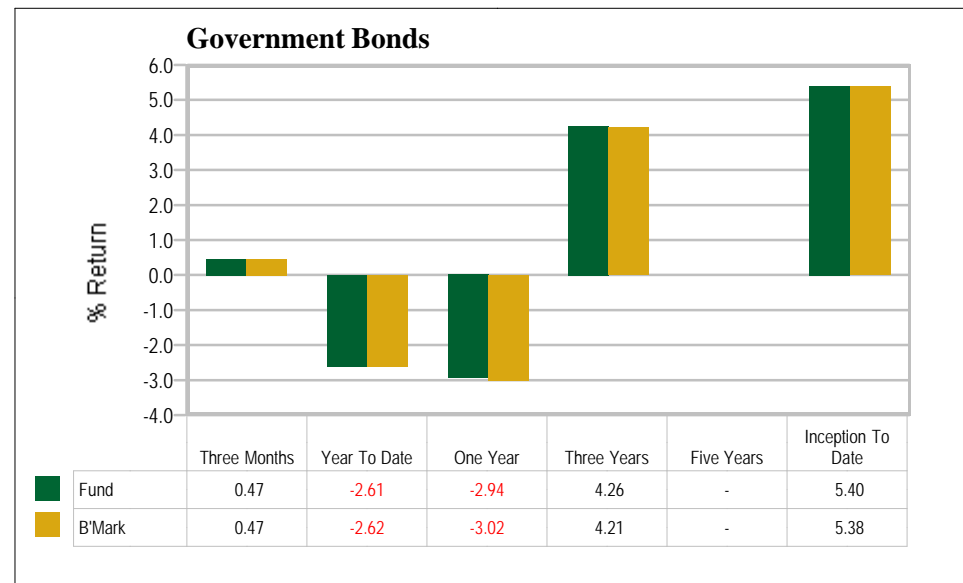
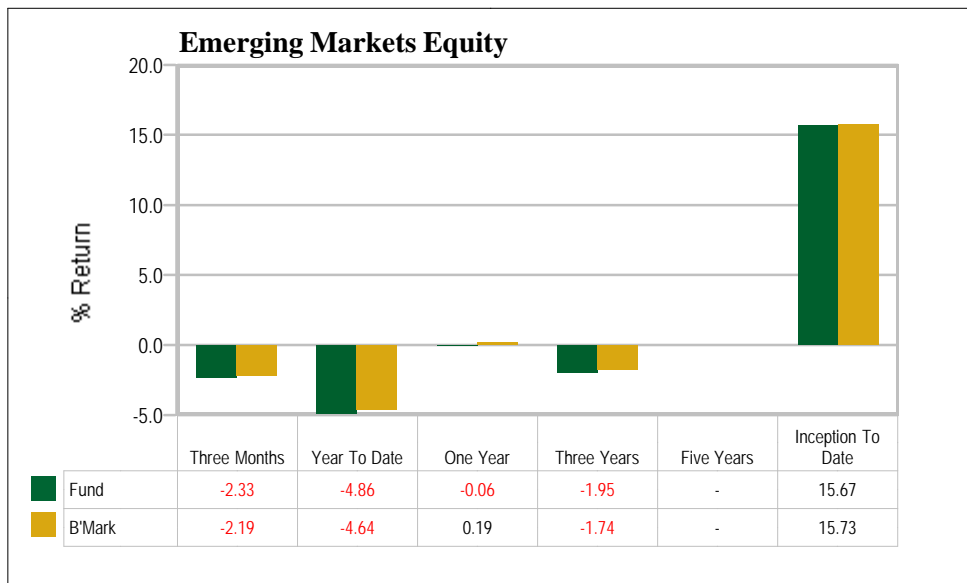


SSGA





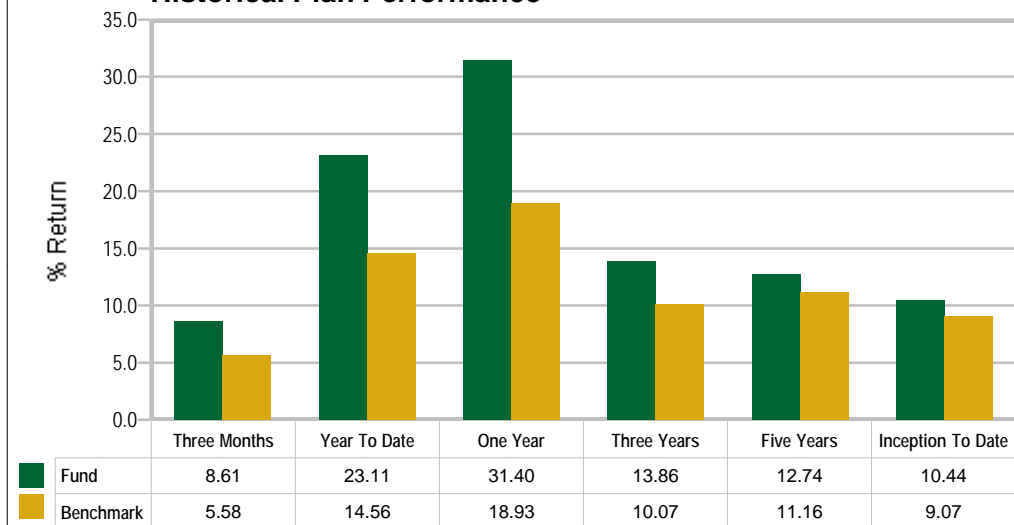
SSGA





UBS

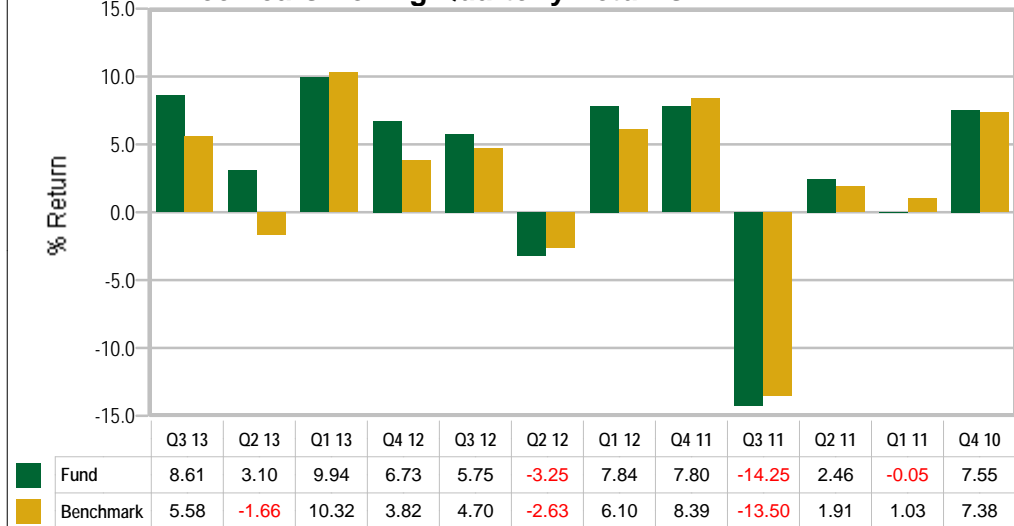
Historical Plan Performance



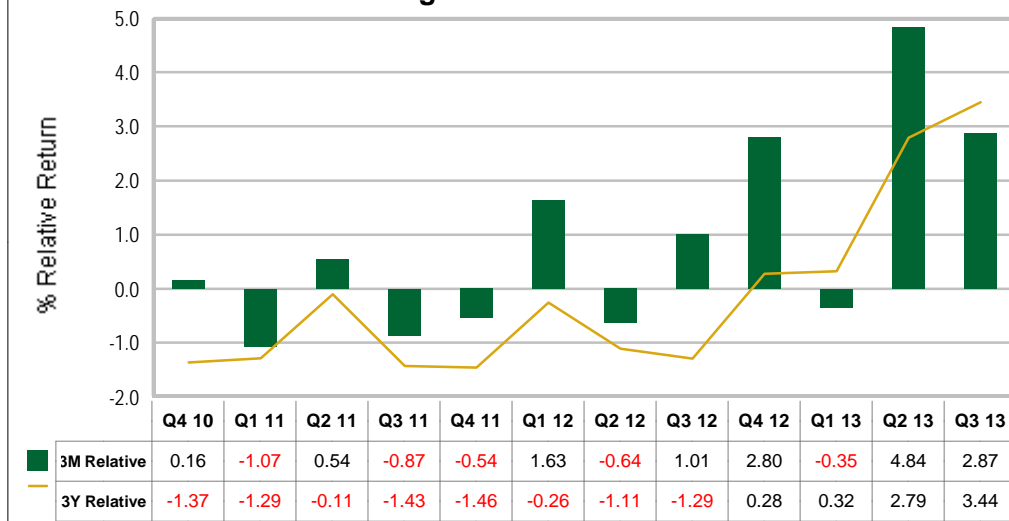
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	13.86	10.07
Standard Deviation	13.30	12.06
Relative Return	3.44	
Tracking Error	3.50	
Information Ratio	1.08	
Beta	1.07	
Alpha	2.99	
R Squared	0.93	
Sharpe Ratio	0.96	0.74
Percentage of Total Fund	19.5	
Inception Date	Dec-1988	
Opening Market Value (£000)	125,616	
Net Investment (£000)	0	
Income Received (£000)	941	
Appreciation (£000)	9,879	
Closing Market Value (£000)	136,435	

Three Years Rolling Quarterly Returns



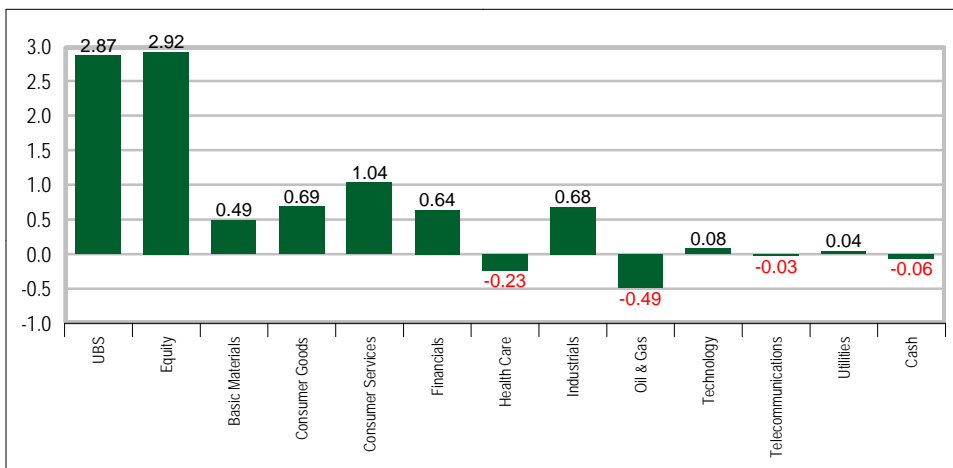
Three Years Rolling Relative Returns





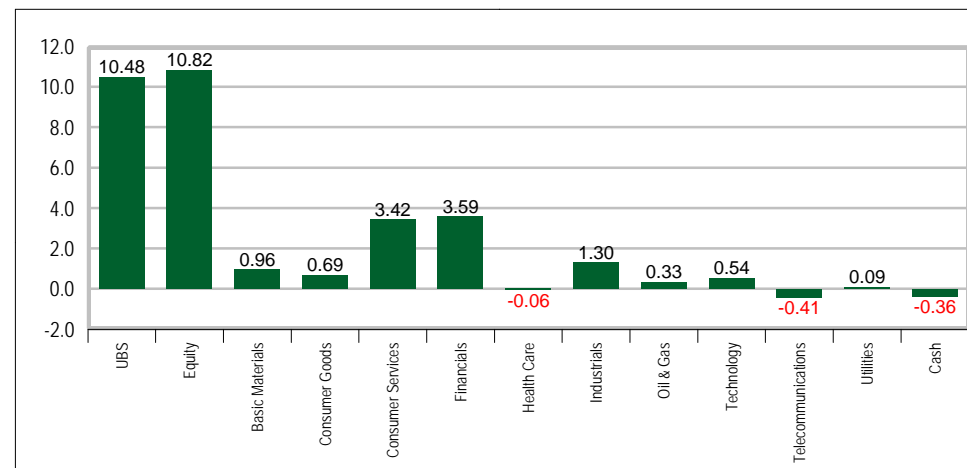
UBS

Relative Contribution - Three Months



	Return	Benchmark	Relative Return	Asset Allocation	Stock Selection	Relative contribution
UBS	8.61	5.58	2.87	0.78	2.06	2.87
Equity	8.76	5.58	3.01	0.85	2.06	2.92
Basic Materials	19.11	15.52	3.10	0.17	0.32	0.49
Consumer Goods	12.39	1.14	11.12	0.55	0.14	0.69
Consumer Services	13.31	9.45	3.52	0.34	0.69	1.04
Financials	8.32	5.19	2.98	0.03	0.61	0.64
Health Care	-3.00	0.89	-3.85	0.03	-0.26	-0.23
Industrials	15.68	9.16	5.97	0.03	0.65	0.68
Oil & Gas	-2.13	-0.29	-1.84	-0.16	-0.33	-0.49
Technology	20.52	11.85	7.75	-0.01	0.09	0.08
Telecommunications	16.41	14.10	2.02	-0.13	0.10	-0.03
Utilities	2.64	1.68	0.95	0.01	0.02	0.04
Cash	0.31	-	0.31	-0.06	0.00	-0.06

Relative Contribution - One Year

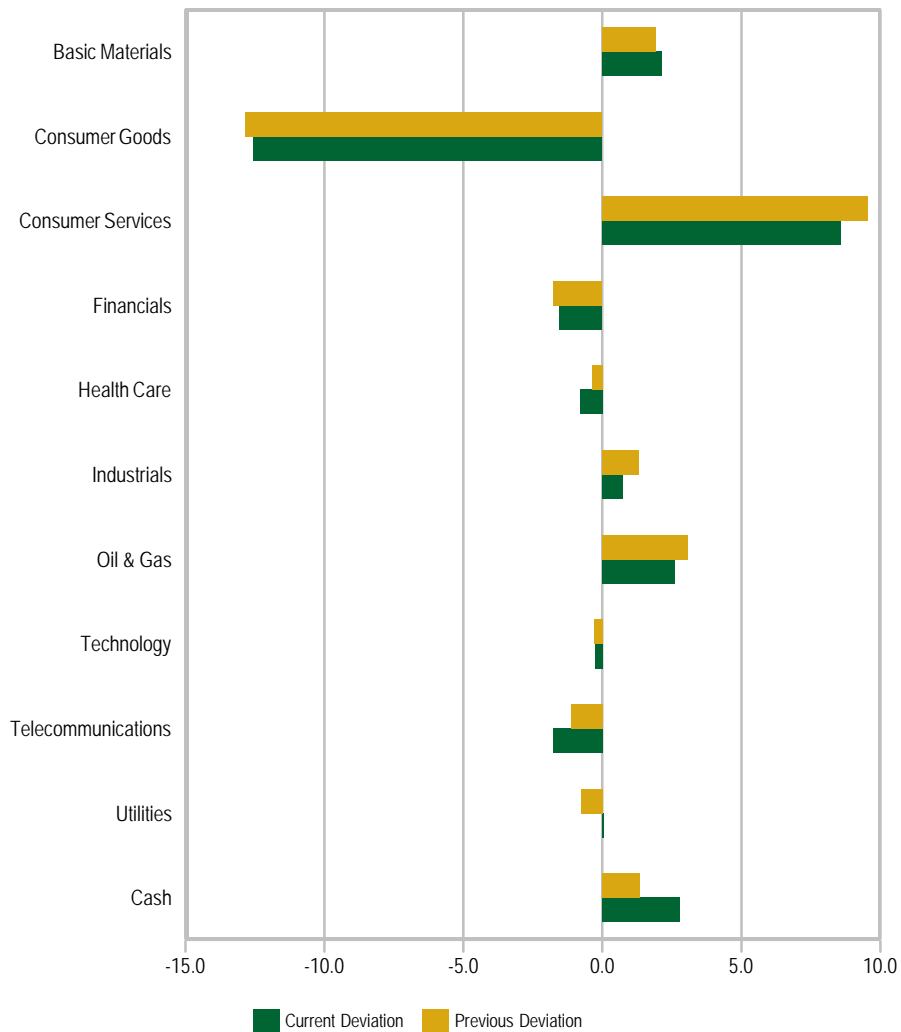


	Return	Benchmark	Relative Return	Asset Allocation	Stock Selection	Relative contribution
UBS	31.40	18.93	10.48	0.34	10.04	10.48
Equity	32.08	18.93	11.05	0.71	10.04	10.82
Basic Materials	3.23	-3.51	6.99	0.29	0.67	0.96
Consumer Goods	75.09	18.72	47.48	0.08	0.61	0.69
Consumer Services	51.35	35.22	11.93	1.19	2.21	3.42
Financials	55.66	29.64	20.07	-0.28	3.88	3.59
Health Care	14.80	17.02	-1.89	0.03	-0.10	-0.06
Industrials	44.60	30.63	10.70	0.15	1.15	1.30
Oil & Gas	3.54	-0.51	4.07	-0.42	0.76	0.33
Technology	126.71	37.60	64.76	-0.07	0.60	0.54
Telecommunications	31.72	33.71	-1.49	-0.28	-0.13	-0.41
Utilities	15.85	13.27	2.28	0.02	0.06	0.09
Cash	0.57	-	0.57	-0.36	0.00	-0.36



UBS

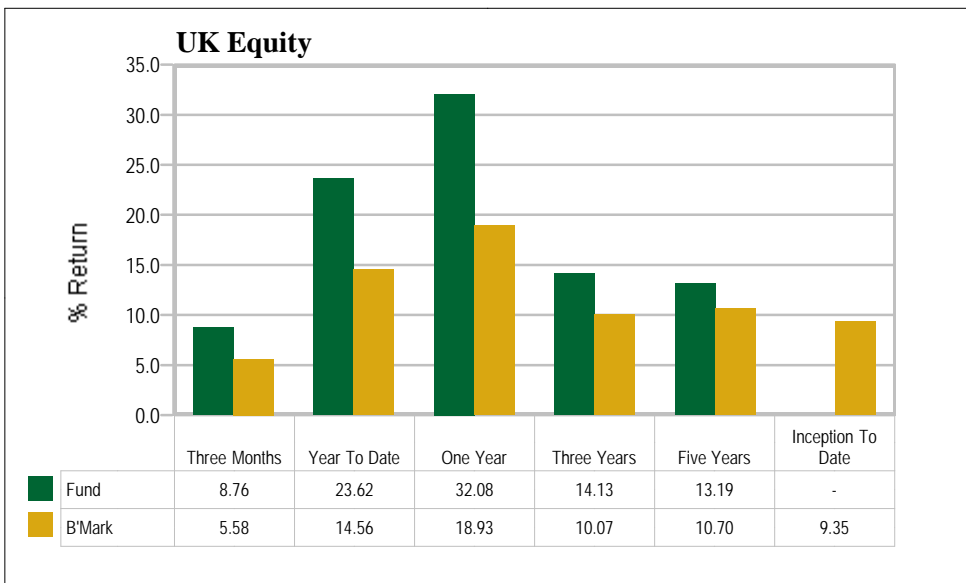
By Sector



	Current Quarter	Previous Quarter	Current Benchmark	Current Deviation	Previous Benchmark	Previous Deviation
Basic Materials	10.34	9.38	8.19	2.15	7.46	1.91
Consumer Goods	1.06	1.39	13.61	-12.54	14.22	-12.83
Consumer Services	19.22	19.77	10.64	8.57	10.23	9.53
Financials	22.49	21.92	24.02	-1.54	23.67	-1.75
Health Care	6.34	7.20	7.15	-0.81	7.58	-0.38
Industrials	10.74	11.02	10.02	0.72	9.72	1.30
Oil & Gas	16.76	18.33	14.15	2.61	15.28	3.06
Technology	1.32	1.20	1.59	-0.26	1.51	-0.31
Telecommunications	5.14	5.32	6.92	-1.78	6.45	-1.13
Utilities	3.78	3.11	3.71	0.07	3.88	-0.77
Cash	2.78	1.33		2.78		1.33

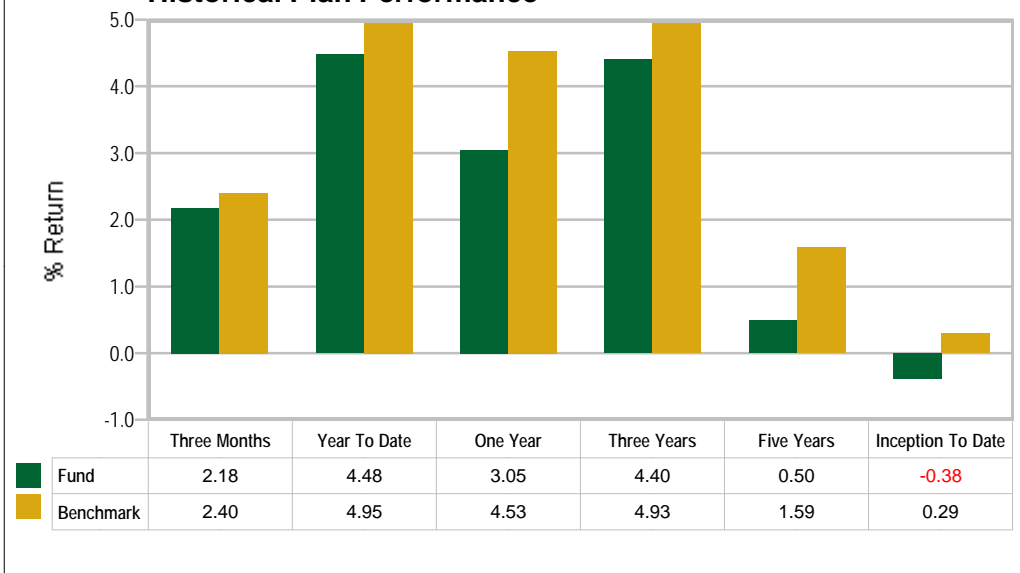


UBS





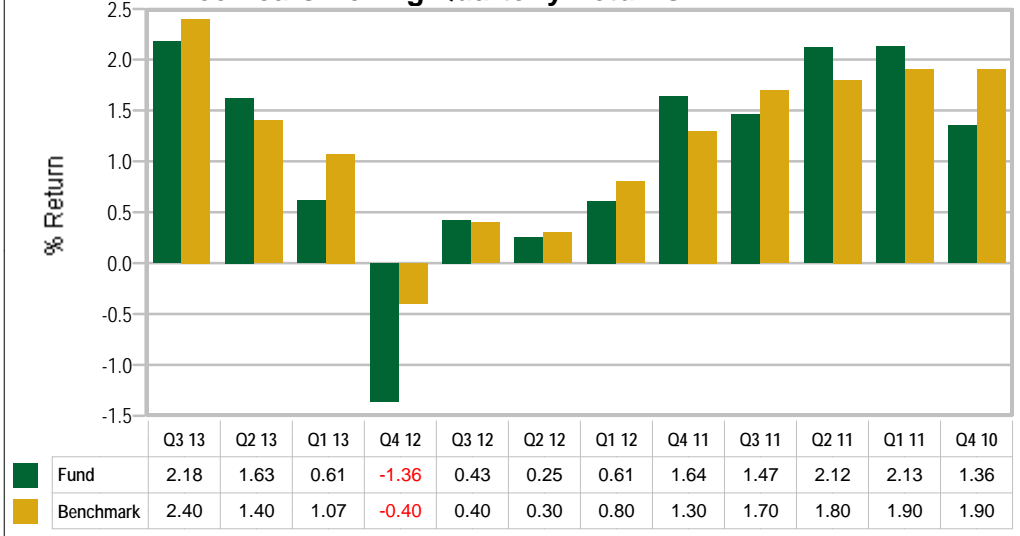
Historical Plan Performance



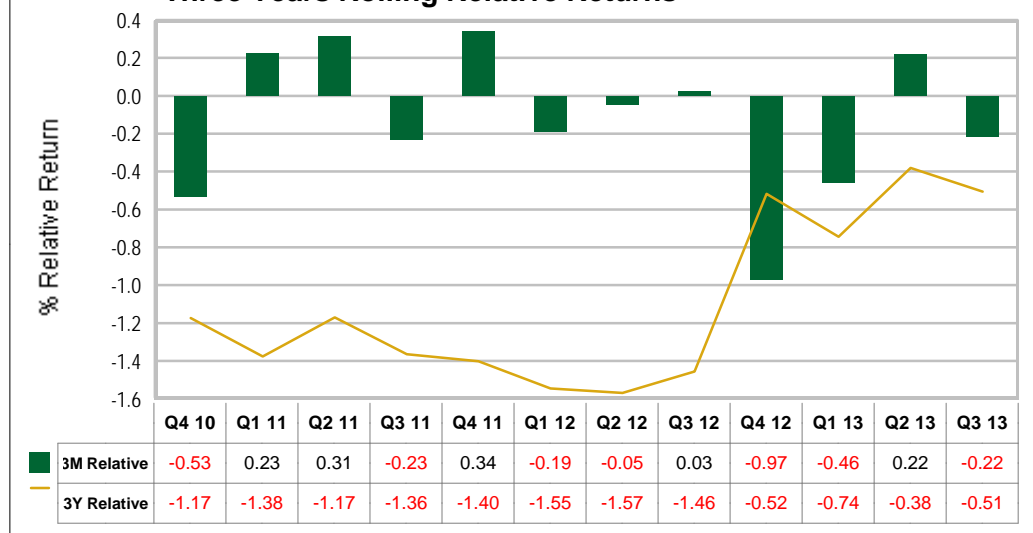
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	4.40	4.93
Standard Deviation	2.02	1.03
Relative Return	-0.51	
Tracking Error	1.52	
Information Ratio	-0.35	
Beta	1.29	
Alpha	-1.56	
R Squared	0.46	
Sharpe Ratio	1.64	3.74
Percentage of Total Fund	7.3	
Inception Date	Mar-2006	
Opening Market Value (£000)	50,051	
Net Investment £(000)	0	
Income Received £(000)	530	
Appreciation £(000)	560	
Closing Market Value (£000)	51,141	

Three Years Rolling Quarterly Returns

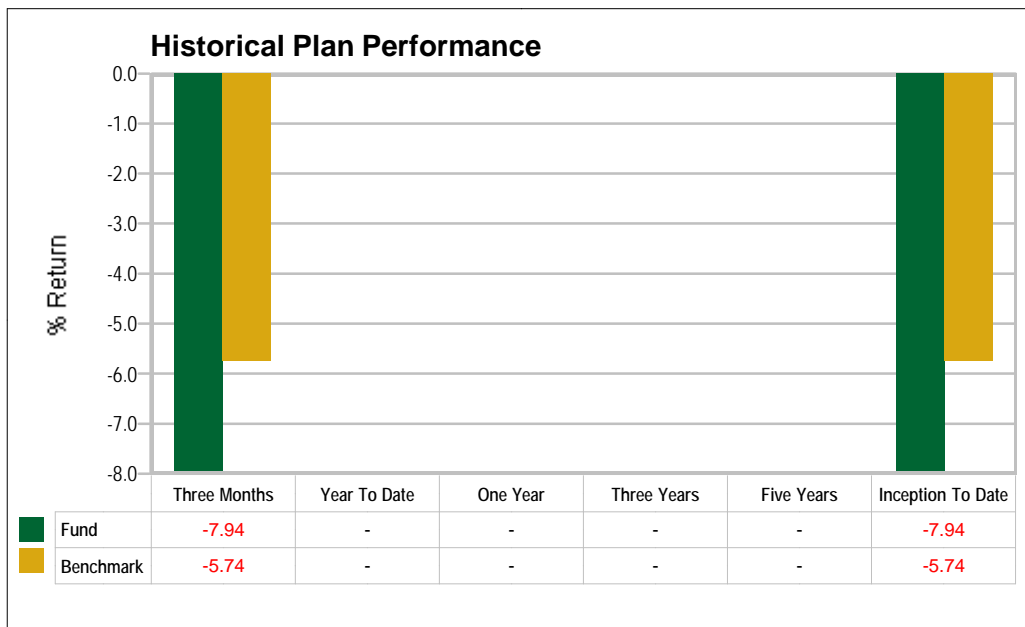


Three Years Rolling Relative Returns

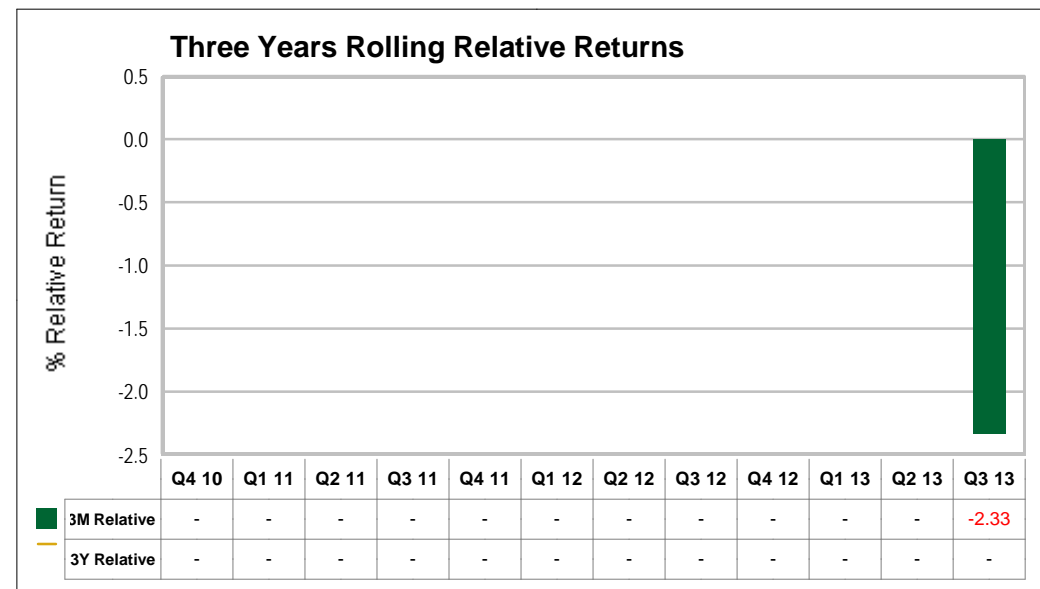
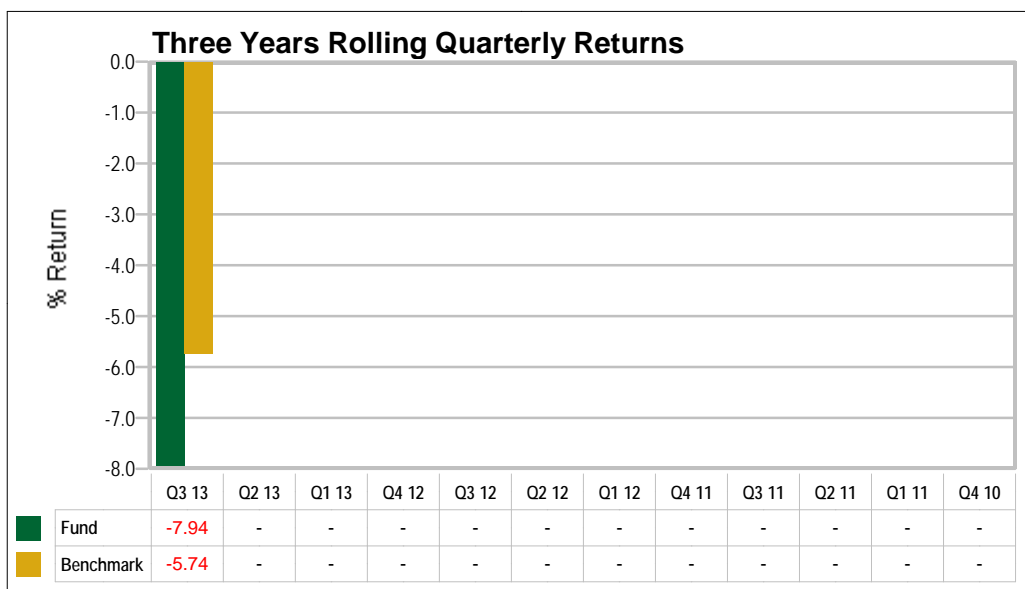




UBS Tactical

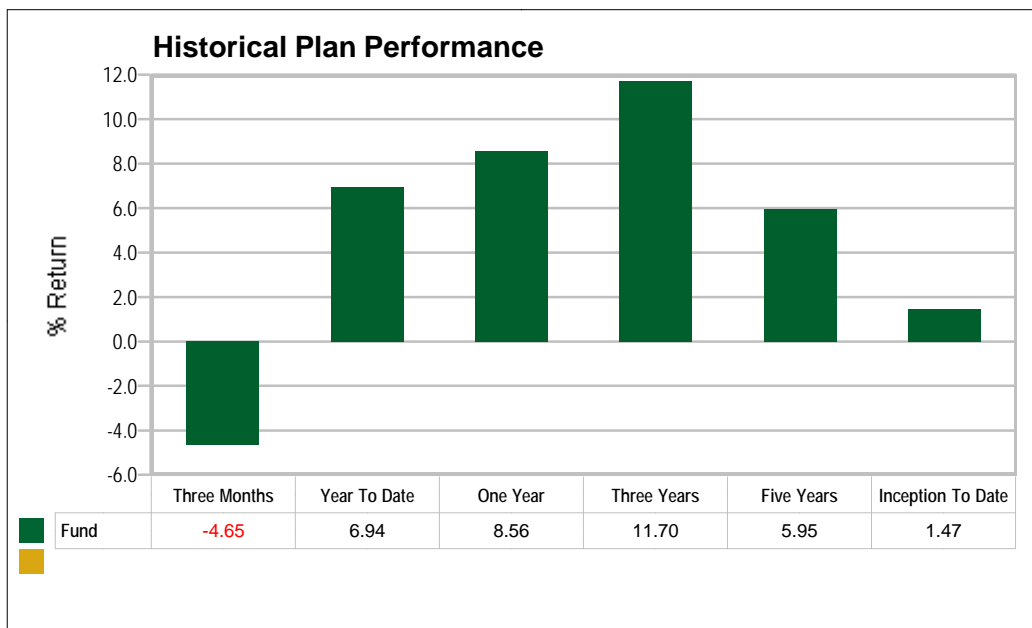


Risk Statistics - 3 years	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	1.9	
Inception Date	Jun-2013	
Opening Market Value (£000)	84	
Net Investment (£000)	14,002	
Income Received (£000)	27	
Appreciation (£000)	-1,148	
Closing Market Value (£000)	12,966	

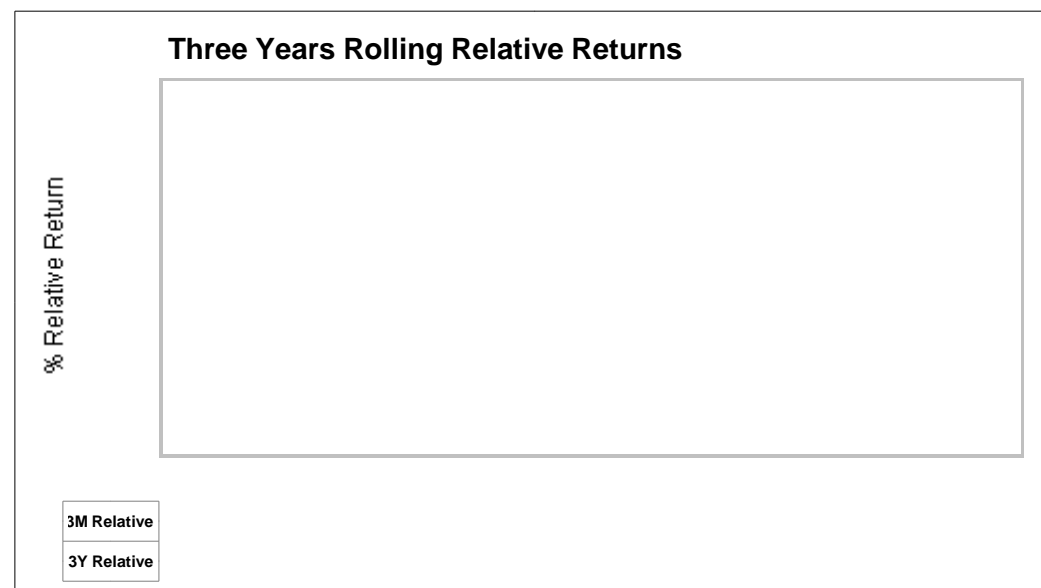
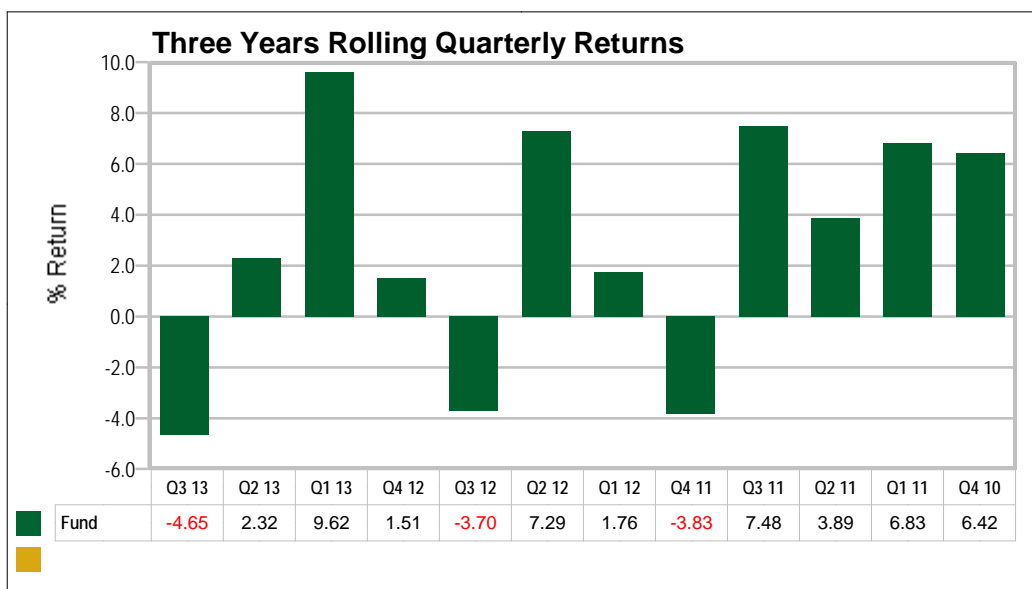




Adam Street



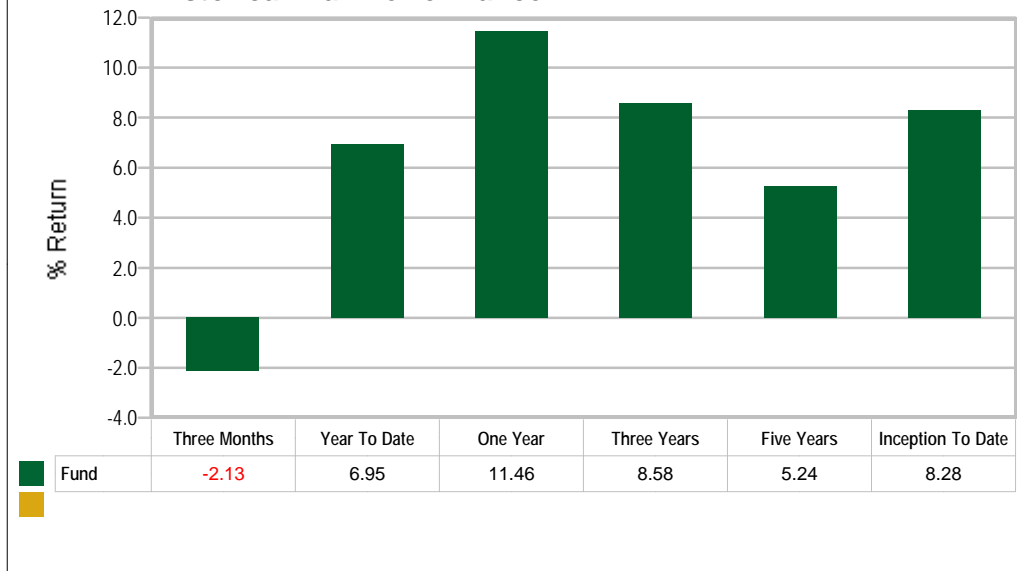
Risk Statistics - 3 years	Fund	B'mark
Performance Return	11.70	
Standard Deviation	11.47	
Relative Return	1.55	
Tracking Error	11.47	
Information Ratio	0.15	
Beta	-1.94	
Alpha	30.74	
R Squared	0.00	
Sharpe Ratio	0.93	
Percentage of Total Fund	3.0	
Inception Date	Jan-2005	
Opening Market Value (£000)	22,508	
Net Investment £(000)	-677	
Income Received £(000)	0	
Appreciation £(000)	-1,026	
Closing Market Value (£000)	20,805	





LGT

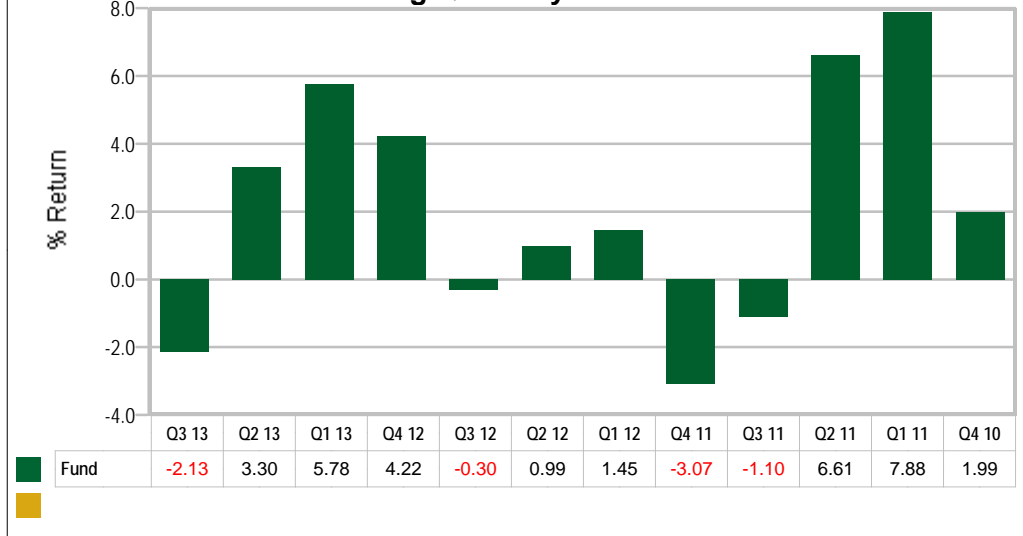
Historical Plan Performance



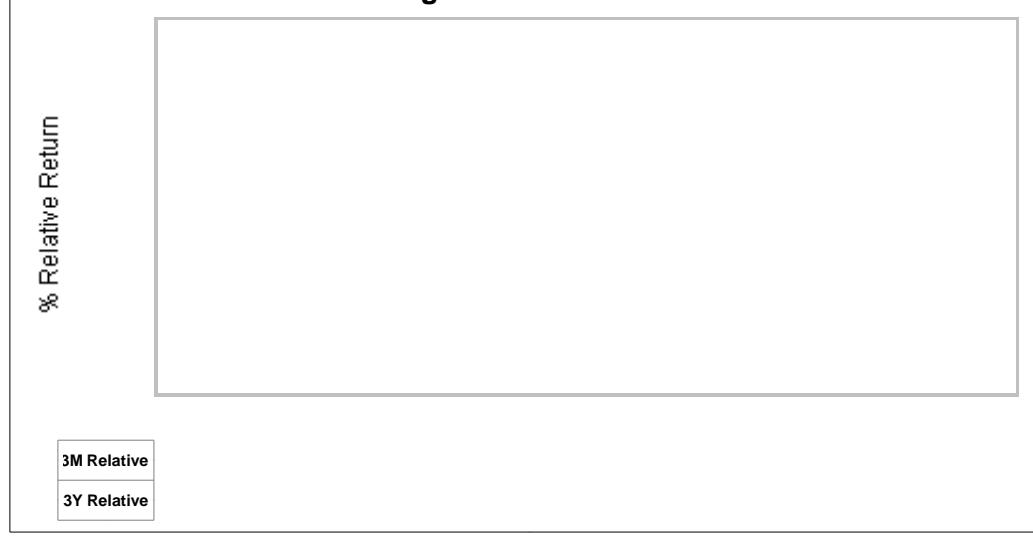
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	8.58	
Standard Deviation	7.88	
Relative Return	-1.11	
Tracking Error	10.71	
Information Ratio	-0.11	
Beta	0.29	
Alpha	5.03	
R Squared	0.16	
Sharpe Ratio	0.95	
Percentage of Total Fund	2.3	
Inception Date	May-2004	
Opening Market Value (£000)	17,248	
Net Investment (£000)	-583	
Income Received (£000)	0	
Appreciation (£000)	-352	
Closing Market Value (£000)	16,313	

Three Years Rolling Quarterly Returns



Three Years Rolling Relative Returns





Total Plan Benchmark

- 26.8 FTSE All Share
- 2.2 FTSE AW North America
- 2.2 FTSE AW Developed Europe ex UK
- 2.2 FTSE AW Developed Asia Pacific
- 0.6 FTSE All World All Emerging
- 2.3 FTSE Index Linked Gilts
- 4.7 BC Sterling Aggregate 100mm Non Gilts
- 7.2 IPD UK PPFi All Balanced Funds Index
- 3.4 FTSE World Index +2%
- 6.0 MSCI All Countries World Index
- 24.6 LIBOR 3 Month + 3%
- 1.9 FT 7 Day LIBID
- 9.0 LIBOR 3 Month + 4%
- 6.9 MSCI World Index +2%

Barings

- 100.0 LIBOR 3 Month + 4%

JP Morgan

- 100.0 LIBOR 3 Month + 3%

Kempen

- 100.0 MSCI All World Index +2%

Macquarie

- 100.0 LIBOR 3 Month + 3%

M&G Investments

- 100.0 LIBOR 3 Month + 4%

Newton

- 100.0 FTSE World Index +2%

Ruffer

- 100.0 3 Month Sterling LIBOR

SSGA

- 44.0 FTSE All Share
- 11.0 FTSE World North America
- 11.0 FTSE World Europe ex UK
- 11.0 FTSE Pacific Basin ex Japan
- 3.0 FTSE All World All Emerging
- 1.5 FTSE Gilts All Stocks
- 10.0 FTSE Index Linked Gilts
- 8.5 ML Sterling Non-Gilts

SSGA Drawdown

- 50.0 ML Sterling Non-Gilts
- 50.0 FT 7 Day LIBID

UBS

- 100.0 FTSE All Share

UBS Property

- 100.0 IPD UK PPFi All Balanced Funds Index

**Tracking Error**

$$\sigma_{ER} = \sqrt{\frac{\sum (ER_t - \overline{ER})^2}{T}} \quad \text{for } t=1 \text{ to } T$$

$$\text{Annualised tracking error} = \sigma_{ER} \times \sqrt{p}$$

Where **Equals**

ER Excess return (Portfolio Return minus Benchmark Return)

\overline{ER}
Return) Arithmetic average of excess returns (Portfolio Return minus Benchmark Return)

T Number of observations

p Periodicity (number of observations per year)

The tracking error measures the extent to which a portfolio tracks its benchmark. The higher the tracking error, the higher the variability of the portfolio returns around the benchmark. The tracking error will always be greater than zero, unless the portfolio is exactly tracking the benchmark.

Information Ratio

$$\text{Information Ratio} = \frac{\overline{ER}}{\sigma_{ER}}$$

$$\text{Annualised Information Ratio} = \text{Information Ratio} \times \sqrt{p}$$

Where **Equals**

\overline{ER}
Return) Arithmetic average of excess returns (Portfolio Return minus Benchmark Return)

T Number of observations

p Periodicity (number of observations per year)

The information ratio is a measure of risk adjusted return. The higher the information ratio, the higher the risk adjusted return.

Alpha

$$\alpha = \frac{\sum R_{yi}}{n} - \beta \frac{\sum R_{xi}}{n}$$

Where **Equals**

R_{xi}
Proxy return) Market / Benchmark excess return (Benchmark return minus Risk Free Proxy return)

R_{yi} Portfolio excess return (Portfolio return minus Risk Free Proxy return)

β Beta – measure of the sensitivity of a portfolio's rate of return against those of the market

n Number of observations

The alpha is the value added to the portfolio by the manager – the higher the alpha, the better the manager has done in achieving excess returns.

Beta

$$\beta = \frac{n \sum R_{xi} R_{yi} - \sum R_{xi} \sum R_{yi}}{n \sum (R_{xi})^2 - (\sum R_{xi})^2}$$

Where **Equals**

R_{xi}
Proxy return) Market / Benchmark excess return (Benchmark return minus Risk Free Proxy return)

R_{yi} Portfolio excess return (Portfolio return minus Risk Free Proxy return)

β Beta – measure of the sensitivity of a portfolio's rate of return against those of the market

n Number of observations

The portfolio's beta is calculated by comparing the portfolio's volatility to the benchmark's volatility over time. The more sensitive a portfolio's returns are to movements in the benchmark, the higher the portfolio's beta will be. A beta greater than one implies the portfolio is more volatile than the benchmark, whilst a beta less than one implies the portfolio is less volatile than the benchmark.

**R-Squared**

$$r^2 = \frac{(n \sum R_{xi} R_{yi} - \sum R_{xi} \sum R_{yi})}{[n \sum (R_{xi})^2 - (\sum R_{xi})^2][n \sum (R_{yi})^2 - (\sum R_{yi})^2]}$$

Where **Equals**

R_{xi} Market / Benchmark excess return (Benchmark return minus Risk Free Proxy return)

R_{yi} Portfolio excess return (Portfolio return minus Risk Free Proxy return)

n Number of observations

The R^2 is the square of the correlation co-efficient between the portfolio return and the benchmark return in the above equation and is a measure of the fund's sensitivity to the benchmark, i.e. the percentage of the portfolio's movement that can be explained by movement in the benchmark. The R^2 statistic ranges from 0 to 1 (or 0 to 100%) with a score of 1 indicating that all the portfolio's movement can be explained by the benchmark.

Sharpe Ratio

$$\frac{(R_{ap} - R_{af})}{\sigma_{ap}}$$

Where **Equals**

R_{ap} Annualised (portfolio) rate of return

R_{af} Annualised risk-free rate of return

σ_{ap} Annualised portfolio standard deviation

The Sharpe ratio measures the excess return over the risk-free rate per unit of volatility. For a given return, the lower the volatility of the portfolio, the higher the Sharpe ratio.



Price/Earnings Ratio (P/E)

Security Level Calculation:

Current price/Trailing 12 months earning per share

Description:

The price/earnings ratio is a traditional indicator of how much an investor is paying for a company's earning power. Stocks have a p/e greater than the market are usually considered to be growth stocks.

5 Year Earnings Per Share Growth Rate

Security Level Calculation:

None

Description:

This is the percentage change in the annual earning per share growth rate over the last five years of all stock in the portfolio. This measure is usually viewed as agrowth factor. A stock must have been public for at least five years to have this characteristic.

Price to Book Ratio

Security Level Calculation:

Current price/Most recent book value per share

Description:

This is usually considered to be a measure of "value", with stocks having high price to book ratios considered to be undervalued.

Dividend Yield

Security Level Calculation:

Dividend for current fiscal year/Period end closing price

Description:

This measures the annual rate that dividends are being paid by a company, including any extra dividends. High dividend yields can also be an attribute of value stocks.

Debt to Capital

Security Level Calculation:

Long term liabilities, deferred taxes, tax credits, minority interest/Sum of debt, total common equity and total preferred stock

Description:

This measure indicates the amount of leverage (debt) being used. A large debt to capital ratio is usually indicative of a highly leveraged company. Stocks having a zero value are still included in the total portfolio calculation.

Price to Sales Ratio

Security Level Calculation:

Current price/Annual sales per share

Description:

This is used primarily by value managers to identify companies having low profit margins. Value managers use this as another indicator in finding undervalued stocks with the potential for improved profitability. This measure varies in informational value by industry, as different industries have different price to sales ratio expectations.

Return on Equity

Security Level Calculation:

Net profits after taxes/Book value

Description:

This relates a company's profitabaility to it's shareholders equity. A high ROE indicates that the portfolio is invested in companies that have been profitable. This measure is also impacted by financial leverage.



Coupon Rate

Description:

The stated interest rate of a bond. It is a money weighted average for the portfolio.

Years to Maturity

Description:

The average number of years to the maturity date of all bonds held in a portfolio. Often, managers will use the weighted average life for mortgages and mortgage backed securities since most mortgages are prepaid and never reach maturity.

Macaulay Duration

Description:

The mathematical estimate of a fixed income portfolio's sensitivity to a change in interest rates, computed as the weighted average time to receipt of the portfolio's cash flows. The Macaulay duration does not take the impact of embedded options into consideration and this usually results in a higher value than the effective duration.

Yield to Maturity

Description:

This is the rate of return that is expected if a fixed income security is held to maturity. It is essentially an internal rate of return that uses the current market value and all expected interest and principal cash flows.

Moody Quality Rating

Description:

This is a measure of the quality, safety and potential performance of a bond issue. Also indicates the creditworthiness of a security's issuer. Moody's evaluates the bond issues and assigns a code with Aaa as the highest and C as the lowest.



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