



1st Quarter, 2014

London Borough of Hillingdon

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Executive Report

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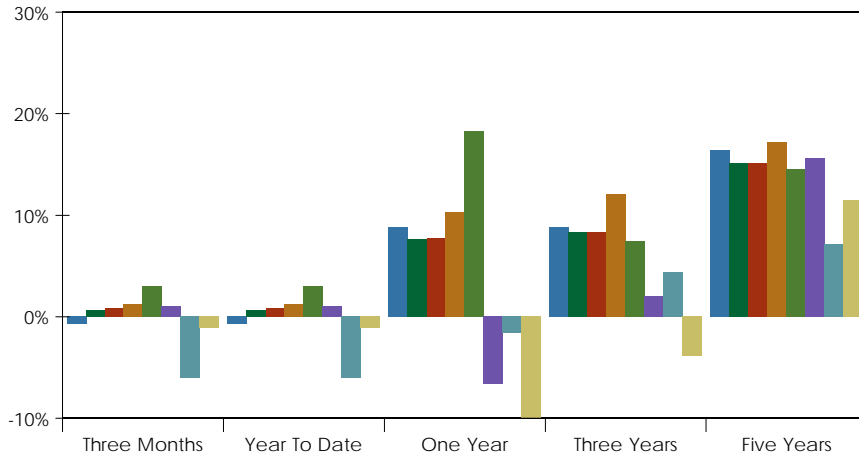
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Equity Index Performance (in GBP)

Performance History



Performance Returns%

| | Three Months | Year To Date | One Year | Three Years | Five Years |
|-------------------------------|--------------|--------------|----------|-------------|------------|
| ■ FTSE All Share | -0.6 | -0.6 | 8.8 | 8.8 | 16.4 |
| ■ FT: World | 0.7 | 0.7 | 7.6 | 8.3 | 15.1 |
| ■ FT: World ex UK | 0.9 | 0.9 | 7.7 | 8.3 | 15.1 |
| ■ FT: AWI North America | 1.2 | 1.2 | 10.3 | 12.0 | 17.2 |
| ■ FT: Developed Europe ex UK | 3.0 | 3.0 | 18.3 | 7.4 | 14.5 |
| ■ FT: Developed Asia Pac x Jp | 1.0 | 1.0 | -6.6 | 2.1 | 15.6 |
| ■ FT AW: Japan | -6.0 | -6.0 | -1.6 | 4.3 | 7.2 |
| ■ MSCI Emerging Markets GD | -1.0 | -1.0 | -9.9 | -3.8 | 11.4 |

The writing was already on the wall for Viktor Yanukovich when clandestine snipers and besieged police massacred 70 Ukrainians engaged in riotous protest just before he was voted out 22nd February. As the west rumbled threats over Russia's creeping invasion of Crimea the stock markets fell and the Rouble tumbled. Barack Obama told President Putin he had violated Ukraine's territorial integrity. Putin went ahead and annexed the peninsula following an overwhelming local vote in favour of joining Russia and Washington duly enforced sanctions against his inner circle; 16 officials and a bank. Given the protectionist policies Russia routinely employs it could be argued the US has little to lose. Half a dozen deals to fund large Russian companies found themselves in limbo while locally the choicest state assets and commercial businesses were carved up by the invaders. Those spoils will not recompense the estimated \$70bn of capital outflows expected to exit Russia in Q1, \$7bn more than in the whole of 2013. Companies with exposure to Russia and Ukraine saw big falls including Roman Abramovich's steelmaker Evraz and the brewer Carlsberg. Germany is Russia's second biggest trade partner; Siemens and VW are both large investors there. BP and Royal Dutch Shell also have large stakes in Russian national oil and gas producers. Globally, Utilities gained most value over the quarter after two weaker periods and Health Care was the second best performer. Telecoms and Consumer Services lost most. The price of crude oil futures ended the quarter down slightly at \$108 per barrel. The FTSE World was up by 0.7% (GBP) over quarter one 2014 and is ahead by 7.6% over the year (GBP).

Several of Tesco's largest investors have urged the grocer to hit back in a price war with Morrisons. Aerospace and car companies are leading the revival of British manufacturing through use of innovative technology. Car firms are planning to increase output, building on the 50% increase over the last four years. A Scottish vote in favour of independence could force RBS and Lloyds to relocate out of the new state in line with a law designed to make sure banks are regulated in the country where they have most of their operation. RBS posted a pre-tax loss of £8.2bn for 2013 compared with £5.2bn in 2012. Vodafone's extensive emerging markets operations are resulting in falling revenues as the pound appreciates against the fragile currencies of India, South Africa and Turkey. Continuing the line of new issues from last year, SSP, the food giant behind Upper Crust and Delice de France is set to come to market in a deal worth £2bn. Unemployment fell again to 7.2% in the three months to January. After a strong run, Telecoms and Technology lost most value over the quarter, followed by Financials. Health Care and Utilities made the biggest gains. The FTSE All Share was down -0.6% (GBP) over the first quarter but remains ahead over one year, now by 8.8% (GBP).

Italy posted its first positive quarterly GDP since 2011 with 0.1% for Q4, ending its longest post-war recession. The IMF announced a EUR14-18bn bail out for Ukraine which will have large implications for its struggling economy and people. The EU is introducing trade concessions on Ukrainian exports as the political chatters Moscow opposed tying Kiev to the EU look set to go ahead. Gazprom, the Russian energy company, threatened to cut off supplies to Ukraine if bills of \$2bn remain unpaid. French unemployment jumped to a new record of 3.3m in February and Greece hit a new record of 28% but the Spanish labour market showed its first annual rise since 2008. Q4 Eurozone GDP grew by 0.3%, up from 0.1% in Q3 as both France and Germany returned positive figures. The ECB is backing the return of securitisation for certain packages of loans, despite their connotations with the subprime fuelled crisis, as they could be important in revitalising credit flows. The FTSE Developed Europe ex UK index returned 3% (GBP) over quarter one and 18.3% (GBP) over the year.

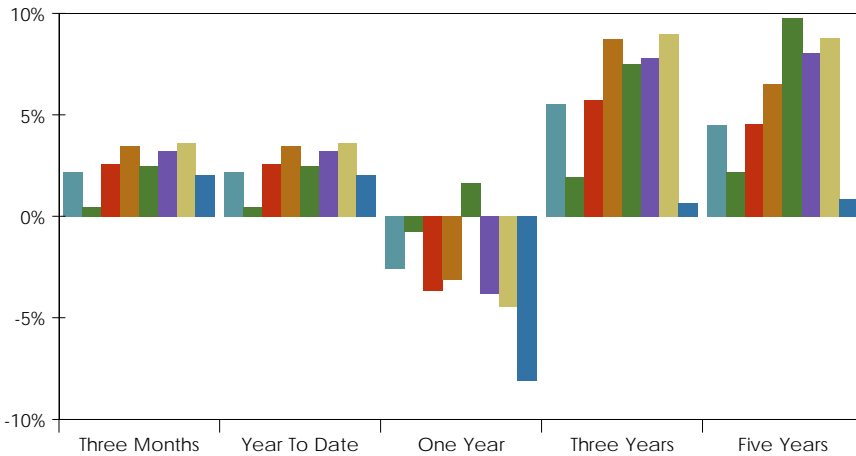
Sentiment around biotech stocks suggests fear that one of the best performing US sectors might have reached its peak. Chevron has underlined its aim for growth by outspending Exxon Mobil on exploration despite an 85% smaller market cap. Fed stress tests found BoA, Morgan Stanley and Goldman Sachs would suffer huge losses in a financial crisis and that their capital ratios would plummet to between 6 and 7%. Both JPMorgan and Citi issued profit warnings about a weak first quarter. New Fed chairwoman Janet Yellen spooked traders by suggesting interest rates could rise earlier than expected. Apple shares were hit after underselling its new iPhone by 4m units despite a record 51m sales. The Candy Crush mobile game developer King's Wall Street debut suffered a 15% drop at the end of its first day of trading. 4th quarter US GDP was 2.6% following the 4.1% final figure for Q3. Utilities rebounded to make the biggest gains over the quarter and Consumer Services lost the most. The FTSE North America index returned 1.2% (GBP) over the first quarter and 10.3% (GBP) for the year.

Japan's CPI continues upwards and the jobless rate is now its lowest in 6 years although GDP for Q4 disappointed with 0.3% following weak export growth. Global manufacturing firms like Toyota continue to benefit from the weak Yen which fell 20% last year. Headlines surrounding the missing flight MH370 overshadowed earlier news that China appeared to be training for a battle over the disputed Senkaku/Diayou Islands. Further to Apple's disappointing results Samsung also warned of weak earnings momentum. The FTSE Japan returned -6% (GBP) for quarter one and the FTSE Developed Asia Pacific ex Japan returned 1% (GBP). Large Chinese companies are positioning themselves for a weaker Renminbi for longer following prolonged currency intervention by the People's Bank of China. Chinese GDP came in at 7.7% for both Q4 and 2013, the lowest since 1999. Brazil's economy expanded 0.7% over Q4 allaying fears of recession. The Rupee continued upwards on positive sentiment that a strong government will come to power and following a rush of investment into equity markets. Gold was up from last quarter ending March at \$1,300 per ounce. China overtook India as the world's largest consumer of gold. The MSCI Emerging Markets index returned -1% (GBP) for the first quarter and -9.9% (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 | 2.1 | 2.1 | -2.6 | 5.5 | 4.5 |
| FTSE All Stock 0-5 Yr. Gilts | 0.4 | 0.4 | -0.7 | 1.9 | 2.2 |
| FTSE All Stock 5-15 Yr. Gilts | 2.5 | 2.5 | -3.6 | 5.7 | 4.5 |
| FTSE All Stock > 15 Yr. Gilts | 3.4 | 3.4 | -3.1 | 8.7 | 6.5 |
| ML STG N-Gilts All Stocks | 2.5 | 2.5 | 1.6 | 7.5 | 9.7 |
| FTSE Index Linked | 3.2 | 3.2 | -3.8 | 7.8 | 8.0 |
| FTSE Index Linked 5+ yrs | 3.6 | 3.6 | -4.4 | 9.0 | 8.8 |
| JPM GBI Global | 2.0 | 2.0 | -8.1 | 0.6 | 0.8 |

2014 began with a rally in the global bond market; safe haven demand for fixed income soared as emerging markets dragged down their developed market counterparts. The weakness in emerging markets was triggered not only by the promised scaling back of the quantitative easing (QE) program in the US, but also by fears of a hard-landing for China's economy, with manufacturing, retail and export data all coming in well below market expectations. The HSBC China Composite PMI survey confirmed that business activity in China had declined for the second consecutive month in March, which saw the Renminbi tumble to its sharpest weekly fall since 2005. The gloom in the Far East was not limited to China, as underwhelming economic data from Japan - lower than expected Q4 GDP and disappointing export data - suggested the sun was setting on the Rising Sun's recent economic momentum, as engineered by Prime Minister Abe's 'Abenomics'. Despite the negative sentiment on China and Japan, the global story remains positive and the JP Morgan Global Manufacturing & Services PMI, despite retreating from 54.2 last quarter to 53.5 at the end of March, has been in expansionary territory for eighteen consecutive months. As the quarter developed, news bulletins began to lead with the escalating geopolitical tension in the Ukraine, as Russia executed a swift land-grab for the region of Crimea. Despite the political risks in the region, the contagion effect was limited to within Russia, with little fallout on global capital markets. The JPM Global Government Bond index advanced 2.0% (GBP) over Q1 2014, while the Barclays Capital Global Aggregate Corporate Bond index delivered 1.9% (GBP).

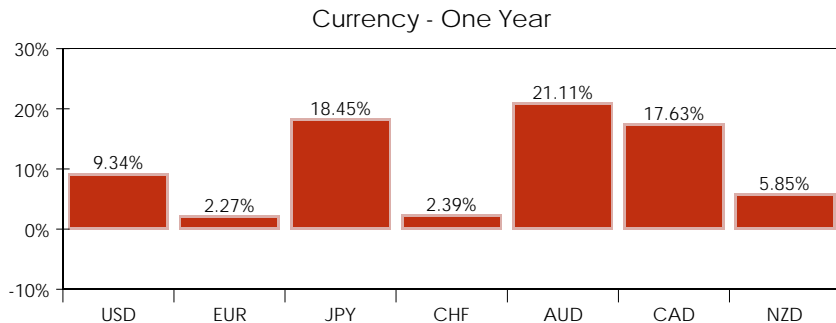
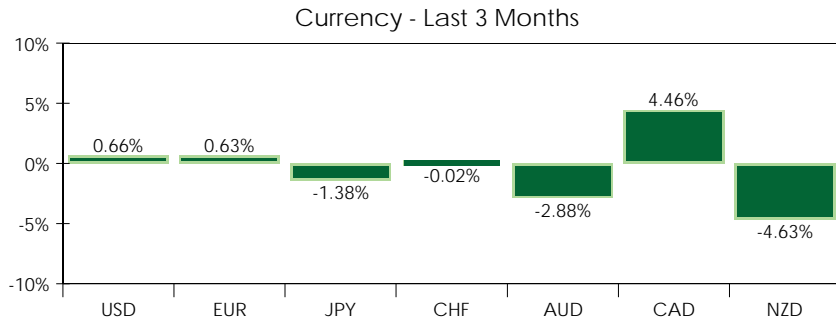
The Bank of England's much-heralded Forward Guidance - the linking of future interest rate movements to UK unemployment figures, earned the moniker 'Fuzzy guidance' during Q1 as the jobless rate fell faster than anticipated. The Bank then moved quickly to broaden the economic indicators that will be considered at future Monetary Policy Committee meetings. Unemployment is now at 7.2% and the original 7% unemployment threshold level, the point at which was intended to trigger rate rises, is likely to be crossed soon. The Bank remains committed to the base rate of 0.5%, making a number of dovish comments during the quarter as the emergency rate celebrated its 5-year anniversary during Q1. The UK inflation rate fell to a four-year low of 1.7% in February. Fears of a bubble in the UK housing market grew as both the Nationwide and Halifax surveys reported accelerating prices. New mortgage loans being approved for home buyers reached its highest level for more than six years with no foreseeable slowdown in price growth on the horizon. The broader economic picture for the UK is looking promising, with the Q4 2013 GDP figure confirmed up 0.7% from the previous quarter, up 2.8% compared to the fourth quarter in 2012, and an overall 2013 growth figure for the UK of 1.9% - the fastest pace of economic expansion since 2007. The Markit/CIPS UK Manufacturing PMI indicator however slipped to 55.3 in March from 56.2 in February, with fewer new export orders cited as the reason for the slower pace of expansion. The benchmark 10-year gilt yield settled at 2.74% at the end of the quarter, down from 3.02% at the end of Q4. The FTSE All Stock Gilt index returned 2.15% (GBP) for the quarter while the ML Sterling Non-Gilts Index gained 2.5% (GBP).

The eurozone recovery from its longest ever recession is continuing supported through the quarter by encouraging macroeconomic data. Inflation in the region fell to 0.7% in February down from 0.8% in January, well below the European Central Bank target of 2%. Despite the extra capacity for additional monetary stimulus, the ECB held rates at 0.25% through the quarter. The GDP figure for Q4, 2013 was finalised at 0.3%, up from the 0.1% recorded in Q3. The upturn in activity continued into 2014, with expansion in the manufacturing sector extending to its ninth consecutive month in March at 53.0 per the Markit Eurozone Manufacturing PMI. Encouragingly France returned to expansionary territory in March, rising above the 50 breakeven point following a period of contraction. The improving investor sentiment to the eurozone region was evident in the increased appetite for government debt, with Ireland, Portugal and Spain all enjoying strong demand in their respective bond auctions. In March following a territorial dispute, the Crimean Peninsula of Ukraine was seized by Russia following a disputed referendum. The global condemnation was underlined by the implementing of sanctions on select Russian government officials by the European Union and the U.S. The ten year German bund yield fell from 1.93% to 1.57% over the quarter. The first quarter of 2014 saw the iTraxx Europe 5yr CDS index, representative of 125 investment grade entities across 6 sectors, contract from December's close of 61.9 to end March at 58.75. The JPM European Government Bond index returned 3.7% (EUR) for Q1 while the Barclay Capital Euro Aggregate Credit index posted 2.4% (EUR).

Although the U.S. Federal Reserve stuck to its guns and began the year with the promised dialling-back of the QE programme, it reiterated to the market that it will keep monetary policy extremely accommodative and that interest rates would remain low. The Fed revamped the previous forward guidance by removing the 6.5% unemployment target and announcing instead that a number of economic indicators would be used to determine if and when interest rates are increased. Macroeconomic data came in fairly mixed through Q1, with the harsh winter having a considerable impact. The fourth quarter 2013 GDP number initially estimated at 3.2% was revised down to 2.6%. In February, the national unemployment rate increased from January's 6.6% to 6.7% while the Commerce Department confirmed that new home sales fell 3.3% in February. Nevertheless, the industry group Conference Board, said U.S. consumer confidence rose in March to its highest in more than six years. Though new orders for U.S. factory goods fell more than expected in January and exports also slipped, the Markit U.S. Manufacturing PMI managed to finish the quarter at 55.5, up from 55.0 at the end of 2013 with strong domestic demand keeping the indicator at its second-highest level since January 2013. The political landscape was cheered by the news that the U.S. Congress had suspended the debt ceiling limit until 2015, meaning that more bipartisan wrangling can be avoided for the immediate future and that October 2013's government shutdown would not be repeated anytime soon. The 10 year Treasury yield fell over the quarter from 3.03% to 2.76%. For the quarter the JPM US Govt Bond index was up 1.6% (USD) while the Barclay Capital US Aggregate Corporate Bond index returned 2.9% (USD).



Currency Performance (in GBP)



| | Three Months | Year To Date | One Year | Three Years | Five Years |
|----------------------|--------------|--------------|----------|-------------|------------|
| United States dollar | 0.66 | 0.66 | 9.34 | 1.31 | 3.02 |
| European Union euro | 0.63 | 0.63 | 2.27 | 2.28 | 2.27 |
| Japanese yen | -1.38 | -1.38 | 18.45 | 8.54 | 3.86 |
| Swiss franc | -0.02 | -0.02 | 2.39 | 0.14 | -2.03 |
| Australian dollar | -2.88 | -2.88 | 21.11 | 4.96 | -2.74 |
| Canadian dollar | 4.46 | 4.46 | 17.63 | 5.52 | 0.40 |
| New Zealand dollar | -4.63 | -4.63 | 5.85 | -2.99 | -5.35 |

The first quarter of 2014 saw a strengthening of Sterling compared to the dollar and Euro. The Dollar, on the other hand, lost ground compared to Sterling, Euro and Yen. In Japan, unemployment decreased to 3.6% in February, the lowest level in six years, down from 4.0% in November. Japanese business confidence improved in the three months to March for a fifth straight quarter, but the pace of recovery has slowed. Sentiment is expected to weaken in the following quarter due to worries that a sales tax hike will dent growth. The Bank of Japan's closely watched Tankan Survey showed that the headline index for big manufacturers' sentiment was plus 17 in the March quarter. A positive reading means optimists outnumber the pessimists. Companies rather than China's central bank are now the biggest force driving the renminbi lower according to traders. The renminbi's decline began in mid-February. Traders said important market players, from state-owned oil companies to private sector exporters, were now positioning themselves for a weaker renminbi. The renminbi fell 0.5% in offshore markets in a single day in mid-March, one of the biggest one-day declines of the last decade. The official manufacturing (PMI), a survey that is seen as a leading indicator for industrial growth, edged up to 50.3 in March from 50.2 in February, the first rise since November 2013. This is a tentative sign that the economy is stabilising and easing the pressure on the government to prop up growth. The HSBC PMI came in at 48.0, down from February's 48.5. The official data tend to be skewed towards major state-owned manufacturers while the HSBC data is based more on smaller private companies.

In the UK, Q1 2014 saw Sterling strengthened against the Dollar and Euro but it lost ground against the Yen. In late March, the Confederation of British Industry said the UK economy is still growing strongly as the recovery of the UK economy continues to do well. The Bank of England kept the interest rate at 0.5%. It is the first rate decision since the bank amended its "forward guidance" policy that linked borrowing rates to unemployment figures. It also agreed to maintain its stock of asset purchases at £375bn. Falling petrol and diesel prices in February helped to drive inflation down to 1.7%, its lowest level for more than four years. Inflation now outstrips average wage rises by only 0.3%. The rate of unemployment dropped to 7.2% in January 2014, down from 7.4% in October 2013. The number of people out of work fell by 63,000 to 2.33 million in the three months to January 2014 the Office of National Statistics said. Employment minister Esther McVey said the overall fall in unemployment showed that "the growing economy is helping record numbers of people to find a job". According to the Nationwide building society, the price of a typical UK house rose 2.6% in Q1 2014. Prices were up 9.5% over the last twelve months, bringing the average house in at £180,264 - its highest level since January 2008. Sterling closed the quarter up against the Dollar and Euro by 0.66% and 0.63% respectively and down against the Yen by 1.38%.

In the US, the Dollar lost ground against both Sterling and the Euro. Janet Yellen, the Federal Reserve chairwoman, said there was still considerable slack in the US economy and labour market, implying the Federal Reserve would continue with their highly stimulative monetary policy into the foreseeable future. With some recent analysis suggesting that the US economy is starting to run out of spare capacity, a highly stimulative monetary policy could start to push up wages and inflation. Ms Yellen said she thought such analysis was wrong. The key indicator of consumer confidence produced by the Conference Board showed an increase from 78.3 in February to 82.3 in March. Overall, consumers are more upbeat about future job prospects and expect the economy to continue improving and believe it may even increase in speed over the next few months. In February the US un-employment rate fell to 6.7% compared to 7.0% in November. The number of unemployed was 10.5 million with 3.8 million of these being the long term unemployed (those jobless for 27 weeks or more). U.S. house prices rose in February from a year earlier at a solid pace, suggesting that a tight supply of available homes is boosting prices despite slowing sales. Snow storms, rising prices and higher mortgage rates combined to reduce house sales in February to their lowest level in 19 months. The US trade deficit climbed to its highest level in five months in February as demand for American exports fell while imports increased slightly. The deficit increased to \$42.3bn in February 2014, which was 7.7% above the January figure of \$39.3 bn. A larger trade deficit acts as a drag on economic growth because it means that U.S. companies are earning less money overseas than their foreign competitors are earning in U.S. sales. The Dollar weakened against the Euro, Sterling and Yen by 0.02%, 0.66%, 2.04% respectively.

In the Euro area, the Euro weakened against the Yen and Sterling but strengthened versus the Dollar. The European Central Bank kept its benchmark interest rate at a record low of 0.25%. This decision came despite the fact that inflation in the currency bloc fell to a five year low in March to 0.5%, well below the ECB's target of 2%. Low inflation could harm the Eurozone's shaky economic recovery, by weakening consumer demand for goods and services because households would be likely to put off spending believing that prices would continue to fall. The Eurozone economic sentiment indicator (ESI) rose to 102.4 in March, up from 100.0 in December, thus slightly higher than its long-term average. All the five largest euro area economies saw the ESI rising, in general fuelled by buoyant consumer confidence. Unemployment in the Eurozone has stayed close to record highs despite signs that the single currency is on a stable footing. The jobless rate for the currency bloc remained at 11.9% in February 2014. Eurostat, the statistical office for the European Union, estimates that 19.0 million are unemployed in the Euro area. In Portugal and Ireland, the jobless rate has fallen to 15.3% and 11.9% respectively. Germany's unemployment rate remains low at 5.1%. Youth unemployment in the Eurozone is at 23.5%. An amazing divergence in youth unemployment can be seen when comparing Germany (at 7.7%) to Spain (at 53.6%). The Euro ended the quarter up 0.02% against the Dollar, but weakened against Sterling and Yen by 0.63% and 2.02% respectively.



Scheme Performance

As the West rumbled threats over Russia's creeping invasion of Crimea, global stock markets fell during January and the Rouble tumbled. Most rallied over the second part of the quarter to finish up for the full period, the FTSE World was up by 0.7% over the quarter and is ahead by 7.6% over the year. 2014 began with a rally in the global bond market; safe haven demand for fixed income soared as emerging markets dragged down their developed market counterparts. The JPM Global Government Bond index advanced 2.0% over Q1 2014, while the Barclays Capital Global Aggregate Corporate Bond index delivered 1.9%. Against this backdrop the London Borough of Hillingdon returned 0.97% which in contrast to last quarter is an outperformance of 17 basis points over the Total Plan benchmark of 0.80%. In monetary terms this is a growth in assets of £7 million and the value of the combined scheme now stands at £725.1 million as at 31st March 2014. This period saw just over £29 million move from UBS UK Equity to Kempen, while £1 million from Adam Street was invested with M&G. Looking further into the analysis the most notable effects were the outperformance of Adam Street and UBS although this was offset by the negative impact of Barings. While in allocation terms most mandates are in line with the neutral position, so effects are minimal.

This means that over the year the Scheme posts a return of 6.78%, which is relatively 32 basis points ahead of the total benchmark figure of 6.44%. Selection effects in UBS continue to drive the performance, slightly offset by Barings and Kempen, similar to the quarter, allocation is fairly balanced with only small impacts in some areas. While over the longer periods, the Scheme continues to outperform, producing a return of 7.52% over three year versus 6.68, while for 5 years we see figures of 12.14% versus 12.03% per annum. Then since inception in September 1995, the Fund remains ahead of target by 5 basis points with an annualised return of 6.78% against 6.73%.

Manager Performance

Barings

The first quarter of 2014 saw the new Barings mandate produce its first negative quarterly return (-0.52%), which translates as a -1.62% relative return against the target of the 3 Month LIBOR +4% per annum, which posted 1.11%. Which means in the short period since inception in April 2013 they return 1.69% which is below the target of 4.24%.

JP Morgan

Over the latest quarter JP Morgan returned 1.17%, which was 0.30% ahead of the 0.87% target for the 3 Month LIBOR + 3% p.a. This was the third positive consecutive quarter, but it was still not enough to make up for the losses seen earlier in the year so the 1 year period still falls behind target with a relative return of -0.30%, while since inception (November 2011) remains ahead with figures of 4.75 % versus 3.70%, which is 1.02% on a relative annualised basis.

Kempen

Over the last three months the Kempen mandate produced a return of 0.87%, an underperformance of -36 basis points when compared to the 1.23% posted by the MSCI All World Index +2%. This culminates in a return since inception in January 2013 of 5.75% versus the benchmark of 16.52%; which is a relative return of -9.24%.

Macquarie

In contrast to the previous quarter Macquarie posted the lowest relative return with -2.90% in Q1 coming from an absolute return of -2.05%, against 0.87% for the 3 Month LIBOR +3% p.a. This means over the year assets fall -0.97% which is -4.35% above the benchmark of 3.53%; while since inception they've delivered nine negative quarterly relative returns, leading to an annualised loss of -6.92% against the target of 3.75%.



Manager Performance

M&G Investments

In the first quarter M&G produced a 1.40%, which against the 3 Month LIBOR +4% pa return of 1.11% translates as an outperformance of 28 basis points. Over the last year the account registers 5.41% against 4.54% whilst since inception at the end of May 2010, the portfolio return falls to 5.03% pa whilst the benchmark is 4.75% pa. While the since inception Internal Rate of Return for this portfolio moves further ahead of the target with a figure of 5.64% opposed to the comparator of 4.68%.

Newton

During the first quarter of 2014 Newton posted a 0.99% return compared to 1.04% for the FTSE World Index +2%, leading to a slight underperformance of -5 basis points. With four consecutive quarters of underperformance, since inception (January 2013) the fund still falls short with a return of 10.11% against the benchmark of 13.58%, producing a relative return of -3.05%.

Ruffer

The Ruffer portfolio fell -0.29% over the last three months against 0.13% for LIBOR 3 Month GBP, which breaks the six quarter run of positive absolute and relative returns. Over the last twelve months they post a return of 0.68%, which is just 16 basis points ahead of the target of 0.52%. Still driven by last year's Q1 return longer numbers show high absolute and relative returns culminating in since inception (May 2010) figures of 5.83% versus 0.74% per annum, which translates as a relative return of 5.05%.

Private Equity

The private equity assets, consisting of funds with Adam Street and LGT, continued to grow through the first three months of 2014 with quarterly figures of 6.90% and 2.01% respectively. So over the last year figures remain positive with Adam Street on 7.53% and LGT with 5.38%. Over the longer periods, the outlook over which private equity investments should be measured, returns remain positive. Over three years both see increases, Adam Street to 10.55% and LGT 6.64%. Then since their respective inceptions in May 2004 and January 2005, while LGT rises further to 8.30% pa, Adam Street drops to 2.48% pa.

At present no benchmark has been applied to these mandates.

SSGA

The SSGA passively managed portfolio produced a return of 0.38% 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 a 5.82% return, which is 17 basis points behind target, while over 3 years the per annum return rises to 7.96% which is just behind the benchmark. Since inception (November 2008) a return of 12.91% pa is just 1 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 0.32%, which compared to the FTSE All Share figure of -0.63%, once again demonstrates outperformance at 0.96%. Looking into the attribution analysis, stock selection was the main driver with the largest impacts coming from Oil & Gas and Industrials at 0.49% and 0.38% respectively. Whilst within allocation the most significant decision was the large underweight of Consumer Goods (-0.24%) offset by also underweighting Telecoms (0.13%). These results filter through the longer periods and over the year demonstrate both the highest absolute return with 16.65% and relative figure of 9.96%. This outperformance is also attributable to selection effects and Financials lead the way (2.90%) coupled with Consumer Services (2.29%), while underweighting Consumer Goods (0.87%) and overweighting Consumer Services (0.69%) also add value. UBS maintain this outperformance although relative returns are reducing over time, translating as a since inception return of 10.52% versus 9.09% on an annualised basis.

UBS Property

The UBS Property portfolio grew 3.09% over the 1st quarter, which fell 20 basis points short of the IPD UK PPFI All Balanced Funds index figure of 3.30%. Over all longer time periods the fund still demonstrates positive absolute returns but underperformance continues to be seen, with 1 and 3 year showing returns of 11.76% and 5.77% respectively by these were -0.10% and -0.44% below the benchmark. Since inception, in March 2006, the fund now shows growth of 0.56% per annum while the benchmark shows a positive 1.21% return, meaning the underperformance remains -64 basis points.

UBS Tactical

In contrast to the previous quarters the UBS Tactical mandate posts a return of 8.01%, which is both the highest absolute and relative return when compared to the Barclays US Inflation Linked Index of 1.54%. However, in the 9 months since the inception of the fund it still shows losses of -8.46%, although this almost exactly matches the index figure of -8.45%.



Active Contribution

By Manager

| | Portfolio | Benchmark | Excess Return | Relative Return | Active Contribution 01/14 | Portfolio | Benchmark | Excess Return | Relative Return | Active Contribution 02/14 | Portfolio | Benchmark | Excess Return | Relative Return | Active Contribution 03/14 | Active Contribution 1Q 2014 |
|-----------------|-----------|-----------|---------------|-----------------|---------------------------|-----------|-----------|---------------|-----------------|---------------------------|-----------|-----------|---------------|-----------------|---------------------------|-----------------------------|
| Adam Street | 0.79 | - | 0.79 | - | 161,434.14 | -0.93 | - | -0.93 | - | -187,398.16 | 7.06 | - | 7.06 | - | 1,398,055.42 | 1,372,091.39 |
| Barings | -1.60 | 0.37 | -1.97 | -1.96 | -1,252,995.03 | 1.83 | 0.37 | 1.46 | 1.46 | 915,840.90 | -0.72 | 0.37 | -1.09 | -1.09 | -696,908.10 | -1,034,062.23 |
| JP Morgan | -0.18 | 0.29 | -0.47 | -0.47 | -361,599.73 | 0.99 | 0.29 | 0.71 | 0.71 | 542,158.30 | 0.36 | 0.29 | 0.07 | 0.07 | 51,977.48 | 232,536.04 |
| Kempen | -3.47 | -2.77 | -0.71 | -0.73 | -322,677.82 | 3.18 | 3.19 | -0.01 | -0.01 | -8,654.85 | 1.27 | 0.89 | 0.38 | 0.38 | 295,704.33 | -35,628.33 |
| LGT | -0.99 | - | -0.99 | - | -157,220.21 | 1.45 | - | 1.45 | - | 222,931.16 | 1.56 | - | 1.56 | - | 242,142.84 | 307,853.79 |
| Macquarie | -0.57 | 0.29 | -0.86 | -0.86 | -51,434.97 | -1.74 | 0.29 | -2.03 | -2.02 | -121,072.30 | 0.25 | 0.29 | -0.04 | -0.04 | -2,230.19 | -174,737.46 |
| M&G Investments | 1.27 | 0.37 | 0.90 | 0.90 | 220,255.89 | 0.00 | 0.37 | -0.37 | -0.37 | -95,346.59 | 0.12 | 0.37 | -0.25 | -0.25 | -64,421.90 | 60,487.39 |
| Newton | -3.70 | -3.06 | -0.64 | -0.66 | -145,354.14 | 3.28 | 2.91 | 0.36 | 0.35 | 84,491.61 | 1.54 | 1.28 | 0.27 | 0.27 | 63,279.25 | 2,416.72 |
| Ruffer | -0.41 | 0.05 | -0.46 | -0.45 | -385,889.78 | 0.76 | 0.04 | 0.72 | 0.72 | 608,650.77 | -0.63 | 0.04 | -0.68 | -0.68 | -576,476.05 | -353,715.06 |
| SSGA | -2.19 | -2.24 | 0.05 | 0.05 | 70,476.83 | 3.23 | 3.28 | -0.05 | -0.05 | -78,126.14 | -0.58 | -0.56 | -0.02 | -0.02 | -26,092.85 | -33,742.17 |
| UBS | -0.93 | -3.06 | 2.12 | 2.19 | 2,991,939.17 | 4.54 | 5.24 | -0.70 | -0.66 | -841,313.05 | -3.13 | -2.60 | -0.53 | -0.54 | -616,576.22 | 1,534,049.90 |
| UBS Property | 1.20 | 1.14 | 0.07 | 0.06 | 35,359.68 | 0.71 | 1.11 | -0.40 | -0.40 | -220,025.35 | 1.15 | 1.02 | 0.14 | 0.14 | 75,237.67 | -109,428.00 |
| UBS Tactical | 7.74 | 2.97 | 4.77 | 4.63 | 584,648.39 | -1.35 | -1.46 | 0.11 | 0.11 | 13,400.81 | 1.62 | 0.07 | 1.55 | 1.55 | 196,469.35 | 794,518.54 |

Total Fund Market Value at Qtr End: £725.1 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 | 725.1 | 100.00 | 0.97 | 0.80 | 0.17 | 0.17 | 0.97 | 0.80 | 0.17 | 0.17 | 6.78 | 6.44 | 0.34 | 0.32 |

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 | 21.2 | 2.92 | 6.90 | - | - | - | 6.90 | - | - | - | 7.53 | - | - | - |
| Barings | 63.0 | 8.69 | -0.52 | 1.11 | -1.63 | -1.62 | -0.52 | 1.11 | -1.63 | -1.62 | - | - | - | - |
| JP Morgan | 77.4 | 10.67 | 1.17 | 0.87 | 0.30 | 0.30 | 1.17 | 0.87 | 0.30 | 0.30 | 3.22 | 3.53 | -0.31 | -0.30 |
| Kempen | 77.4 | 10.67 | 0.87 | 1.23 | -0.37 | -0.36 | 0.87 | 1.23 | -0.37 | -0.36 | 0.76 | 11.21 | -10.44 | -9.39 |
| LGT | 15.8 | 2.18 | 2.01 | - | - | - | 2.01 | - | - | - | 5.38 | - | - | - |
| Macquarie | 5.9 | 0.81 | -2.05 | 0.87 | -2.92 | -2.90 | -2.05 | 0.87 | -2.92 | -2.90 | -0.97 | 3.53 | -4.51 | -4.35 |
| M&G Investments | 25.9 | 3.57 | 1.40 | 1.11 | 0.28 | 0.28 | 1.40 | 1.11 | 0.28 | 0.28 | 5.41 | 4.54 | 0.88 | 0.84 |
| Newton | 23.6 | 3.26 | 0.99 | 1.04 | -0.05 | -0.05 | 0.99 | 1.04 | -0.05 | -0.05 | 3.50 | 8.88 | -5.37 | -4.93 |
| Ruffer | 84.5 | 11.66 | -0.29 | 0.13 | -0.42 | -0.42 | -0.29 | 0.13 | -0.42 | -0.42 | 0.68 | 0.52 | 0.16 | 0.16 |
| SSGA | 144.0 | 19.86 | 0.38 | 0.40 | -0.02 | -0.02 | 0.38 | 0.40 | -0.02 | -0.02 | 5.82 | 6.01 | -0.18 | -0.17 |
| UBS | 115.9 | 15.98 | 0.32 | -0.63 | 0.95 | 0.96 | 0.32 | -0.63 | 0.95 | 0.96 | 19.65 | 8.81 | 10.84 | 9.96 |
| UBS Property | 55.0 | 7.59 | 3.09 | 3.30 | -0.21 | -0.20 | 3.09 | 3.30 | -0.21 | -0.20 | 11.76 | 11.87 | -0.12 | -0.10 |
| UBS Tactical | 12.9 | 1.78 | 8.01 | 1.54 | 6.47 | 6.37 | 8.01 | 1.54 | 6.47 | 6.37 | - | - | - | - |

Total Fund Market Value at Qtr End: £725.1 M



Scheme Performance

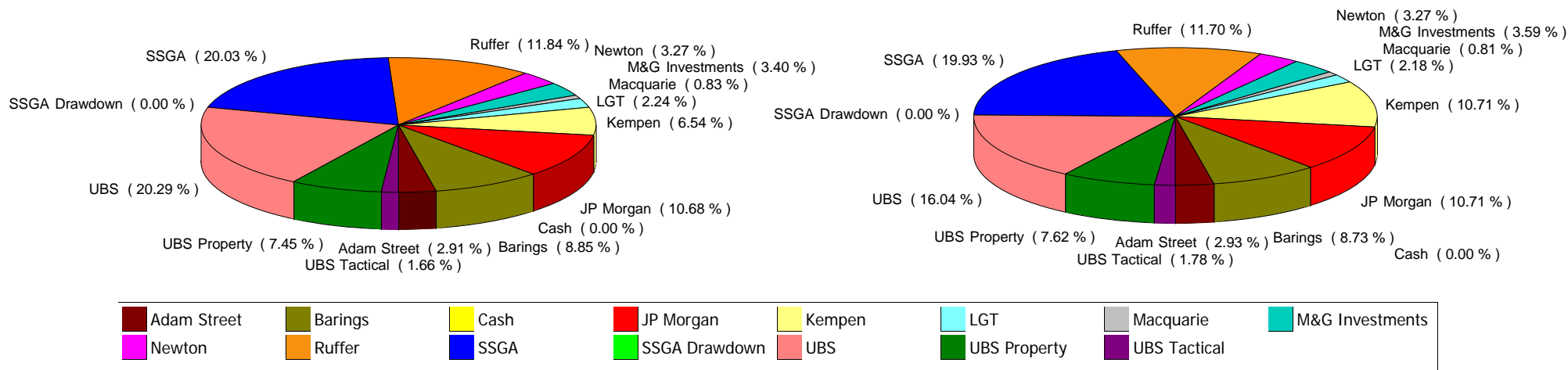
| | <u>Three</u> <u>Years</u> | | | | <u>Five</u> <u>Years</u> | | | | Inception Date | <u>Inception</u> <u>To Date</u> | | | |
|------------------------------|------------------------------|-----------|------------------|--------------------|-----------------------------|-----------|------------------|--------------------|-------------------|------------------------------------|-----------|------------------|--------------------|
| | Portfolio | Benchmark | Excess Return | Relative Return | Portfolio | Benchmark | Excess Return | Relative Return | | Portfolio | Benchmark | Excess Return | Relative Return |
| London Borough of Hillingdon | 7.52 | 6.68 | 0.84 | 0.79 | 12.14 | 12.03 | 0.11 | 0.10 | 30/09/95 | 6.78 | 6.73 | 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 | 10.55 | - | - | - | 8.16 | - | - | - | 31/01/05 | 2.48 | - | - | - |
| Barings | - | - | - | - | - | - | - | - | 24/04/13 | 1.69 | 4.24 | -2.56 | -2.45 |
| JP Morgan | - | - | - | - | - | - | - | - | 08/11/11 | 4.75 | 3.70 | 1.06 | 1.02 |
| Kempen | - | - | - | - | - | - | - | - | 31/01/13 | 5.75 | 16.52 | -10.77 | -9.24 |
| LGT | 6.64 | - | - | - | 5.99 | - | - | - | 31/05/04 | 8.30 | - | - | - |
| Macquarie | -6.36 | 3.74 | -10.10 | -9.74 | - | - | - | - | 30/09/10 | -6.92 | 3.75 | -10.67 | -10.28 |
| M&G Investments | 5.65 | 4.74 | 0.91 | 0.86 | - | - | - | - | 31/05/10 | 5.03 | 4.75 | 0.28 | 0.27 |
| Newton | - | - | - | - | - | - | - | - | 24/01/13 | 10.11 | 13.58 | -3.47 | -3.05 |
| Ruffer | 5.52 | 0.75 | 4.78 | 4.74 | - | - | - | - | 28/05/10 | 5.83 | 0.74 | 5.09 | 5.05 |
| SSGA | 7.96 | 7.98 | -0.02 | -0.02 | 14.21 | 14.19 | 0.02 | 0.02 | 30/11/08 | 12.91 | 12.90 | 0.01 | 0.01 |
| UBS | 13.63 | 8.81 | 4.83 | 4.43 | 19.06 | 16.36 | 2.71 | 2.33 | 31/12/88 | 10.52 | 9.09 | 1.43 | 1.31 |
| UBS Property | 5.77 | 6.23 | -0.47 | -0.44 | 6.53 | 7.86 | -1.34 | -1.24 | 31/03/06 | 0.56 | 1.21 | -0.65 | -0.64 |
| UBS Tactical | - | - | - | - | - | - | - | - | 30/06/13 | -8.46 | -8.45 | -0.02 | -0.02 |

Total Fund Market Value at Qtr End: £725.1 M



Weighting at Beginning of Period

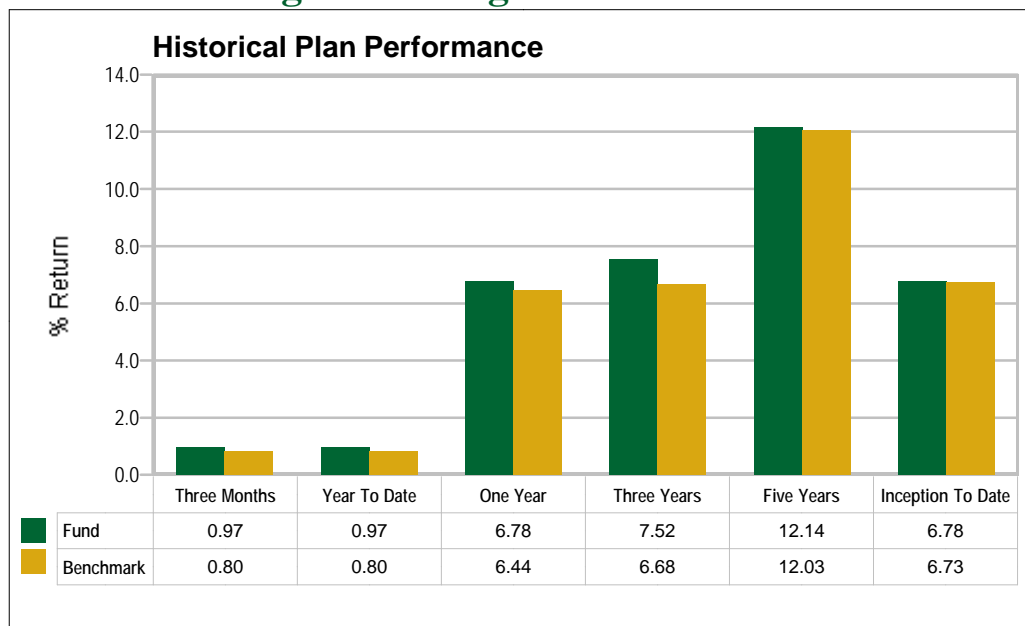
Weighting at End of Period



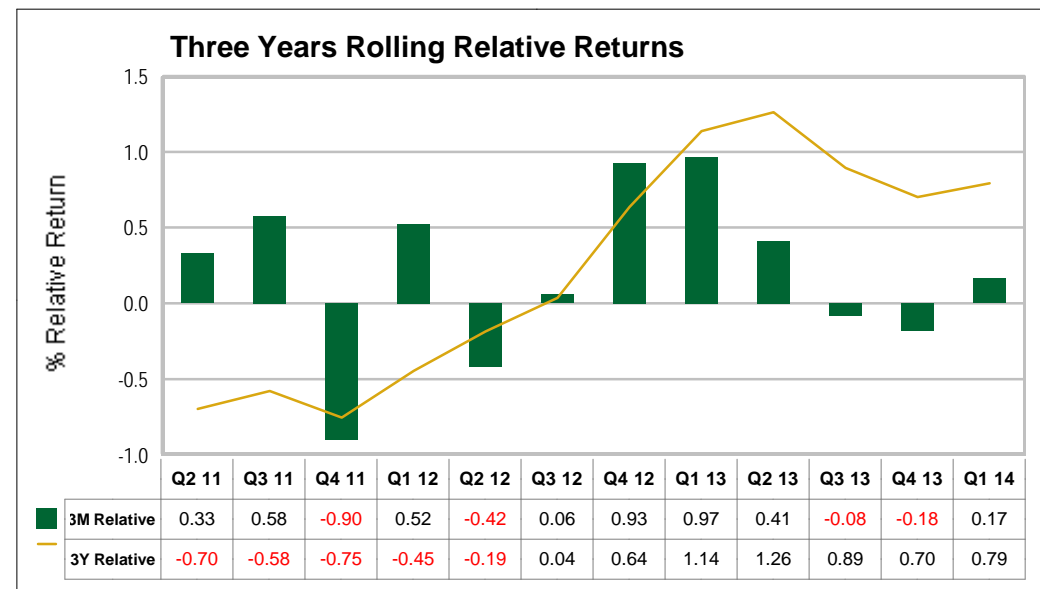
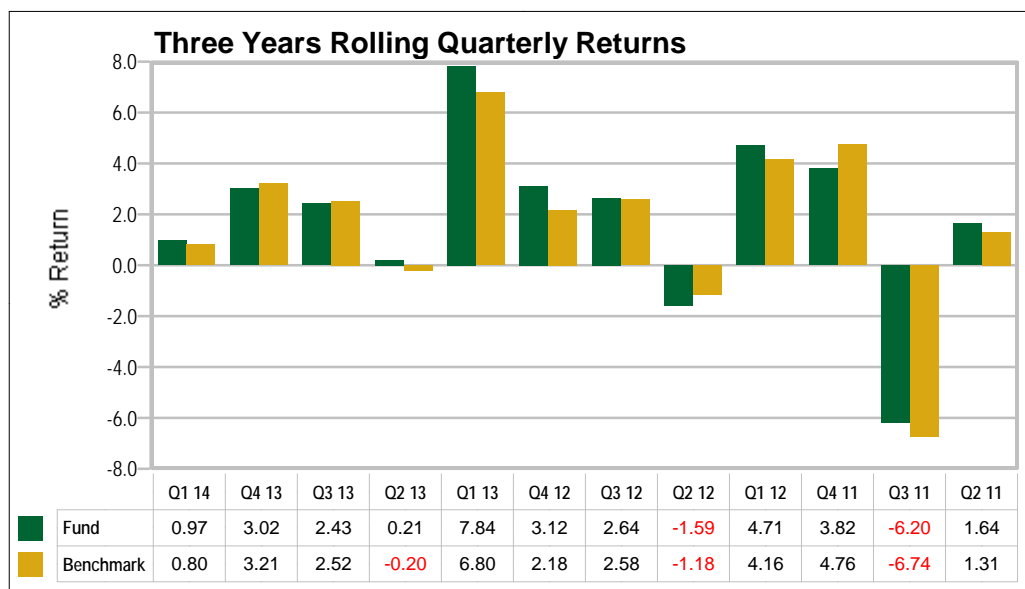
| | Opening Market Value £(000) | % of Fund | Net Investment £(000) | Appreciation £(000) | Income Received £(000) | Closing Market Value £(000) | % of Fund |
|-------------------------------------|--------------------------------|-----------|--------------------------|------------------------|---------------------------|--------------------------------|-----------|
| London Borough of Hillingdon | 718,389 | 100.00 | -222 | 5,050 | 1,920 | 725,138 | 100.00 |
| Adam Street | 20,834 | 2.90 | -1,015 | 1,380 | 0 | 21,199 | 2.92 |
| Barings | 63,364 | 8.82 | 11 | -329 | 0 | 63,046 | 8.69 |
| Cash | 12 | 0.00 | 0 | 0 | -0 | 12 | 0.00 |
| JP Morgan | 76,500 | 10.65 | 0 | 898 | 0 | 77,397 | 10.67 |
| Kempen | 46,866 | 6.52 | 29,461 | 1,030 | 0 | 77,356 | 10.67 |
| LGT | 16,046 | 2.23 | -579 | 310 | 0 | 15,776 | 2.18 |
| Macquarie | 5,971 | 0.83 | 9 | -123 | -0 | 5,858 | 0.81 |
| M&G Investments | 24,370 | 3.39 | 1,200 | 342 | 0 | 25,912 | 3.57 |
| Newton | 23,386 | 3.26 | 0 | 232 | 0 | 23,618 | 3.26 |
| Ruffer | 84,767 | 11.80 | 0 | -696 | 453 | 84,524 | 11.66 |
| SSGA | 143,447 | 19.97 | 0 | 552 | 0 | 143,998 | 19.86 |
| SSGA Drawdown | 1 | 0.00 | 0 | -0 | 0 | 1 | 0.00 |
| UBS | 145,311 | 20.23 | -29,263 | -1,067 | 888 | 115,870 | 15.98 |
| UBS Property | 53,388 | 7.43 | 0 | 1,100 | 552 | 55,040 | 7.59 |
| UBS Tactical | 11,919 | 1.66 | 0 | 928 | 27 | 12,873 | 1.78 |



London Borough of Hillingdon



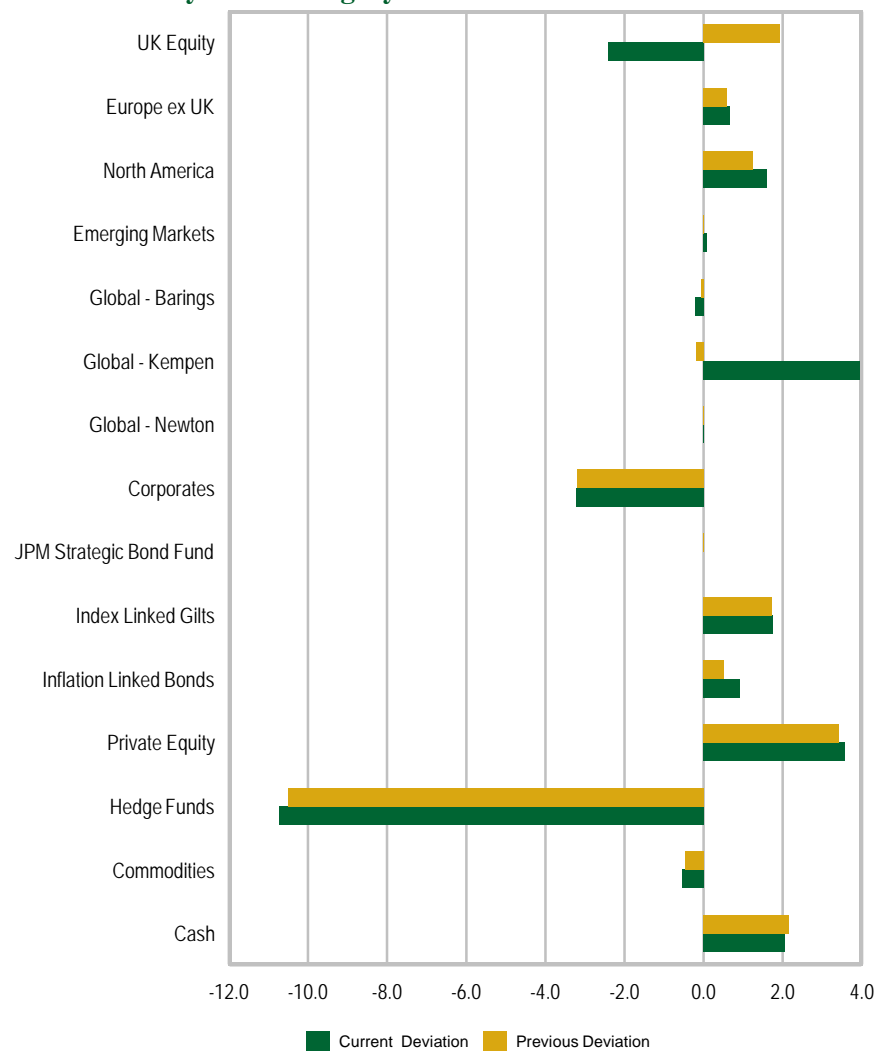
| Risk Statistics - 3 years | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 7.52 | 6.68 |
| Standard Deviation | 6.19 | 5.84 |
| Relative Return | 0.79 | |
| Tracking Error | 1.29 | |
| Information Ratio | 0.66 | |
| Beta | 1.04 | |
| Alpha | 0.60 | |
| R Squared | 0.96 | |
| Sharpe Ratio | 1.05 | 0.97 |
| Percentage of Total Fund | 100.0 | |
| Inception Date | Sep-1995 | |
| Opening Market Value (£000) | 718,389 | |
| Net Investment (£000) | -222 | |
| Income Received (£000) | 1,920 | |
| Appreciation (£000) | 5,050 | |
| Closing Market Value (£000) | 725,138 | |





London Borough of Hillingdon

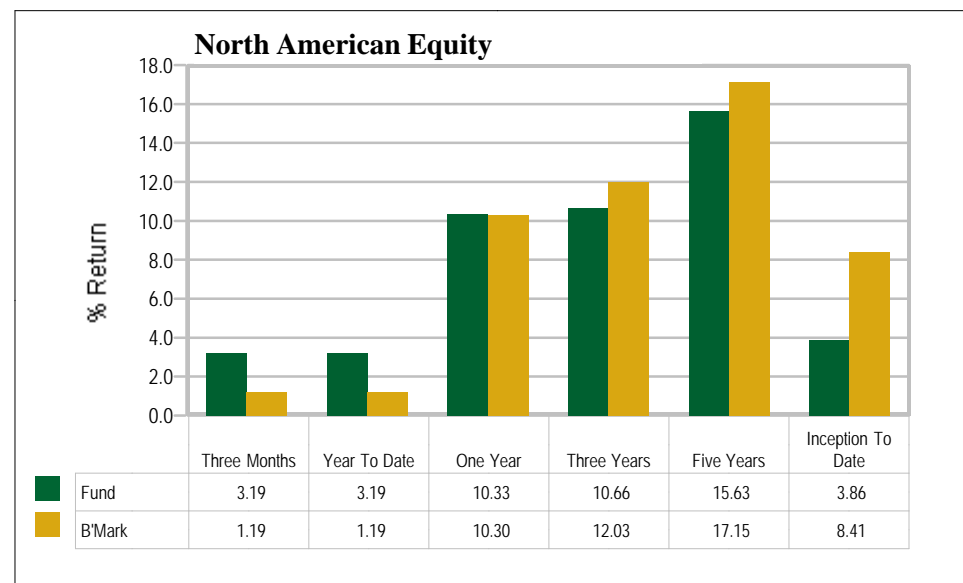
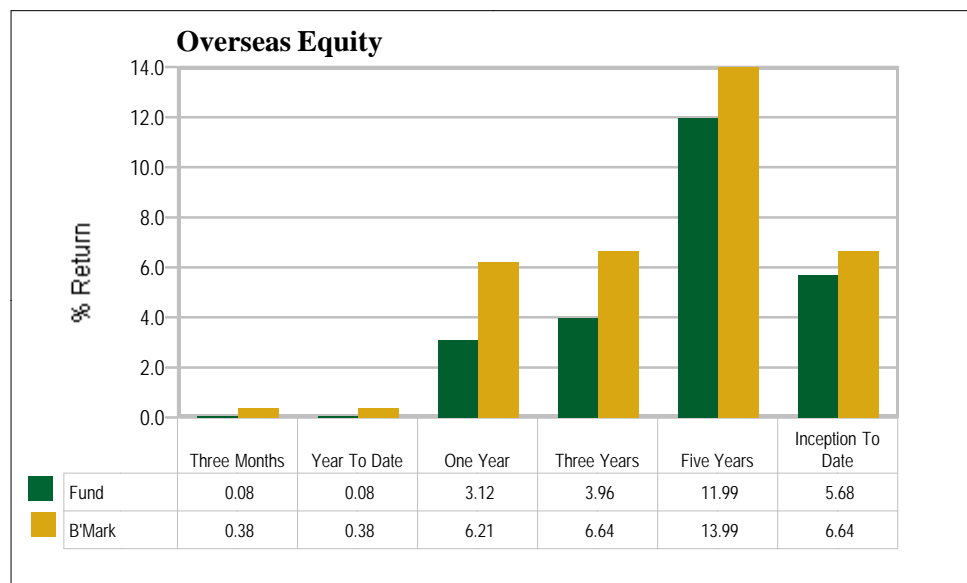
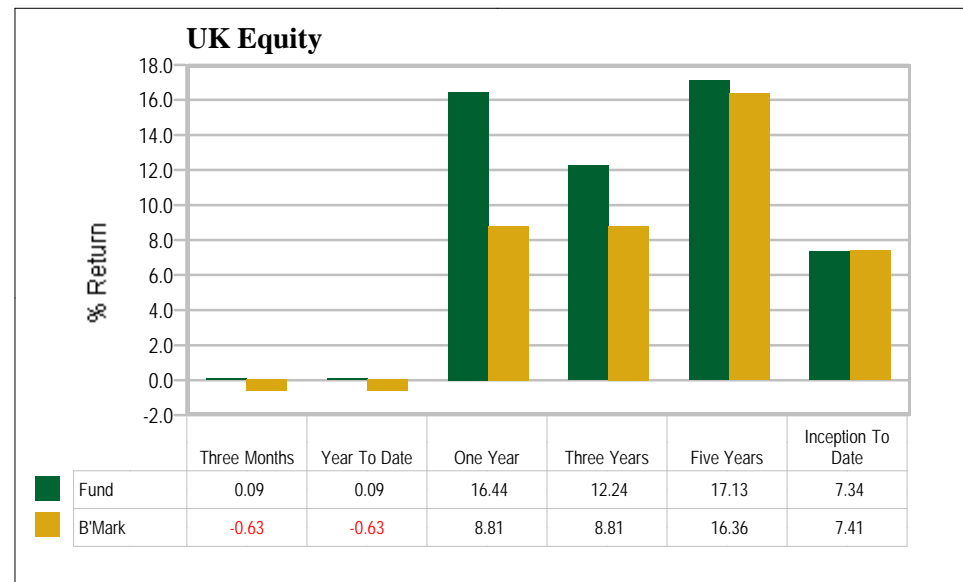
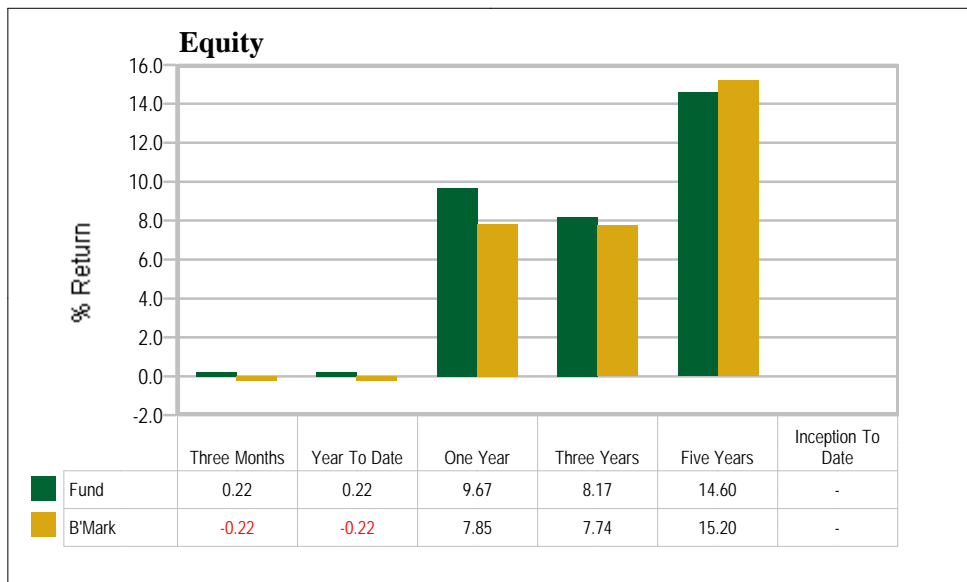
By Asset Category



| | Current Quarter | Previous Quarter | Current Benchmark | Current Deviation | Previous Benchmark | Previous Deviation |
|-------------------------|-----------------|------------------|-------------------|-------------------|--------------------|--------------------|
| UK Equity | 25.78 | 30.14 | 28.20 | -2.42 | 28.20 | 1.94 |
| Europe ex UK | 2.83 | 2.76 | 2.17 | 0.66 | 2.17 | 0.59 |
| North America | 3.75 | 3.40 | 2.16 | 1.59 | 2.16 | 1.24 |
| Emerging Markets | 0.66 | 0.59 | 0.58 | 0.08 | 0.58 | 0.01 |
| Global - Barings | 8.69 | 8.82 | 8.90 | -0.21 | 8.90 | -0.08 |
| Global - Kempen | 10.66 | 6.52 | 6.71 | 3.95 | 6.71 | -0.19 |
| Global - Newton | 3.26 | 3.26 | 3.24 | 0.02 | 3.24 | 0.02 |
| Corporates | 1.68 | 1.69 | 4.89 | -3.21 | 4.89 | -3.20 |
| JPM Strategic Bond Fund | 10.67 | 10.65 | 10.68 | -0.01 | 10.68 | -0.03 |
| Index Linked Gilts | 4.08 | 4.06 | 2.33 | 1.75 | 2.33 | 1.73 |
| Inflation Linked Bonds | 2.79 | 2.37 | 1.86 | 0.93 | 1.86 | 0.51 |
| Private Equity | 9.39 | 9.24 | 5.83 | 3.56 | 5.83 | 3.41 |
| Hedge Funds | 1.31 | 1.52 | 12.03 | -10.72 | 12.03 | -10.51 |
| Commodities | 0.41 | 0.48 | 0.95 | -0.54 | 0.95 | -0.47 |
| Cash | 2.17 | 2.28 | 0.12 | 2.05 | 0.12 | 2.16 |

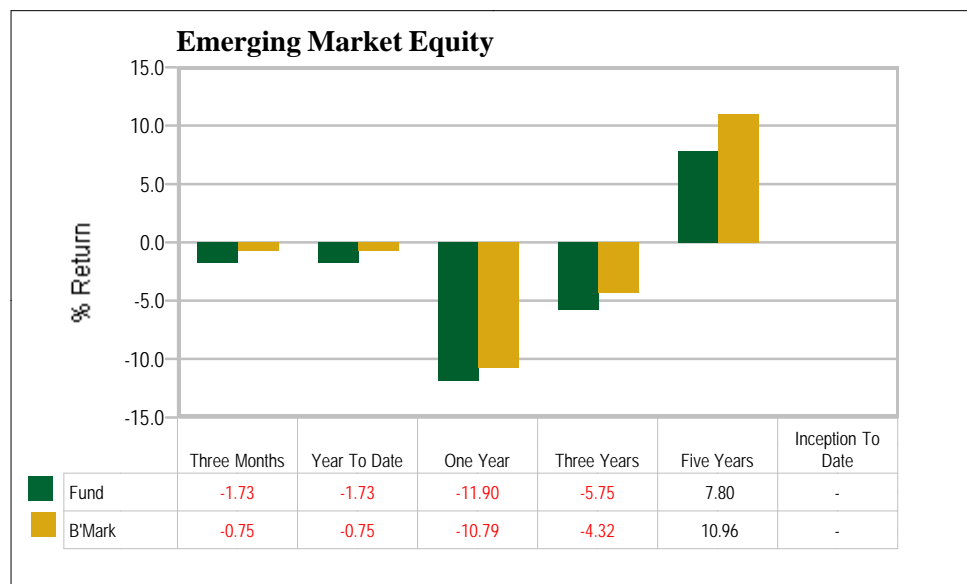
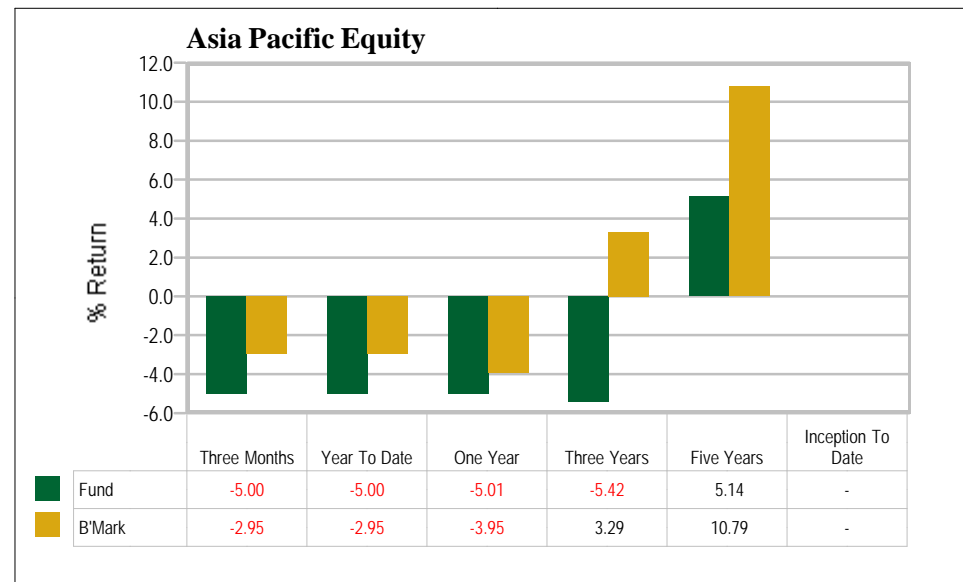
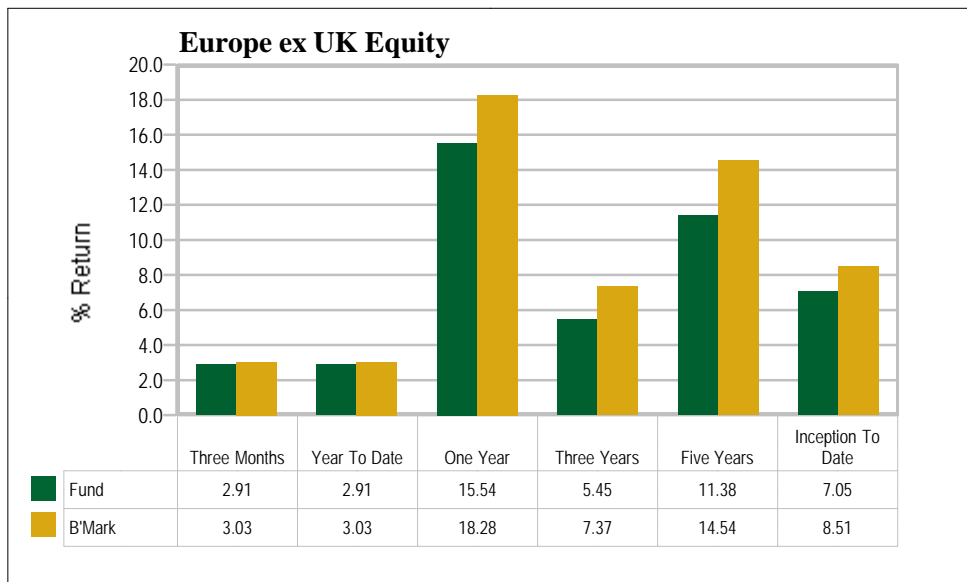


London Borough of Hillingdon



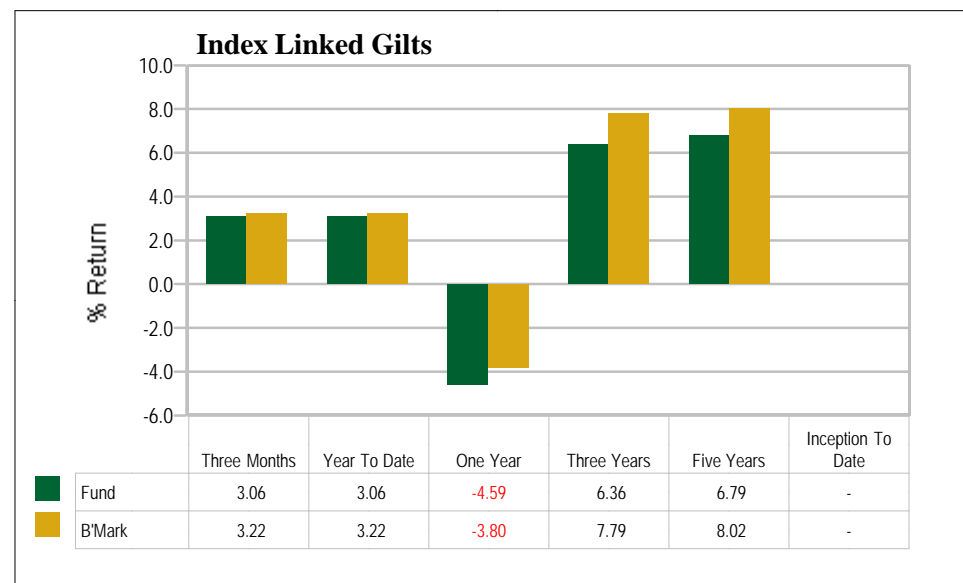
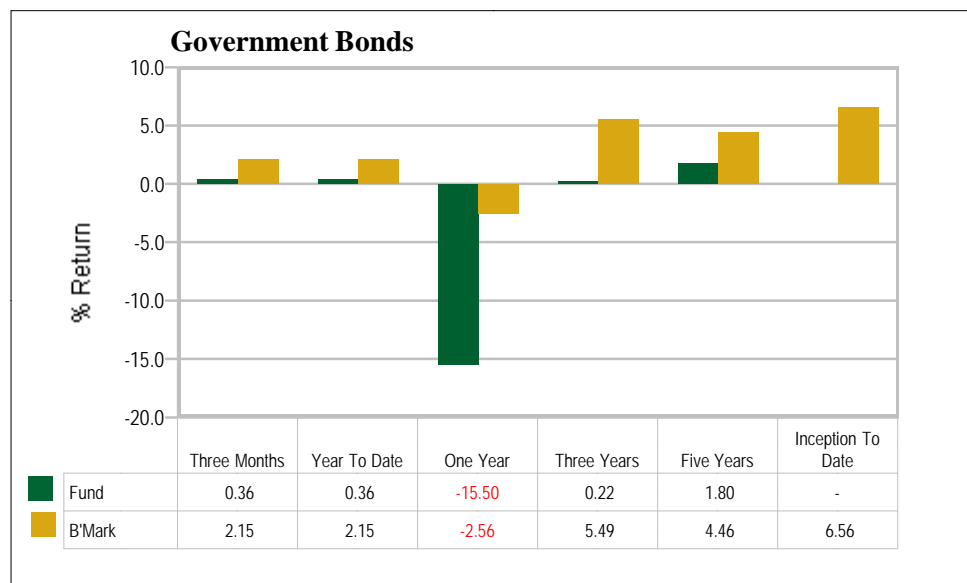
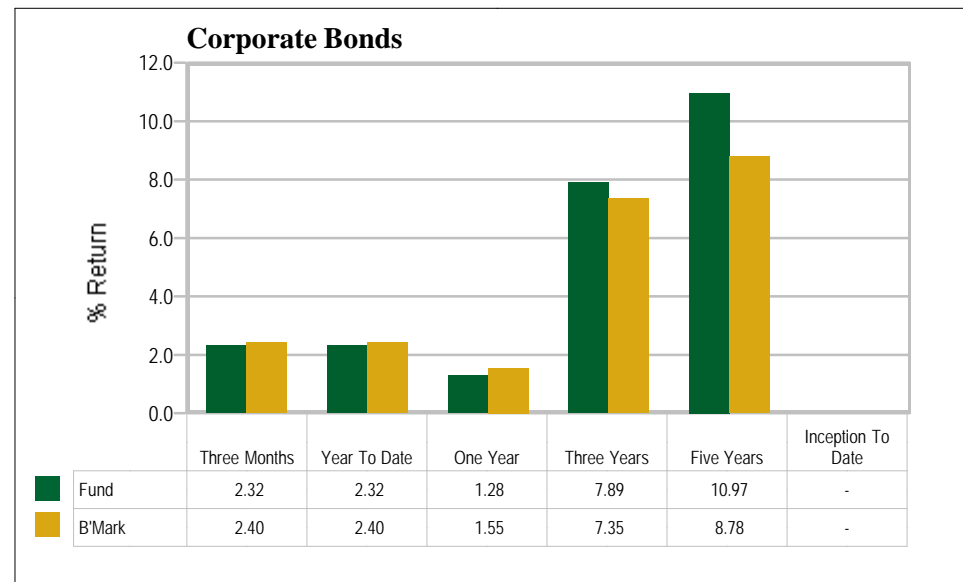
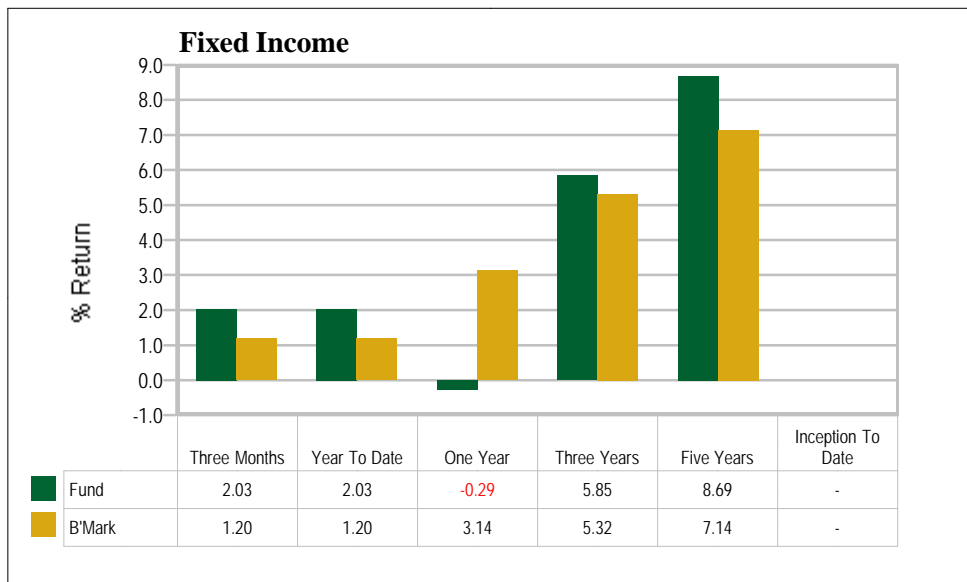


London Borough of Hillingdon



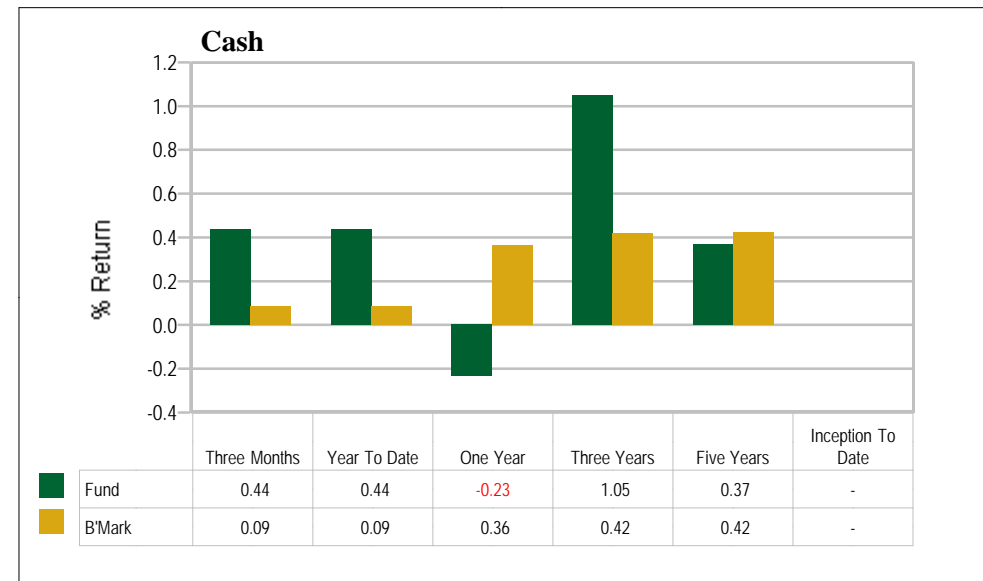
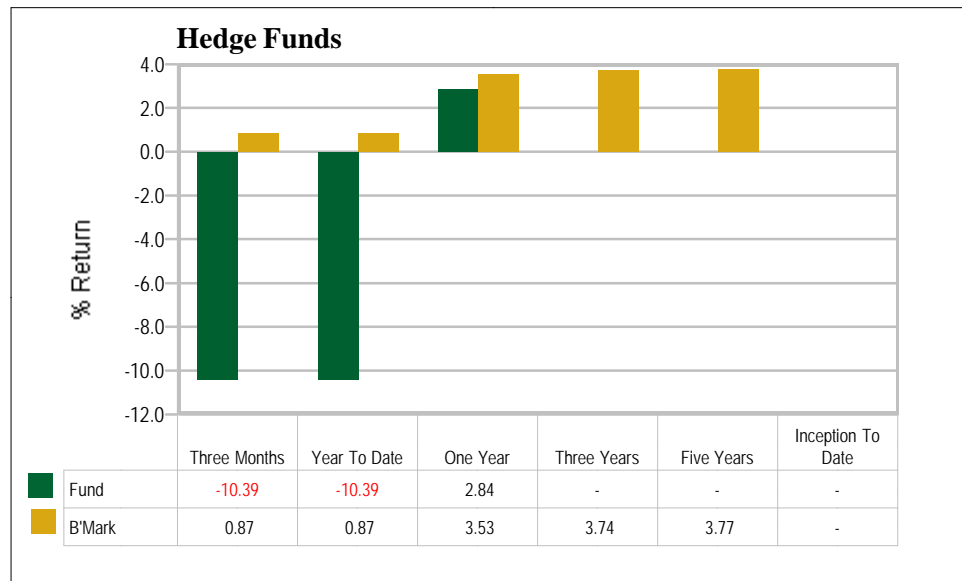
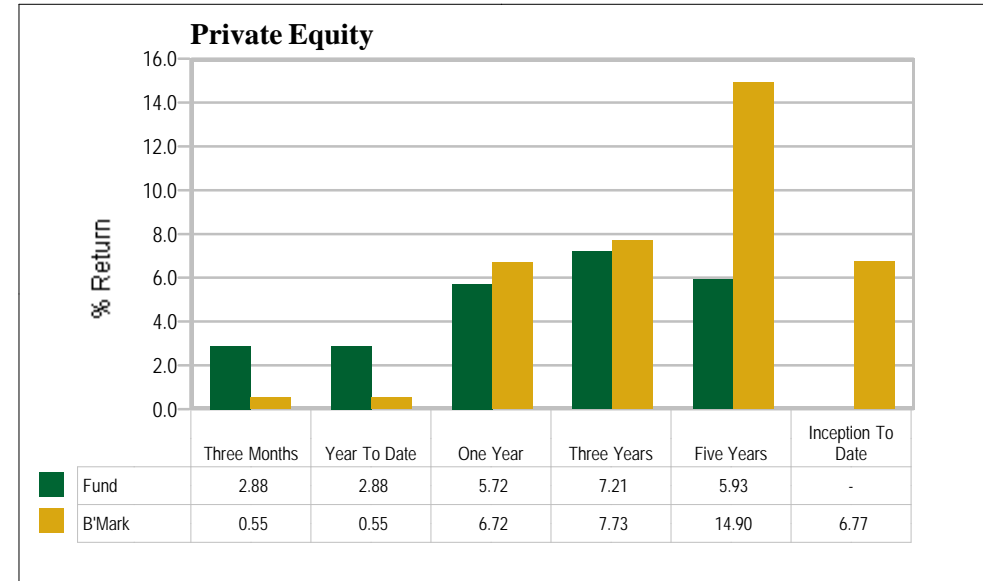
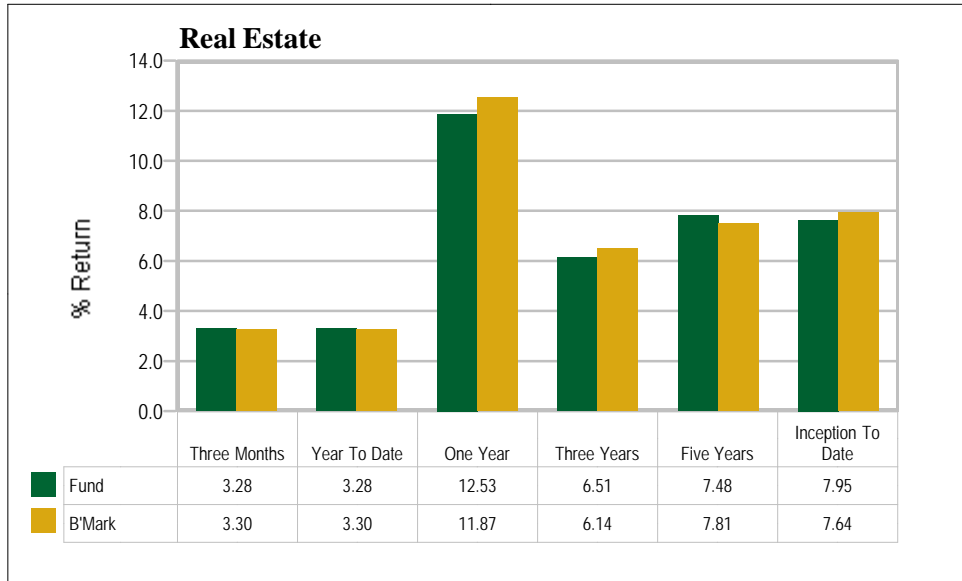


London Borough of Hillingdon





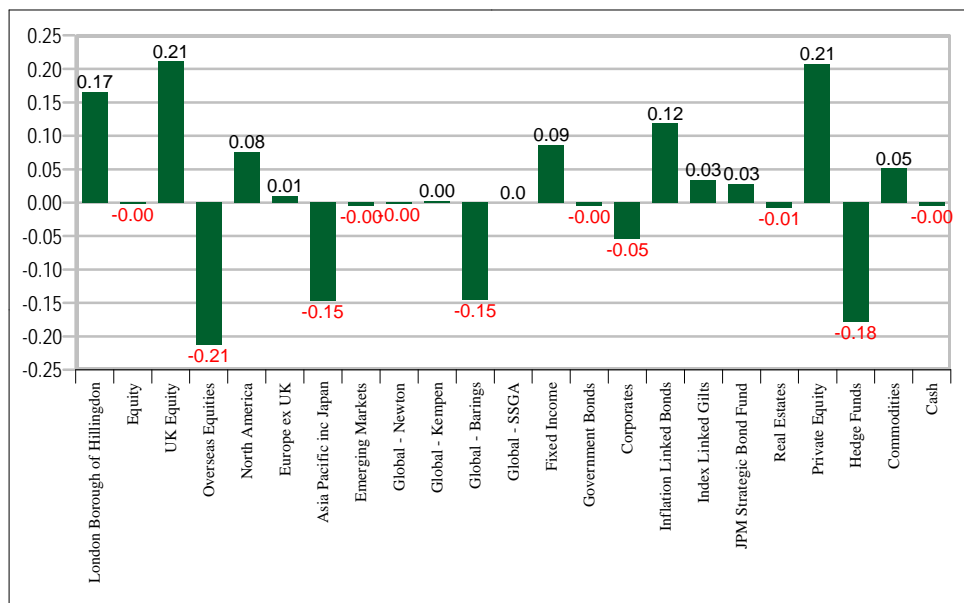
London Borough of Hillingdon



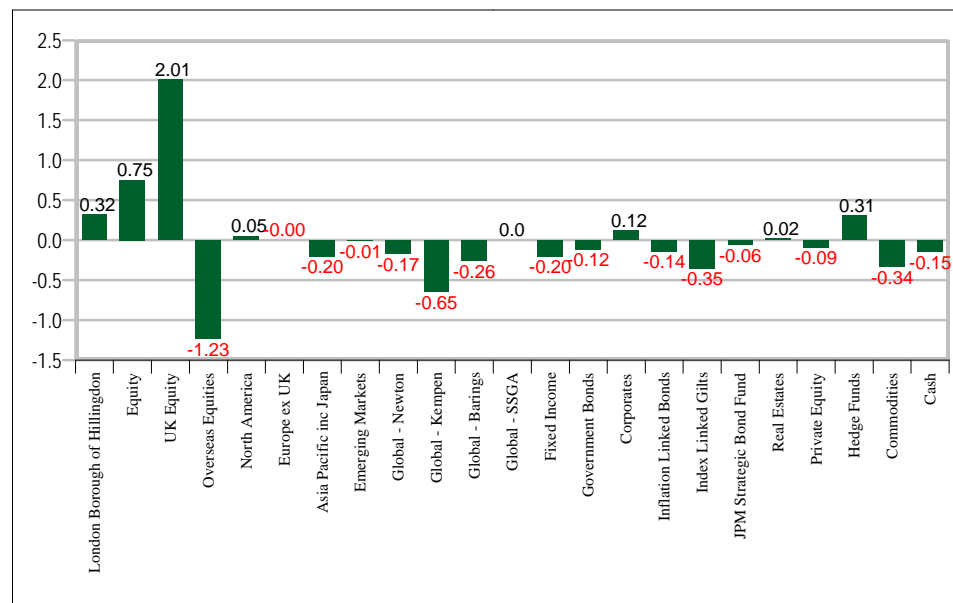


London Borough of Hillingdon

Relative Contribution - Three Months



Relative Contribution - One Year



| | Return | B'mark | Relative Return | Hedging Effect | Currency Effect | Asset Allocation | Stock Selection | Relative Contribution |
|------------------------------|--------|--------|-----------------|----------------|-----------------|------------------|-----------------|-----------------------|
| London Borough of Hillingdon | 0.97 | 0.80 | 0.17 | -0.02 | -0.06 | -0.04 | 0.29 | 0.17 |
| Equity | 0.22 | -0.22 | 0.44 | 0.00 | -0.06 | -0.01 | 0.07 | -0.00 |
| UK Equity | 0.09 | -0.63 | 0.73 | 0.00 | -0.00 | -0.03 | 0.24 | 0.21 |
| Overseas Equities | 0.08 | 0.38 | -0.29 | 0.00 | -0.06 | 0.02 | -0.17 | -0.21 |
| North America | 3.19 | 1.19 | 1.97 | 0.00 | -0.01 | 0.02 | 0.06 | 0.08 |
| Europe ex UK | 2.91 | 3.03 | -0.12 | 0.00 | -0.02 | 0.01 | 0.01 | 0.01 |
| Asia Pacific inc Japan | -5.00 | -2.95 | -2.11 | 0.00 | 0.03 | -0.09 | -0.09 | -0.15 |
| Emerging Markets | -1.73 | -0.75 | -0.99 | 0.00 | 0.00 | 0.00 | -0.01 | -0.00 |

| | Return | B'mark | Relative Return | Hedging Effect | Currency Effect | Asset Allocation | Stock Selection | Relative Contribution |
|------------------------------|--------|--------|-----------------|----------------|-----------------|------------------|-----------------|-----------------------|
| London Borough of Hillingdon | 6.78 | 6.44 | 0.32 | 0.33 | -1.02 | 0.52 | 0.46 | 0.32 |
| Equity | 9.67 | 7.85 | 1.69 | 0.00 | -0.97 | 0.37 | 1.36 | 0.75 |
| UK Equity | 16.44 | 8.81 | 7.01 | 0.00 | 0.03 | -0.07 | 2.05 | 2.01 |
| Overseas Equities | 3.12 | 6.21 | -2.91 | 0.00 | -0.99 | 0.44 | -0.68 | -1.23 |
| North America | 10.33 | 10.30 | 0.03 | 0.00 | -0.09 | 0.15 | -0.01 | 0.05 |
| Europe ex UK | 15.54 | 18.28 | -2.32 | 0.00 | -0.06 | 0.06 | -0.00 | -0.00 |
| Asia Pacific inc Japan | -5.01 | -3.95 | -1.10 | 0.00 | -0.43 | 0.13 | 0.10 | -0.20 |
| Emerging Markets | -11.90 | -10.79 | -1.24 | 0.00 | 0.00 | 0.00 | -0.01 | -0.01 |



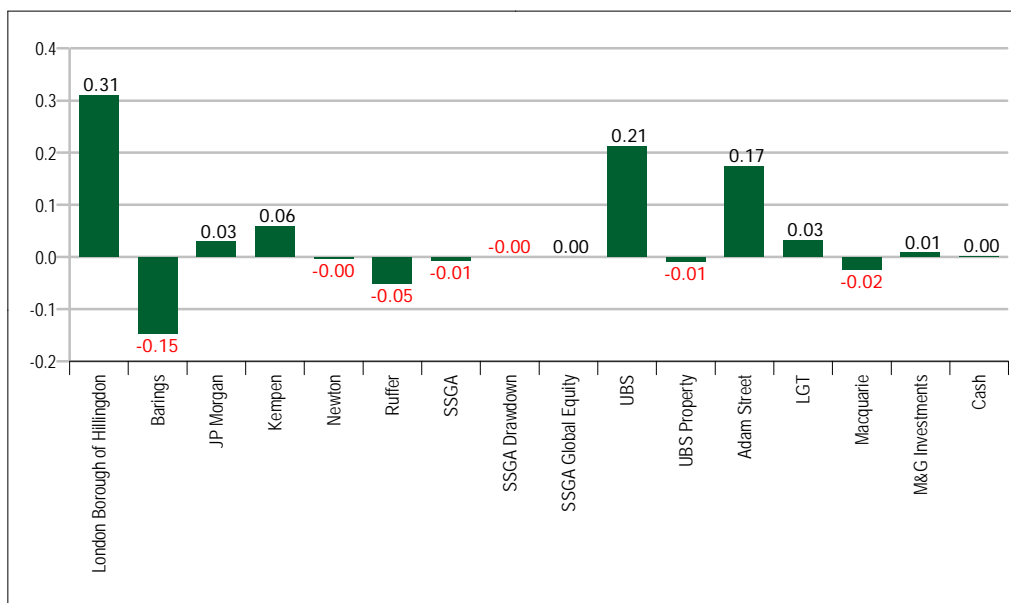
1st Quarter, 2014

London Borough of Hillingdon

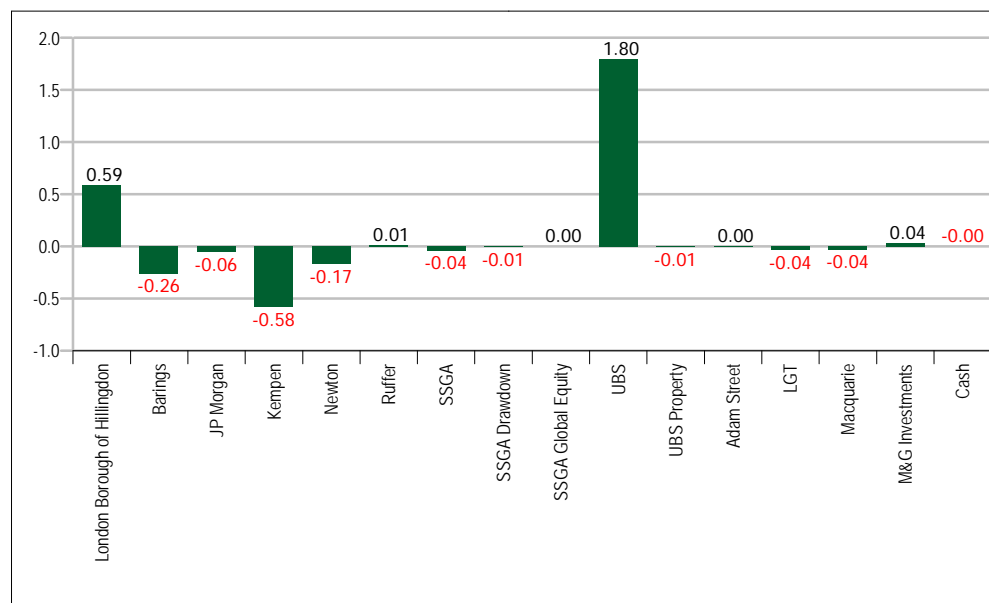
| | Return | B'mark | Relative Return | Hedging Effect | Currency Effect | Asset Allocation | Stock Selection | Relative Contribution | | Return | B'mark | Relative Return | Hedging Effect | Currency Effect | Asset Allocation | Stock Selection | Relative Contribution |
|-------------------------|--------|--------|-----------------|----------------|-----------------|------------------|-----------------|-----------------------|-------------------------|--------|--------|-----------------|----------------|-----------------|------------------|-----------------|-----------------------|
| Global - Newton | 0.99 | 1.04 | -0.05 | 0.00 | -0.00 | -0.00 | -0.00 | -0.00 | Global - Newton | 3.50 | 8.88 | -4.93 | 0.00 | 0.00 | -0.00 | -0.17 | -0.17 |
| Global - Kempen | 0.21 | 1.23 | -1.01 | 0.00 | -0.01 | 0.07 | -0.06 | 0.00 | Global - Kempen | 0.00 | 11.21 | -10.07 | 0.00 | -0.17 | 0.07 | -0.54 | -0.65 |
| Global - Barings | -0.52 | 1.11 | -1.62 | 0.00 | -0.06 | 0.00 | -0.09 | -0.15 | Global - Barings | 1.69 | 4.54 | -2.73 | 0.00 | -0.25 | 0.04 | -0.04 | -0.26 |
| Global - SSGA | - | 0.42 | -0.42 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Global - SSGA | - | 6.16 | -5.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Fixed Income | 2.03 | 1.20 | 0.82 | 0.00 | -0.01 | -0.05 | 0.15 | 0.09 | Fixed Income | -0.29 | 3.14 | -3.32 | 0.00 | -0.11 | -0.05 | -0.04 | -0.20 |
| Government Bonds | 0.36 | - | 0.36 | 0.00 | -0.00 | 0.00 | 0.00 | -0.00 | Government Bonds | -15.50 | - | -15.50 | 0.00 | -0.01 | -0.11 | 0.00 | -0.12 |
| Corporates | 2.32 | 2.40 | -0.08 | 0.00 | -0.00 | -0.05 | -0.00 | -0.05 | Corporates | 1.28 | 1.55 | -0.26 | 0.00 | -0.04 | 0.17 | -0.01 | 0.12 |
| Inflation Linked Bonds | 6.14 | 1.54 | 4.53 | 0.00 | -0.01 | 0.00 | 0.12 | 0.12 | Inflation Linked Bonds | -9.48 | -15.11 | 6.63 | 0.00 | -0.05 | -0.10 | 0.01 | -0.14 |
| Index Linked Gilts | 3.06 | 3.22 | -0.15 | 0.00 | -0.00 | 0.04 | -0.01 | 0.03 | Index Linked Gilts | -4.59 | -3.80 | -0.83 | 0.00 | -0.06 | -0.34 | 0.05 | -0.35 |
| JPM Strategic Bond Fund | 1.17 | 0.87 | 0.30 | 0.00 | 0.00 | -0.00 | 0.03 | 0.03 | JPM Strategic Bond Fund | 3.22 | 3.53 | -0.30 | 0.00 | -0.00 | -0.01 | -0.05 | -0.06 |
| Real Estates | 3.28 | 3.30 | -0.02 | 0.00 | 0.00 | -0.01 | -0.00 | -0.01 | Real Estates | 12.53 | 11.87 | 0.58 | 0.00 | -0.00 | -0.02 | 0.04 | 0.02 |
| Private Equity | 2.88 | 0.55 | 2.32 | 0.00 | 0.01 | 0.01 | 0.19 | 0.21 | Private Equity | 5.72 | 6.72 | -0.94 | 0.00 | 0.39 | 0.30 | -0.78 | -0.09 |
| Hedge Funds | -10.39 | 0.87 | -11.16 | 0.00 | 0.00 | -0.01 | -0.18 | -0.18 | Hedge Funds | 2.84 | 3.53 | -0.66 | 0.00 | -0.25 | 0.41 | 0.15 | 0.31 |
| Commodities | 11.58 | 0.87 | 10.62 | 0.00 | -0.00 | -0.00 | 0.05 | 0.05 | Commodities | -34.26 | 3.53 | -36.50 | 0.00 | -0.01 | 0.01 | -0.34 | -0.34 |
| Cash | 0.44 | 0.09 | 0.35 | 0.00 | 0.00 | -0.01 | 0.01 | -0.00 | Cash | -0.23 | 0.36 | -0.59 | 0.00 | -0.01 | -0.16 | 0.02 | -0.15 |



Three Months



One Year

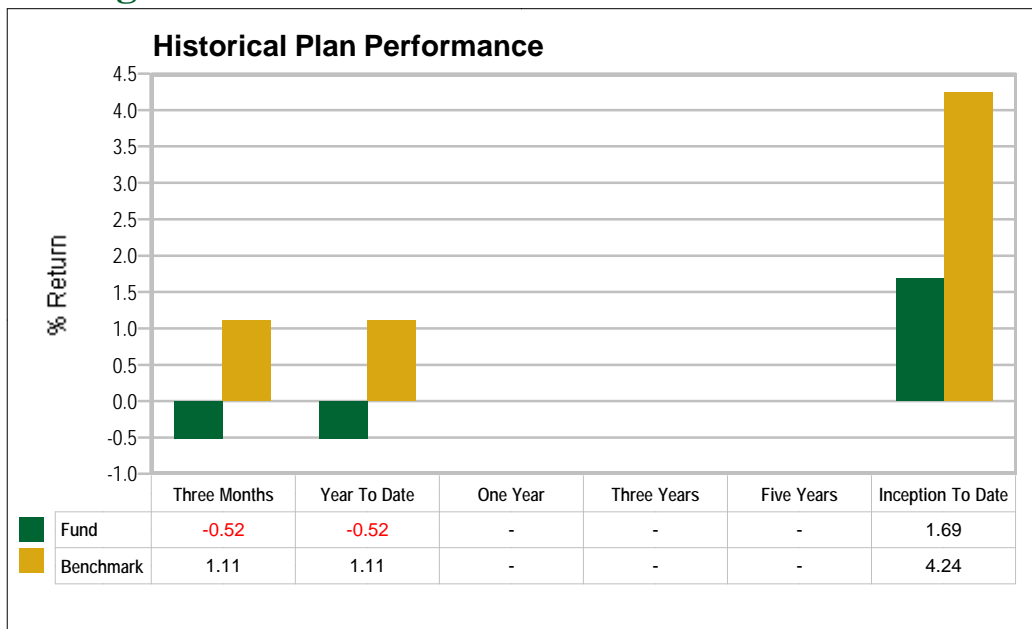


| | Fund Return | Index Return | Relative Return | Asset Allocation | Stock Selection | Relative Contribution |
|------------------------------|-------------|--------------|-----------------|------------------|-----------------|-----------------------|
| London Borough of Hillingdon | 0.97 | 0.66 | 0.31 | 0.03 | 0.34 | 0.31 |
| Barings | -0.52 | 1.11 | -1.62 | 0.00 | -0.15 | -0.15 |
| JP Morgan | 1.17 | 0.87 | 0.30 | -0.00 | 0.03 | 0.03 |
| Kempen | 0.87 | 1.23 | -0.36 | 0.07 | -0.01 | 0.06 |
| Newton | 0.99 | 1.04 | -0.05 | -0.00 | -0.00 | -0.00 |
| Ruffer | -0.29 | 0.13 | -0.42 | -0.00 | -0.05 | -0.05 |
| SSGA | 0.38 | 0.40 | -0.02 | -0.00 | -0.00 | -0.01 |
| SSGA Drawdown | -0.41 | 1.20 | -1.60 | 0.00 | -0.00 | -0.00 |
| SSGA Global Equity | - | - | 0.00 | 0.00 | 0.00 | 0.00 |
| UBS | 0.32 | -0.63 | 0.96 | -0.02 | 0.23 | 0.21 |
| UBS Property | 3.09 | 3.30 | -0.20 | 0.01 | -0.01 | -0.01 |
| Adam Street | 6.90 | 0.55 | 6.32 | -0.00 | 0.18 | 0.17 |
| LGT | 2.01 | 0.55 | 1.46 | -0.00 | 0.03 | 0.03 |
| Macquarie | -2.05 | 0.87 | -2.90 | -0.00 | -0.02 | -0.02 |
| M&G Investments | 1.40 | 1.11 | 0.28 | -0.00 | 0.01 | 0.01 |
| Cash | 2.20 | 0.09 | 2.11 | 0.00 | 0.00 | 0.00 |

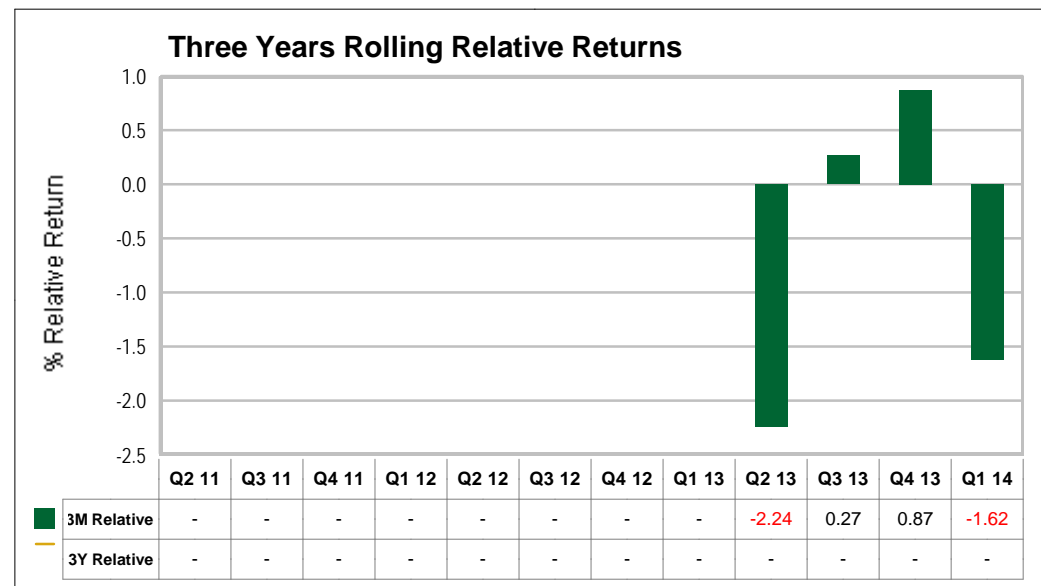
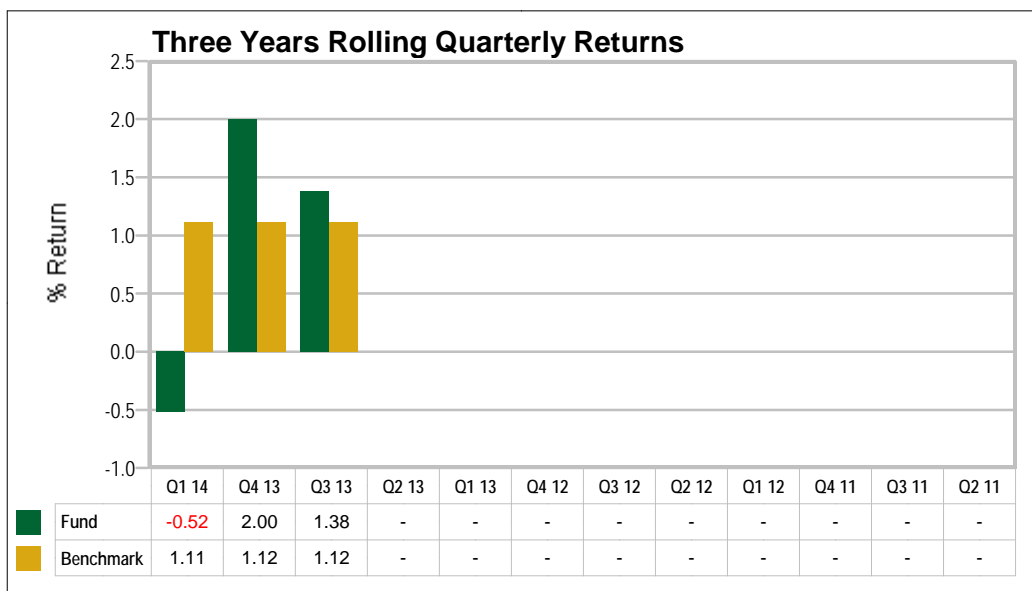
| | Fund Return | Index Return | Relative Return | Asset Allocation | Stock Selection | Relative Contribution |
|------------------------------|-------------|--------------|-----------------|------------------|-----------------|-----------------------|
| London Borough of Hillingdon | 6.78 | 6.16 | 0.59 | -0.10 | 0.69 | 0.59 |
| Barings | 1.69 | 4.54 | -2.73 | 0.01 | -0.27 | -0.26 |
| JP Morgan | 3.22 | 3.53 | -0.30 | -0.01 | -0.04 | -0.06 |
| Kempen | 0.76 | 11.21 | -9.39 | 0.06 | -0.65 | -0.58 |
| Newton | 3.50 | 8.88 | -4.93 | -0.00 | -0.17 | -0.17 |
| Ruffer | 0.68 | 0.52 | 0.16 | -0.03 | 0.04 | 0.01 |
| SSGA | 5.82 | 6.01 | -0.17 | -0.01 | -0.03 | -0.04 |
| SSGA Drawdown | -7.43 | 0.96 | -8.32 | -0.00 | -0.01 | -0.01 |
| SSGA Global Equity | - | - | 0.00 | 0.00 | 0.00 | 0.00 |
| UBS | 19.65 | 8.81 | 9.96 | -0.07 | 1.87 | 1.80 |
| UBS Property | 11.76 | 11.87 | -0.10 | -0.00 | -0.01 | -0.01 |
| Adam Street | 7.53 | 6.72 | 0.77 | -0.00 | 0.00 | 0.00 |
| LGT | 5.38 | 6.72 | -1.25 | -0.00 | -0.03 | -0.04 |
| Macquarie | -0.97 | 3.53 | -4.35 | -0.01 | -0.03 | -0.04 |
| M&G Investments | 5.41 | 4.54 | 0.84 | 0.01 | 0.03 | 0.04 |
| Cash | 29.98 | 0.36 | 29.51 | -0.00 | -0.00 | -0.00 |



Barings

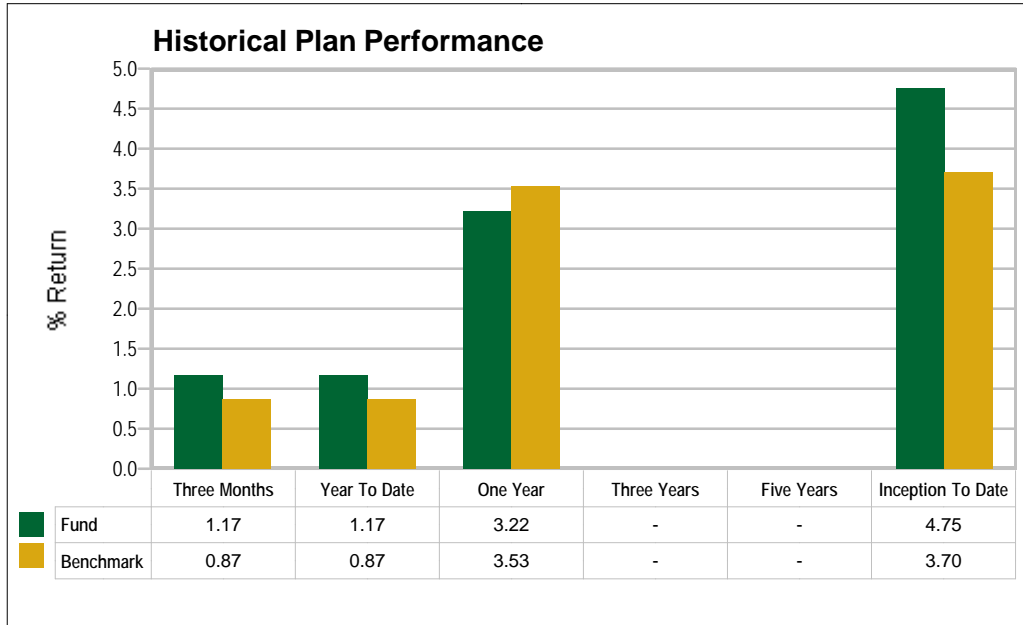


| Risk Statistics - 3 years | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | - | - |
| Standard Deviation | - | - |
| Relative Return | - | - |
| Tracking Error | - | - |
| Information Ratio | - | - |
| Beta | - | - |
| Alpha | - | - |
| R Squared | - | - |
| Sharpe Ratio | - | - |
| Percentage of Total Fund | 8.7 | |
| Inception Date | Apr-2013 | |
| Opening Market Value (£000) | 63,364 | |
| Net Investment £(000) | 11 | |
| Income Received £(000) | 0 | |
| Appreciation £(000) | -329 | |
| Closing Market Value (£000) | 63,046 | |



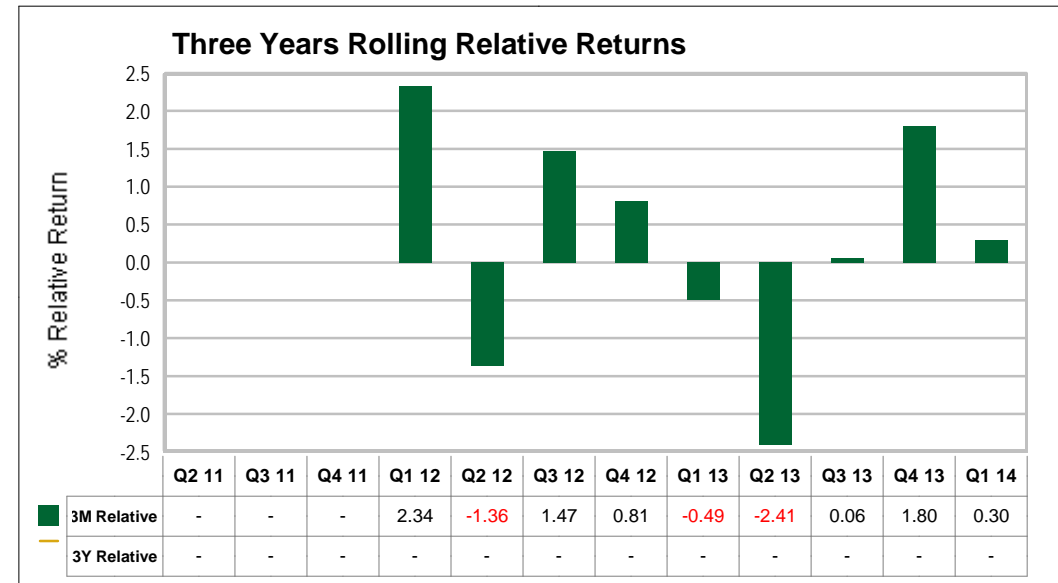
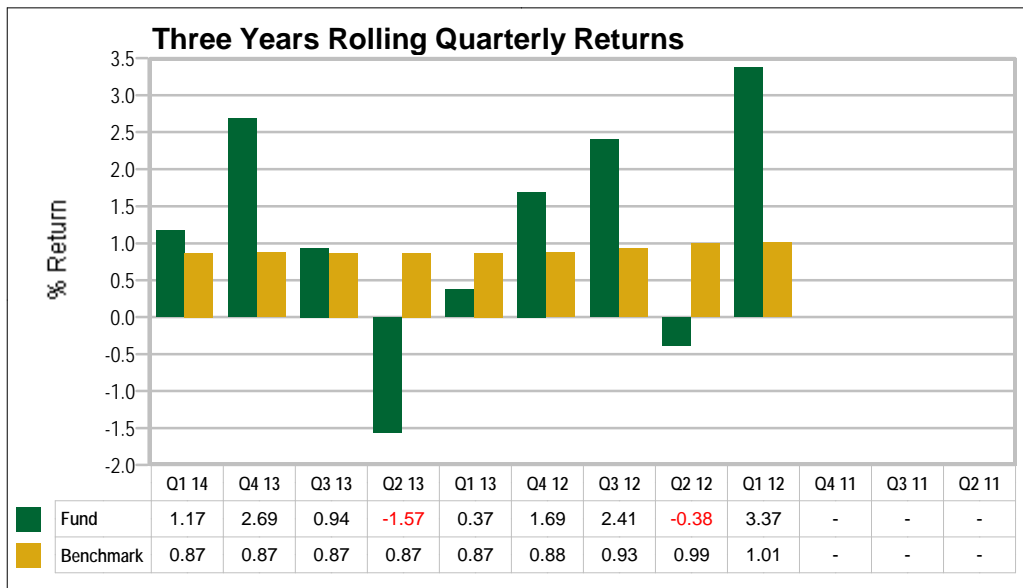


JP Morgan



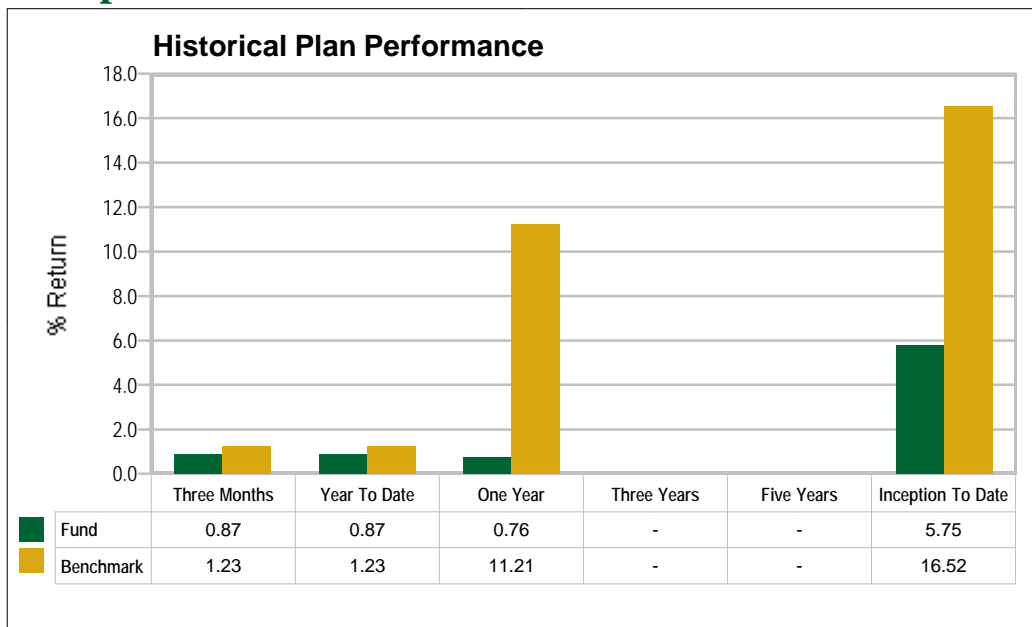
Risk Statistics - 3 years

| | 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) | 76,500 | |
| Net Investment (£000) | 0 | |
| Income Received (£000) | 0 | |
| Appreciation (£000) | 898 | |
| Closing Market Value (£000) | 77,397 | |

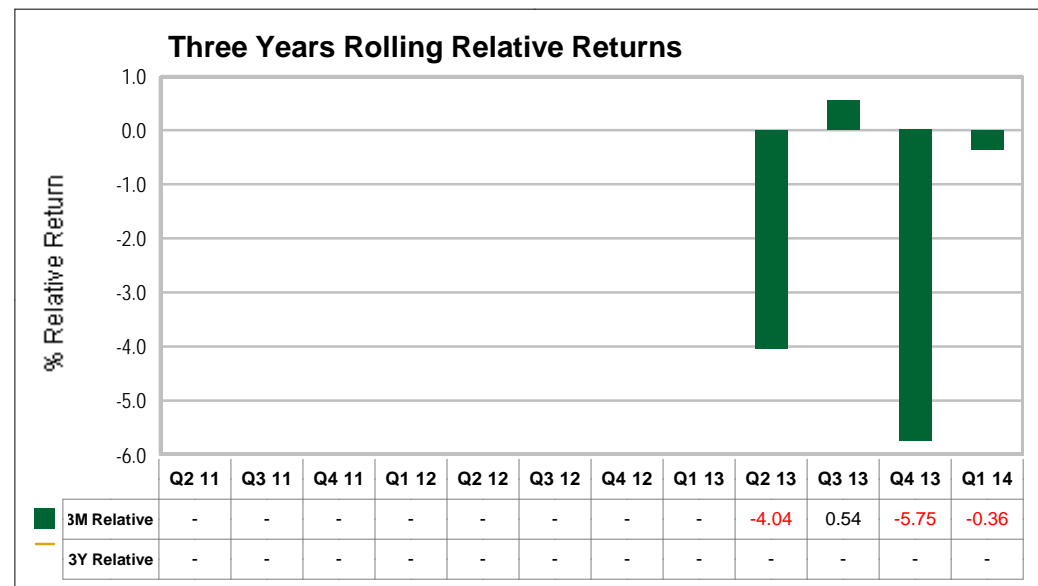
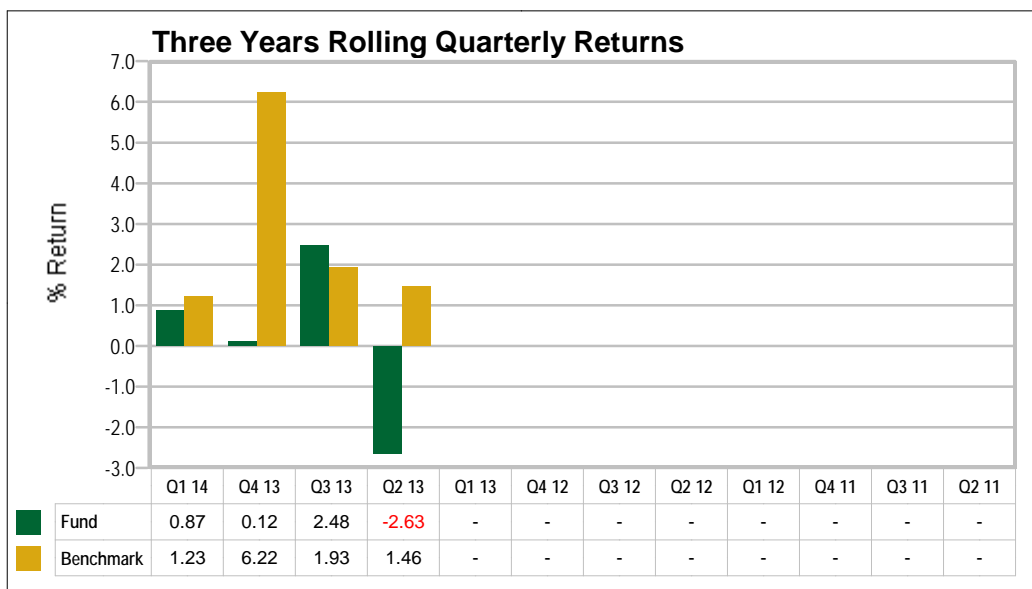




Kempen

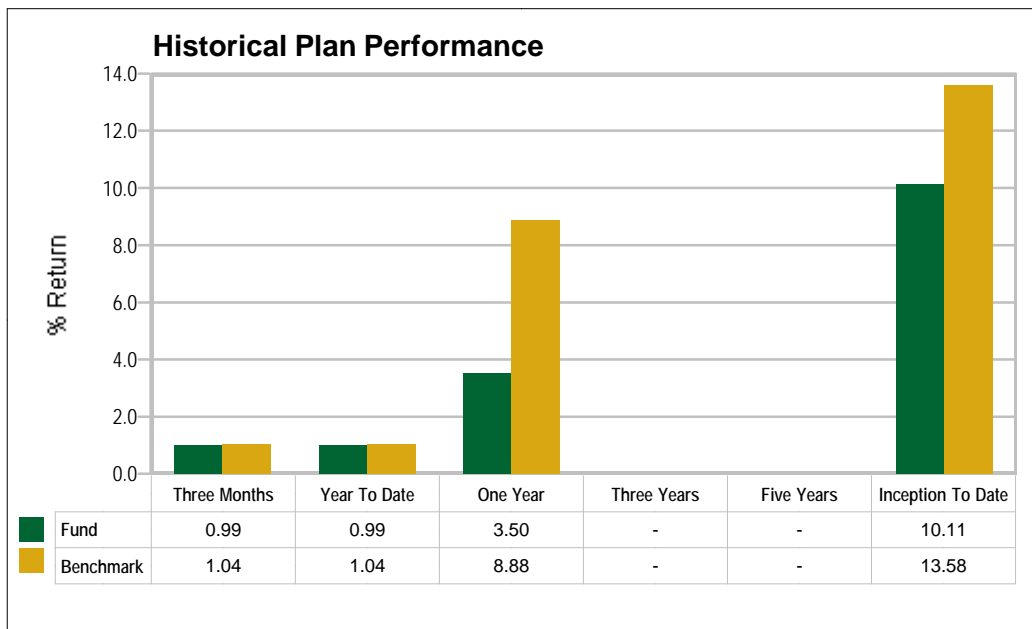


| Risk Statistics - 3 years | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | - | - |
| Standard Deviation | - | - |
| Relative Return | - | - |
| Tracking Error | - | - |
| Information Ratio | - | - |
| Beta | - | - |
| Alpha | - | - |
| R Squared | - | - |
| Sharpe Ratio | - | - |
| Percentage of Total Fund | 10.7 | |
| Inception Date | Jan-2013 | |
| Opening Market Value (£000) | 46,866 | |
| Net Investment £(000) | 29,461 | |
| Income Received £(000) | 0 | |
| Appreciation £(000) | 1,030 | |
| Closing Market Value (£000) | 77,356 | |

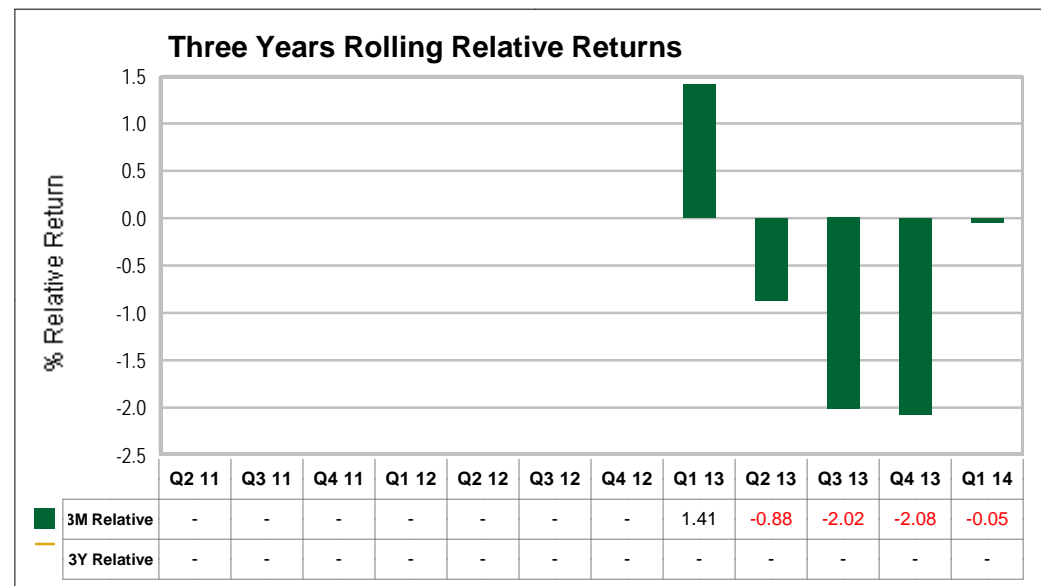
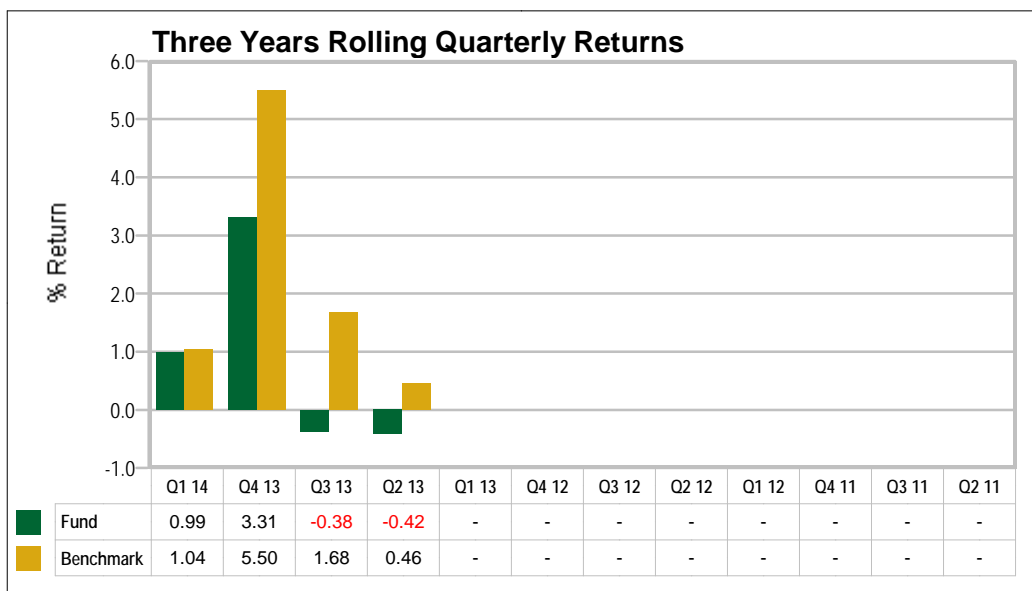




Newton



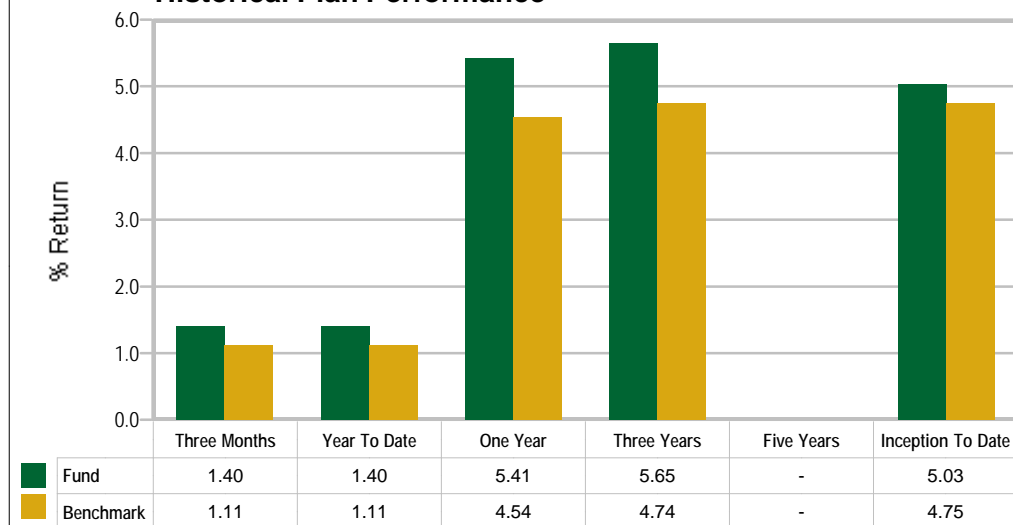
| Risk Statistics - 3 years | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | - | - |
| Standard Deviation | - | - |
| Relative Return | - | - |
| Tracking Error | - | - |
| Information Ratio | - | - |
| Beta | - | - |
| Alpha | - | - |
| R Squared | - | - |
| Sharpe Ratio | - | - |
| Percentage of Total Fund | 3.3 | |
| Inception Date | Jan-2013 | |
| Opening Market Value (£000) | 23,386 | |
| Net Investment £(000) | 0 | |
| Income Received £(000) | 0 | |
| Appreciation £(000) | 232 | |
| Closing Market Value (£000) | 23,618 | |





M&G Investments

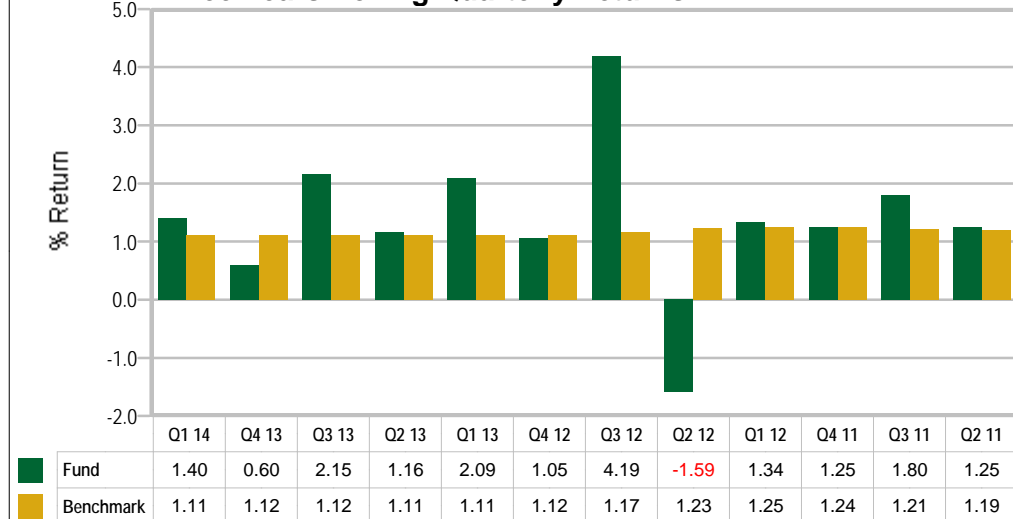
Historical Plan Performance



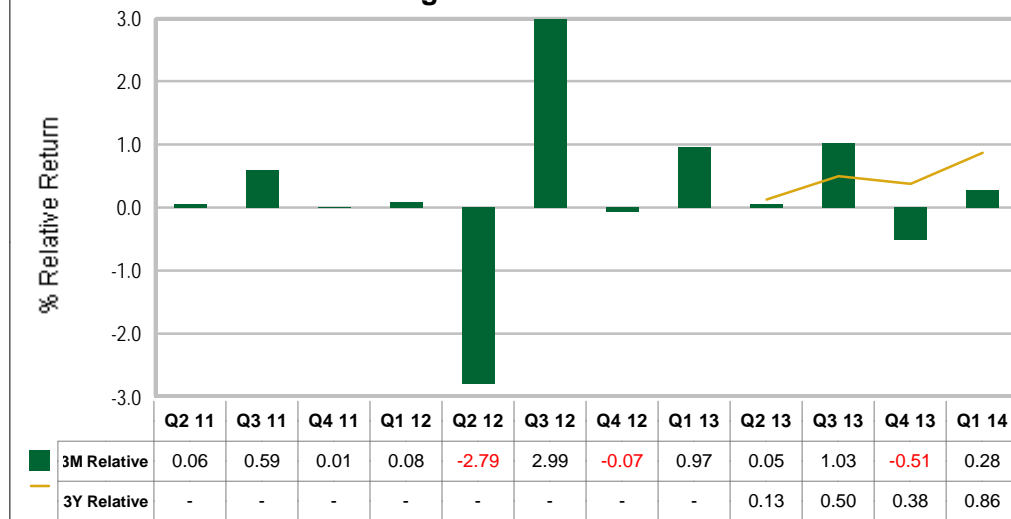
Risk Statistics - 3 years

| | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 5.65 | 4.74 |
| Standard Deviation | 2.73 | 0.06 |
| Relative Return | 0.86 | |
| Tracking Error | 2.73 | |
| Information Ratio | 0.33 | |
| Beta | 2.11 | |
| Alpha | -3.08 | |
| R Squared | 0.00 | |
| Sharpe Ratio | 1.70 | 59.15 |
| Percentage of Total Fund | 3.6 | |
| Inception Date | May-2010 | |
| Opening Market Value (£000) | 24,370 | |
| Net Investment (£000) | 1,200 | |
| Income Received (£000) | 0 | |
| Appreciation (£000) | 342 | |
| Closing Market Value (£000) | 25,912 | |

Three Years Rolling Quarterly Returns

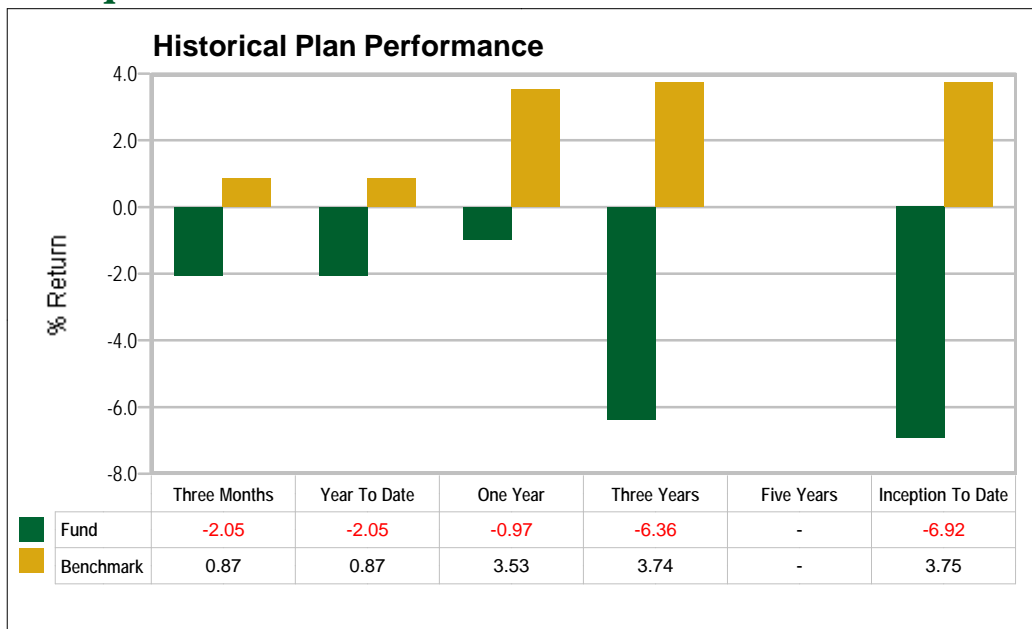


Three Years Rolling Relative Returns

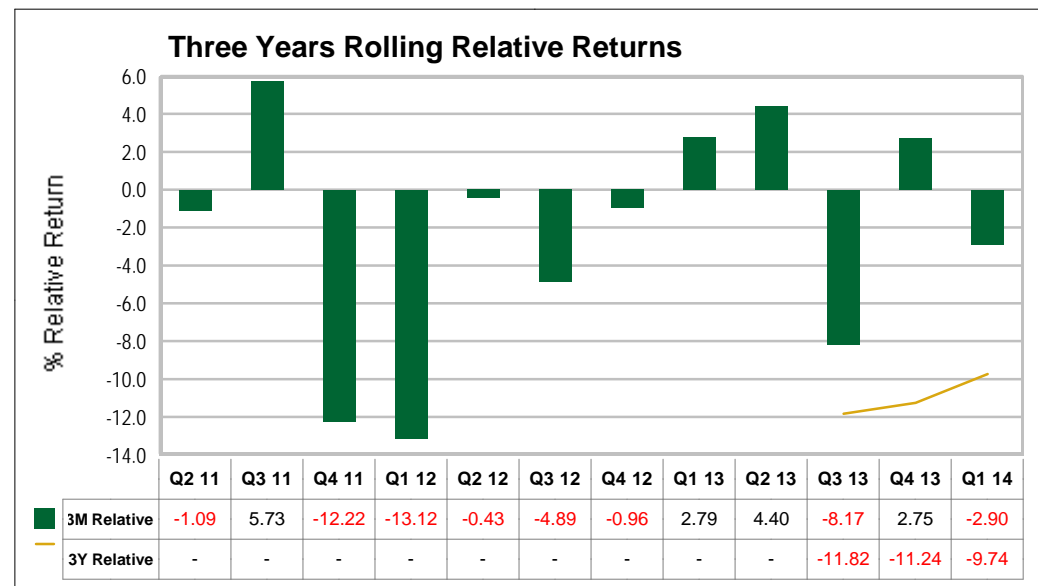
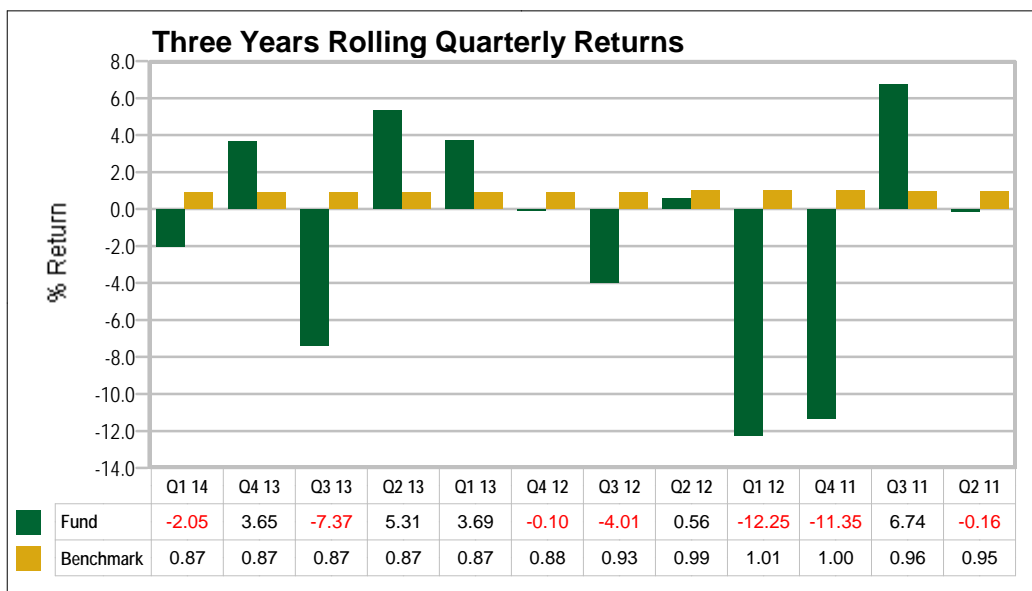




Macquarie



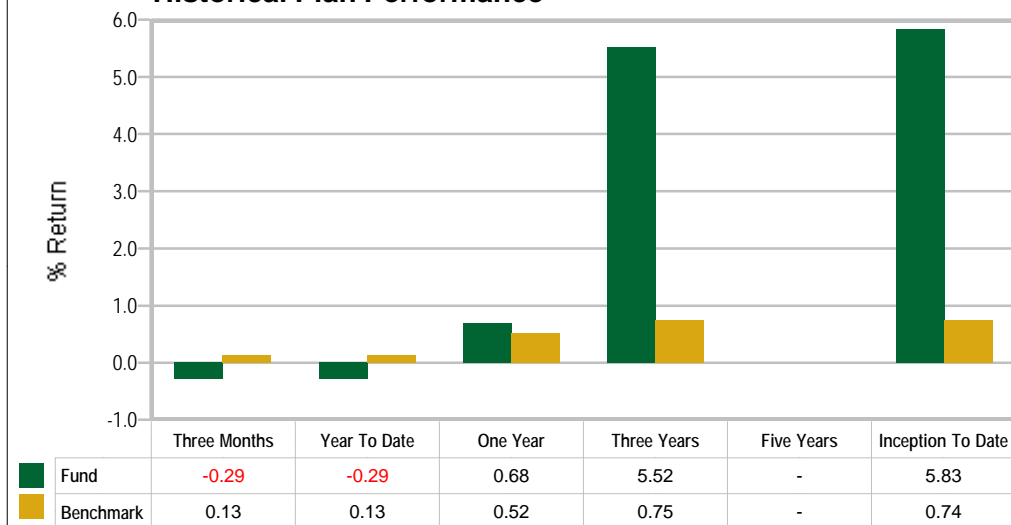
| Risk Statistics - 3 years | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | -6.36 | 3.74 |
| Standard Deviation | 11.70 | 0.06 |
| Relative Return | -9.74 | |
| Tracking Error | 11.72 | |
| Information Ratio | -0.86 | |
| Beta | 38.80 | |
| Alpha | -68.64 | |
| R Squared | 0.07 | |
| Sharpe Ratio | -0.63 | 43.19 |
| Percentage of Total Fund | 0.8 | |
| Inception Date | Sep-2010 | |
| Opening Market Value (£000) | 5,971 | |
| Net Investment £(000) | 9 | |
| Income Received £(000) | -0 | |
| Appreciation £(000) | -123 | |
| Closing Market Value (£000) | 5,858 | |





Ruffer

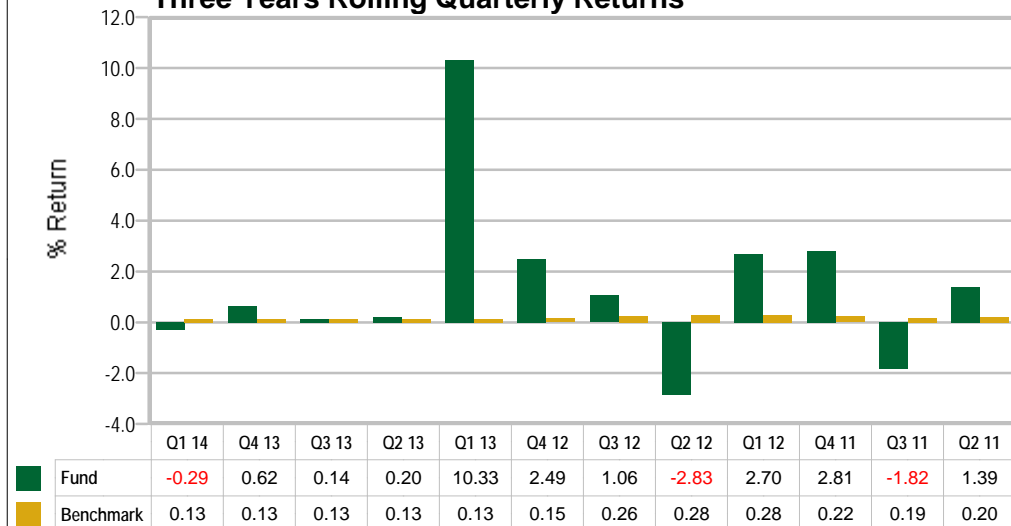
Historical Plan Performance



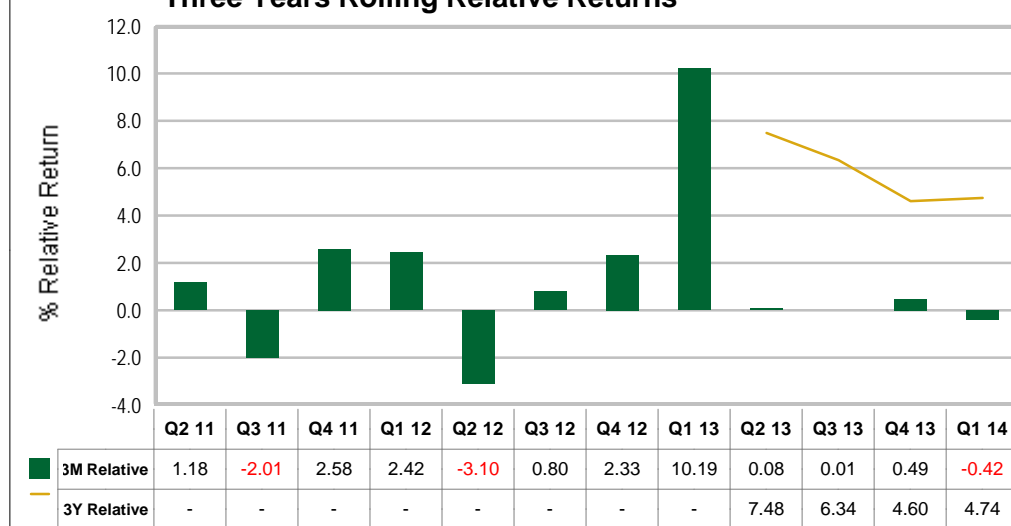
Risk Statistics - 3 years

| | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 5.52 | 0.75 |
| Standard Deviation | 5.22 | 0.07 |
| Relative Return | 4.74 | |
| Tracking Error | 5.23 | |
| Information Ratio | 0.91 | |
| Beta | 19.13 | |
| Alpha | 9.94 | |
| R Squared | 0.06 | |
| Sharpe Ratio | 0.86 | -3.75 |
| Percentage of Total Fund | 11.7 | |
| Inception Date | May-2010 | |
| Opening Market Value (£000) | 84,767 | |
| Net Investment £(000) | 0 | |
| Income Received £(000) | 453 | |
| Appreciation £(000) | -696 | |
| Closing Market Value (£000) | 84,524 | |

Three Years Rolling Quarterly Returns

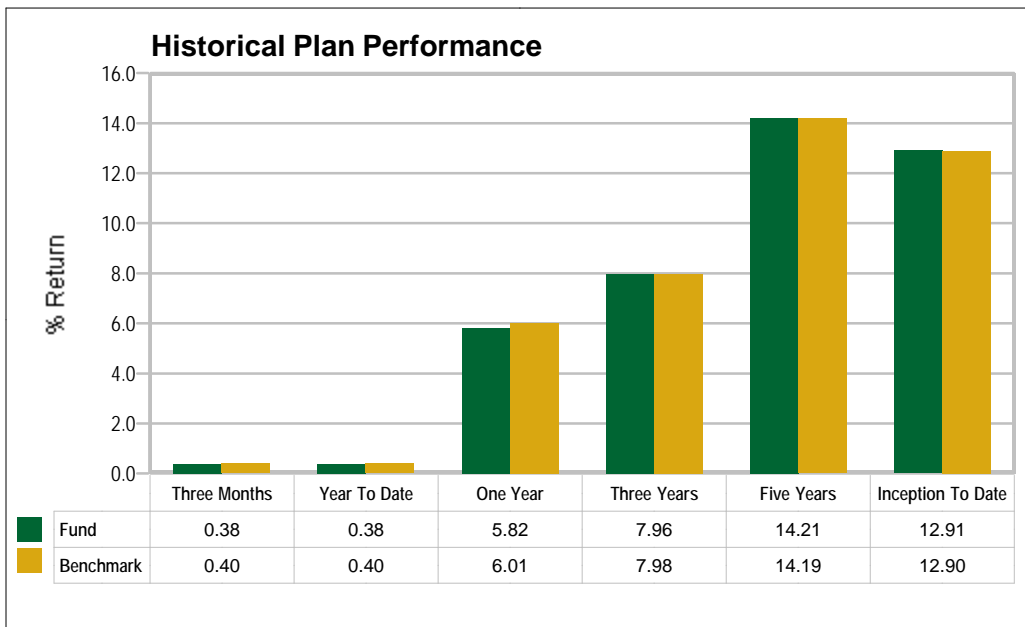


Three Years Rolling Relative Returns



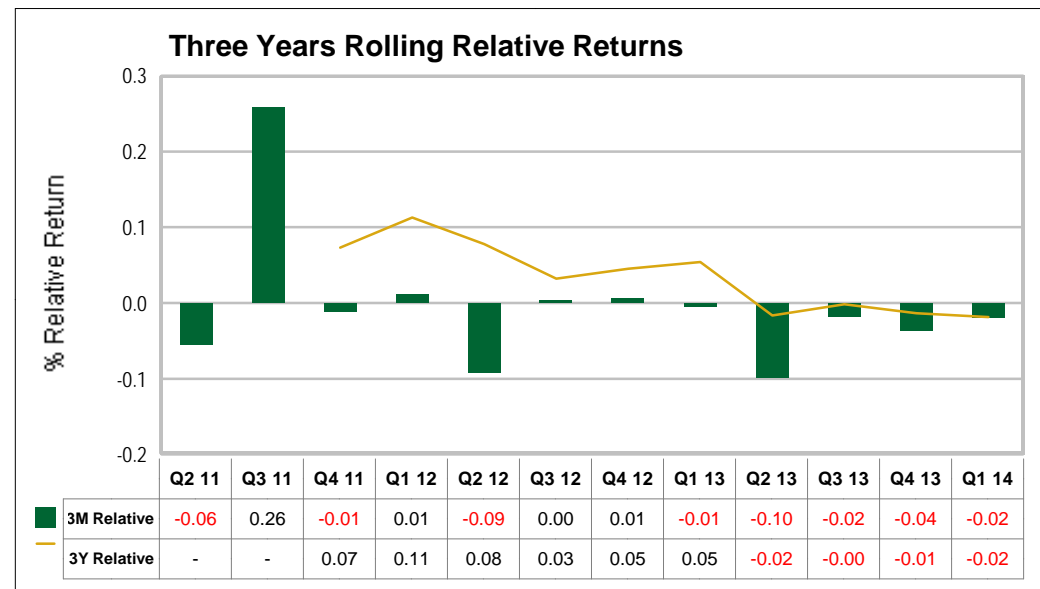
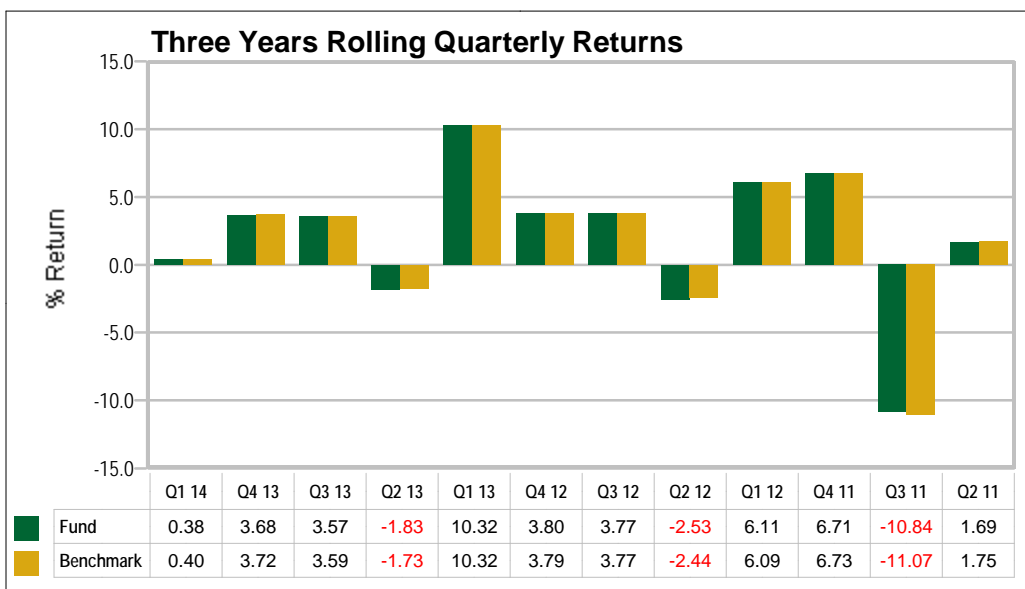


SSGA



Risk Statistics - 3 years

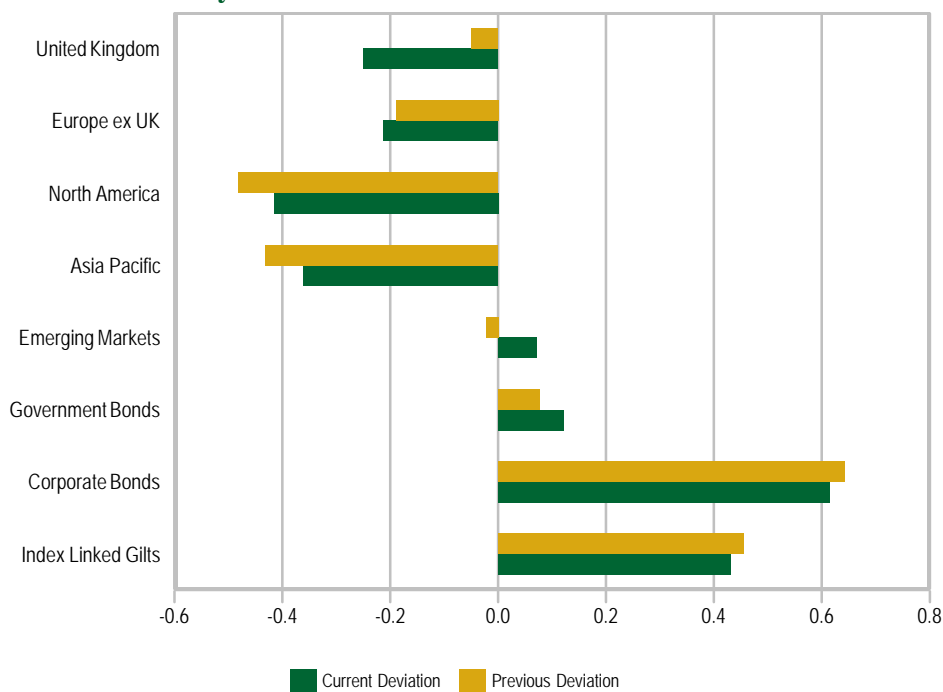
| | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 7.96 | 7.98 |
| Standard Deviation | 9.30 | 9.38 |
| Relative Return | -0.02 | |
| Tracking Error | 0.16 | |
| Information Ratio | -0.12 | |
| Beta | 0.99 | |
| Alpha | 0.04 | |
| R Squared | 1.00 | |
| Sharpe Ratio | 0.75 | 0.74 |
| Percentage of Total Fund | 19.9 | |
| Inception Date | Nov-2008 | |
| Opening Market Value (£000) | 143,447 | |
| Net Investment (£(000)) | 0 | |
| Income Received (£(000)) | 0 | |
| Appreciation (£(000)) | 552 | |
| Closing Market Value (£000) | 143,998 | |





SSGA

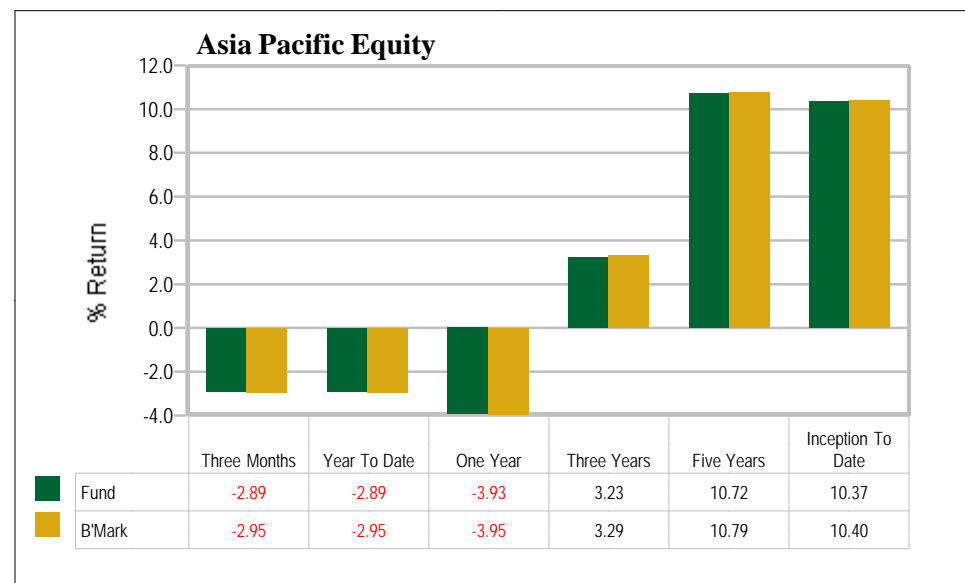
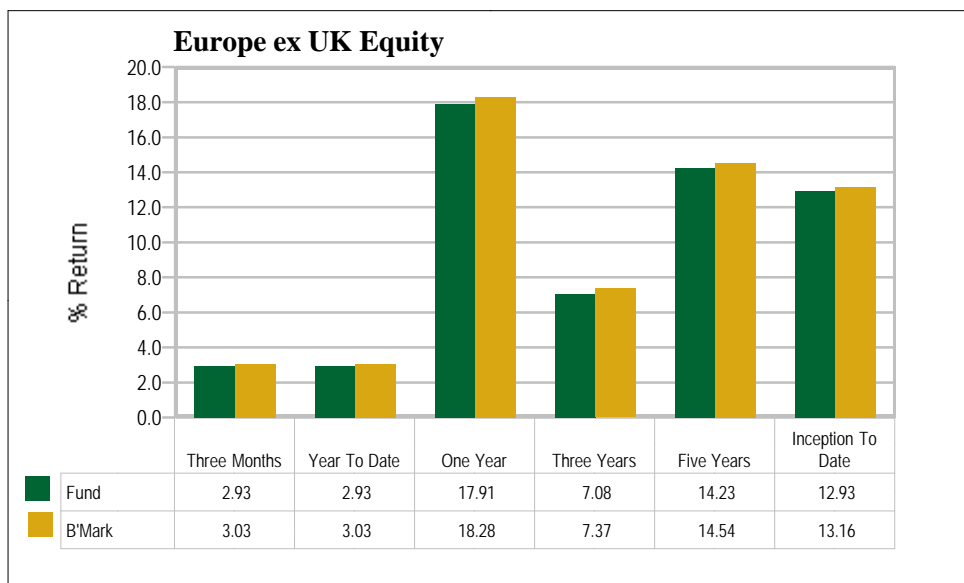
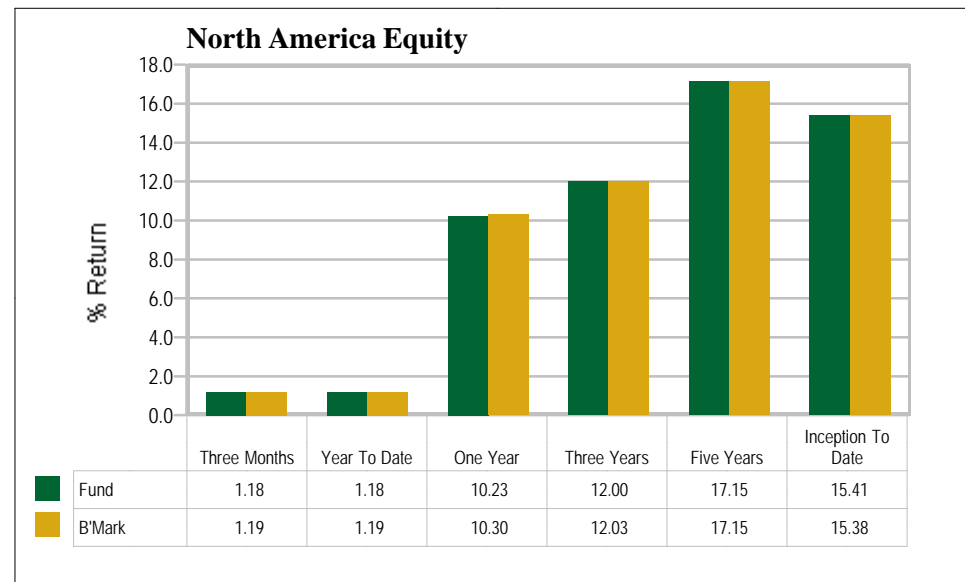
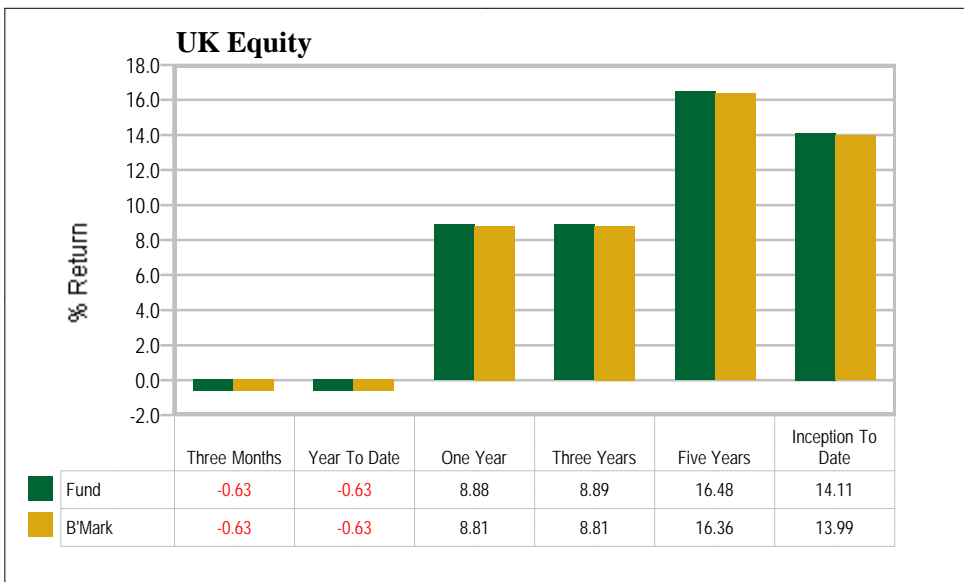
By Sector



| | Current Quarter | Previous Quarter | Current Benchmark | Current Deviation | Previous Benchmark | Previous Deviation |
|--------------------|-----------------|------------------|-------------------|-------------------|--------------------|--------------------|
| United Kingdom | 43.83 | 44.03 | 44.08 | -0.25 | 44.08 | -0.05 |
| Europe ex UK | 11.04 | 11.06 | 11.25 | -0.21 | 11.25 | -0.19 |
| North America | 11.02 | 10.96 | 11.44 | -0.42 | 11.44 | -0.48 |
| Asia Pacific | 11.13 | 11.06 | 11.49 | -0.36 | 11.49 | -0.43 |
| Emerging Markets | 3.05 | 2.96 | 2.98 | 0.07 | 2.98 | -0.02 |
| Government Bonds | 1.49 | 1.45 | 1.37 | 0.12 | 1.37 | 0.08 |
| Corporate Bonds | 8.45 | 8.48 | 7.84 | 0.61 | 7.84 | 0.64 |
| Index Linked Gilts | 9.98 | 10.00 | 9.55 | 0.43 | 9.55 | 0.45 |

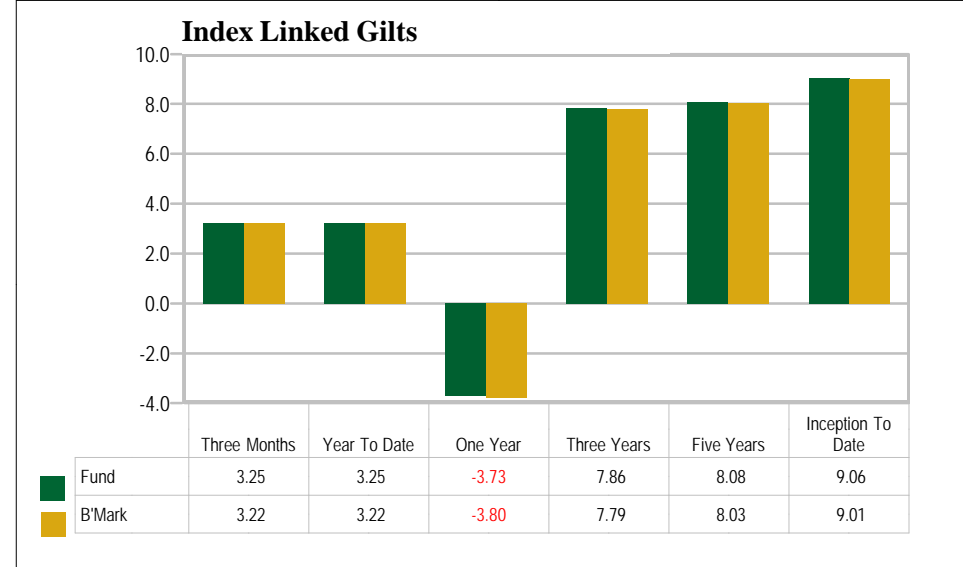
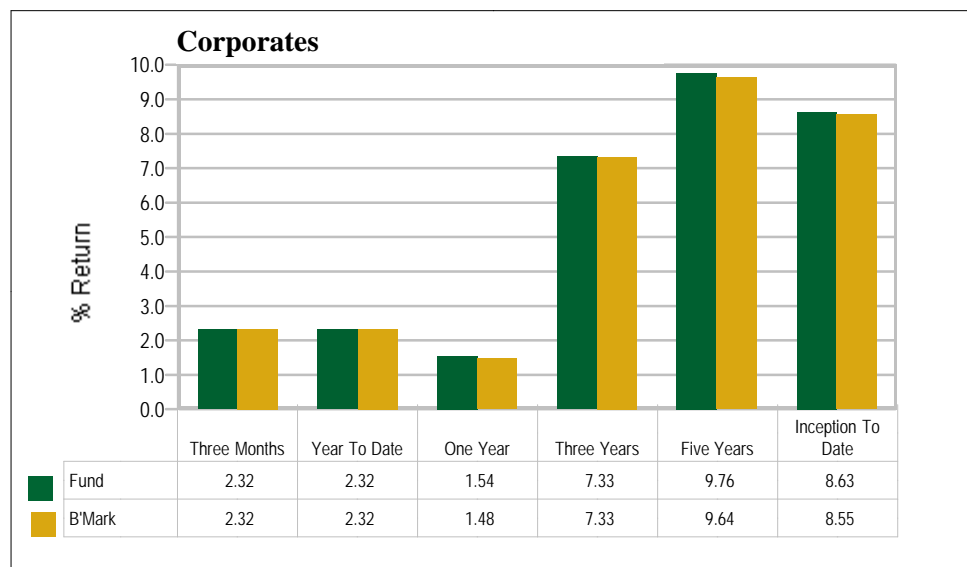
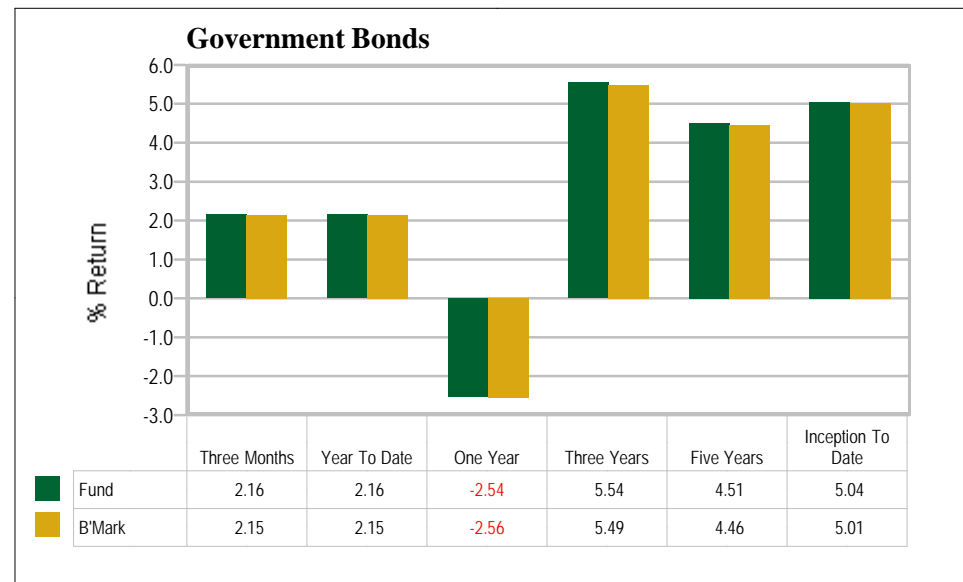
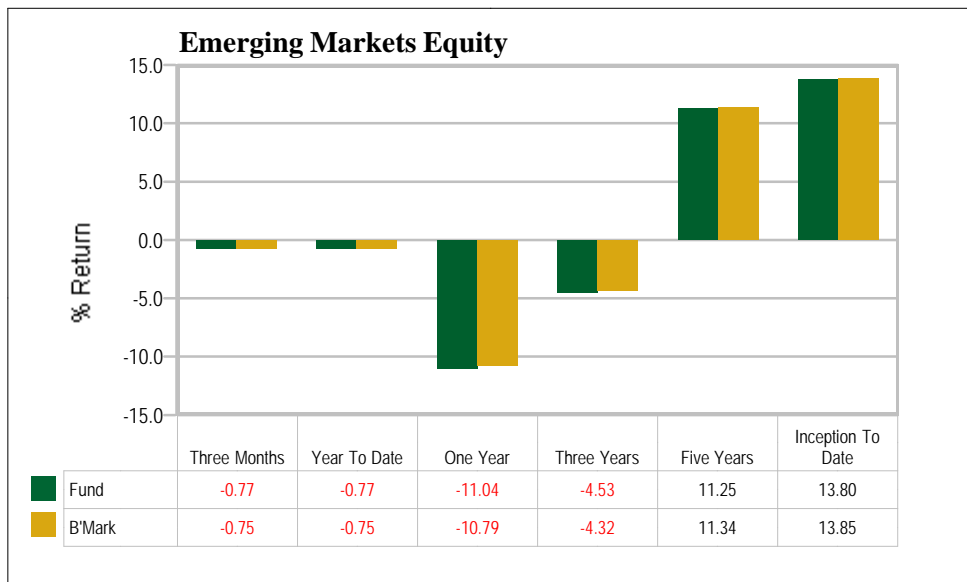


SSGA





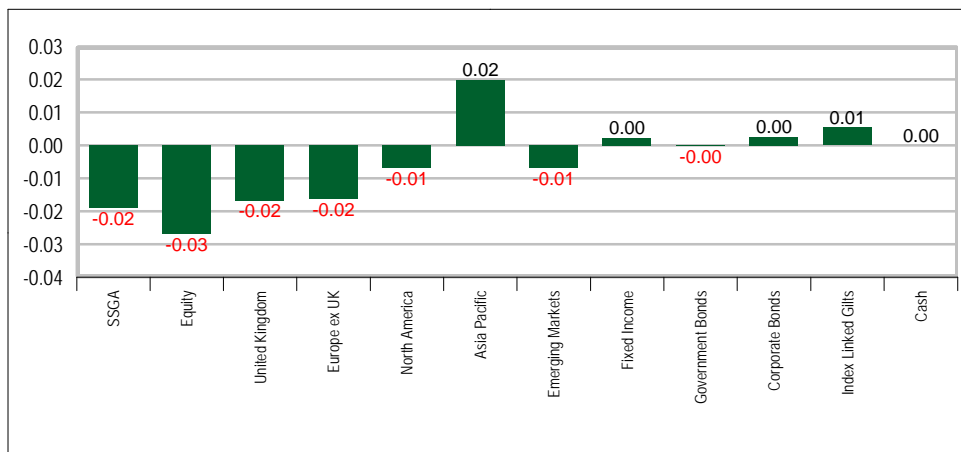
SSGA





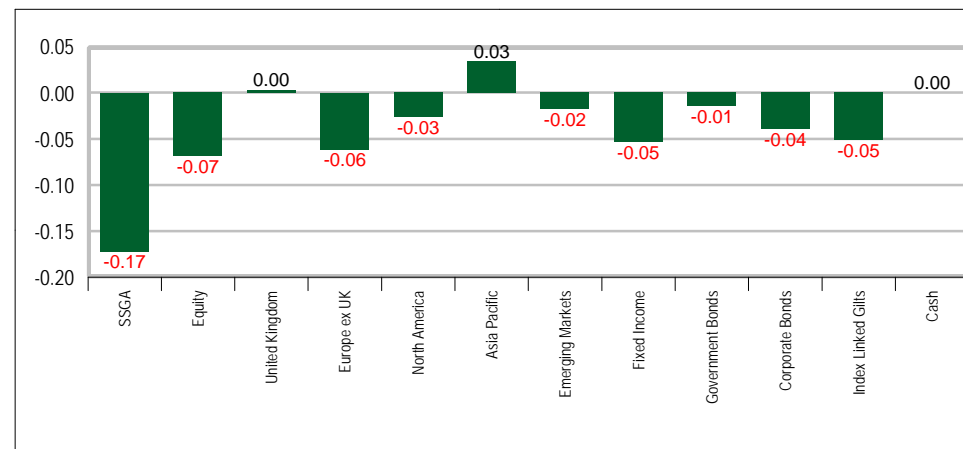
SSGA

Relative Contribution - Three Months



| | Return | Benchmark | Relative Return | Asset Allocation | Stock Selection | Relative contribution |
|--------------------|--------|-----------|-----------------|------------------|-----------------|-----------------------|
| SSGA | 0.38 | 0.40 | -0.02 | -0.01 | -0.00 | -0.02 |
| Equity | -0.21 | - | -0.21 | -0.02 | -0.01 | -0.03 |
| United Kingdom | -0.63 | -0.63 | -0.00 | -0.02 | -0.00 | -0.02 |
| Europe ex UK | 2.93 | 3.03 | -0.10 | -0.00 | -0.01 | -0.02 |
| North America | 1.18 | 1.19 | -0.01 | -0.01 | -0.00 | -0.01 |
| Asia Pacific | -2.89 | -2.95 | 0.06 | 0.01 | 0.01 | 0.02 |
| Emerging Markets | -0.77 | -0.75 | -0.03 | -0.01 | -0.00 | -0.01 |
| Fixed Income | 2.29 | - | 2.29 | 0.00 | -0.00 | 0.00 |
| Government Bonds | 2.16 | 2.15 | 0.01 | -0.00 | 0.00 | -0.00 |
| Corporate Bonds | 2.32 | 2.32 | -0.00 | 0.00 | -0.00 | 0.00 |
| Index Linked Gilts | 3.25 | 3.22 | 0.03 | 0.00 | 0.00 | 0.01 |
| Cash | - | - | 0.00 | 0.00 | 0.00 | 0.00 |

Relative Contribution - One Year



| | Return | Benchmark | Relative Return | Asset Allocation | Stock Selection | Relative contribution |
|--------------------|--------|-----------|-----------------|------------------|-----------------|-----------------------|
| SSGA | 5.82 | 6.01 | -0.17 | -0.17 | 0.00 | -0.17 |
| Equity | 7.67 | - | 7.67 | -0.06 | -0.01 | -0.07 |
| United Kingdom | 8.88 | 8.81 | 0.07 | -0.03 | 0.03 | 0.00 |
| Europe ex UK | 17.91 | 18.28 | -0.31 | -0.03 | -0.04 | -0.06 |
| North America | 10.23 | 10.30 | -0.06 | -0.02 | -0.01 | -0.03 |
| Asia Pacific | -3.86 | -3.95 | 0.09 | 0.02 | 0.01 | 0.03 |
| Emerging Markets | -11.04 | -10.79 | -0.29 | -0.01 | -0.01 | -0.02 |
| Fixed Income | 0.93 | - | 0.93 | -0.06 | 0.01 | -0.05 |
| Government Bonds | -2.54 | -2.56 | 0.03 | -0.01 | 0.00 | -0.01 |
| Corporate Bonds | 1.54 | 1.48 | 0.07 | -0.05 | 0.01 | -0.04 |
| Index Linked Gilts | -3.73 | -3.80 | 0.07 | -0.06 | 0.01 | -0.05 |
| Cash | - | - | 0.00 | 0.00 | 0.00 | 0.00 |



UBS

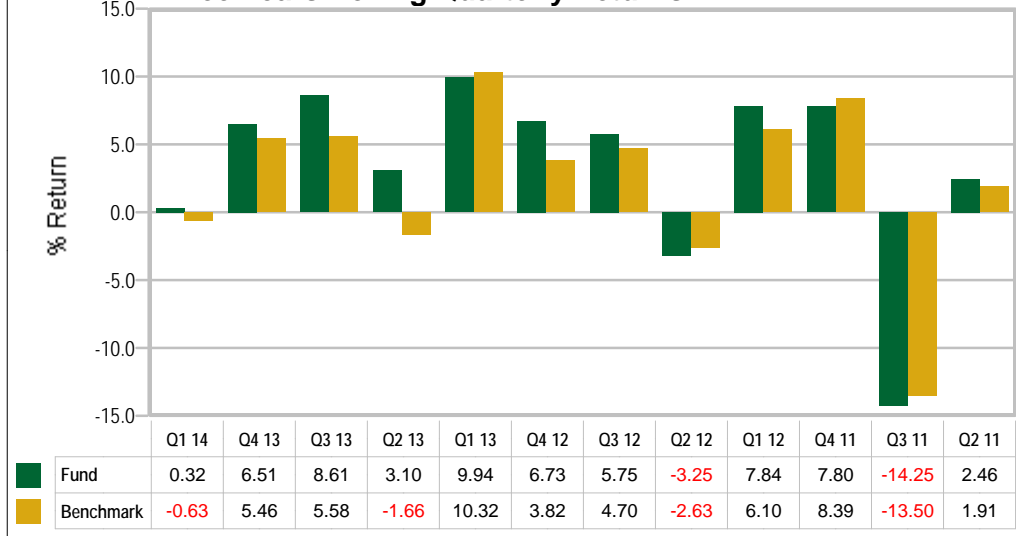
Historical Plan Performance



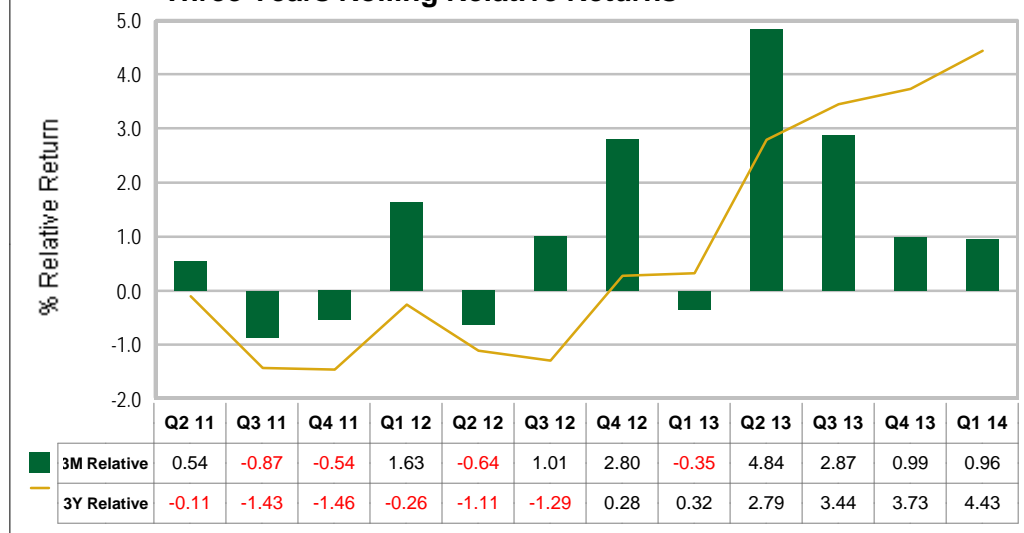
Risk Statistics - 3 years

| | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 13.63 | 8.81 |
| Standard Deviation | 12.92 | 12.09 |
| Relative Return | 4.43 | |
| Tracking Error | 3.47 | |
| Information Ratio | 1.39 | |
| Beta | 1.03 | |
| Alpha | 4.31 | |
| R Squared | 0.93 | |
| Sharpe Ratio | 0.98 | 0.65 |
| Percentage of Total Fund | 16.0 | |
| Inception Date | Dec-1988 | |
| Opening Market Value (£000) | 145,311 | |
| Net Investment £(000) | -29,263 | |
| Income Received £(000) | 888 | |
| Appreciation £(000) | -1,067 | |
| Closing Market Value (£000) | 115,870 | |

Three Years Rolling Quarterly Returns



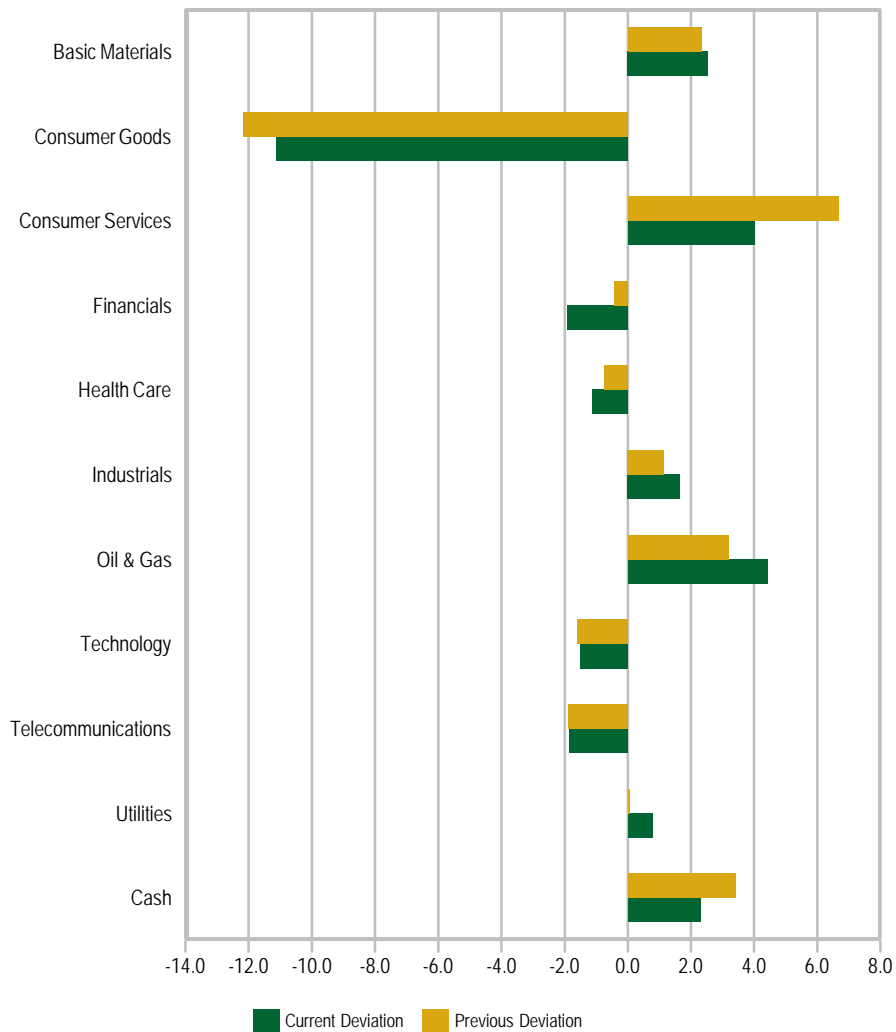
Three Years Rolling Relative Returns





UBS

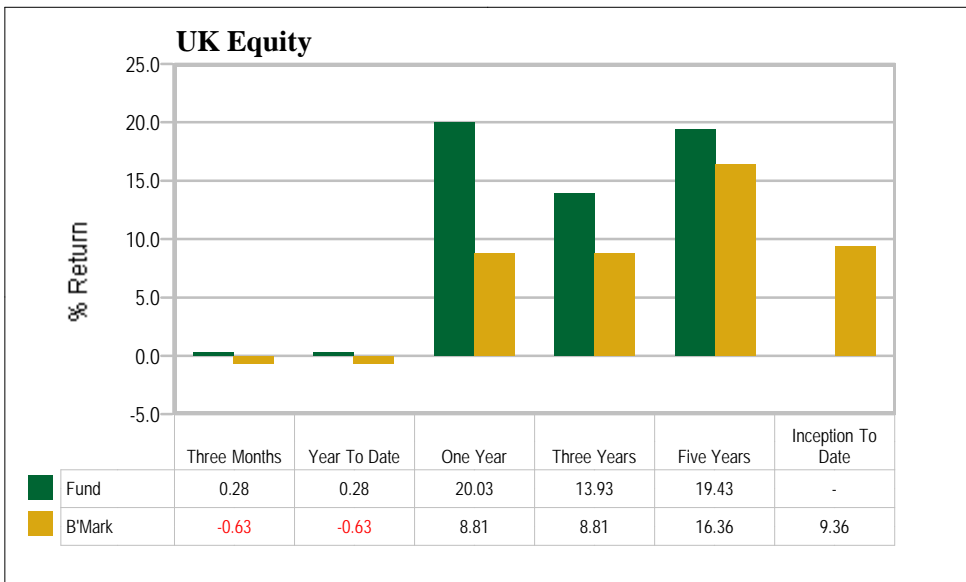
By Sector



| | Current Quarter | Previous Quarter | Current Benchmark | Current Deviation | Previous Benchmark | Previous Deviation |
|--------------------|-----------------|------------------|-------------------|-------------------|--------------------|--------------------|
| Basic Materials | 10.73 | 10.12 | 8.19 | 2.54 | 7.78 | 2.34 |
| Consumer Goods | 2.74 | 1.10 | 13.85 | -11.11 | 13.27 | -12.17 |
| Consumer Services | 14.98 | 17.35 | 10.97 | 4.02 | 10.69 | 6.66 |
| Financials | 22.17 | 23.50 | 24.09 | -1.92 | 23.92 | -0.43 |
| Health Care | 6.70 | 6.53 | 7.82 | -1.12 | 7.27 | -0.74 |
| Industrials | 12.14 | 11.41 | 10.47 | 1.66 | 10.26 | 1.15 |
| Oil & Gas | 18.99 | 17.59 | 14.57 | 4.42 | 14.40 | 3.19 |
| Technology | | | 1.50 | -1.50 | 1.61 | -1.61 |
| Telecommunications | 2.91 | 5.37 | 4.75 | -1.84 | 7.26 | -1.88 |
| Utilities | 4.59 | 3.58 | 3.80 | 0.79 | 3.53 | 0.05 |
| Cash | 2.32 | 3.42 | | 2.32 | | 3.42 |



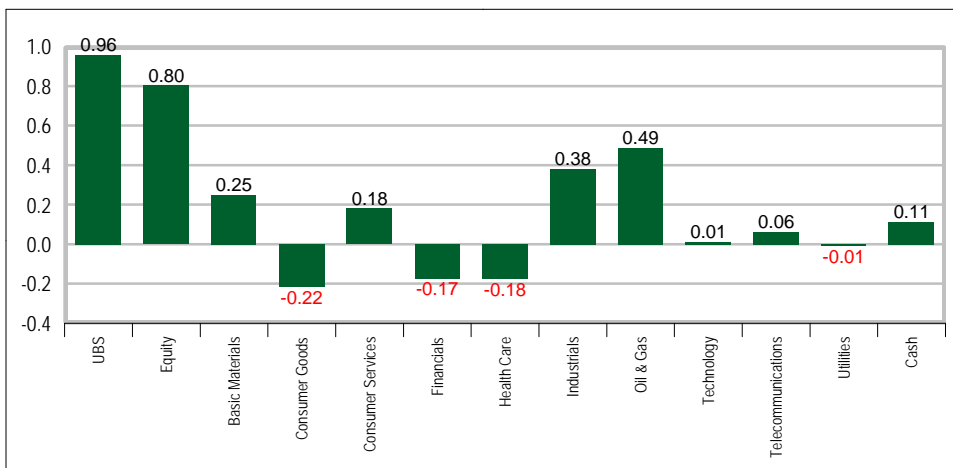
UBS





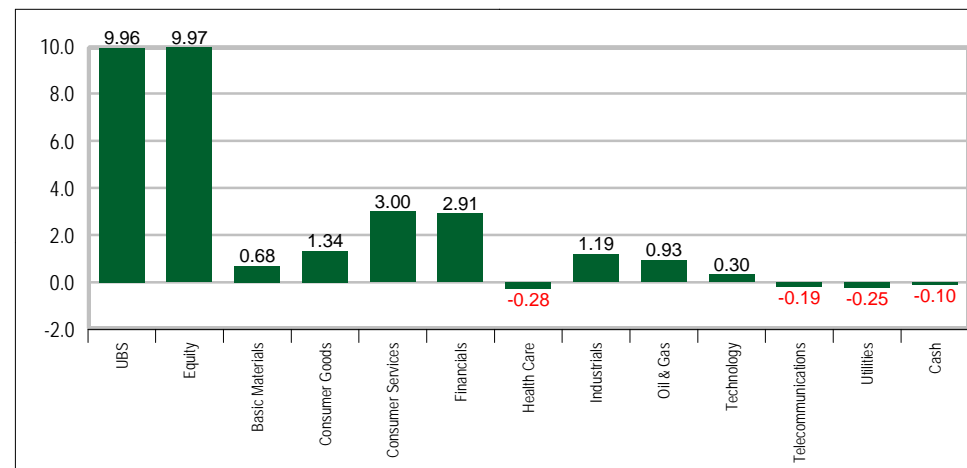
UBS

Relative Contribution - Three Months



| | Return | Benchmark | Relative Return | Asset Allocation | Stock Selection | Relative contribution |
|--------------------|--------|-----------|-----------------|------------------|-----------------|-----------------------|
| UBS | 0.32 | -0.63 | 0.96 | 0.09 | 0.83 | 0.96 |
| Equity | 0.22 | -0.63 | 0.85 | -0.02 | 0.83 | 0.80 |
| Basic Materials | 4.19 | 2.44 | 1.70 | 0.07 | 0.18 | 0.25 |
| Consumer Goods | 6.32 | 1.84 | 4.39 | -0.24 | 0.03 | -0.22 |
| Consumer Services | -0.36 | -1.33 | 0.98 | -0.01 | 0.19 | 0.18 |
| Financials | -3.74 | -2.81 | -0.96 | 0.03 | -0.20 | -0.17 |
| Health Care | 2.31 | 4.40 | -2.00 | -0.04 | -0.14 | -0.18 |
| Industrials | 2.40 | -1.02 | 3.46 | -0.00 | 0.38 | 0.38 |
| Oil & Gas | 1.64 | -1.21 | 2.88 | 0.00 | 0.49 | 0.49 |
| Technology | - | -1.10 | 1.11 | 0.01 | 0.00 | 0.01 |
| Telecommunications | -9.31 | -7.59 | -1.86 | 0.13 | -0.07 | 0.06 |
| Utilities | 2.47 | 3.81 | -1.29 | 0.03 | -0.03 | -0.01 |
| Cash | 0.71 | - | 0.71 | 0.11 | 0.00 | 0.11 |

Relative Contribution - One Year

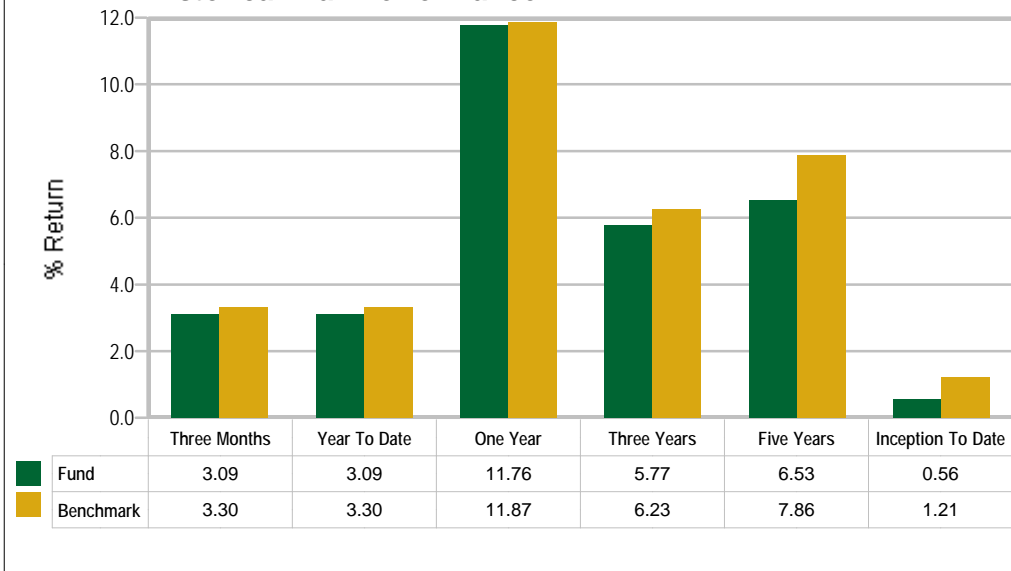


| | Return | Benchmark | Relative Return | Asset Allocation | Stock Selection | Relative contribution |
|--------------------|--------|-----------|-----------------|------------------|-----------------|-----------------------|
| UBS | 19.65 | 8.81 | 9.96 | 1.39 | 8.35 | 9.96 |
| Equity | 19.96 | 8.81 | 10.25 | 1.49 | 8.35 | 9.97 |
| Basic Materials | 4.31 | -0.92 | 5.27 | 0.09 | 0.59 | 0.68 |
| Consumer Goods | 47.18 | 2.12 | 44.13 | 0.87 | 0.46 | 1.34 |
| Consumer Services | 31.01 | 16.32 | 12.63 | 0.69 | 2.29 | 3.00 |
| Financials | 21.89 | 6.72 | 14.21 | 0.01 | 2.90 | 2.91 |
| Health Care | 11.81 | 17.56 | -4.89 | 0.01 | -0.29 | -0.28 |
| Industrials | 25.47 | 13.32 | 10.72 | 0.04 | 1.15 | 1.19 |
| Oil & Gas | 11.24 | 5.04 | 5.91 | -0.07 | 1.01 | 0.93 |
| Technology | - | 13.12 | -11.59 | -0.02 | 0.32 | 0.30 |
| Telecommunications | 22.67 | 24.21 | -1.24 | -0.15 | -0.04 | -0.19 |
| Utilities | -0.06 | 7.81 | -7.30 | 0.02 | -0.27 | -0.25 |
| Cash | 1.17 | - | 1.17 | -0.10 | 0.00 | -0.10 |



UBS Property

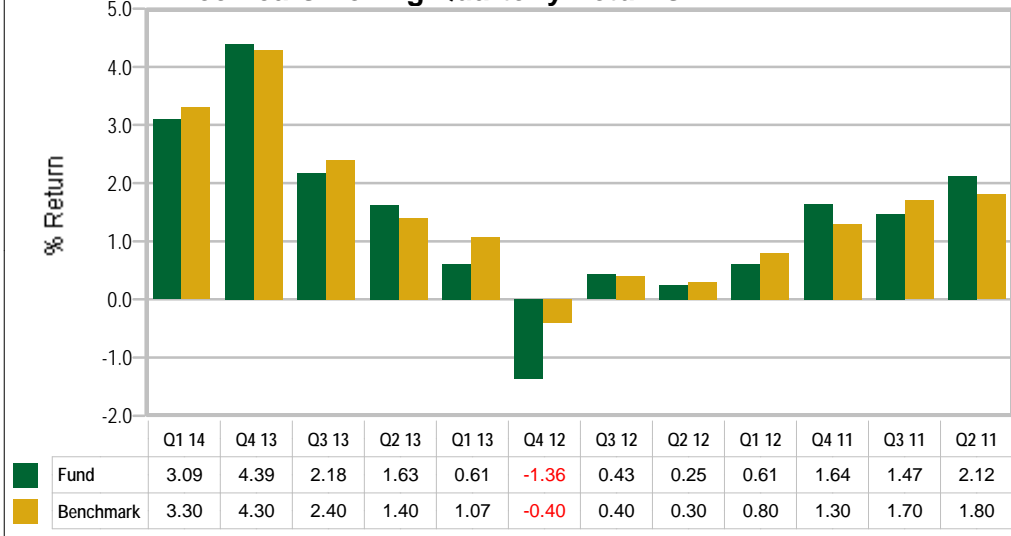
Historical Plan Performance



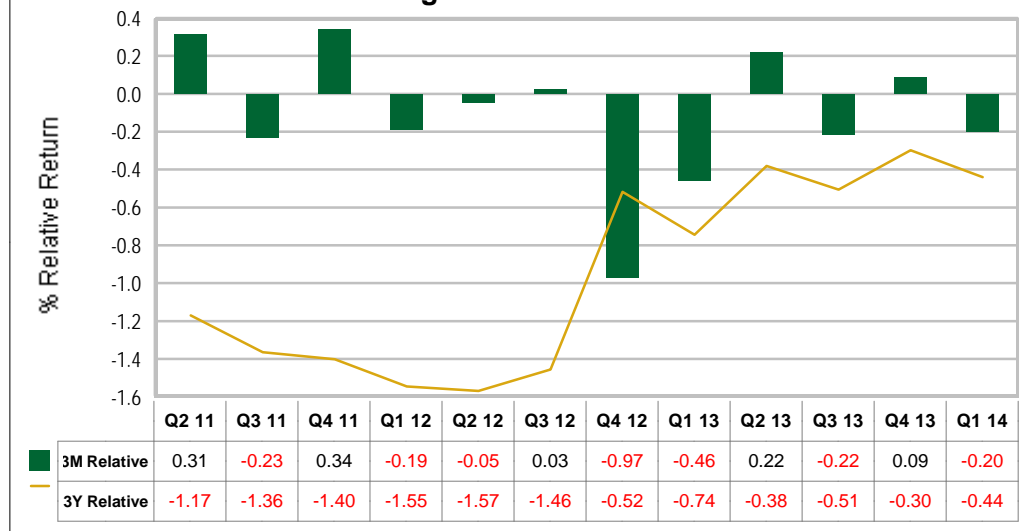
Risk Statistics - 3 years

| | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 5.77 | 6.23 |
| Standard Deviation | 2.24 | 1.53 |
| Relative Return | -0.44 | |
| Tracking Error | 1.39 | |
| Information Ratio | -0.34 | |
| Beta | 1.13 | |
| Alpha | -1.07 | |
| R Squared | 0.63 | |
| Sharpe Ratio | 2.13 | 3.41 |
| Percentage of Total Fund | 7.6 | |
| Inception Date | Mar-2006 | |
| Opening Market Value (£000) | 53,388 | |
| Net Investment (£000) | 0 | |
| Income Received (£000) | 552 | |
| Appreciation (£000) | 1,100 | |
| Closing Market Value (£000) | 55,040 | |

Three Years Rolling Quarterly Returns



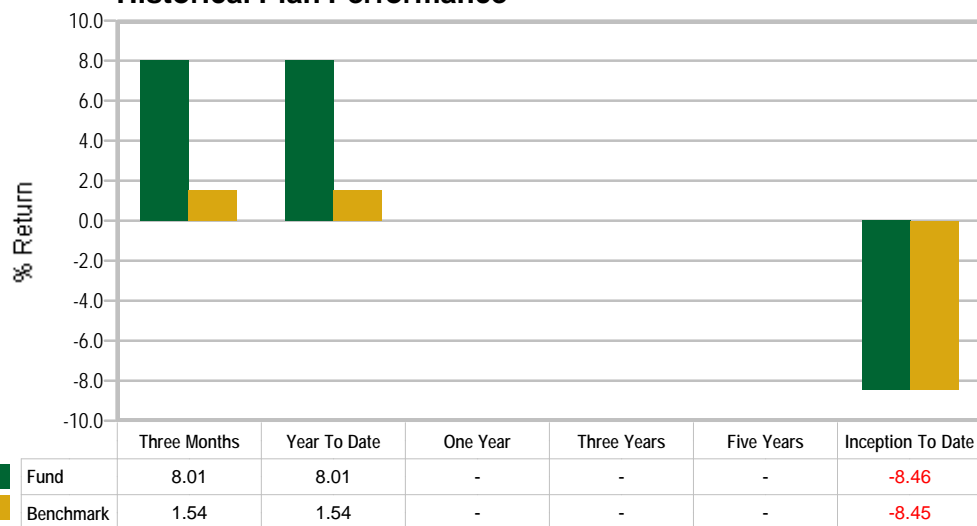
Three Years Rolling Relative Returns





UBS Tactical

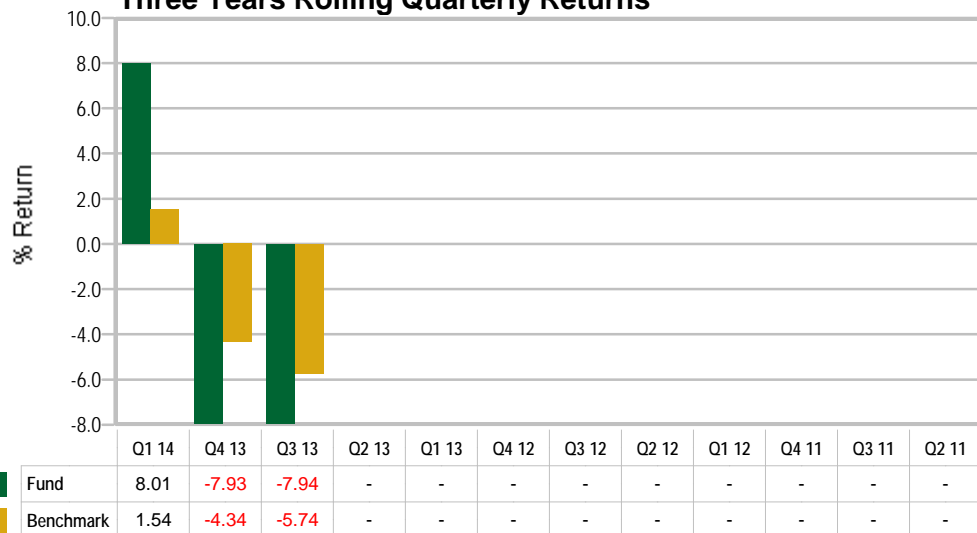
Historical Plan Performance



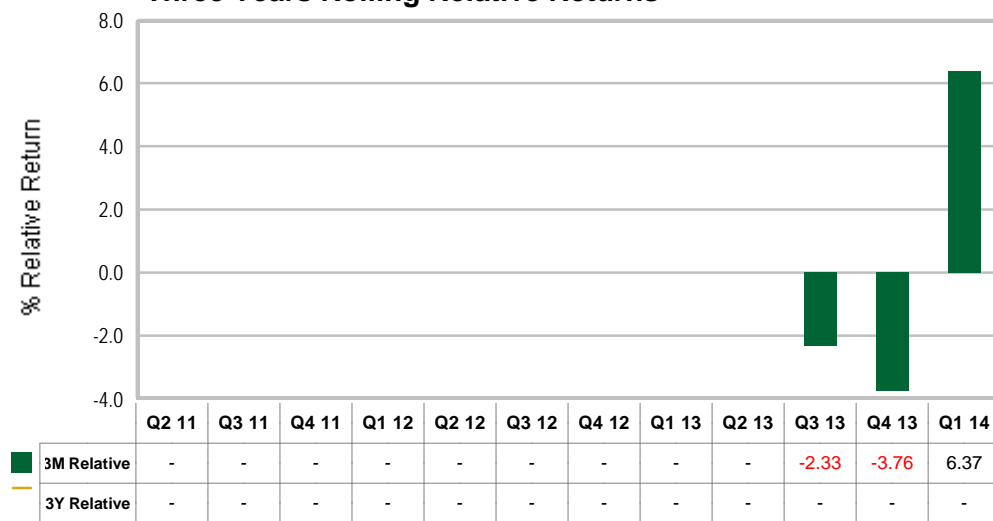
Risk Statistics - 3 years

| | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | - | - |
| Standard Deviation | - | - |
| Relative Return | - | - |
| Tracking Error | - | - |
| Information Ratio | - | - |
| Beta | - | - |
| Alpha | - | - |
| R Squared | - | - |
| Sharpe Ratio | - | - |
| Percentage of Total Fund | 1.8 | |
| Inception Date | Jun-2013 | |
| Opening Market Value (£000) | 11,919 | |
| Net Investment £(000) | 0 | |
| Income Received £(000) | 27 | |
| Appreciation £(000) | 928 | |
| Closing Market Value (£000) | 12,873 | |

Three Years Rolling Quarterly Returns

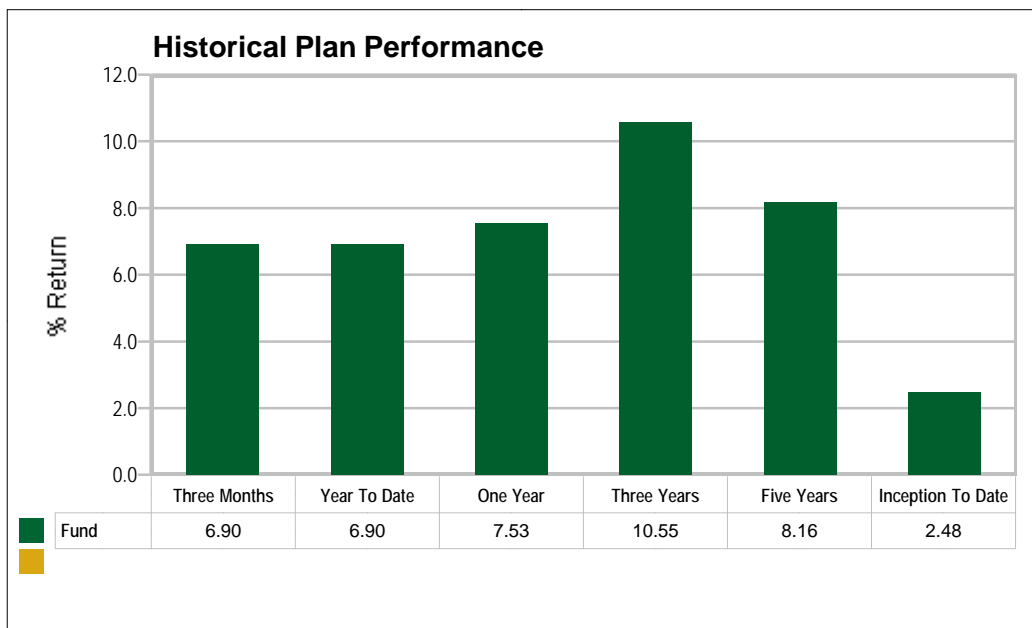


Three Years Rolling Relative Returns

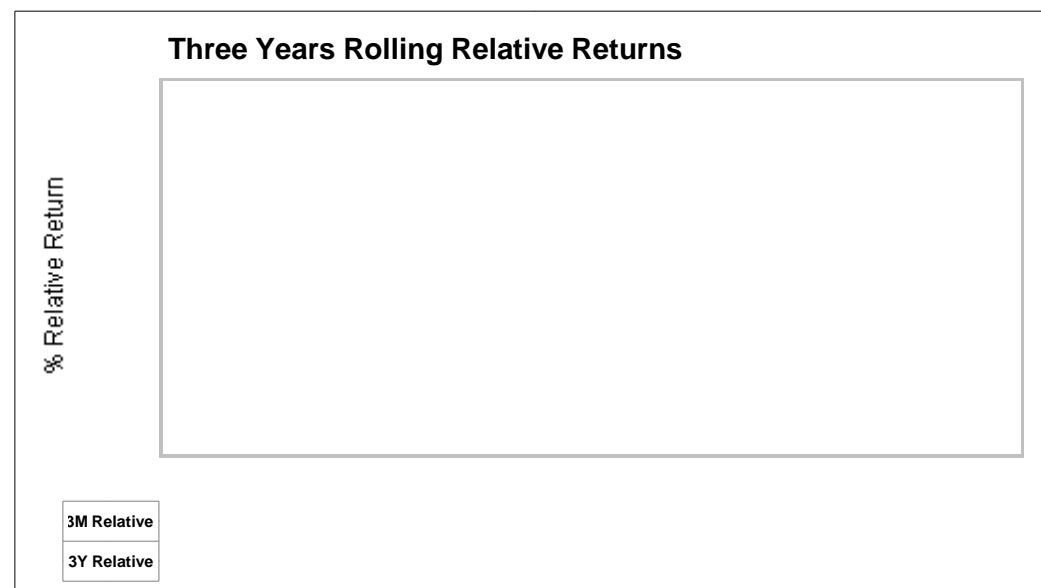
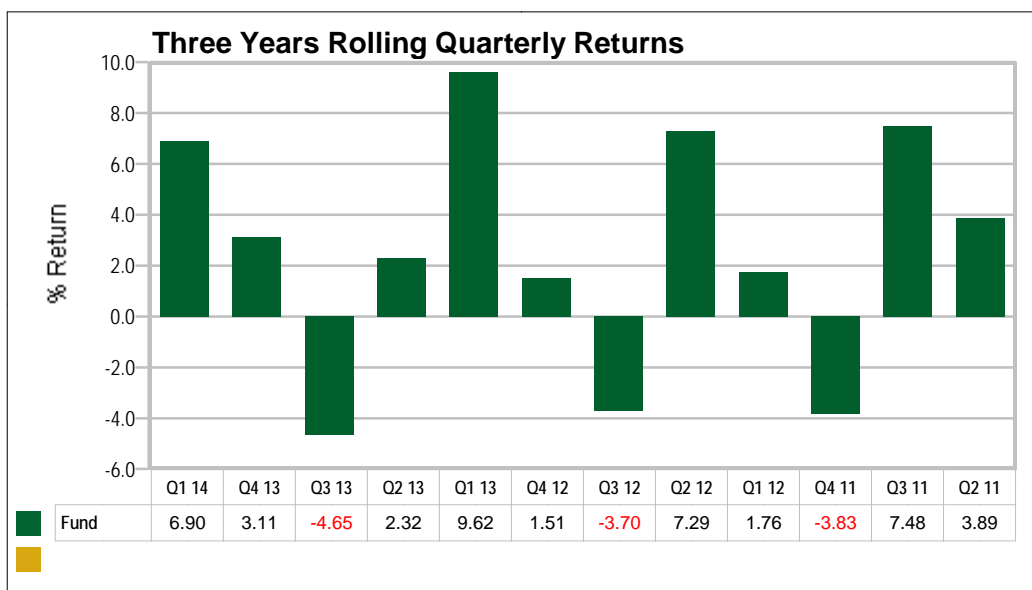




Adam Street



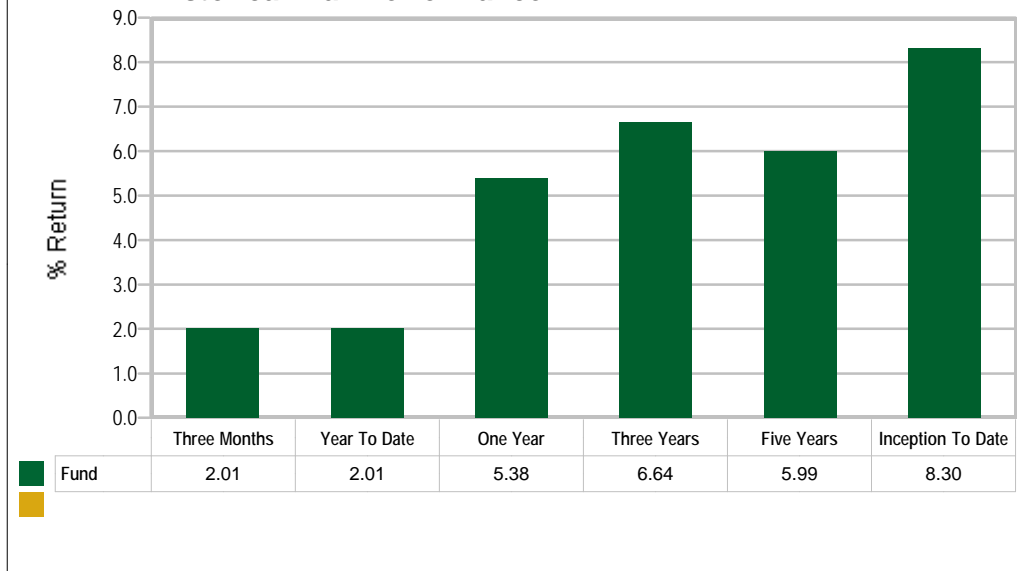
| Risk Statistics - 3 years | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 10.55 | |
| Standard Deviation | 10.43 | |
| Relative Return | 0.50 | |
| Tracking Error | 10.43 | |
| Information Ratio | 0.05 | |
| Beta | 3.36 | |
| Alpha | -17.54 | |
| R Squared | 0.00 | |
| Sharpe Ratio | 0.92 | |
| Percentage of Total Fund | 2.9 | |
| Inception Date | Jan-2005 | |
| Opening Market Value (£000) | 20,834 | |
| Net Investment (£000) | -1,015 | |
| Income Received (£000) | 0 | |
| Appreciation (£000) | 1,380 | |
| Closing Market Value (£000) | 21,199 | |





LGT

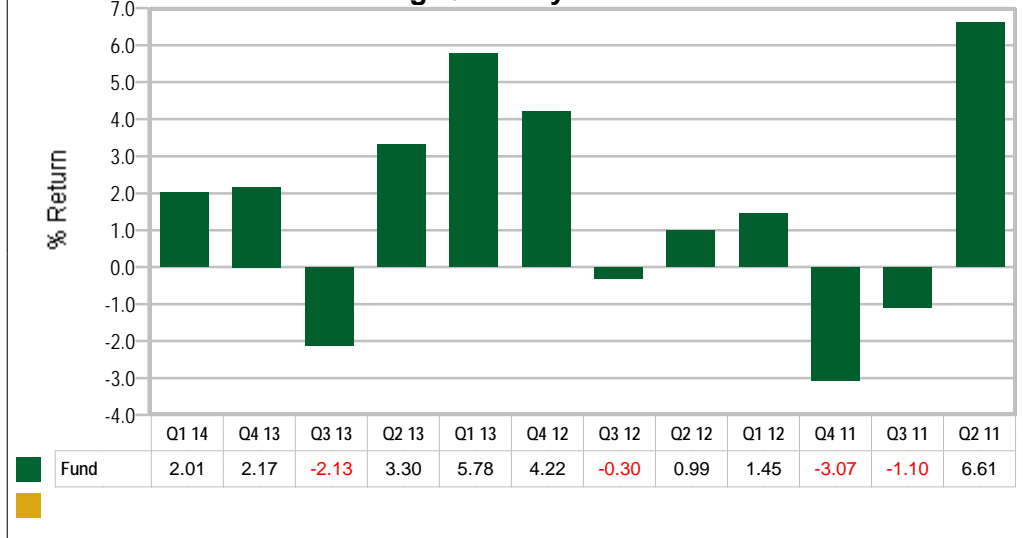
Historical Plan Performance



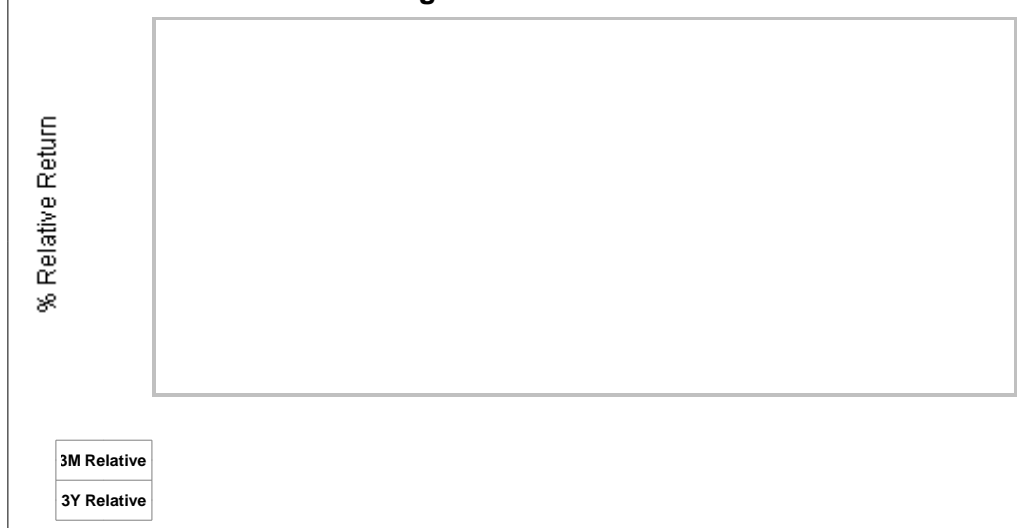
Risk Statistics - 3 years

| | Fund | B'mark |
|-----------------------------|----------|--------|
| Performance Return | 6.64 | |
| Standard Deviation | 6.60 | |
| Relative Return | -1.00 | |
| Tracking Error | 10.13 | |
| Information Ratio | -0.11 | |
| Beta | 0.26 | |
| Alpha | 3.89 | |
| R Squared | 0.19 | |
| Sharpe Ratio | 0.85 | |
| Percentage of Total Fund | 2.2 | |
| Inception Date | May-2004 | |
| Opening Market Value (£000) | 16,046 | |
| Net Investment (£000) | -579 | |
| Income Received (£000) | 0 | |
| Appreciation (£000) | 310 | |
| Closing Market Value (£000) | 15,776 | |

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} 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} 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} 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} 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 a growth 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 profitability to its 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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