



2nd Quarter, 2014

London Borough of Hillingdon

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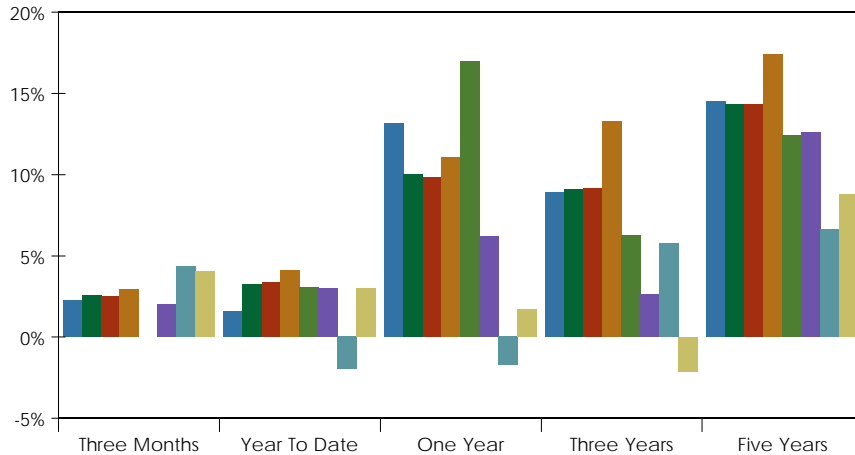
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Equity Index Performance (in GBP)

Performance History



Performance Returns%

	Three Months	Year To Date	One Year	Three Years	Five Years
■ FTSE All Share	2.2	1.6	13.1	8.9	14.5
■ FT: World	2.6	3.2	10.0	9.1	14.3
■ FT: World ex UK	2.5	3.4	9.8	9.1	14.3
■ FT: AWI North America	2.9	4.1	11.0	13.3	17.4
■ FT: Developed Europe ex UK	0.0	3.0	16.9	6.3	12.4
■ FT: Developed Asia Pac x Jp	2.0	3.0	6.2	2.6	12.6
■ FT AW: Japan	4.3	-1.9	-1.7	5.7	6.6
■ MSCI Emerging Markets GD	4.0	3.0	1.7	-2.1	8.8

Commemorative ceremonies have marked both the anniversaries of the start of the First World War and D-Day. This year also represents the 25th anniversary of the collapse of the Soviet empire and the suppression at Tiananmen Square. That translates to a quarter of a century of global capitalism as Europe was freed and the Chinese embraced market economics. The Bank for International Settlements has warned that as we pass that milestone, financial markets are detached from reality due to developed governments continued support of the global economy with low rate monetary policy. The International Monetary Fund echoed that warning as it published figures showing that house prices sit above historical averages in many countries and further increase would represent a threat to economic stability. Despite these cautionary statements equity markets returned quarterly figures in the black across the board and none in excess of 7.5%. Globally, Oil & Gas was the best performer over quarter two and the Utilities sector was strong again. Financials lost most value over the quarter. The price of crude oil futures ended the quarter up slightly at \$112 per barrel. The FTSE World was up by 2.6% (GBP) over quarter two 2014 and is ahead by 10% over the year (GBP).

The UK economy continues to produce good news headlines as figures confirmed that more jobs were created in quarter one than at any time since records began in 1971. The unemployment rate now stands at a 5 year low of 6.8%. The BoE dismissed an imminent interest rate rise and maintained its forecast of 3.4% growth for 2014. Additionally Mark Carney added his voice to the IMF warning that the housing market poses the biggest risk to the durability of the UK recovery. New lending at high loan to income ratios has surpassed pre-crisis levels. Average house prices rose by 8% in the year to March, in London the increase is by 17%. New IPOs continue to come to market, Card Factory and Pets at Home fell as trading began and closed down but Patisserie Valerie rose 15% and Poundland closed up more than 20%. The outlook is bright for the UK Aerospace sector as demand for component exports to China increases and aircraft sales in the Middle East boom. Telecoms and Technology once again lost most value over the quarter. Health Care and Oil & Gas made the biggest gains. The FTSE All Share was up 2.2% (GBP) over the second quarter and remains ahead over one year, now by 13.1% (GBP).

The Eurozone posted an unchanged growth rate from Q4 with 0.2% for Q1 2014. German growth was up but France was stagnant, Italy returned to contraction and the Netherlands shrank by 1.4%. The IMF has expressed concern about France with a growth prediction of just 0.4% for next year amidst calls for economic reform. Investors retreated around the world as the knock on to exporter nations of such worrying figures from a main consumer market was felt. Anti EU parties enjoyed success across the continent at the European elections; far right parties came in first in France and Denmark. The future of European car makers shows no signs of improvement as excess building capacity far outstrips demand and high fixed factory costs are resulting in heavy losses. The unrest in Iraq has led to increased volatility in oil prices; a 5% rise in oil prices was matched by a 13% drop in European airline shares over the same period. BNP Paribas pleaded guilty and agreed to an \$8.9bn penalty for conspiring to violate sanctions with Sudan and other blacklisted regimes. Eurozone unemployment remained at 11.6% at the end of April and the CPI was just 0.5% in the year to May. The FTSE Developed Europe ex UK index returned 0% (GBP) over quarter two and 16.9% (GBP) over the year.

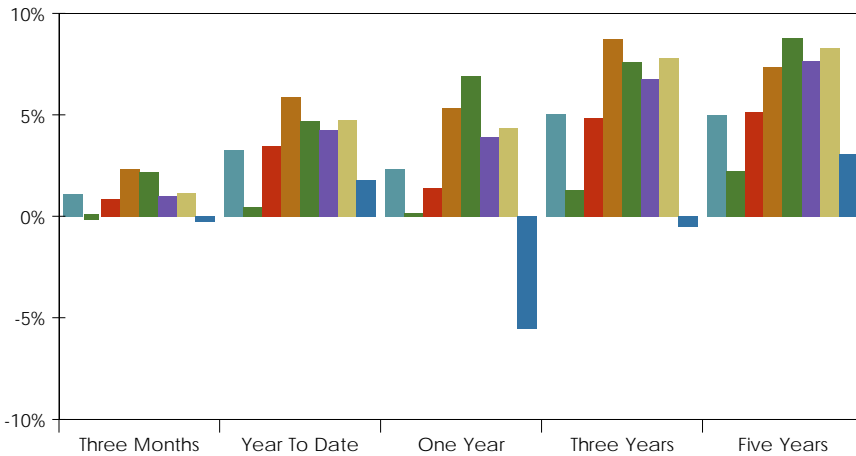
The Fed looks set to keep rates low into 2015 as it heralded a rebound in recent economic activity. Subsequently it transpired that the first quarter growth figure was worse than feared when the 3rd and final estimate was announced as a contraction of 2.9%. Q2 should be a significant improvement; with an end to the freezing weather, delayed activity can add to production. More jobs than expected were created in May and June and the unemployment rate dropped to 6.1%. Pfizer experienced a rare defeat in its quest to acquire AstraZeneca for £69.4bn and shift its tax residence to the UK. Big investors have confirmed their desire for the deal to be resurrected in the next 6 months. Fiat Chrysler plans to slash its EUR 10bn debt by expanding the building of its Jeep from just the US to five more countries. Cake shop Crumbs, which was listed in 2011 at the height of the cupcake boom, will shut all shops after shares were suspended. The FBI filed charges against 5 Chinese military officers accused of using espionage to gain commercial advantage for state sponsored companies. Utilities had another strong quarter but Oil & Gas led the way. Consumer Services had another weak quarter and Financials lost the most. The FTSE North America index returned 2.9% (GBP) over the second quarter and 11% (GBP) for the year.

Japan's CPI continues upwards rising at an annual rate of 3.4%, the fastest pace in 32 years. Unemployment also achieved a record, at 3.5% it's the lowest in 16 years. GDP was boosted to 5.9% for Q1 by a pre-sales tax increase buying spree although there is concern about the hangover of post-sales tax shopping habits. Oil & Gas led the Japanese sectors, Telecoms being the worst performer. The FTSE Japan returned 4.3% (GBP) for quarter two and the FTSE Developed Asia Pacific ex Japan returned 2% (GBP). Further to Samsung's earlier warnings the mobile phone maker confirmed that a strong Won and increased competition from China has resulted in a 24% drop in profits year on year to the end of Q2. Thailand's army declared martial law for the 19th time since 1932. Presidents Putin and Xi Jinping agreed a \$400bn 30 year gas deal to supply China through a proposed pipeline between the countries. President Modi's BJP party trounced the Congress Party in India's general election and share prices rallied to new highs on promises of reform. Gold was up slightly from last quarter ending June at \$1,315 per ounce. The MSCI Emerging Markets index returned 4% (GBP) for the second quarter and 1.7% (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	1.1	3.2	2.3	5.0	5.0
FTSE All Stock 0-5 Yr. Gilts	-0.0	0.4	0.1	1.3	2.2
FTSE All Stock 5-15 Yr. Gilts	0.8	3.4	1.4	4.8	5.1
FTSE All Stock > 15 Yr. Gilts	2.3	5.8	5.3	8.7	7.3
ML STG N-Gilts All Stocks	2.1	4.7	6.9	7.6	8.8
FTSE Index Linked	1.0	4.2	3.9	6.7	7.6
FTSE Index Linked 5+ yrs	1.1	4.7	4.3	7.8	8.3
JPM GBI Global	-0.3	1.8	-5.5	-0.5	3.0

The global economy continued to improve and strengthen through the second quarter as macroeconomic data continued to encourage, and central banks of the major developed markets maintained their accommodative monetary policy. The JP Morgan Global Manufacturing & Services PMI advanced from 53.5 at the end of March to 55.4 at the end of June, the twenty-first consecutive month of expansion, as the growth rate for output and new orders accelerated to their highest readings since February 2011. The Chinese economy became a more significant contributor to the global story as the quarter wore on, stabilising on the back of a mini-stimulus package announced in May, as June ended with the HSBC China Composite PMI returning to expansionary territory at 52.4. The world's second biggest economy appears to have bottomed-out, as the rate of expansion accelerated to the strongest recorded since April 2013. Across the East China Sea in Japan, the quarter ended with the launch of Prime Minister's Shinzo Abe's "third arrow" from the growth strategy that has become known as "Abenomics". Following the sales tax increase earlier in Q2, the Japanese economy will hope to benefit from lower corporate taxes, sweeping labour-market reforms and a reduction in red tape regulatory barriers. Geopolitical events came into sharp focus during the quarter. On the downside, the Middle East experienced heightened tensions as the civil conflict within Iraq's borders escalated. Sentiment turned hopeful on the unrest in Ukraine, following the completion of elections in Ukraine itself, and the adoption of a more conciliatory tone from within Russia. And on the upside, India was cheered following the resounding election victory of BJP candidate Narendra Modi. The JPM Global Government Bond index returned -0.3% (GBP) in the second quarter of 2014, while the Barclays Capital Global Aggregate Corporate Bond index delivered 0.1% (GBP).

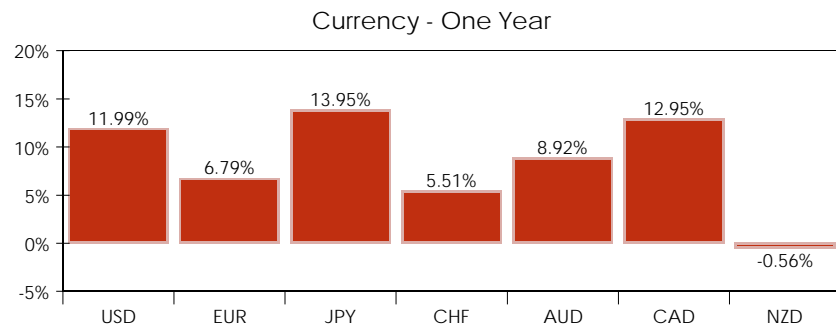
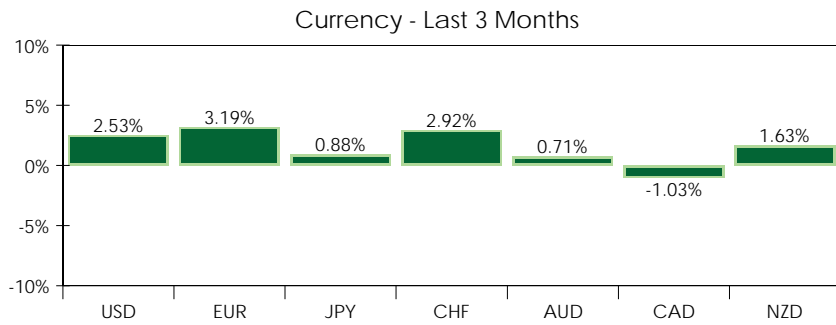
Bank of England Governor Mark Carney led markets a merry-dance through the quarter, firstly with comments in May that the Bank was prepared to wait until 2015 before raising interest rates, only to surprise markets in June with thinly veiled comments that the increasingly anticipated interest rate hike should be anticipated increasingly sooner. The Governor then ended the quarter in seemingly backtracking with further dovish comments in that interest rate policy is solely data dependent and should remain so. The data itself was positive across the board. Q1's GDP was confirmed at 0.8%, with strong contributions from both the manufacturing and construction sectors, and business investment growing at double the rate of analyst consensus expectation. Employment numbers continue to move in the right direction, with the jobless rate dropping to a five-year low of 6.6%. Consumer demand was one of the largest drivers of growth and was reflected in market research group GfK's consumer confidence survey, which saw levels not seen since 2005. Tougher mortgage lending rules came into force during the quarter in response to the accelerating housing market which has seen annual growth return to pre-credit crunch levels. The Markit/CIPS UK Manufacturing Purchasing Managers' Index (PMI) survey hit 57.5 in June, the highest recorded reading since November 2013, as new order increases saw companies raise activity and increase headcount. The benchmark 10-year gilt yield moved from 2.74% last quarter to end June at 2.67%. The FTSE All Stock Gilt index returned +1.1% (GBP) for the quarter, while the ML Sterling Non Gilts index gained +2.1% (GBP).

The eurozone recovery began to flag in Q2 on the back of waning macroeconomic data. Bank lending hit a downward trajectory, the inflation rate weakened to 0.5%, and the year's first-quarter GDP figure was confirmed at 0.2%, down from 0.3% the previous quarter. The Markit Eurozone Composite PMI, despite hitting a 35-month high in April, subsequently receded to end the quarter at 52.8, in expansionary territory, but exhibiting a slowdown in the pace of growth. With pressure building, the European Central Bank duly obliged: the benchmark rate was cut from 0.25% to 0.15%, deposit rates for banks from zero to -0.1%, and a cheap, long-term loan facility was implemented for commercial banks through to 2018. As a result, the benchmark German Bund 10-year yield dropped 32bps from 1.57% at the end of Q1 to close June at 1.25%, a thirteen-month low. At country level - Germany was confirmed as Q1's strongest performer with a GDP of 0.8%, Greece returned to the bond markets in April, Portugal regained its economic sovereignty in May when exiting the EU bailout programme, and Cyprus saw its credit worthiness raised from a negative outlook to positive by ratings agency Standard & Pooors. On the political front, May's European Parliament elections saw anti-European Union parties make strong gains on the back of growing Euroscepticism. The iTraxx Europe 5yr CDS index, representative of 125 investment grade entities across 6 sectors, fell from 58.75 at the end of March to close June at 46.84. The JPM European Government Bond index returned +3.3% (EUR) and the Barclay Capital Euro Aggregate Credit index was up at +2.4% (EUR) for Quarter 2.

The severe cold and snow which afflicted a large swathe of the continental United States saw the economy shrink 2.9% in the first quarter of 2014 and, whilst this was significantly worse than the earlier reported estimated figure, market analysts considered the decline in GDP to be only temporary. The second quarter's economic data indicated that business is booming in the US. Job growth surged during the quarter, as the unemployment rate fell to a near six-year low of 6.1%. The housing market grew, with existing home sales up 4.9% in May, the best monthly gain since 2011, while sales of new homes surged to a six-year high of 18.6%. Despite retail sales growth plateauing during the quarter following March's eighteen-month high, Americans remained firmly upbeat on their domestic economy and job prospects. The consumer confidence index of independent economic research group The Conference Board reached 85.2 in June, the highest level achieved since January 2008. The Markit U.S. Manufacturing PMI came in at 57.3 June, the highest reading since May 2010, driven by a sector which saw the fastest growth in output and new orders in more than four years. At the Federal Reserve, while the reduction in bond purchases of \$10 billion each month continued, Chair Janet Yellen affirmed that no rate increases would be seen until the job market has achieved long-term stability. The 10-year benchmark Treasury yield ended the quarter at 2.53% down from 2.72% at the end of March. For the quarter the JPM US Govt Bond index was up +1.6% (USD) while the Barclay Capital US Aggregate Corporate Bond index returned +2.7% (USD).



Currency Performance (in GBP)



	Three Months	Year To Date	One Year	Three Years	Five Years
United States dollar	2.53	3.18	11.99	2.10	0.75
European Union euro	3.19	3.83	6.79	4.01	1.23
Japanese yen	0.88	-0.50	13.95	9.65	1.72
Swiss franc	2.92	2.90	5.51	3.82	-3.33
Australian dollar	0.71	-2.17	8.92	6.29	-2.34
Canadian dollar	-1.03	3.43	12.95	5.38	-0.98
New Zealand dollar	1.63	-3.00	-0.56	0.15	-5.27

The second quarter of 2014 saw a strengthening of Sterling compared to the Dollar, Euro and Yen. The Dollar, on the other hand, lost ground compared to Sterling and Yen. In Japan, unemployment continued to decrease, coming in at 3.5% in May, down from 3.6% in February. This is the lowest level since December 1997. Japanese business confidence worsened in the three months to June, weighed down by soft exports and weaker consumer spending after a sales tax increase. The Bank of Japan's closely watched Tankan Survey showed that the headline index for big manufacturers' sentiment was plus 15 in June, compared to plus 17 in March. A positive reading means optimists outnumber the pessimists. Since February, the Chinese government has shifted its course, driving the renminbi down about 3 per cent, but still way above its level of a few years ago. The US treasury, which has no problem with the Japanese government driving down the value of its currency, has been outspoken in its criticism of the Chinese change in its exchange rate policy, much to the anger of officials in Beijing. Chinese government spending surged in May as Beijing sought to boost flagging growth amid fears of a pronounced economic slowdown and a bursting property bubble. Spurred by this year's sharper than expected slowdown, the government has taken several steps to support growth, including ramping up state spending on infrastructure and gradually loosening monetary policy. The Canadian Dollar has seen strong performance since March. The main reason for the elevated level appears to be the bond market participants increasingly betting that interest rates will go up in Canada before they do in the US.

In the UK, Q2 2014 saw Sterling strengthen against the Dollar, Euro and Yen. At its June 5th, 2014 meeting, the Monetary Policy Committee of the Bank of England left the bank rate at 0.5% and the stock of purchased assets financed by the issuance of central bank reserves at £375bn. A fall in food prices and lower air fares helped drive down the rate of inflation. The Consumer Price index fell to 1.5% in May compared to 1.8% in April. It is the sixth consecutive month that inflation has been below the Bank of England's 2% target. The UK jobs market continued to improve in the three months to April, although the rate of wage increases slowed sharply, official figures show. The number of people out of work fell to 2.16 million bringing the unemployment rate down to 6.6%. Prime Minister David Cameron tweeted that the government had reached a "major milestone" in its long term economic plan, with "two million new private sector jobs since 2010". The continuing improvement in the jobs market in the three months to April was due mainly to jobs created in the private sector. According to the Nationwide building society, average house prices in the UK have surpassed their 2007 peak, rising nearly 12% in the past 12 months, bringing the average house in at £188,903. Part of the impact could be down to the government's help to buy initiative, designed to help borrowers with small deposits on to the housing ladder, which started in April 2013. Sterling closed the quarter up against the Dollar, Euro and Yen by 2.53%, 3.19% and 0.88% respectively.

In the US, the Dollar lost ground against both Sterling and the Yen but saw gains against the Euro. Janet Yellen, the Federal Reserve chairwoman, mounted a forceful defense of the US Federal Reserve's decision to keep monetary policy loose in the face of soaring asset prices, arguing that there was no need to increase interest rates to tackle financial instability. Ms Yellen said "I do not presently see a need for monetary policy to deviate from a primary focus on attaining price stability and maximum stability concerns". The key indicator of consumer confidence produced by the Conference Board showed an increase from 82.2 in May to 85.2 in June. Overall, consumers are more positive about the outlook for the labour market and those claiming business conditions are "good" increased from 21.1% in May to 23.0% in June. The US un-employment rate fell to 6.1% in June, the lowest level since September 2008. Employers added 288,000 jobs, well above the record in the first five months of 2014 and another sign that growth is finally rebounding. The number of unemployed was 9.5 million with 3.1 million, or 32.8%, of these being the long term unemployed (those jobless for 27 weeks or more). Through 2012 and 2013, U.S. house prices were rising at a pace as extreme as anything seen during the disastrous housing bubble of the last decade. Since the start of 2014, the pace of increase has slowed markedly. The US trade deficit fell in May, to \$44.4bn, as U.S exports hit an all-time high, helped by a jump in exports of petroleum products. This comes after the two year high which was hit in April which saw the deficit at \$47.0bn. The Dollar weakened against the Sterling and Yen by 2.53% and 1.64% respectively but gained 0.66% against the Euro.

In the Euro area, the Euro weakened against the Yen, Sterling and Dollar. The European Central Bank unveiled an unprecedented package of measures in early June in a dramatic attempt to inject life into the Eurozone's flagging economy and ward off a damaging deflationary spiral. In an historic first for the troubled region, the ECB boss, Mario Draghi, cut the deposit rate for the region's commercial banks to -0.1% from zero. The central bank also cut its main interest rate to a record low of 0.15% from 0.25%, and announced a €325bn package of cheap funding for banks. The ECB indicated that this rate was likely to remain unchanged for some time. Inflation in the currency bloc remained low, at 0.5% in June, well below the ECB's target of 2%. The Eurozone economic sentiment indicator (ESI) fell slightly from 102.4 in March to 102.0 in June 2014. The jobless rate for the currency bloc dropped to 11.6% in May, compared to 11.9% in February 2014. The German unemployment rate remains low at 5.1%, while Italy's was 12.6% and Spain's was 25.1%. Youth unemployment in the Eurozone, which stands at 23.3%, remains a serious problem across the area, and is much worse in southern European countries such as Greece and Spain. Eurostat, the statistical office of the European Union, estimates that youth unemployment came in at 3.36 million. The Euro ended the quarter down compared to the Dollar, Yen and Sterling, by 0.66%, 2.31% and 3.19% respectively.



Scheme Performance

The global economy continued to improve and strengthen through the second quarter as macroeconomic data continued to encourage and central banks of the major developed markets maintained their accommodative monetary policy. Developed economies look set to generate accelerating growth this year, likely to be led by the bullish markets of United States and the United Kingdom. Globally Oil & Gas was the best performer over quarter two and the Utilities sector was strong again. Financials lost most value over the quarter. The Eurozone recovery began to flag in Q2 on the back of waning economic data. Bank lending hit a downward trajectory, the inflation rate weakened to 0.5% in June and the year's first quarter GDP was confirmed at 0.2% down from 0.3% the previous quarter. Against this backdrop the London Borough of Hillingdon returned 1.93% which in contrast to last quarter is an underperformance of 12 basis points over the Total Plan benchmark of 2.05%. In monetary terms this is a growth in assets of £9 million, despite almost £5 million being withdrawn this quarter and the value of the combined scheme now stands at £734.3 million as at 30th June 2014. This period £15 million was taken from the JP Morgan mandate and £10 million was used to fund the new AEW mandate, while £1.6 million from Private equity was invested with M&G. Looking further into the analysis the results seen were driven by the underperformance of UBS UK Equity although this was offset by the positive impact of the other UBS accounts coupled with Kempen. While in allocation terms most mandates are in line with the neutral position, so effects are minimal.

This means that over the year so far the Scheme posts a return of 2.95%, which is relatively 7 basis points ahead of the total benchmark of 2.87%; while for the 1 year an underperformance of 8 basis points is seen coming from figures of 8.76% versus 8.85%. In contrast to the quarter the largest positive effect comes from UBS, offset by Kempen, Newton and Private Equity; 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 7.81% over three year versus 6.94%, while for 5 years we see figures of 11.37% versus 10.97% per annum. Then since inception in September 1995, the Fund remains ahead of target by 5 basis points with an annualised return of 6.80% against 6.75%.

Manager Performance

Barings

The second quarter of 2014 saw the Barings mandate offset some of the previous periods losses with a return of 1.65%, which translates as a 0.52% relative return against the target of the 3 Month LIBOR +4% per annum, which posted 1.12%. Although this is not enough to overtake the target for the year to date, it does mean that for the rolling one year a return of 4.57% is 3 basis points ahead of target. Which now means in the short period since inception in April 2013 they return 2.83% which is still below the target of 4.55%.

JP Morgan

Over the latest quarter JP Morgan returned 0.94%, which was 7 basis points ahead of the 0.88% target for the 3 Month LIBOR + 3% p.a. This was the fourth positive consecutive quarter, so the 1 year period now stands 2.24% ahead of the target generated by figures of 5.85% against 3.54%. While since inception (November 2011) remains ahead with figures of 4.67% versus 3.68%, which is 0.95% on a relative annualised basis.

Kempen

Over the last three months the Kempen mandate produced a return of 3.85%, an outperformance of 89 basis points when compared to the 2.93% posted by the MSCI All World Index +2%. This means for 2014 the manager is ahead of the benchmark with 4.74% versus 4.20%, however longer periods show underperformance culminating in a return since inception in January 2013 of 7.54% versus the benchmark of 15.76%; which is a relative return of -7.10%.

Macquarie

Similar to the previous quarter Macquarie posted the lowest relative return with -3.25% in Q2 coming from an absolute return of -2.40%, against 0.88% for the 3 Month LIBOR +3% p.a. This means over the year assets fall -8.22% which is -11.36% below the benchmark of 3.54%; while since inception they've delivered ten negative quarterly relative returns, leading to an annualised loss of -7.08% against the target of 3.73%.

M&G Investments

In the second quarter M&G produced a 1.34%, which against the 3 Month LIBOR +4% pa return of 1.12% translates as an outperformance of 21 basis points. Over the last year the account registers 5.59% against 4.54% whilst since inception at the end of May 2010, the portfolio return falls to 5.06% pa whilst the benchmark is 4.74% pa. While the since inception Internal Rate of Return for this portfolio moves further ahead of the target with a figure of 5.61% opposed to the comparator of 4.67%.



Manager Performance

Newton

During the second quarter of 2014 Newton posted a 2.41% return compared to 3.17% for the FTSE World Index +2%, leading to an underperformance of -73 basis points. With five consecutive quarters of underperformance all longer periods are in the red, so since inception (January 2013) the fund return of 10.10% against the benchmark of 13.53%, produces a relative return of -3.03%.

Ruffer

Once again the UBS Tactical mandate posts both the highest absolute and relative return with a return of 5.42% compared to the Barclays US Inflation Linked Index of 1.46%. Which means in the 1 year since the inception of the fund, despite a loss of -3.50%, this compares favourably to the index figure of -7.11%, leading to an outperformance of 3.89%.

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 3.50% and 0.09% respectively. So over the last year figures remain positive with Adam Street on 9.01% and LGT with 1.77%. 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 11.27% and LGT 6.03% on an annualised basis. Then since their respective inceptions in May 2004 and January 2005, while LGT rises further to 8.19% pa, Adam Street drops to 2.82% pa.

At present no benchmark has been applied to these mandates.

SSGA

The SSGA passively managed portfolio produced a return of 2.09% in the quarter which was just 3 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 10.04% return, which is 10 basis points behind target, while over 3 years the per annum return falls to 8.10% which is a mere basis point behind the benchmark. Since inception (November 2008) a return of 12.72% pa is in line with 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 broke their positive run with an underperformance of -2.06%, producing a quarterly return of 0.13% compared to the FTSE All Share figure of 2.24%. Looking into the attribution analysis, stock selection was the main driver with all sectors contributing a negative impact, the most notable being Health Care and Basic Materials at -0.55% and -0.47% respectively. Whilst within allocation the most significant decision was the overweight of Oil & Gas (0.34%) although this was offset by underweighting Consumer Goods (-0.17%) and overweighting Consumer Services (-0.16%). Due to the previous good results longer periods remain in the black and over the year demonstrate the highest absolute return with 16.20% which relatively is 2.73%. This outperformance is also attributable to selection effects and Consumer Services lead the way (1.32%) coupled with Financials (0.56%), while underweighting Consumer Goods (0.40%) and overweighting Oil & Gas (0.25%) also add value. UBS maintain this outperformance over the longer time periods, translating as a since inception return of 10.41% versus 9.09% on an annualised basis.

UBS Property

The UBS Property portfolio grew 5.40% over the 2nd quarter, which was 1.05% ahead of the IPD UK PFI All Balanced Funds index figure of 4.30%. This feeds into the year to date and one year figures, with 15.90 vs 15.07% over the rolling year. While over longer time periods the fund still demonstrates positive absolute returns with 3 and 5 year showing figures of 6.89% and 8.38% respectively, but negative relative returns with -0.20% and -1.04% below the benchmark. Since inception, in March 2006, the fund now shows growth of 1.19% per annum while the benchmark shows a positive 1.69% return, translating as an underperformance of -50 basis points.

UBS Tactical

Once again the UBS Tactical mandate posts both the highest absolute and relative return with a return of 5.42% compared to the Barclays US Inflation Linked Index of 1.46%. Which means in the 1 year since the inception of the fund, despite a loss of -3.50%, this compares favourably to the index figure of -7.11%, leading to an outperformance of 3.89%.



Active Contribution

By Manager

	Portfolio	Benchmark	Excess Return	Relative Return	Active Contribution 04/14	Portfolio	Benchmark	Excess Return	Relative Return	Active Contribution 05/14	Portfolio	Benchmark	Excess Return	Relative Return	Active Contribution 06/14	Active Contribution 2Q 2014
Adam Street	0.52	-	0.52	-	107,463.69	0.66	-	0.66	-	138,842.14	1.52	-	1.52	-	314,631.68	560,937.51
Barings	-0.18	0.37	-0.56	-0.55	-351,527.00	1.86	0.37	1.49	1.48	939,168.95	-0.03	0.37	-0.40	-0.40	-255,587.62	332,054.33
Cash	-0.80	0.03	-0.83	-0.83	-98.32	0.41	0.03	0.38	0.38	44.66	-3.50	0.03	-3.52	-3.52	-416.77	-470.43
JP Morgan	0.36	0.29	0.07	0.07	51,947.48	0.03	0.29	-0.26	-0.26	-178,343.12	0.55	0.29	0.26	0.26	165,295.20	38,899.56
Kempen	1.49	-0.04	1.52	1.52	1,178,126.90	2.36	2.91	-0.55	-0.53	-442,274.45	-0.04	0.06	-0.10	-0.10	-78,694.46	657,158.00
LGT	1.53	-	1.53	-	242,211.57	-0.44	-	-0.44	-	-70,090.14	-0.44	-	-0.44	-	-66,039.25	106,082.18
Macquarie	-0.88	0.29	-1.17	-1.16	-62,633.06	0.06	0.29	-0.23	-0.23	-12,296.80	-1.60	0.29	-1.89	-1.89	-102,738.15	-177,668.01
M&G Investments	1.33	0.37	0.96	0.96	265,363.81	0.00	0.37	-0.37	-0.37	-103,686.19	0.00	0.37	-0.37	-0.37	-103,638.65	58,038.96
Newton	1.20	-0.13	1.32	1.32	312,132.34	2.22	3.10	-0.89	-0.86	-218,181.22	-1.00	0.19	-1.19	-1.18	-290,072.22	-196,121.10
Pasco Currency Ov	115.31	-	115.31	-	163,103.39	76.01	-	76.01	-	231,486.26	72.11	-	72.11	-	386,514.27	781,103.92
Ruffer	-1.09	0.04	-1.14	-1.14	-961,242.78	1.52	0.04	1.48	1.48	1,234,351.22	-0.03	0.04	-0.07	-0.07	-63,496.10	209,612.34
SSGA	0.91	0.90	0.01	0.01	10,873.91	1.92	1.97	-0.05	-0.05	-74,244.86	-0.74	-0.75	0.01	0.01	15,405.63	-47,965.32
UBS	1.59	2.16	-0.57	-0.56	-674,836.61	0.48	1.37	-0.89	-0.88	-1,061,767.20	-1.91	-1.28	-0.63	-0.64	-736,589.93	-2,473,193.75
UBS Property	1.25	1.32	-0.07	-0.07	-39,914.29	1.89	1.57	0.32	0.32	183,740.15	2.17	1.35	0.81	0.80	467,936.67	611,762.53
UBS Tactical	2.57	0.18	2.39	2.39	308,436.25	4.29	2.93	1.36	1.32	184,925.71	-1.45	-1.61	0.16	0.16	21,176.83	514,538.79

Total Fund Market Value at Qtr End: £734.3 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	734.3	100.00	1.93	2.05	-0.12	-0.12	2.95	2.87	0.07	0.07	8.76	8.85	-0.09	-0.08

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	21.0	2.86	2.72	-	-	-	9.81	-	-	-	7.96	-	-	-
AEW UK	10.0	1.36	-	-	-	-	-	-	-	-	-	-	-	-
Barings	64.1	8.73	1.65	1.12	0.53	0.52	1.12	2.25	-1.13	-1.11	4.57	4.54	0.02	0.02
JP Morgan	63.1	8.59	0.94	0.88	0.07	0.07	2.13	1.75	0.37	0.37	5.85	3.54	2.31	2.24
Kempen	80.3	10.94	3.85	2.93	0.91	0.89	4.74	4.20	0.54	0.52	7.47	12.82	-5.35	-4.74
LGT	15.1	2.05	0.64	-	-	-	2.67	-	-	-	2.67	-	-	-
Macquarie	5.3	0.73	-2.40	0.88	-3.28	-3.25	-4.40	1.75	-6.16	-6.05	-8.22	3.54	-11.76	-11.36
M&G Investments	27.9	3.79	1.34	1.12	0.22	0.21	2.75	2.25	0.51	0.49	5.59	4.54	1.05	1.00
Newton	24.2	3.29	2.41	3.17	-0.76	-0.73	3.43	4.24	-0.81	-0.78	6.45	11.81	-5.37	-4.80
Ruffer	84.8	11.55	0.37	0.13	0.25	0.25	0.09	0.26	-0.17	-0.17	0.85	0.52	0.33	0.33
SSGA	147.0	20.02	2.09	2.12	-0.03	-0.03	2.48	2.53	-0.05	-0.05	10.04	10.16	-0.12	-0.10
UBS	116.0	15.80	0.13	2.24	-2.11	-2.06	0.45	1.59	-1.14	-1.12	16.20	13.12	3.08	2.73
UBS Property	58.0	7.90	5.40	4.30	1.10	1.05	8.66	7.74	0.92	0.85	15.90	15.07	0.83	0.72
UBS Tactical	13.6	1.85	5.42	1.46	3.96	3.91	13.86	3.02	10.84	10.52	-3.50	-7.11	3.61	3.89

Total Fund Market Value at Qtr End: £734.3 M



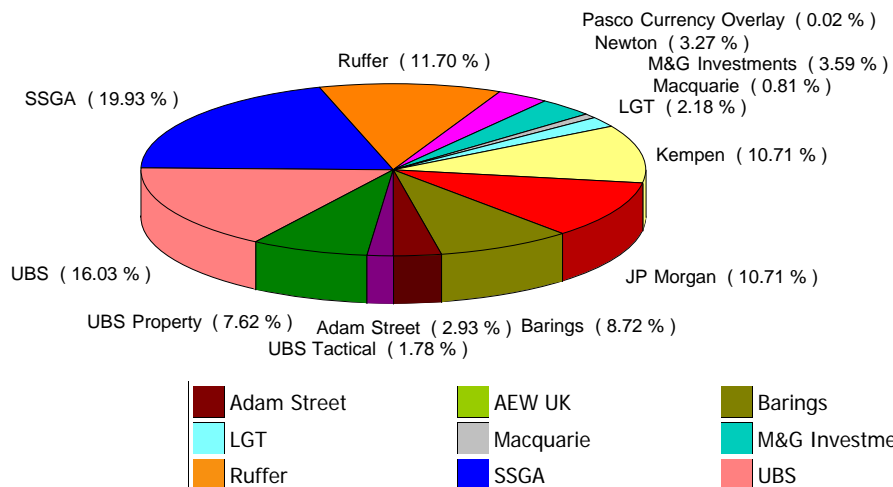
Scheme Performance

	<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	7.81	6.94	0.87	0.81	11.37	10.97	0.39	0.36	30/09/95	6.80	6.75	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	10.14	-	-	-	13.08	-	-	-	31/01/05	2.70	-	-	-
AEW UK	-	-	-	-	-	-	-	-	30/06/14	-	-	-	-
Barings	-	-	-	-	-	-	-	-	24/04/13	2.83	4.55	-1.72	-1.64
JP Morgan	-	-	-	-	-	-	-	-	08/11/11	4.67	3.68	0.98	0.95
Kempen	-	-	-	-	-	-	-	-	31/01/13	7.54	15.76	-8.22	-7.10
LGT	4.61	-	-	-	9.40	-	-	-	31/05/04	8.15	-	-	-
Macquarie	-7.07	3.71	-10.78	-10.40	-	-	-	-	30/09/10	-7.08	3.73	-10.81	-10.42
M&G Investments	5.68	4.72	0.96	0.92	-	-	-	-	31/05/10	5.06	4.74	0.32	0.30
Newton	-	-	-	-	-	-	-	-	24/01/13	10.10	13.53	-3.44	-3.03
Ruffer	5.17	0.72	4.45	4.42	-	-	-	-	28/05/10	5.56	0.73	4.84	4.80
SSGA	8.10	8.11	-0.01	-0.01	12.79	12.78	0.01	0.01	30/11/08	12.72	12.71	0.00	0.00
UBS	12.76	8.92	3.84	3.53	16.21	14.48	1.73	1.51	31/12/88	10.41	9.09	1.33	1.22
UBS Property	6.89	7.10	-0.21	-0.20	8.38	9.51	-1.13	-1.04	31/03/06	1.19	1.69	-0.50	-0.50
UBS Tactical	-	-	-	-	-	-	-	-	30/06/13	-3.50	-7.11	3.61	3.89

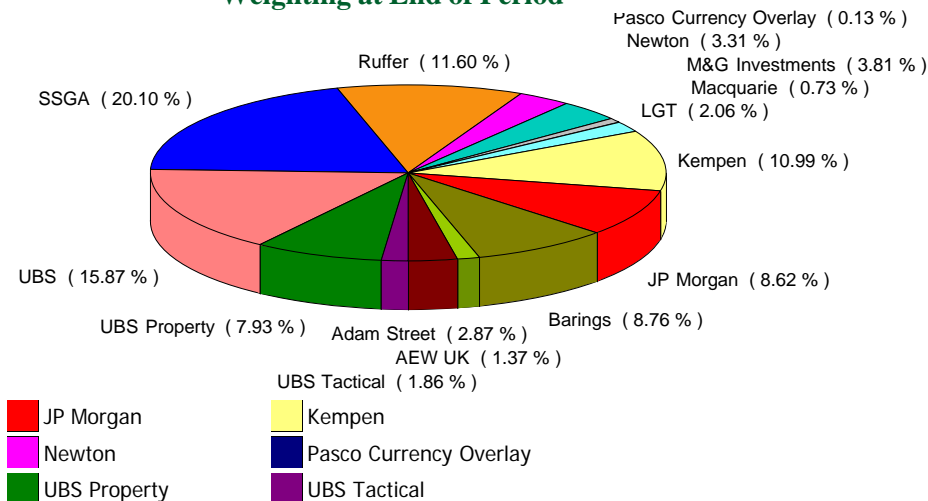
Total Fund Market Value at Qtr End: £734.3 M



Weighting at Beginning of Period



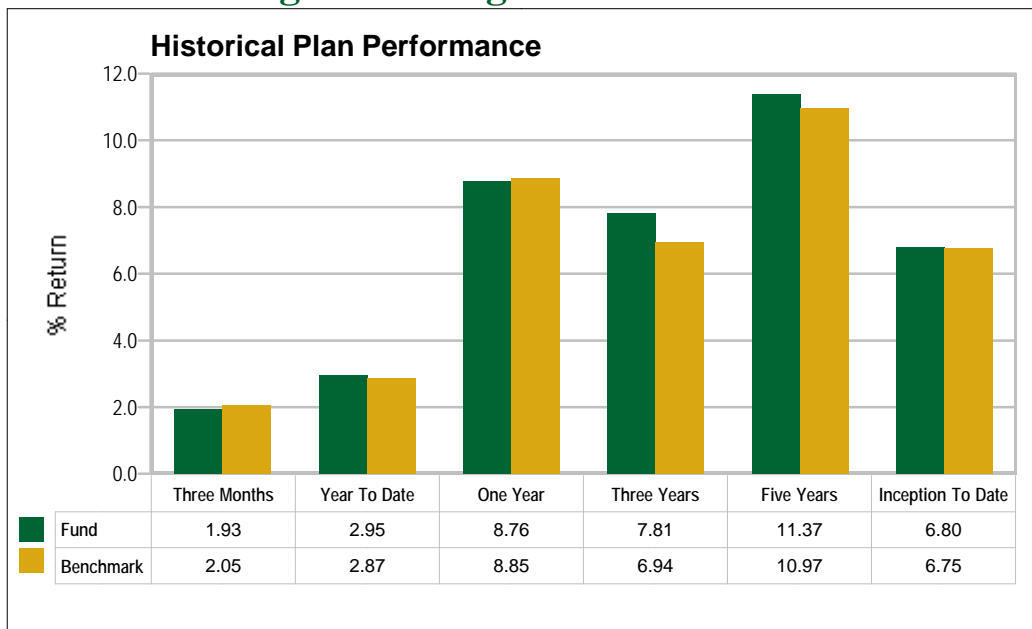
Weighting at End of Period



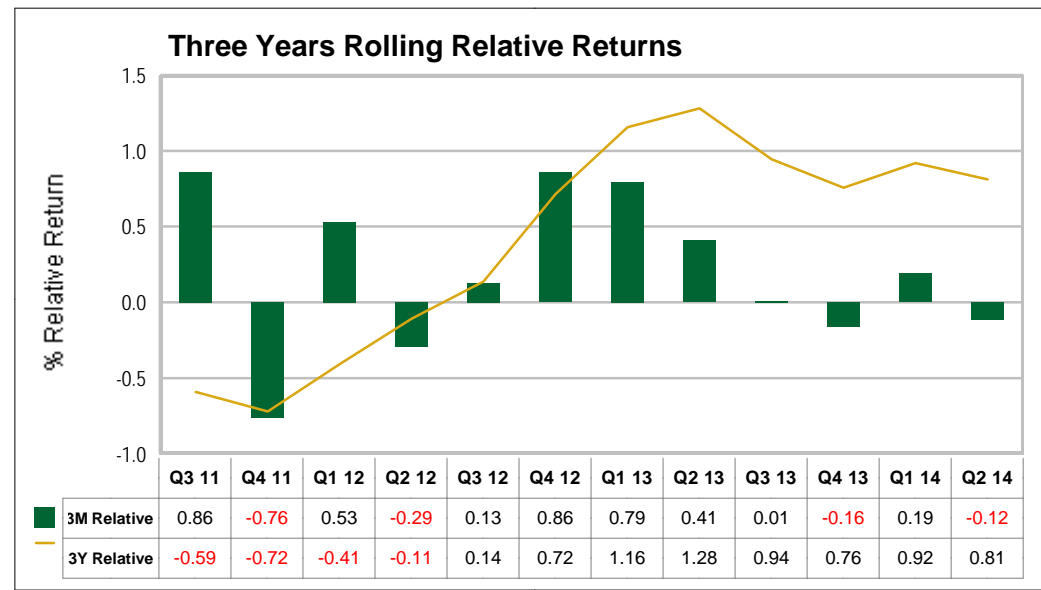
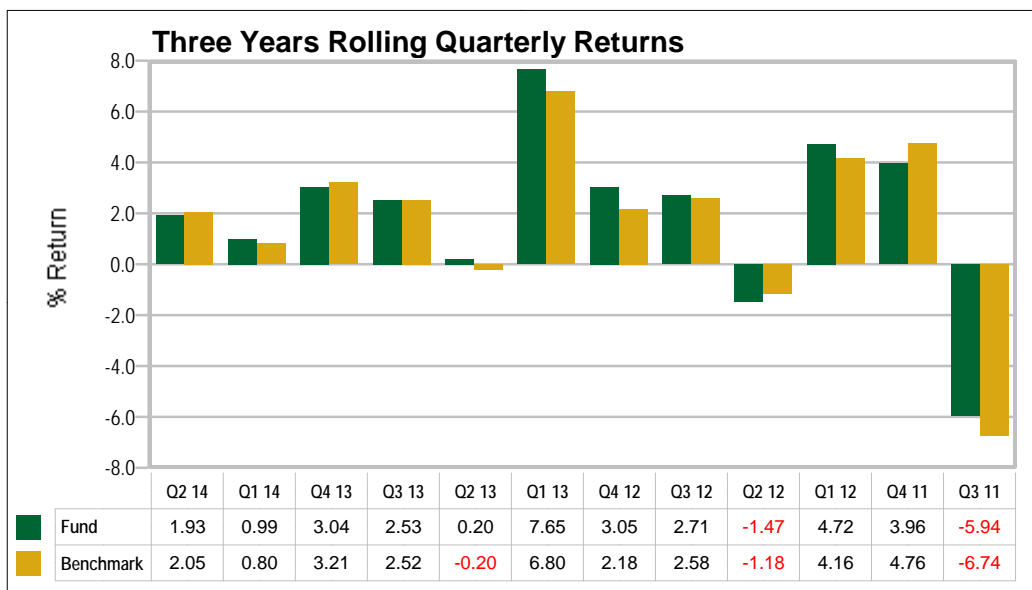
	Opening Market Value £(000)	% of Fund	Net Investment £(000)	Appreciation £(000)	Income Received £(000)	Closing Market Value £(000)	% of Fund
London Borough of Hillingdon	725,279	100.00	-4,981	11,530	2,484	734,312	100.00
Adam Street	21,199	2.92	-800	566	0	20,966	2.86
AEW UK	-	-	10,002	0	-3	9,999	1.36
Barings	63,046	8.69	11	1,037	0	64,094	8.73
JP Morgan	77,397	10.67	-14,998	666	-3	63,062	8.59
Kempen	77,356	10.67	0	2,975	0	80,331	10.94
LGT	15,776	2.18	-823	104	0	15,058	2.05
Macquarie	5,858	0.81	-398	-131	0	5,329	0.73
M&G Investments	25,912	3.57	1,590	120	242	27,864	3.79
Newton	23,618	3.26	0	570	0	24,188	3.29
Pasco Currency Overlay	141	0.02	0	781	0	923	0.13
Ruffer	84,524	11.65	0	-63	380	84,841	11.55
SSGA	143,998	19.85	0	3,006	0	147,004	20.02
UBS	115,870	15.98	0	-1,234	1,384	116,020	15.80
UBS Property	55,040	7.59	8	2,505	467	58,020	7.90
UBS Tactical	12,873	1.77	0	681	17	13,571	1.85



London Borough of Hillingdon

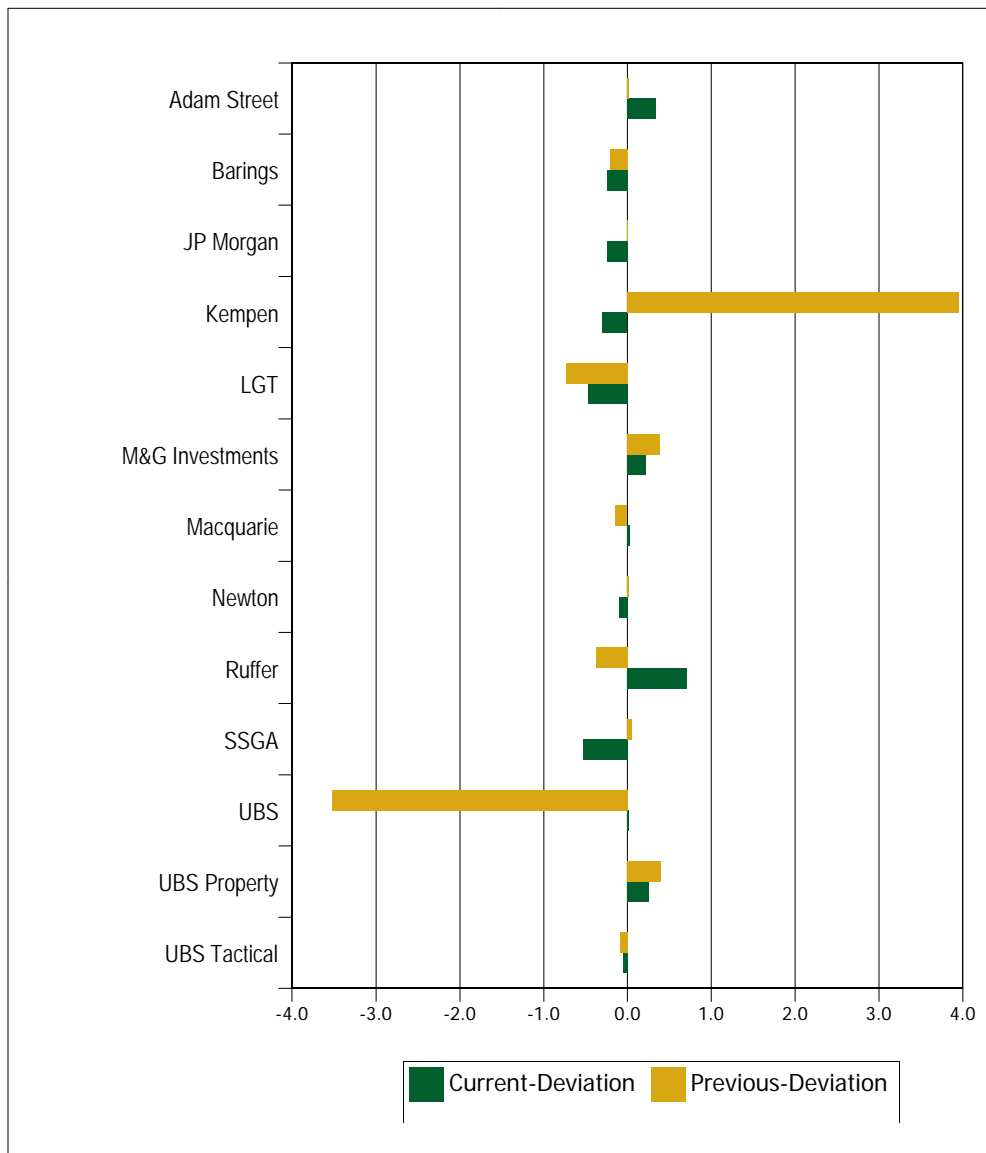


Risk Statistics - 3 years	Fund	B'mark
Performance Return	7.81	6.94
Standard Deviation	6.06	5.85
Relative Return	0.81	
Tracking Error	1.26	
Information Ratio	0.69	
Beta	1.01	
Alpha	0.75	
R Squared	0.96	
Sharpe Ratio	1.13	1.02
Percentage of Total Fund	100.0	
Inception Date	Sep-1995	
Opening Market Value (£000)	725,279	
Net Investment £(000)	-4,981	
Income Received £(000)	2,484	
Appreciation £(000)	11,530	
Closing Market Value (£000)	734,312	





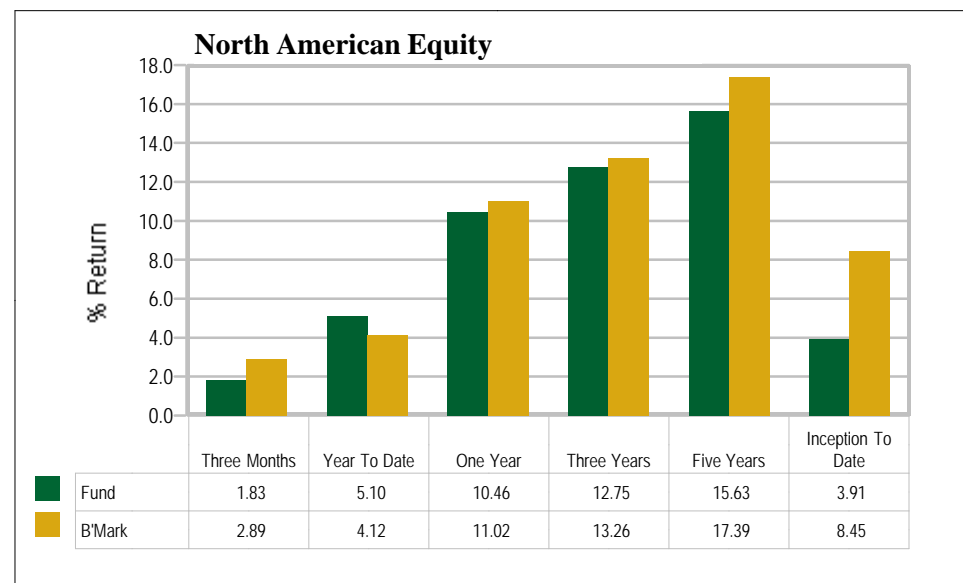
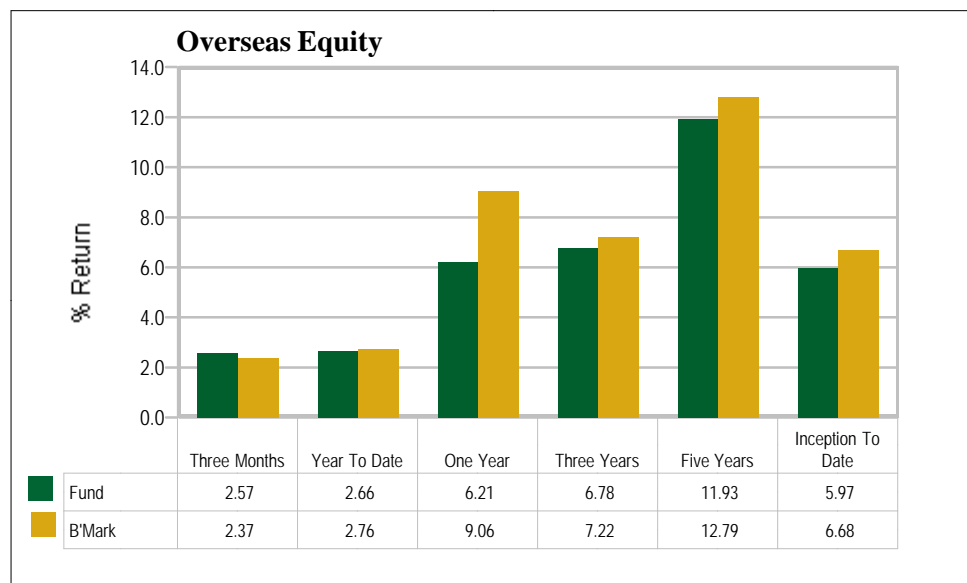
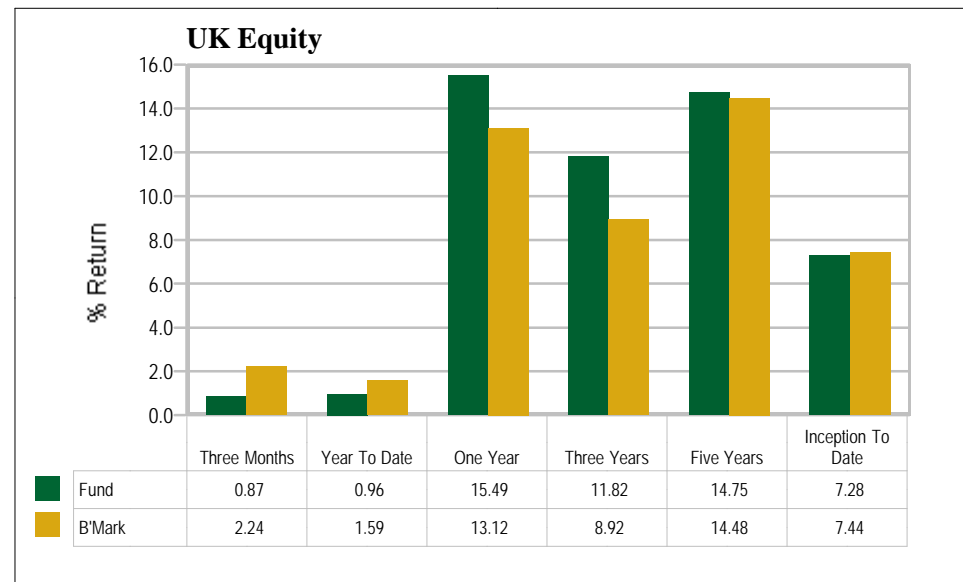
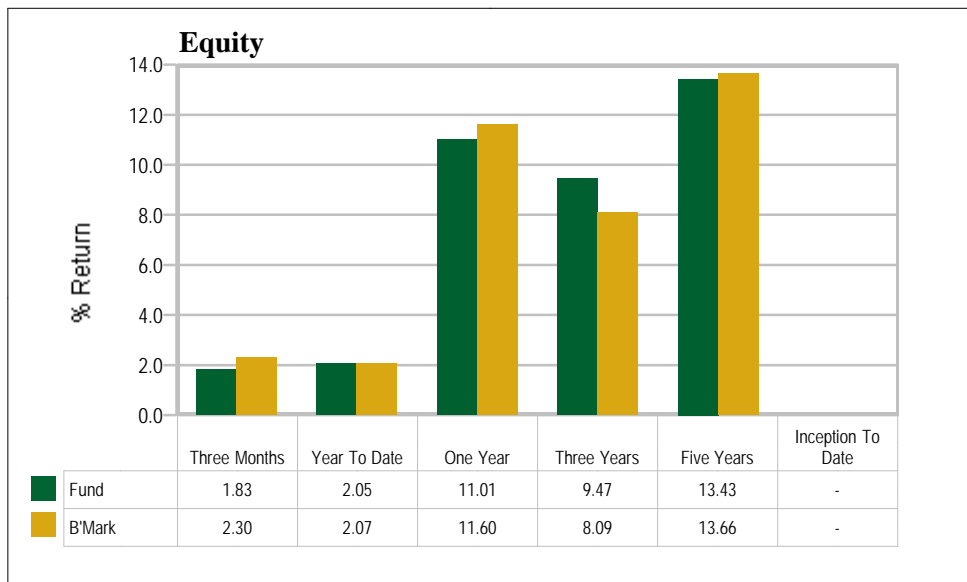
Manager Allocation



	Current Quarter	Previous Quarter	Current Benchmark	Current Deviation	Previous Benchmark	Previous Deviation
Adam Street	2.86	2.92	2.52	0.34	2.91	0.01
Barings	8.73	8.69	8.97	-0.24	8.90	-0.21
JP Morgan	8.59	10.67	8.83	-0.24	10.68	-0.01
Kempen	10.94	10.67	11.24	-0.30	6.71	3.96
LGT	2.05	2.18	2.52	-0.47	2.91	-0.73
M&G Investments	3.79	3.57	3.57	0.22	3.19	0.38
Macquarie	0.73	0.81	0.70	0.03	0.95	-0.14
Newton	3.29	3.26	3.39	-0.10	3.24	0.02
Ruffer	11.55	11.65	10.84	0.71	12.03	-0.38
SSGA	20.02	19.85	20.55	-0.53	19.80	0.05
UBS	15.80	15.98	15.78	0.02	19.50	-3.52
UBS Property	7.90	7.59	7.65	0.25	7.19	0.40
UBS Tactical	1.85	1.77	1.90	-0.05	1.86	-0.09

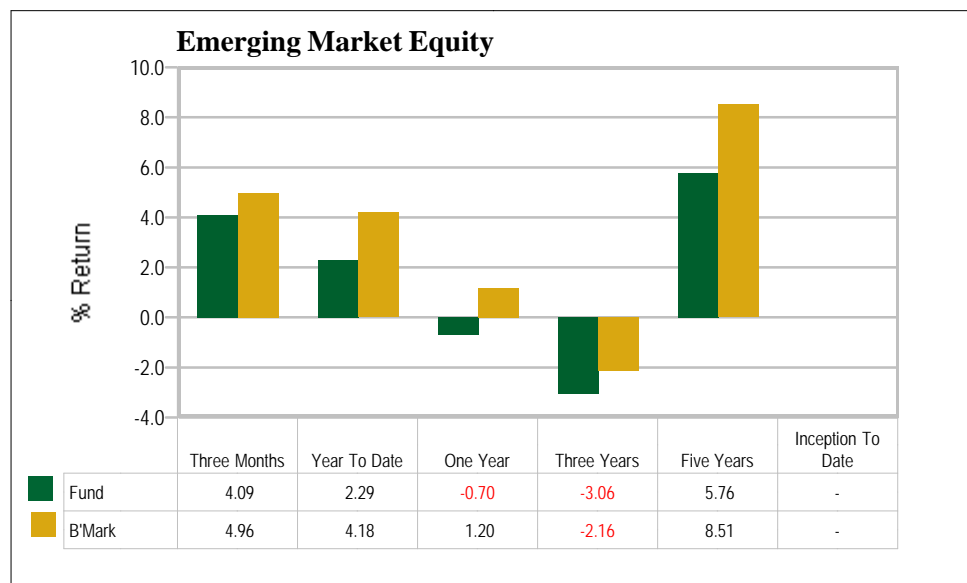
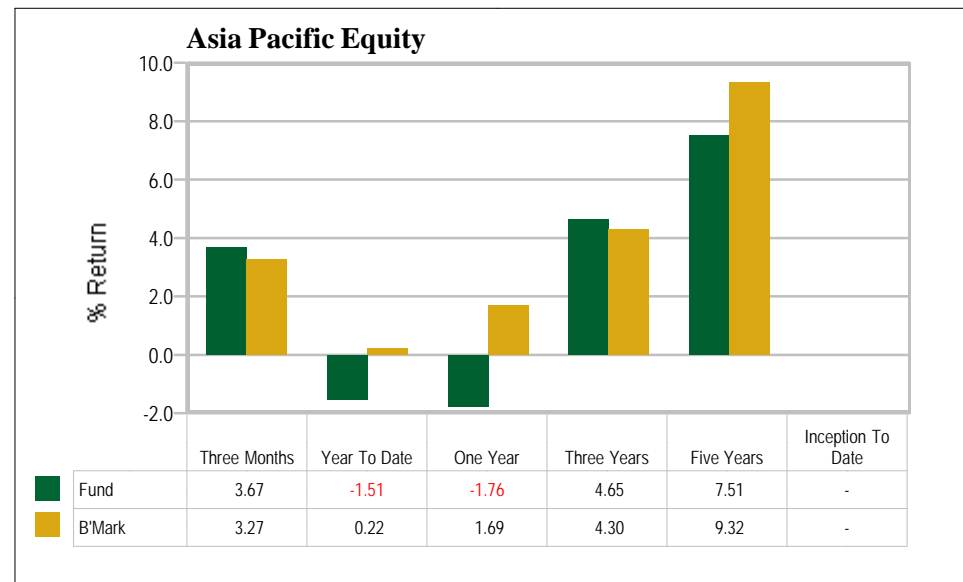
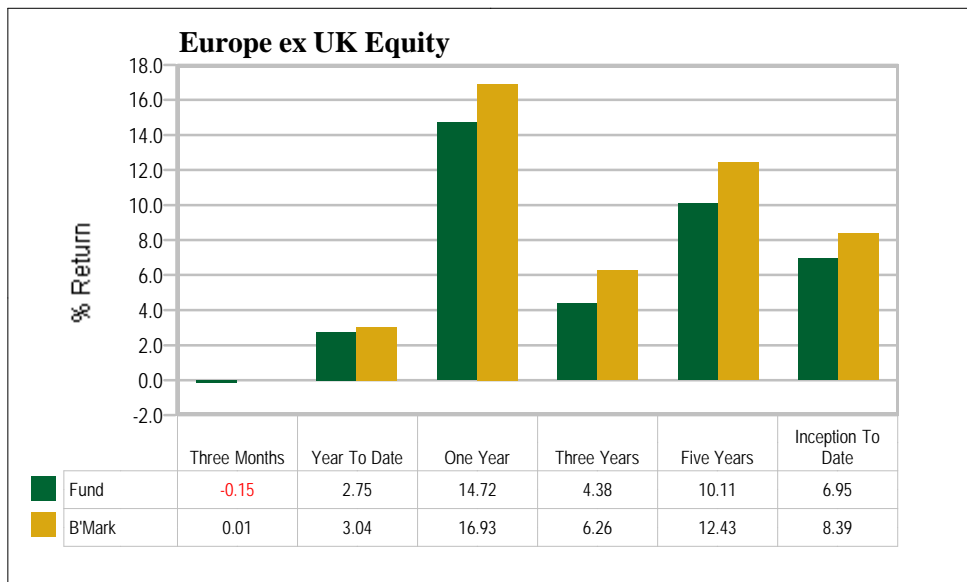


London Borough of Hillingdon



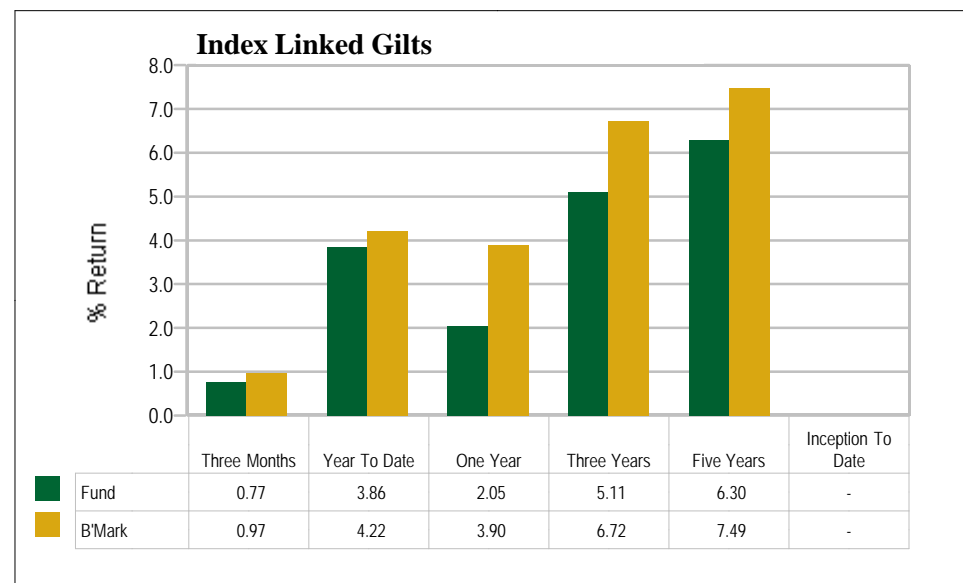
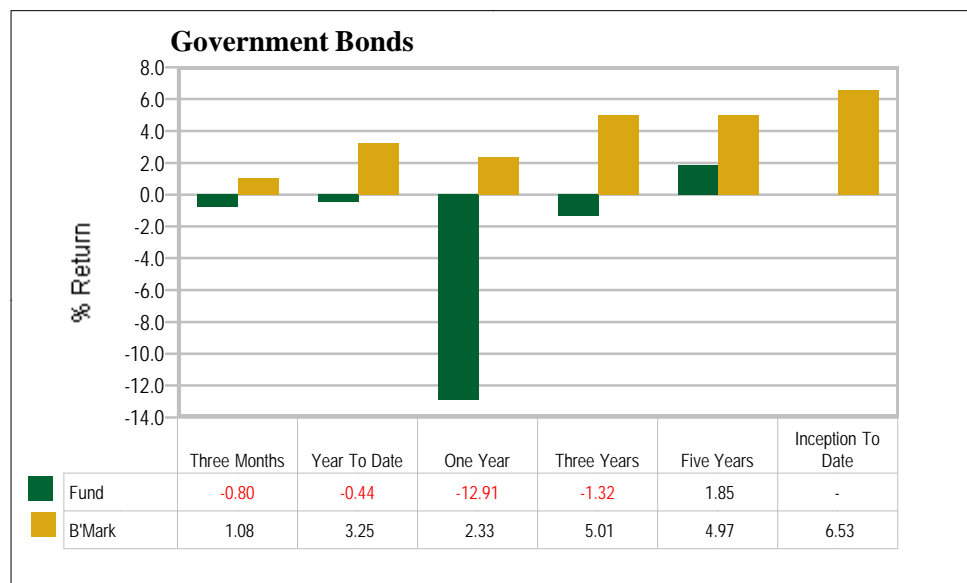
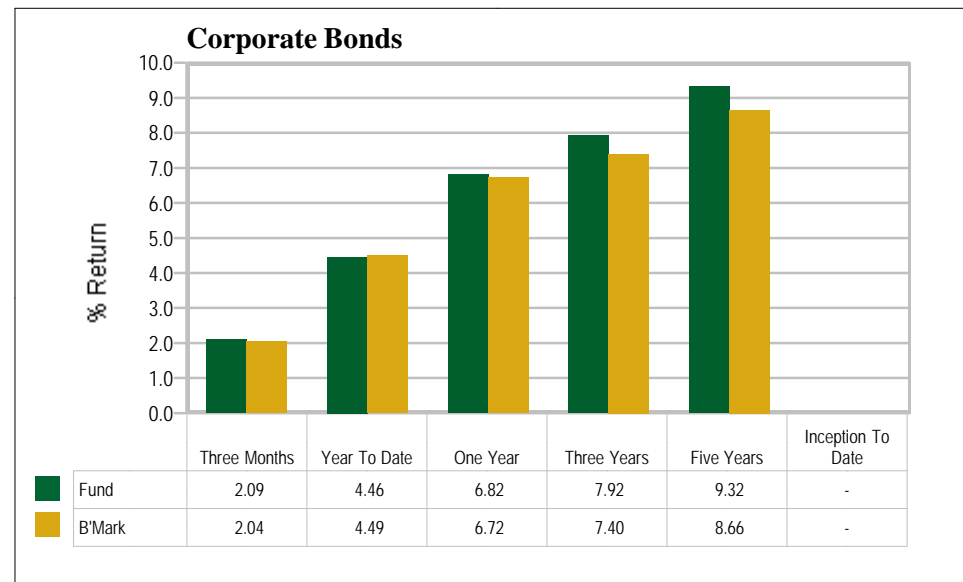
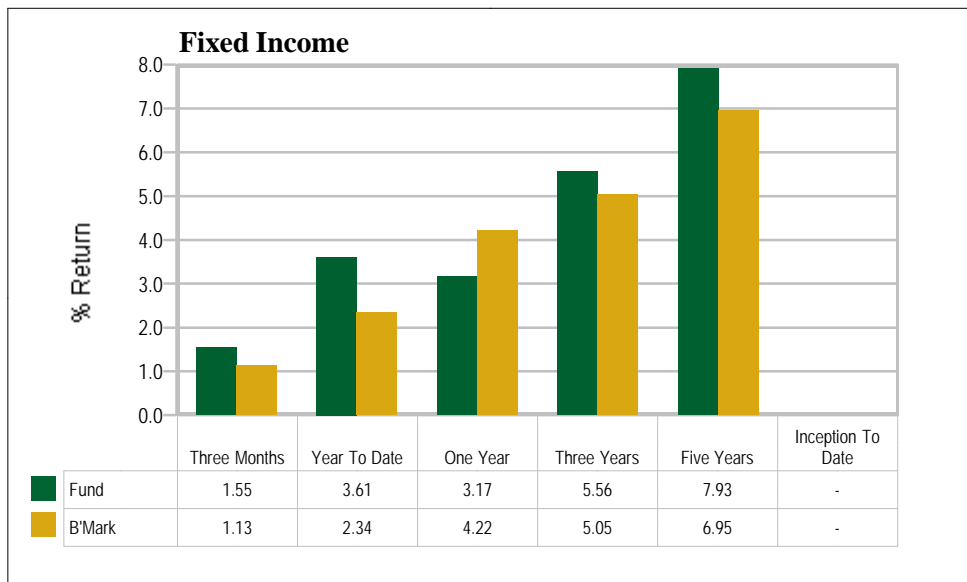


London Borough of Hillingdon



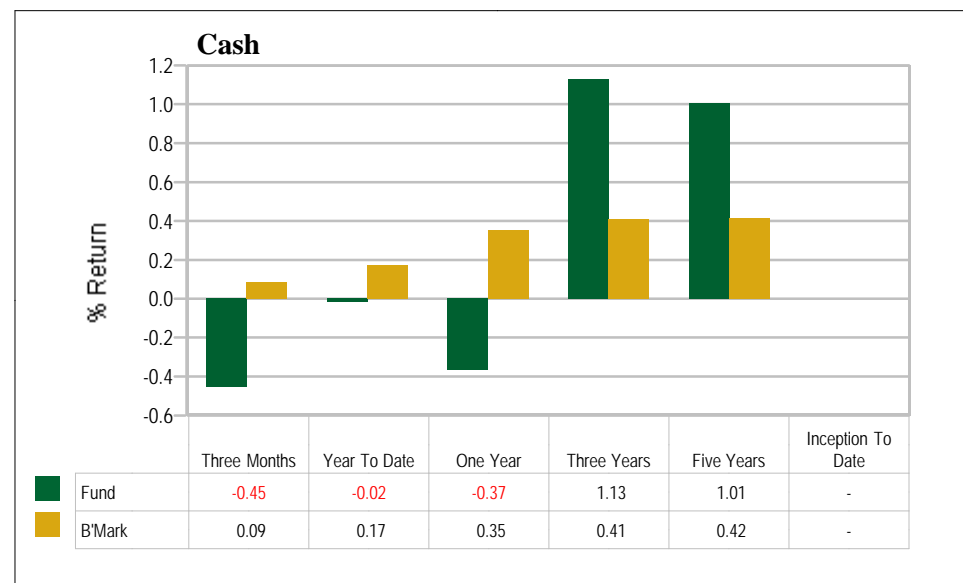
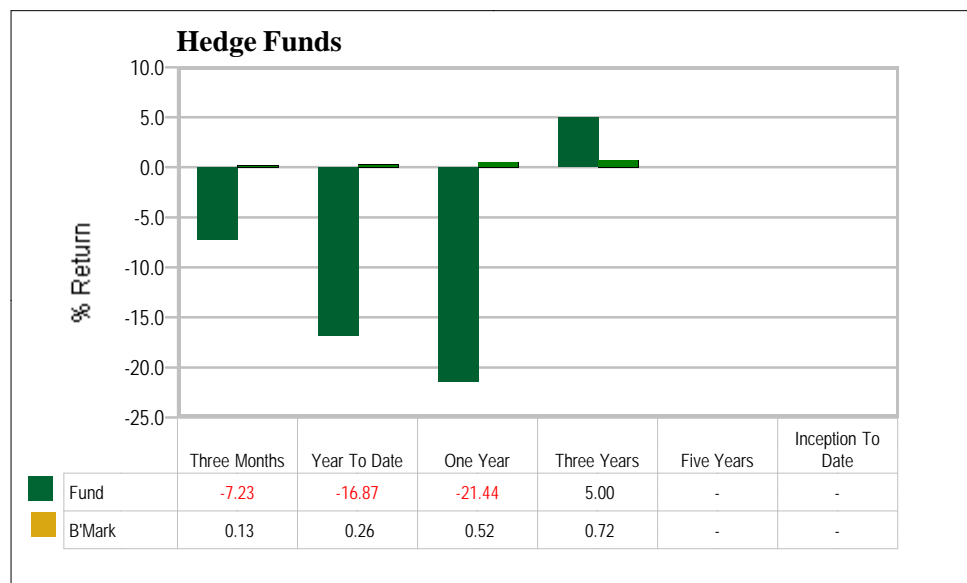
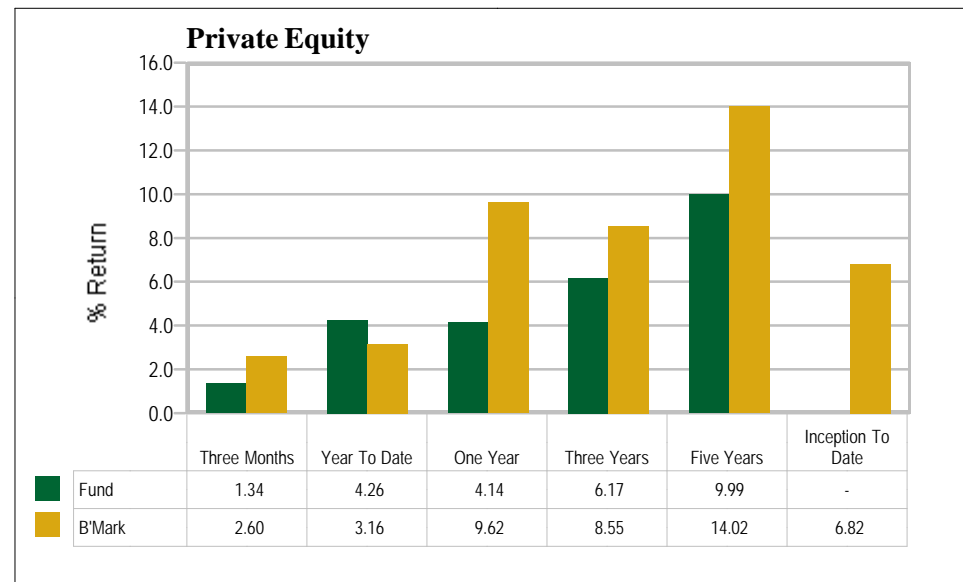


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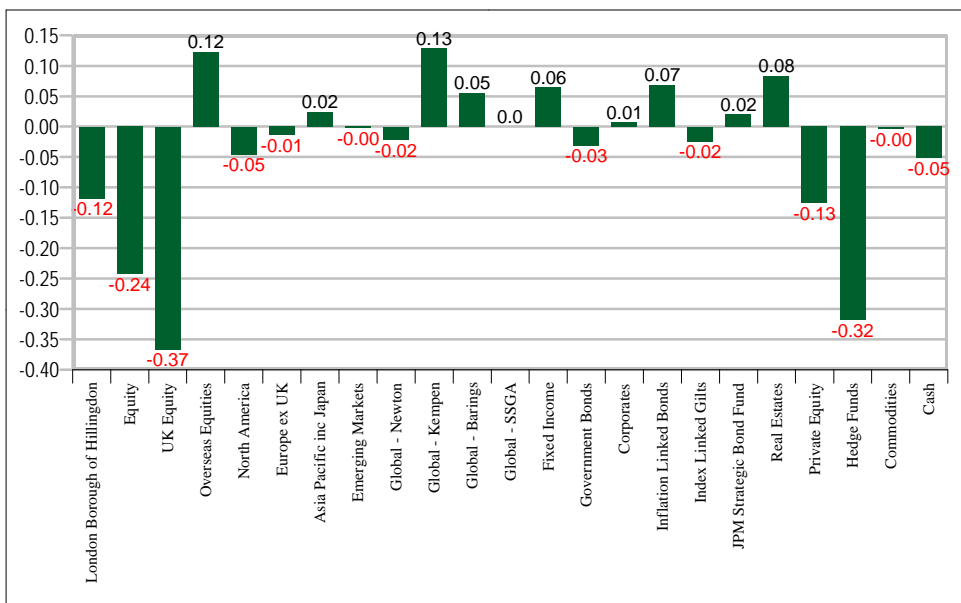
London Borough of Hillingdon



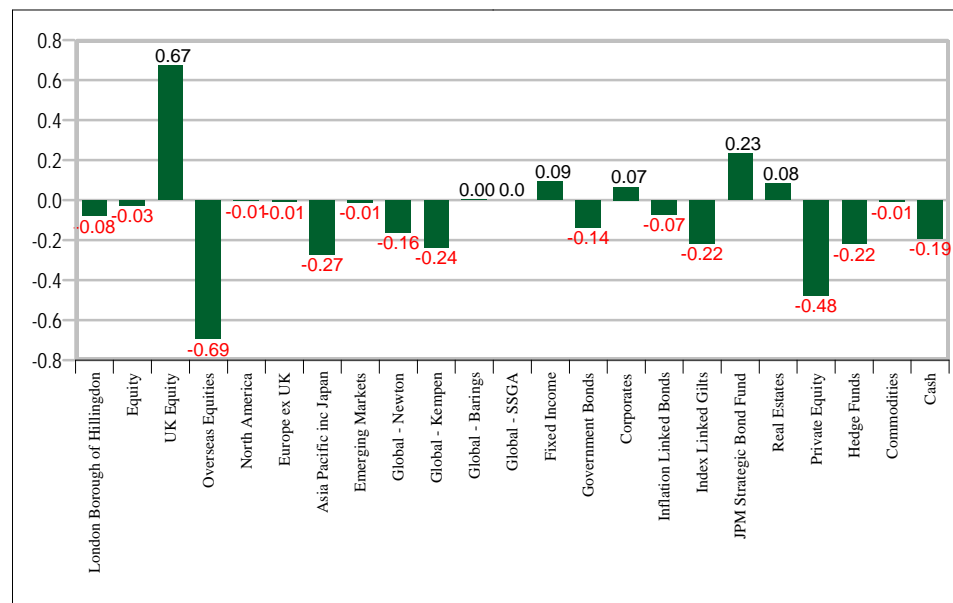


London Borough of Hillingdon

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	1.93	2.05	-0.12	0.15	-0.89	-0.02	0.29	-0.12
Equity	1.83	2.30	-0.46	0.00	-0.70	0.03	0.43	-0.24
UK Equity	0.87	2.24	-1.34	0.00	0.03	-0.05	-0.35	-0.37
Overseas Equities	2.57	2.37	0.19	0.00	-0.73	0.08	0.78	0.12
North America	1.83	2.89	-1.03	0.00	-0.05	0.04	-0.03	-0.05
Europe ex UK	-0.15	0.01	-0.16	0.00	-0.09	-0.01	0.09	-0.01
Asia Pacific inc Japan	3.67	3.27	0.39	0.00	-0.03	0.02	0.03	0.02
Emerging Markets	4.09	4.96	-0.83	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	8.76	8.85	-0.08	0.54	-1.90	0.61	0.35	-0.08
Equity	11.01	11.60	-0.53	0.00	-1.64	0.27	1.37	-0.03
UK Equity	15.49	13.12	2.10	0.00	0.04	-0.06	0.69	0.67
Overseas Equities	6.21	9.06	-2.61	0.00	-1.68	0.32	0.68	-0.69
North America	10.46	11.02	-0.50	0.00	-0.14	0.15	-0.02	-0.01
Europe ex UK	14.72	16.93	-1.88	0.00	-0.18	0.03	0.14	-0.01
Asia Pacific inc Japan	-1.76	1.69	-3.39	0.00	-0.30	0.05	-0.02	-0.27
Emerging Markets	-0.70	1.20	-1.87	0.00	0.00	0.00	-0.01	-0.01



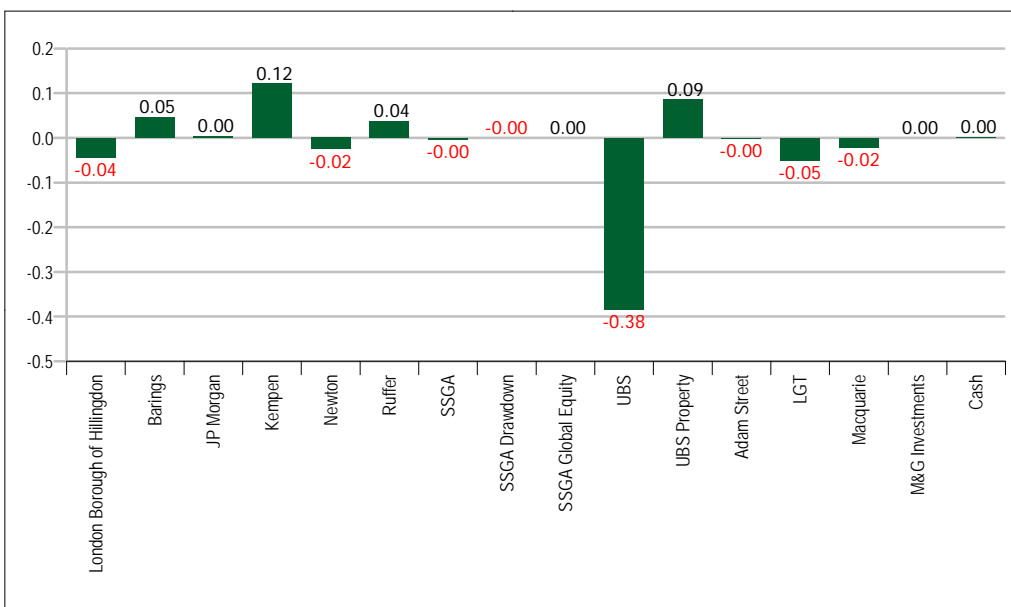
2nd Quarter, 2014

London Borough of Hillingdon

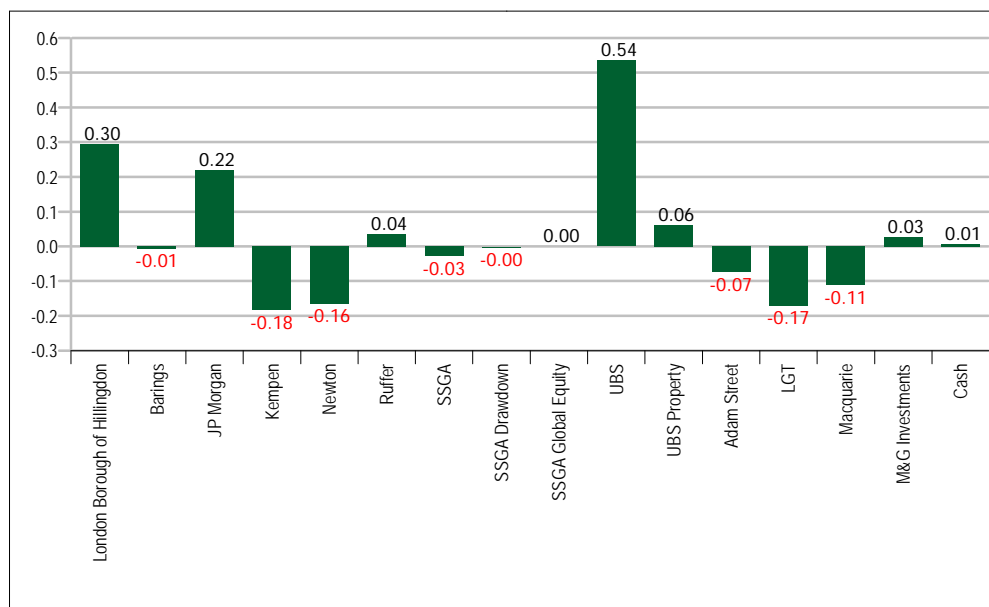
	Return	B'mark	Relative Return	Hedging Effect	Currency Effect	Asset Allocation	Stock Selection	Relative Contribution		Return	B'mark	Relative Return	Hedging Effect	Currency Effect	Asset Allocation	Stock Selection	Relative Contribution
Global - Newton	2.41	3.17	-0.73	0.00	0.00	0.00	-0.03	-0.02	Global - Newton	6.45	11.81	-4.80	0.00	0.00	-0.00	-0.16	-0.16
Global - Kempen	3.85	2.93	0.89	0.00	-0.30	0.02	0.41	0.13	Global - Kempen	6.66	12.82	-5.46	0.00	-0.48	0.09	0.16	-0.24
Global - Barings	1.64	1.12	0.52	0.00	-0.27	0.00	0.32	0.05	Global - Barings	4.56	4.54	0.02	0.00	-0.59	0.00	0.60	0.00
Global - SSGA	-	2.42	-2.36	0.00	0.00	0.00	0.00	0.00	Global - SSGA	-	9.06	-8.31	0.00	0.00	0.00	0.00	0.00
Fixed Income	1.55	1.13	0.42	0.00	-0.05	0.02	0.09	0.06	Fixed Income	3.17	4.22	-1.01	0.00	-0.17	-0.05	0.31	0.09
Government Bonds	-0.80	-	-0.80	0.00	-0.02	-0.01	0.00	-0.03	Government Bonds	-12.91	-	-12.91	0.00	-0.03	-0.11	0.00	-0.14
Corporates	2.09	2.04	0.05	0.00	-0.00	0.01	0.00	0.01	Corporates	6.82	6.72	0.09	0.00	-0.04	0.10	0.00	0.07
Inflation Linked Bonds	4.67	1.46	3.17	0.00	-0.04	0.02	0.09	0.07	Inflation Linked Bonds	-4.67	-7.11	2.63	0.00	-0.11	-0.05	0.08	-0.07
Index Linked Gilts	0.77	0.97	-0.20	0.00	0.00	-0.02	-0.00	-0.02	Index Linked Gilts	2.05	3.90	-1.78	0.00	-0.06	-0.16	0.01	-0.22
JPM Strategic Bond Fund	0.95	0.88	0.07	0.00	0.01	0.01	0.00	0.02	JPM Strategic Bond Fund	5.86	3.54	2.24	0.00	0.01	-0.00	0.23	0.23
Real Estates	5.38	4.30	1.03	0.00	0.01	-0.01	0.08	0.08	Real Estates	16.54	15.07	1.27	0.00	0.00	-0.02	0.10	0.08
Private Equity	1.34	2.60	-1.23	0.00	-0.02	0.09	-0.20	-0.13	Private Equity	4.14	9.62	-5.00	0.00	0.28	0.35	-1.09	-0.48
Hedge Funds	-7.23	0.88	-8.04	0.00	-0.13	-0.08	-0.11	-0.32	Hedge Funds	-21.44	3.54	-24.13	0.00	-0.32	0.42	-0.32	-0.22
Commodities	-2.05	0.88	-2.90	0.00	-0.00	0.01	-0.01	-0.00	Commodities	-3.02	3.54	-6.33	0.00	-0.00	0.03	-0.03	-0.01
Cash	-0.45	0.09	-0.54	0.00	-0.00	-0.05	-0.00	-0.05	Cash	-0.37	0.35	-0.72	0.00	-0.00	-0.21	0.02	-0.19



Three Months



One Year



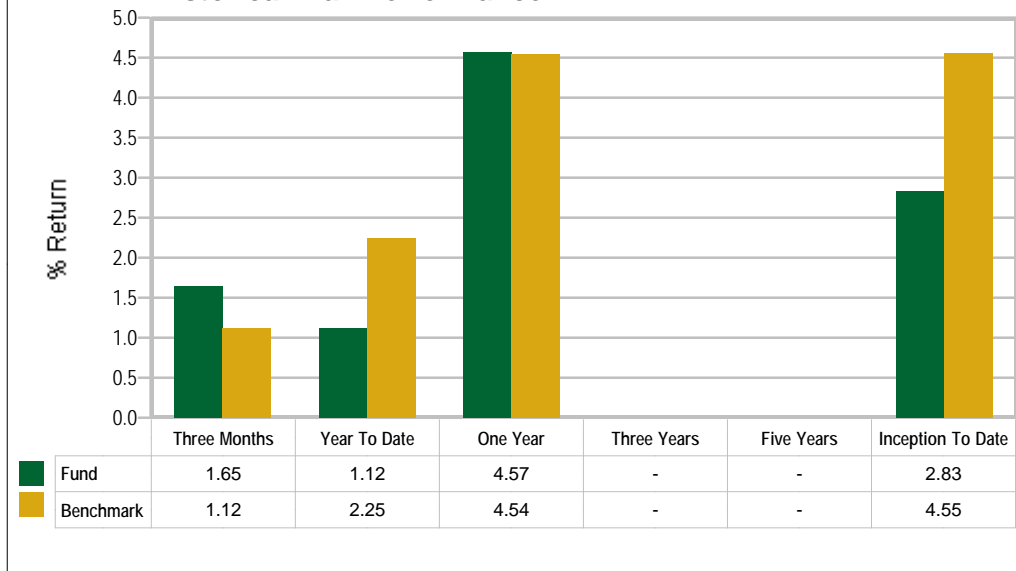
	Fund Return	Index Return	Relative Return	Asset Allocation	Stock Selection	Relative Contribution
London Borough of Hillingdon	1.93	1.98	-0.04	0.10	-0.13	-0.04
Barings	1.65	1.12	0.52	0.00	0.04	0.05
JP Morgan	0.94	0.88	0.07	0.00	0.00	0.00
Kempen	3.85	2.93	0.89	0.03	0.09	0.12
Newton	2.41	3.17	-0.73	0.00	-0.03	-0.02
Ruffer	0.37	0.13	0.25	0.01	0.03	0.04
SSGA	2.09	2.12	-0.03	0.00	-0.01	-0.00
SSGA Drawdown	-1.58	1.09	-2.64	-0.00	-0.00	-0.00
SSGA Global Equity	-	-	0.00	0.00	0.00	0.00
UBS	0.13	2.24	-2.06	-0.05	-0.33	-0.38
UBS Property	5.40	4.30	1.05	0.00	0.08	0.09
Adam Street	2.72	2.80	-0.07	0.00	-0.00	-0.00
LGT	0.64	2.80	-2.10	-0.00	-0.05	-0.05
Macquarie	-2.40	0.88	-3.25	0.00	-0.02	-0.02
M&G Investments	1.34	1.12	0.21	-0.01	0.01	0.00
Cash	-3.88	0.09	-3.96	0.00	-0.00	0.00

	Fund Return	Index Return	Relative Return	Asset Allocation	Stock Selection	Relative Contribution
London Borough of Hillingdon	8.76	8.44	0.30	0.14	0.23	0.30
Barings	4.57	4.54	0.02	0.00	-0.01	-0.01
JP Morgan	5.85	3.54	2.24	-0.01	0.23	0.22
Kempen	7.47	12.82	-4.74	0.09	-0.28	-0.18
Newton	6.45	11.81	-4.80	-0.00	-0.16	-0.16
Ruffer	0.85	0.52	0.33	0.00	0.03	0.04
SSGA	10.04	10.16	-0.10	-0.01	-0.02	-0.03
SSGA Drawdown	-7.03	3.53	-10.20	-0.00	-0.00	-0.00
SSGA Global Equity	-	-	0.00	0.00	0.00	0.00
UBS	16.20	13.12	2.73	-0.10	0.64	0.54
UBS Property	15.90	15.07	0.72	0.00	0.06	0.06
Adam Street	7.96	9.83	-1.70	-0.00	-0.07	-0.07
LGT	2.67	9.83	-6.52	-0.01	-0.16	-0.17
Macquarie	-8.22	3.54	-11.36	-0.00	-0.11	-0.11
M&G Investments	5.59	4.54	1.00	-0.01	0.03	0.03
Cash	24.88	0.35	24.43	0.01	0.00	0.01



Barings

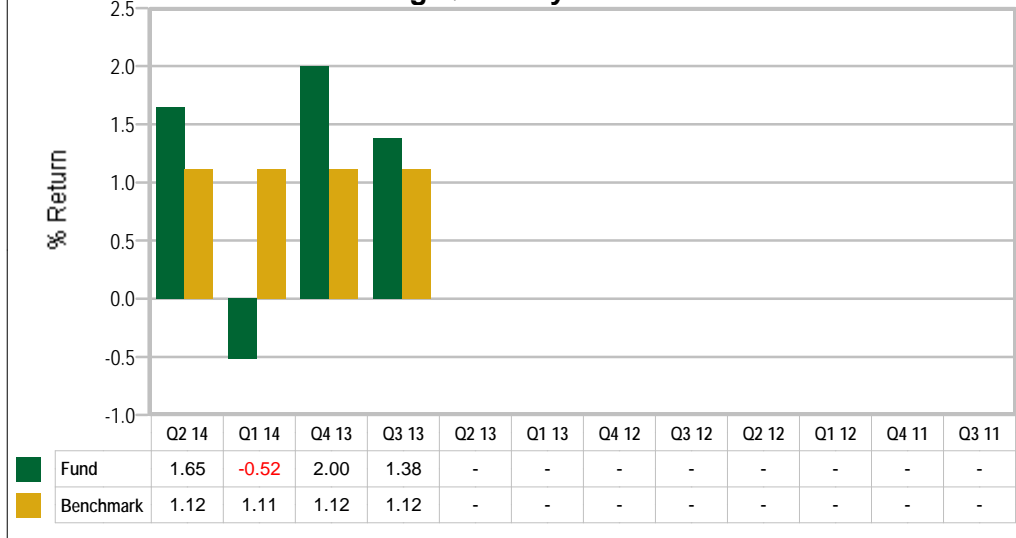
Historical Plan Performance



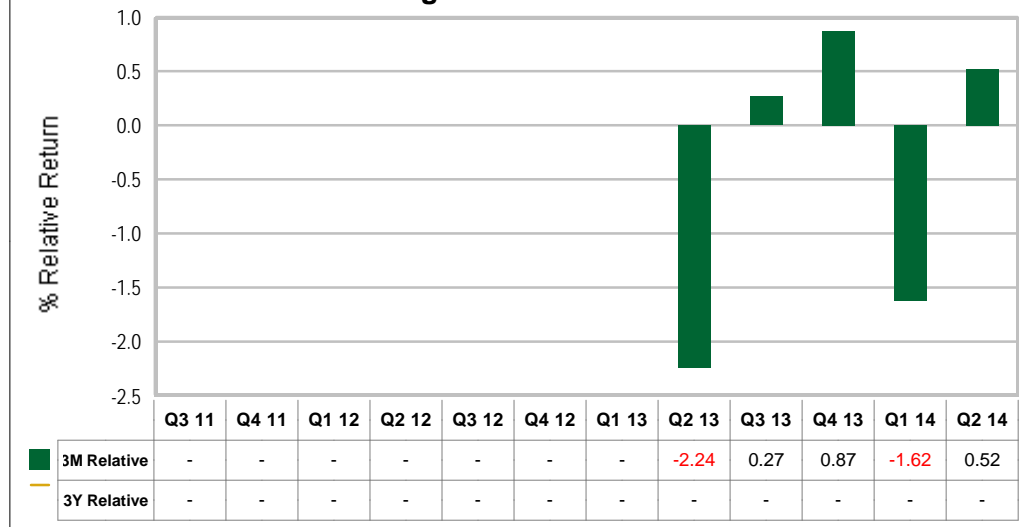
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	8.7	
Inception Date	Apr-2013	
Opening Market Value (£000)	63,046	
Net Investment (£000)	11	
Income Received (£000)	0	
Appreciation (£000)	1,037	
Closing Market Value (£000)	64,094	

Three Years Rolling Quarterly Returns



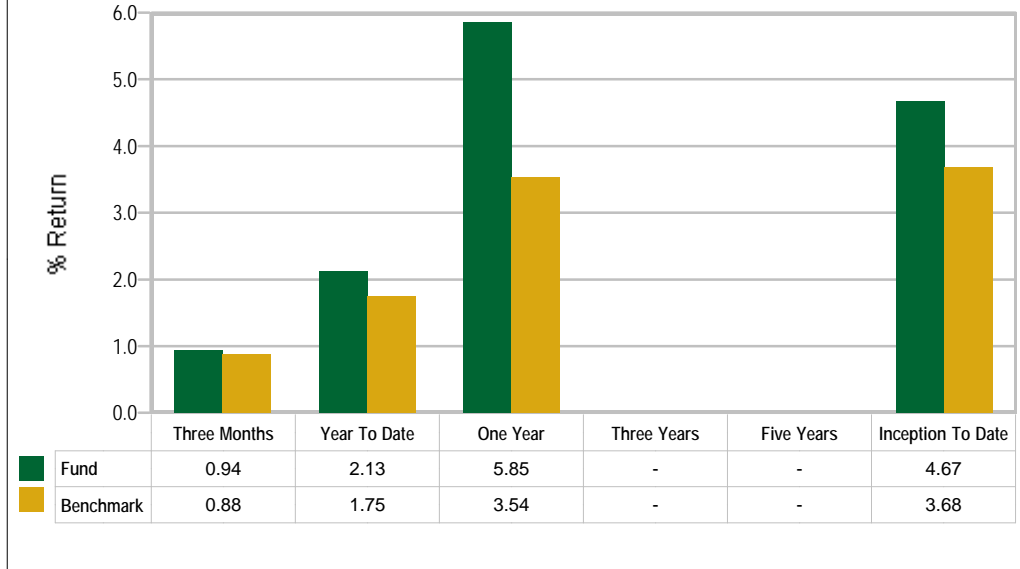
Three Years Rolling Relative Returns





JP Morgan

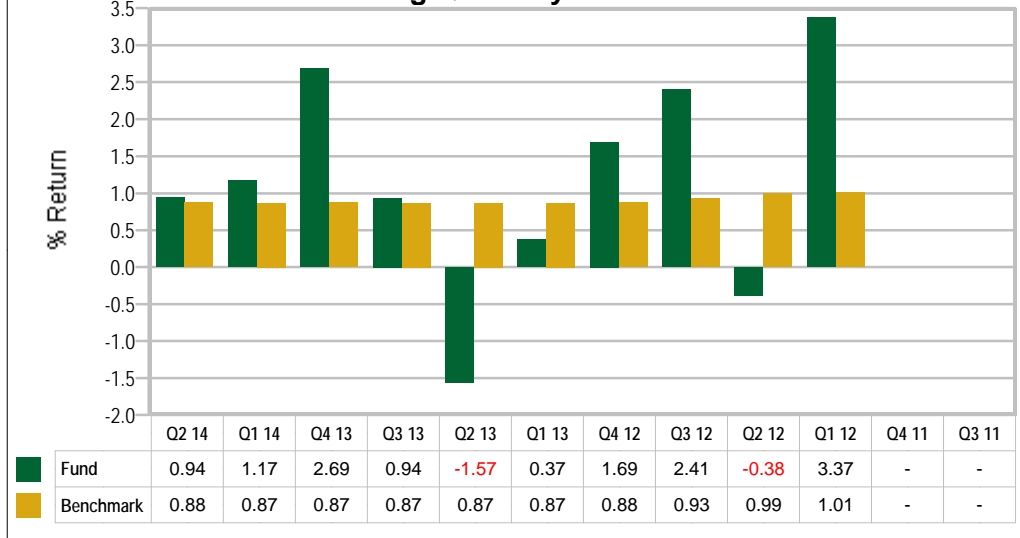
Historical Plan Performance



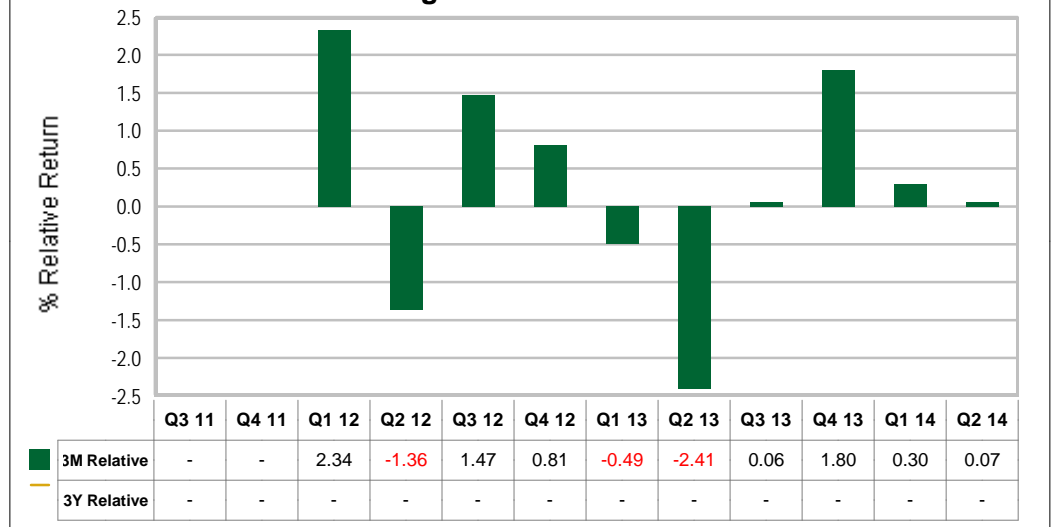
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	8.6	
Inception Date	Nov-2011	
Opening Market Value (£000)	77,397	
Net Investment £(000)	-14,998	
Income Received £(000)	-3	
Appreciation £(000)	666	
Closing Market Value (£000)	63,062	

Three Years Rolling Quarterly Returns

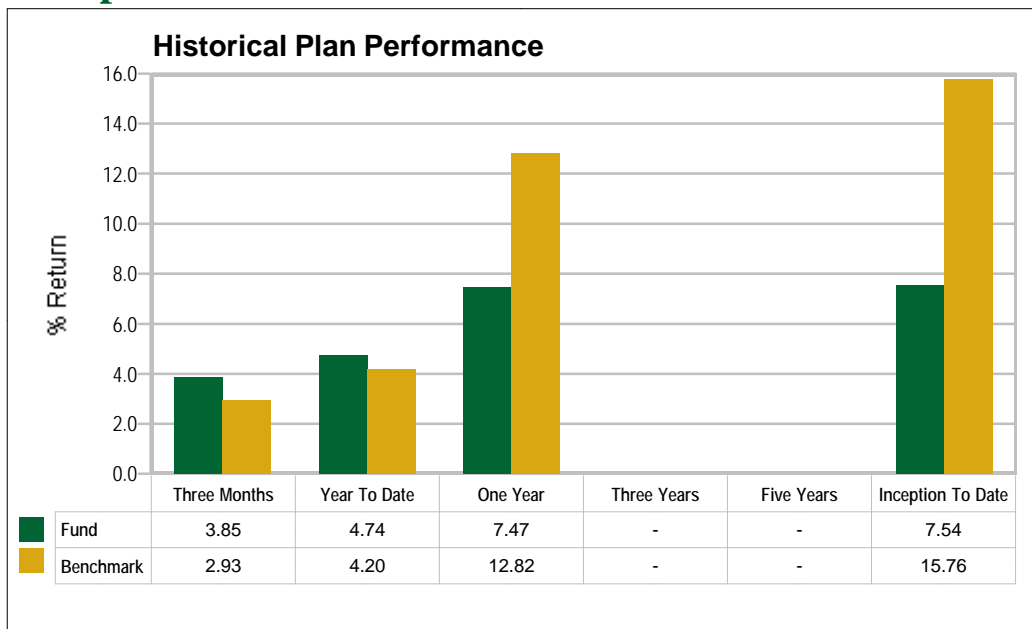


Three Years Rolling Relative Returns

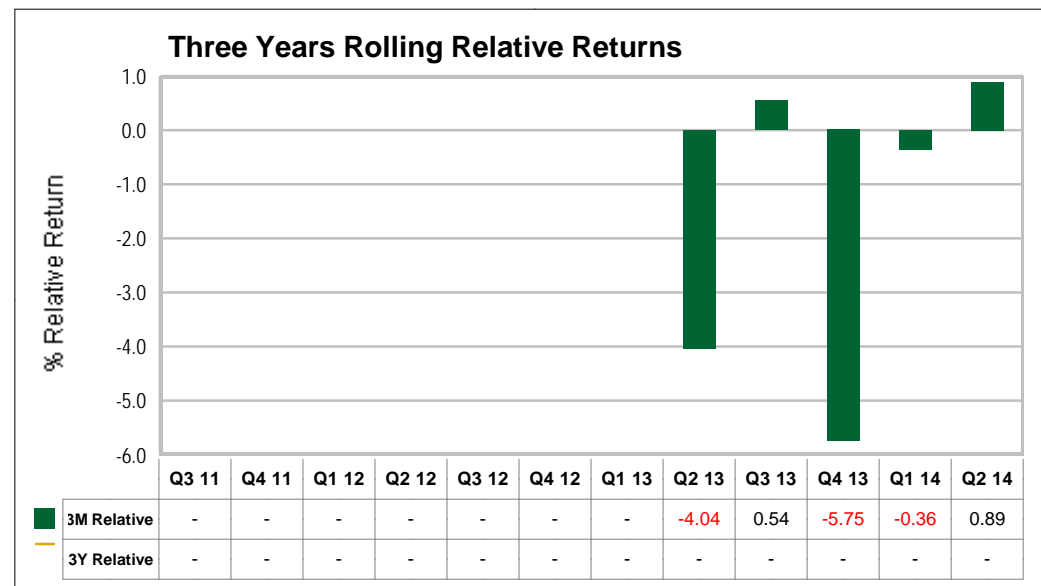
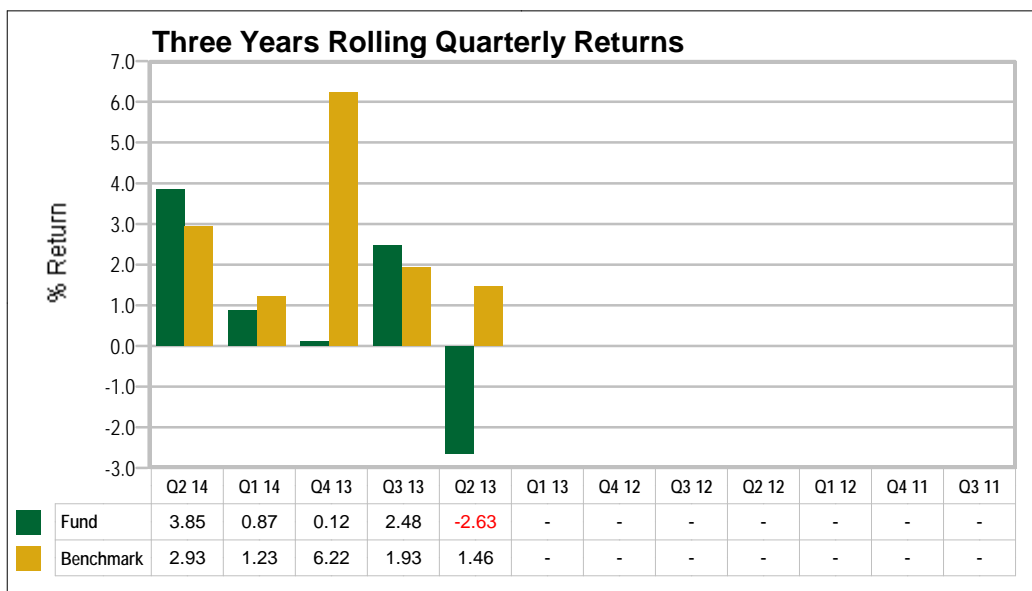




Kempen



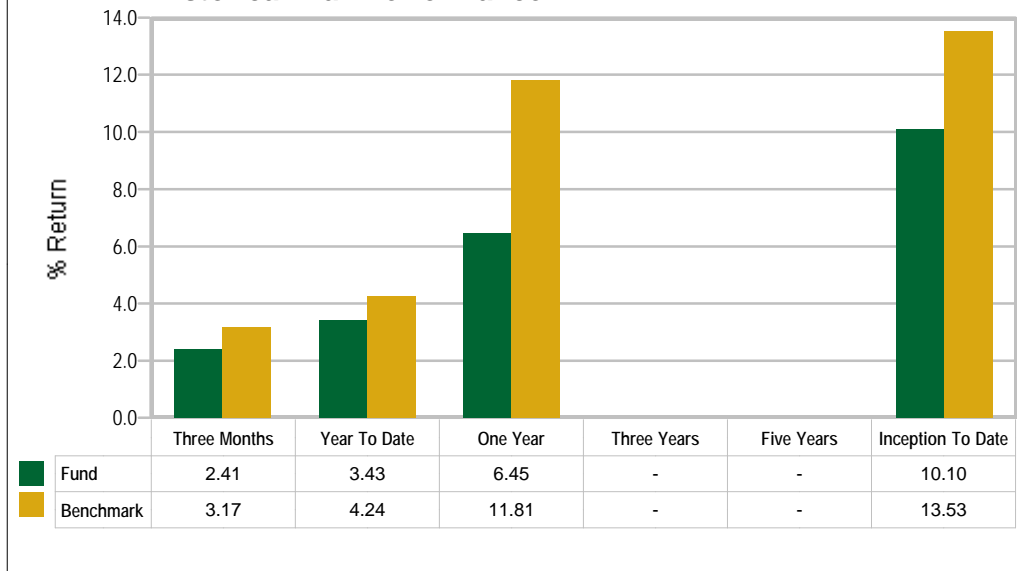
Risk Statistics - 3 years	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	10.9	
Inception Date	Jan-2013	
Opening Market Value (£000)	77,356	
Net Investment £(000)	0	
Income Received £(000)	0	
Appreciation £(000)	2,975	
Closing Market Value (£000)	80,331	





Newton

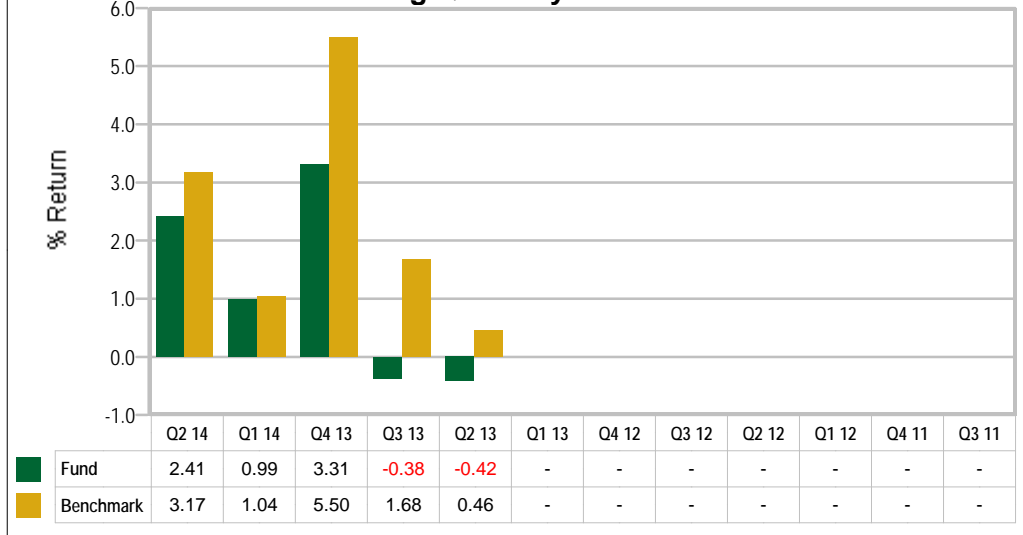
Historical Plan Performance



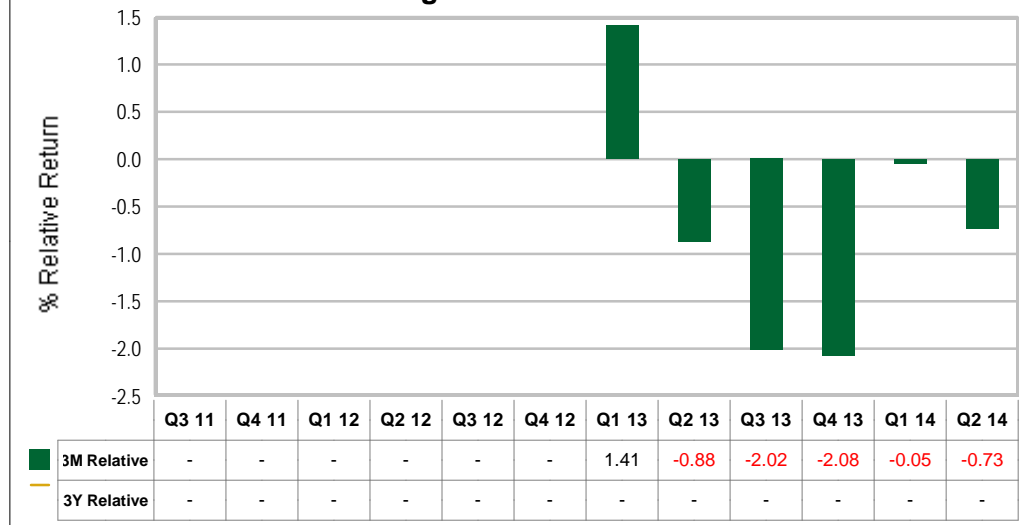
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	-	-
Standard Deviation	-	-
Relative Return	-	-
Tracking Error	-	-
Information Ratio	-	-
Beta	-	-
Alpha	-	-
R Squared	-	-
Sharpe Ratio	-	-
Percentage of Total Fund	3.3	
Inception Date	Jan-2013	
Opening Market Value (£000)	23,618	
Net Investment (£000)	0	
Income Received (£000)	0	
Appreciation (£000)	570	
Closing Market Value (£000)	24,188	

Three Years Rolling Quarterly Returns

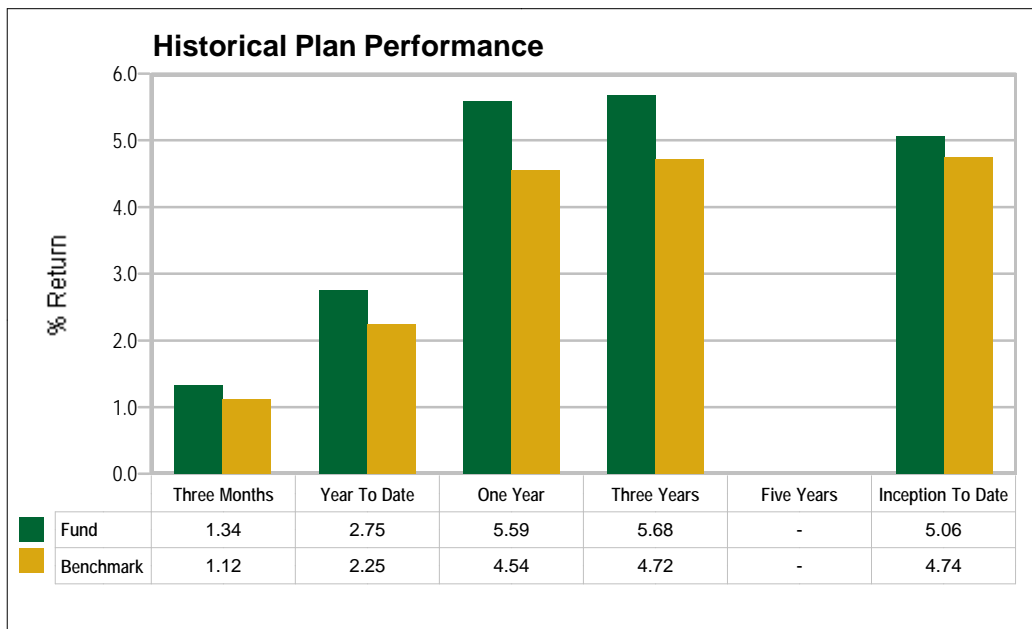


Three Years Rolling Relative Returns



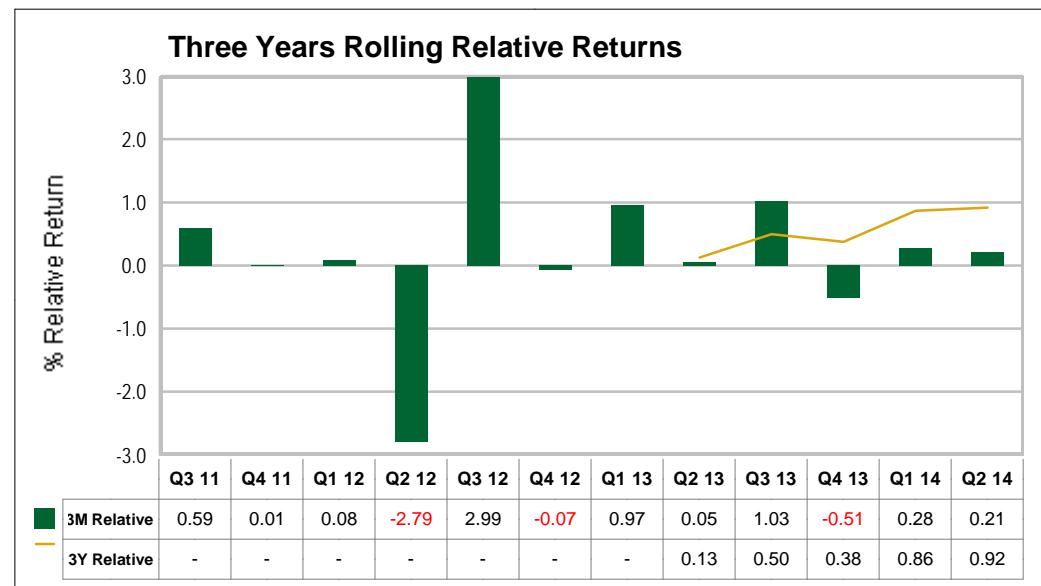
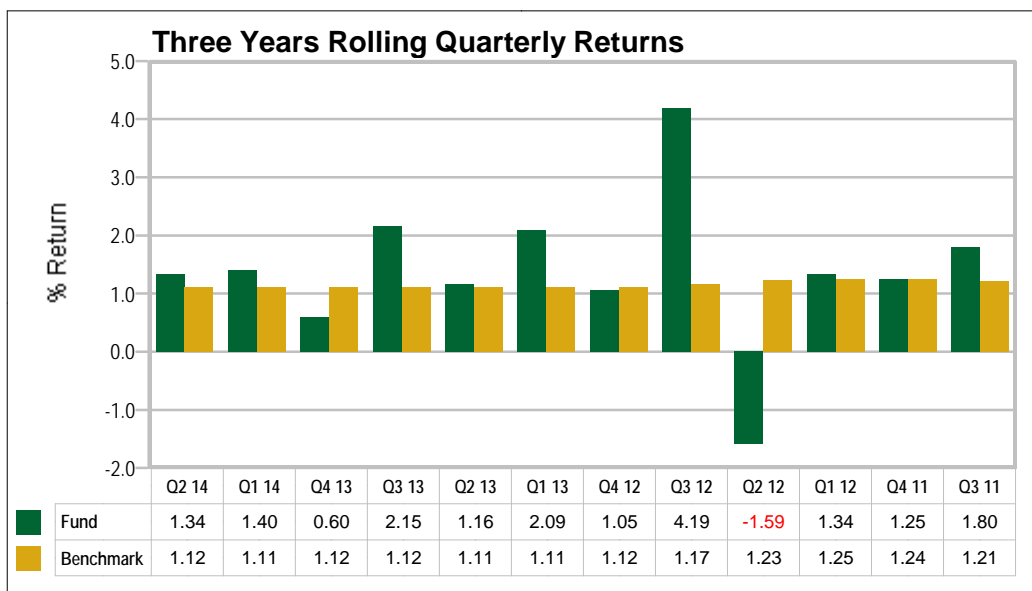


M&G Investments



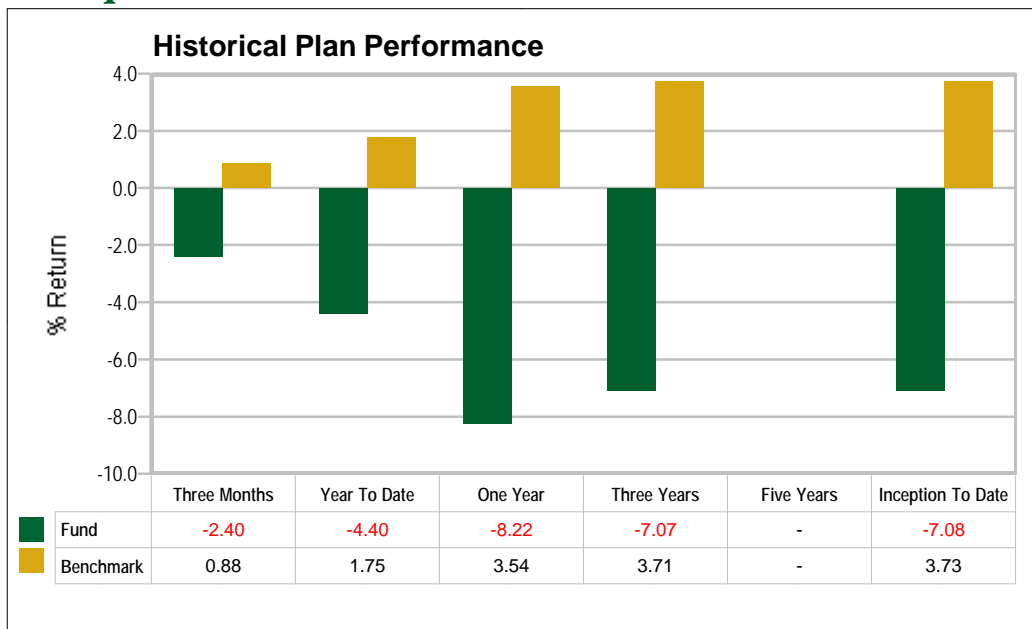
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	5.68	4.72
Standard Deviation	2.74	0.06
Relative Return	0.92	
Tracking Error	2.74	
Information Ratio	0.35	
Beta	1.71	
Alpha	-1.64	
R Squared	0.00	
Sharpe Ratio	1.73	58.74
Percentage of Total Fund	3.8	
Inception Date	May-2010	
Opening Market Value (£000)	25,912	
Net Investment (£000)	1,590	
Income Received (£000)	242	
Appreciation (£000)	120	
Closing Market Value (£000)	27,864	

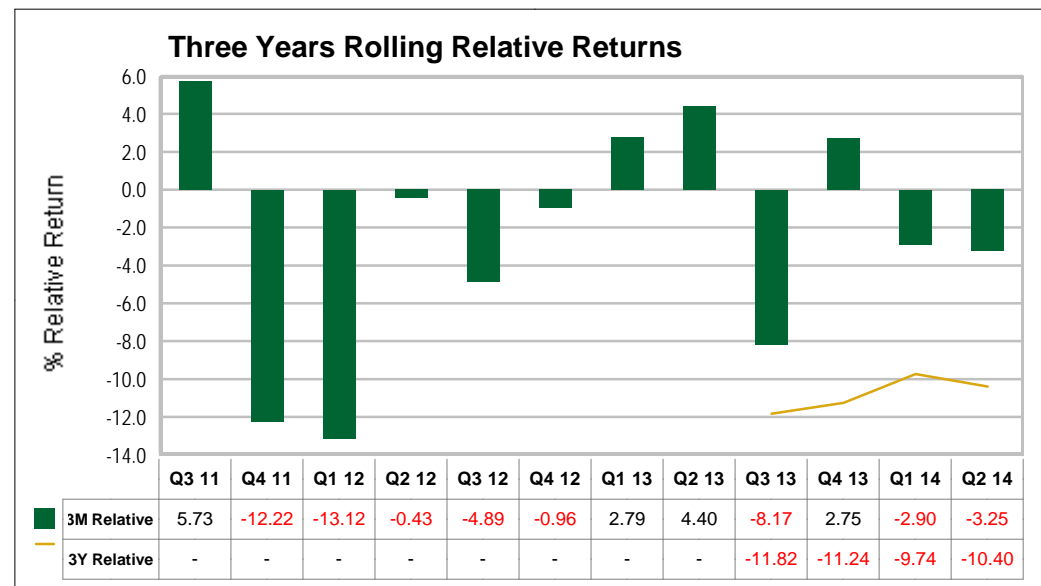
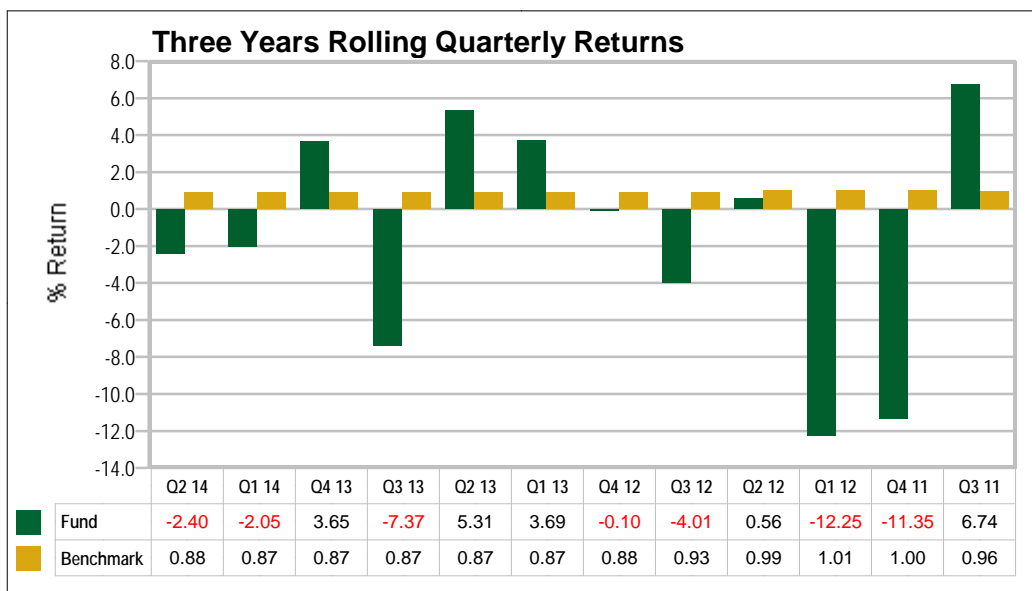




Macquarie



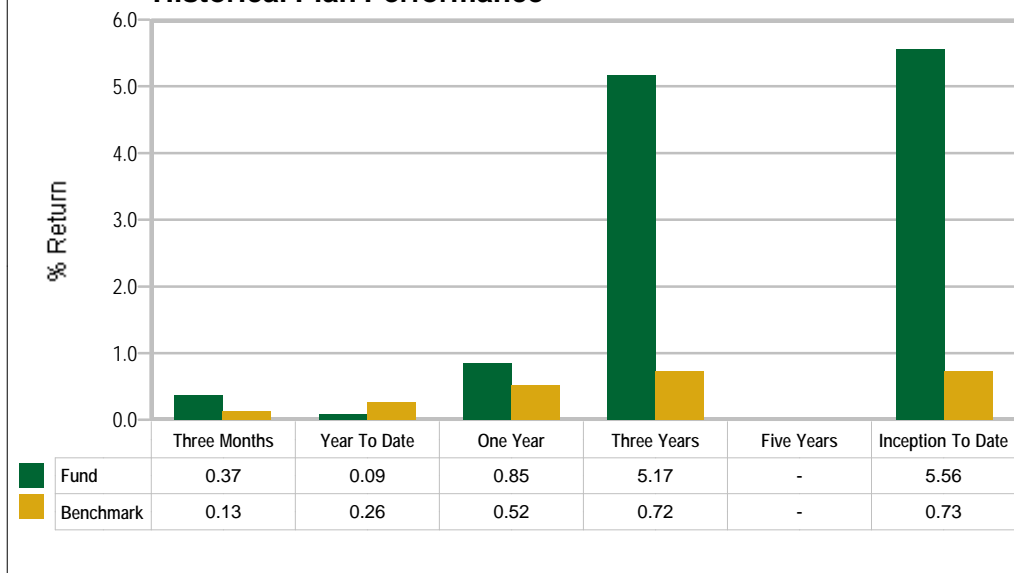
Risk Statistics - 3 years	Fund	B'mark
Performance Return	-7.07	3.71
Standard Deviation	11.38	0.06
Relative Return	-10.40	
Tracking Error	11.39	
Information Ratio	-0.95	
Beta	37.87	
Alpha	-68.38	
R Squared	0.07	
Sharpe Ratio	-0.71	43.00
Percentage of Total Fund	0.7	
Inception Date	Sep-2010	
Opening Market Value (£000)	5,858	
Net Investment £(000)	-398	
Income Received £(000)	0	
Appreciation £(000)	-131	
Closing Market Value (£000)	5,329	





Ruffer

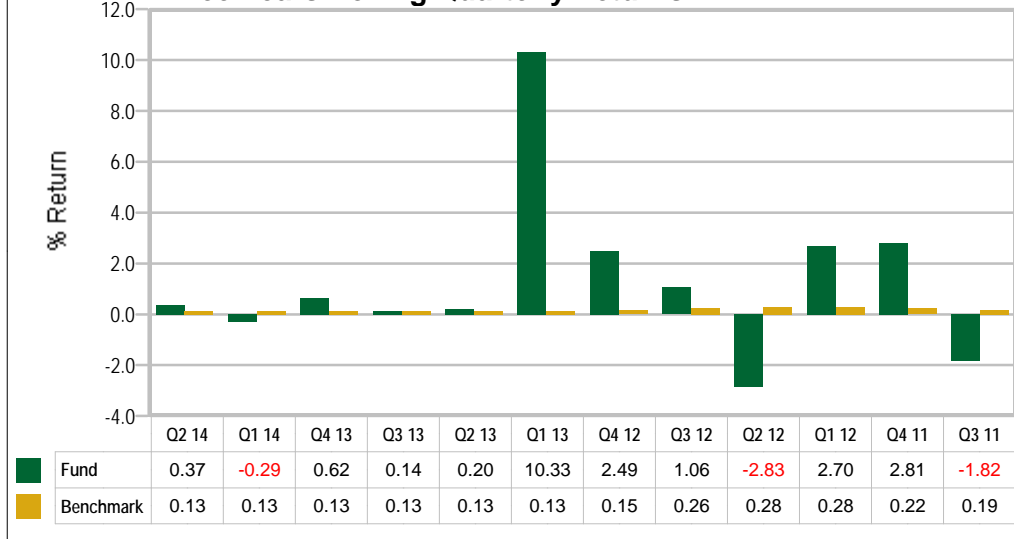
Historical Plan Performance



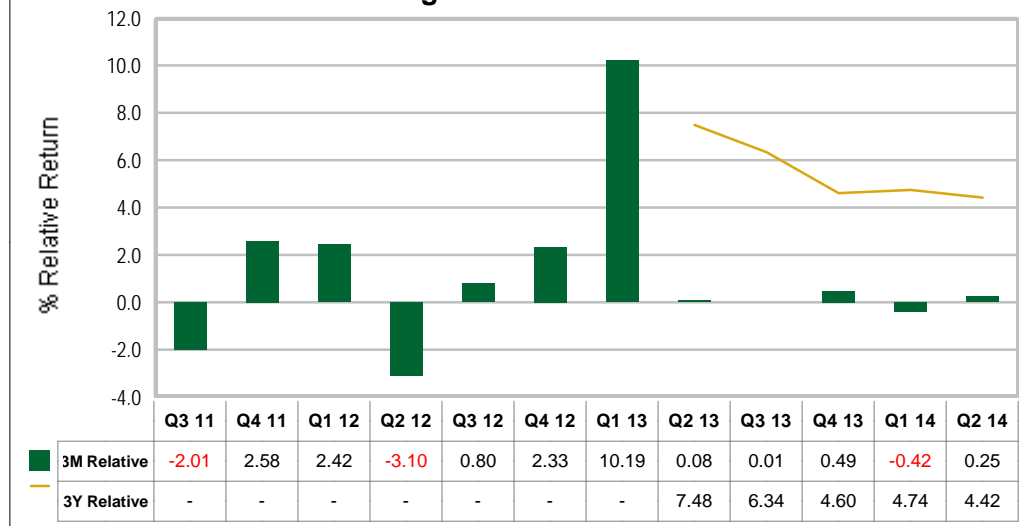
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	5.17	0.72
Standard Deviation	5.32	0.07
Relative Return	4.42	
Tracking Error	5.33	
Information Ratio	0.83	
Beta	17.76	
Alpha	8.76	
R Squared	0.05	
Sharpe Ratio	0.79	-3.29
Percentage of Total Fund	11.6	
Inception Date	May-2010	
Opening Market Value (£000)	84,524	
Net Investment £(000)	0	
Income Received £(000)	380	
Appreciation £(000)	-63	
Closing Market Value (£000)	84,841	

Three Years Rolling Quarterly Returns

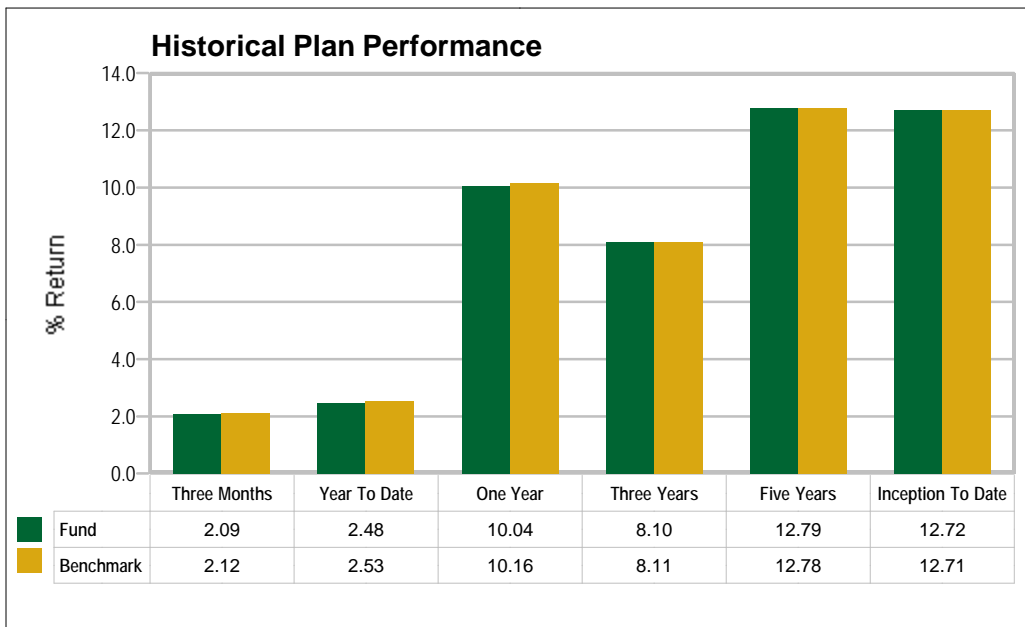


Three Years Rolling Relative Returns

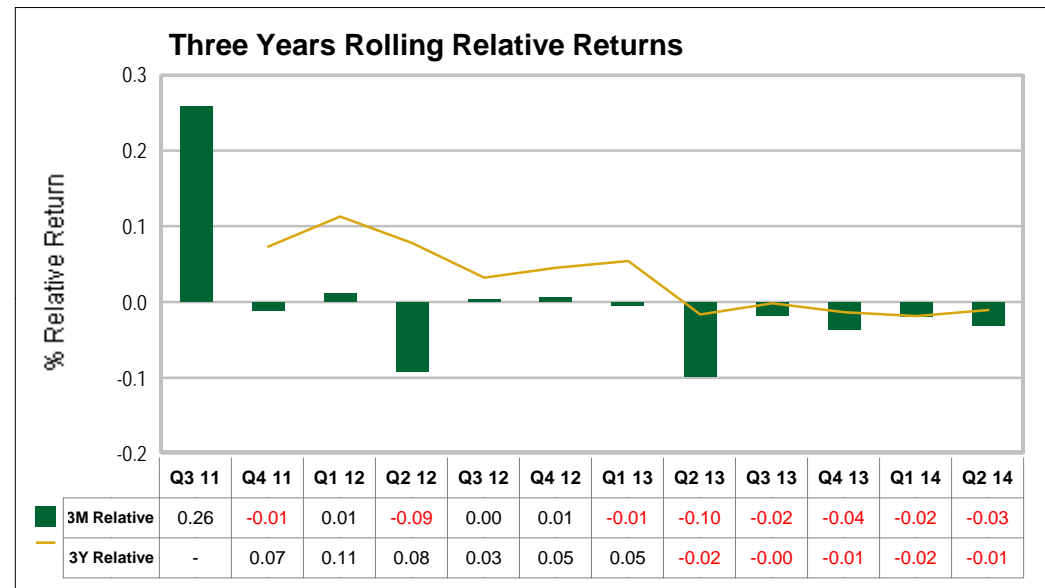
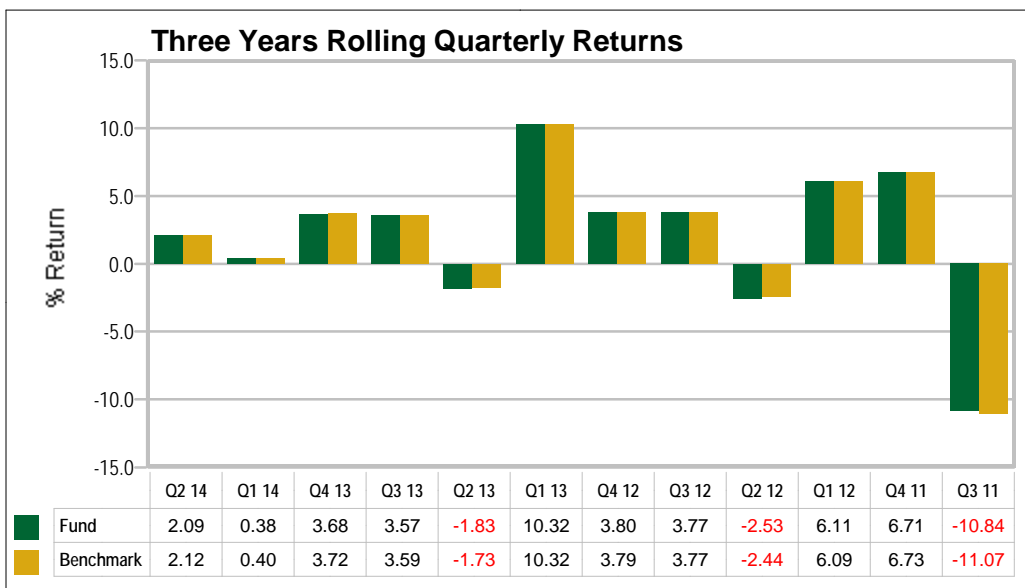




SSGA

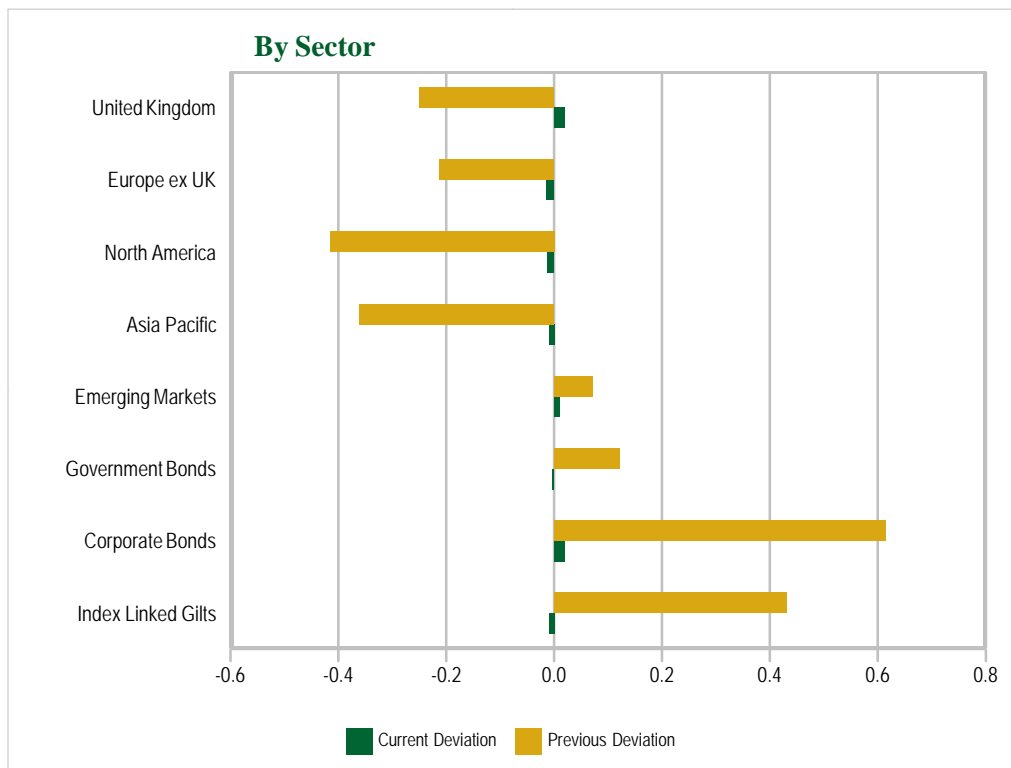


Risk Statistics - 3 years	Fund	B'mark
Performance Return	8.10	8.11
Standard Deviation	9.30	9.39
Relative Return	-0.01	
Tracking Error	0.16	
Information Ratio	-0.07	
Beta	0.99	
Alpha	0.05	
R Squared	1.00	
Sharpe Ratio	0.77	0.76
Percentage of Total Fund	20.0	
Inception Date	Nov-2008	
Opening Market Value (£000)	143,998	
Net Investment (£000)	0	
Income Received (£000)	0	
Appreciation (£000)	3,006	
Closing Market Value (£000)	147,004	





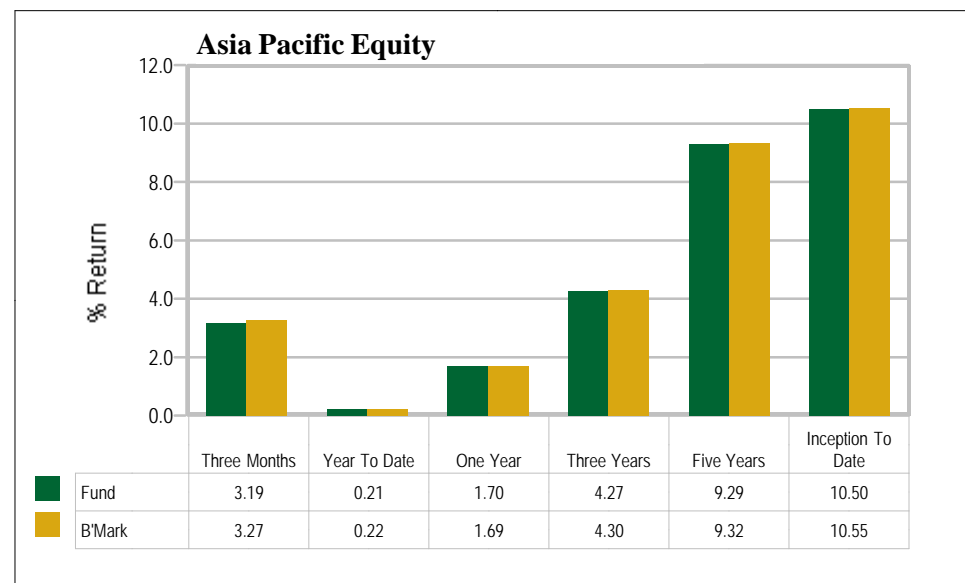
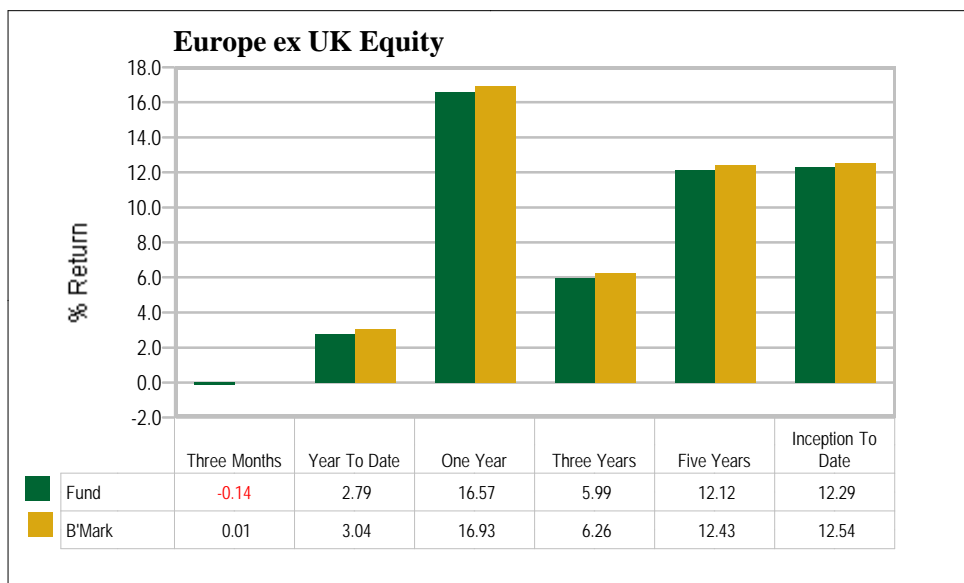
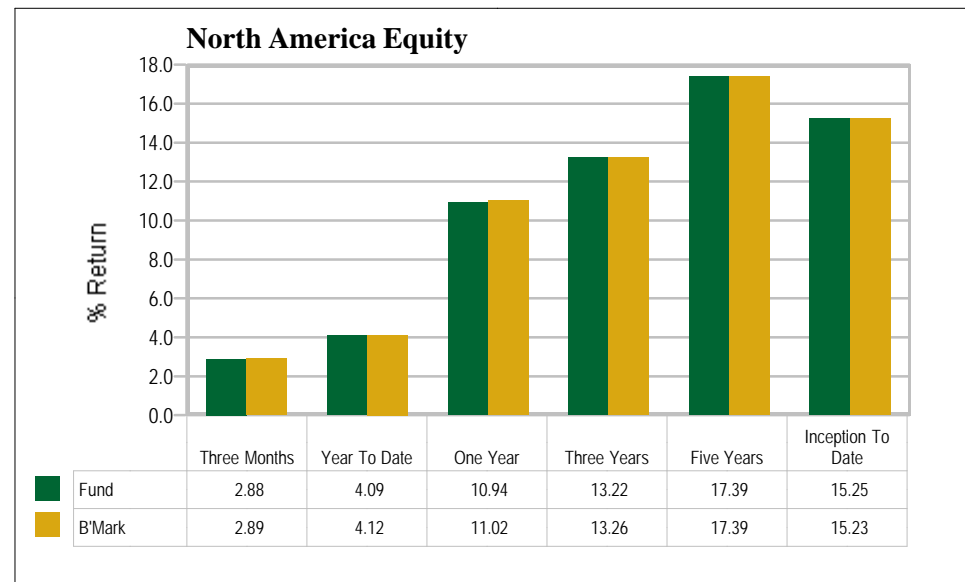
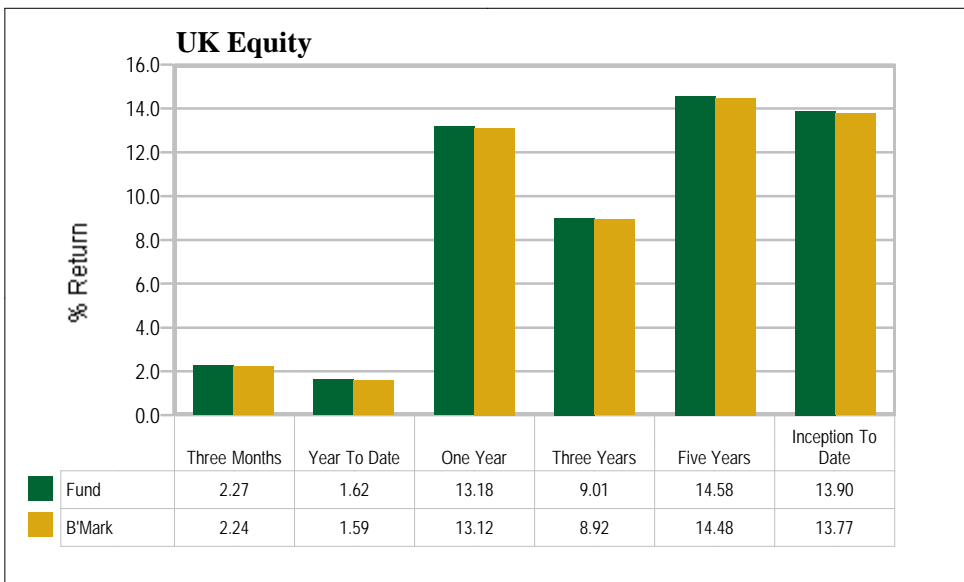
SSGA



	Current Quarter	Previous Quarter	Current Benchmark	Current Deviation	Previous Benchmark	Previous Deviation
United Kingdom	44.17	43.83	44.15	0.02	44.08	-0.25
Europe ex UK	10.94	11.04	10.95	-0.01	11.25	-0.21
North America	10.95	11.02	10.96	-0.01	11.44	-0.42
Asia Pacific	11.01	11.13	11.02	-0.01	11.49	-0.36
Emerging Markets	3.00	3.05	2.99	0.01	2.98	0.07
Government Bonds	1.50	1.49	1.50	-0.00	1.37	0.12
Corporate Bonds	8.49	8.45	8.47	0.02	7.84	0.61
Index Linked Gilts	9.95	9.98	9.96	-0.01	9.55	0.43

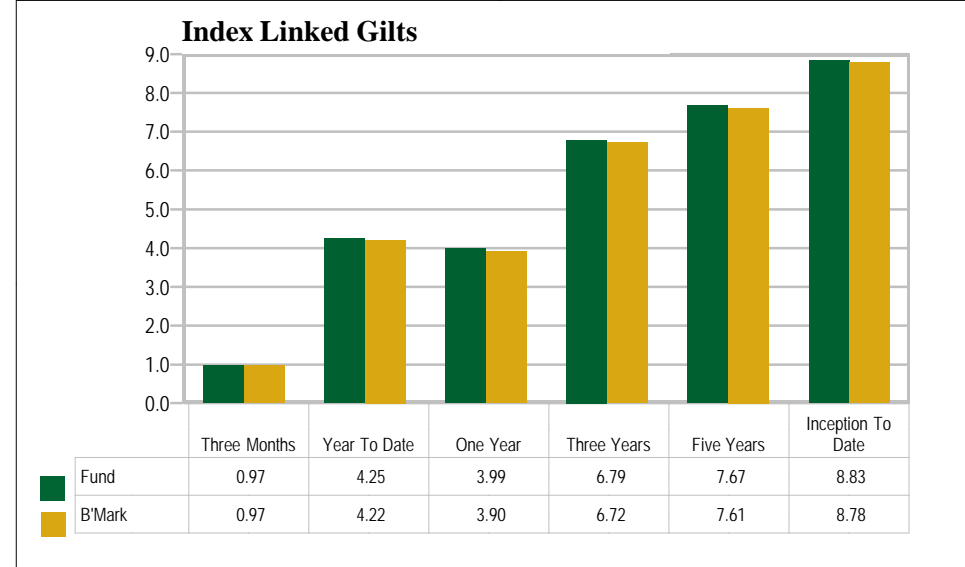
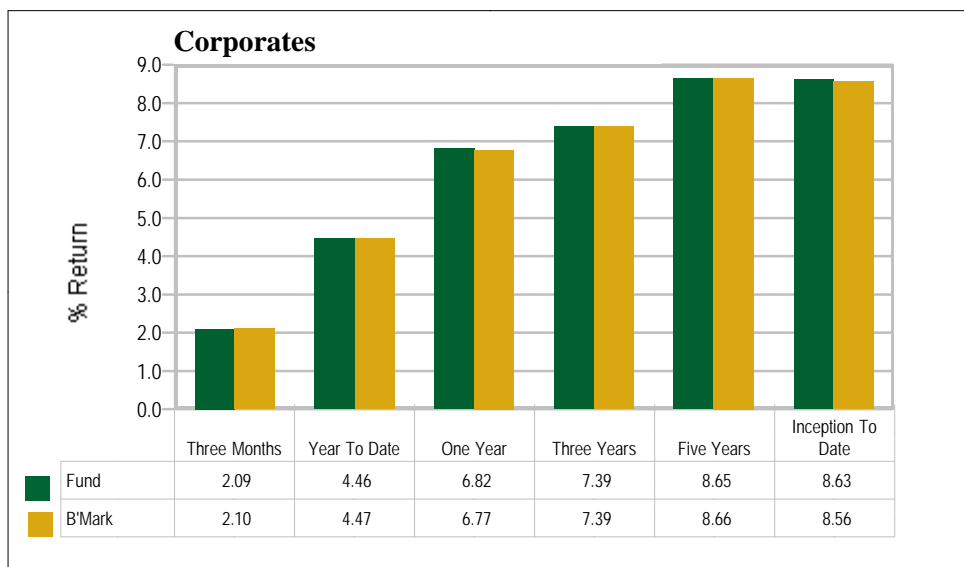
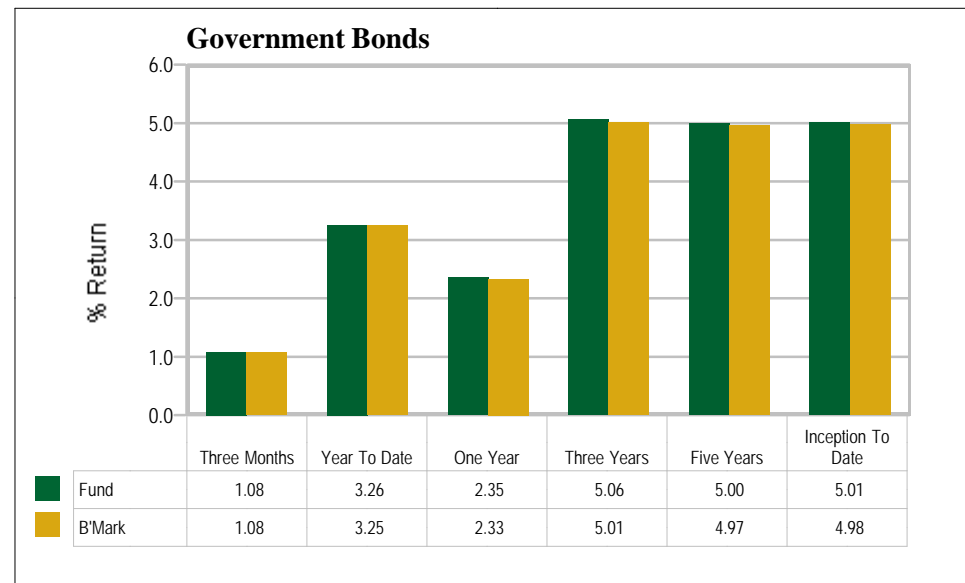
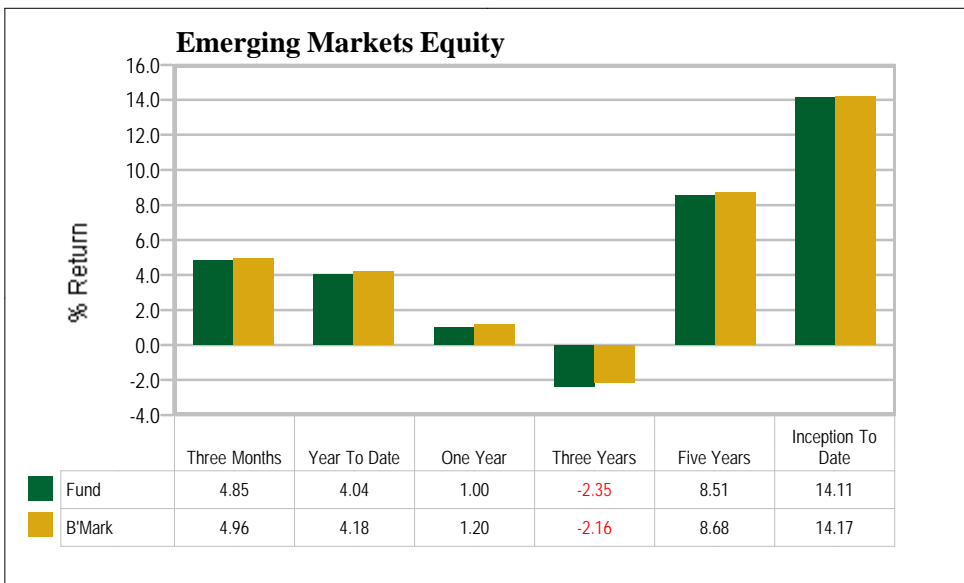


SSGA





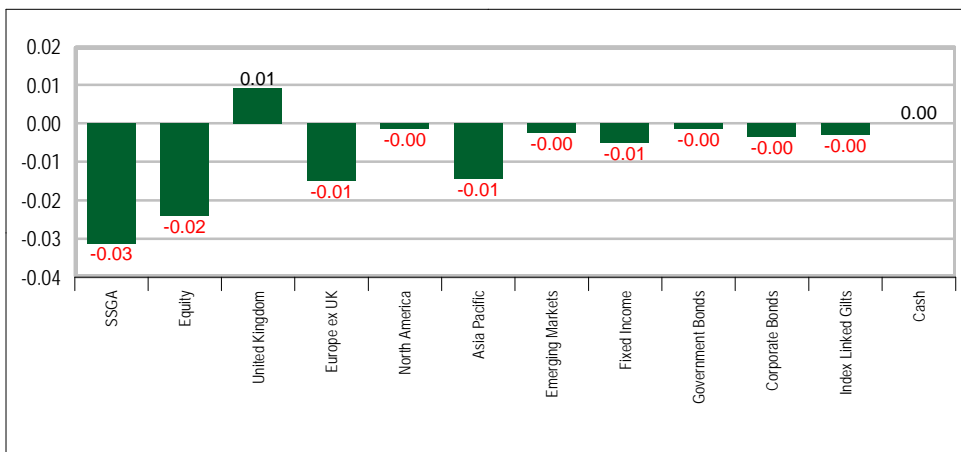
SSGA



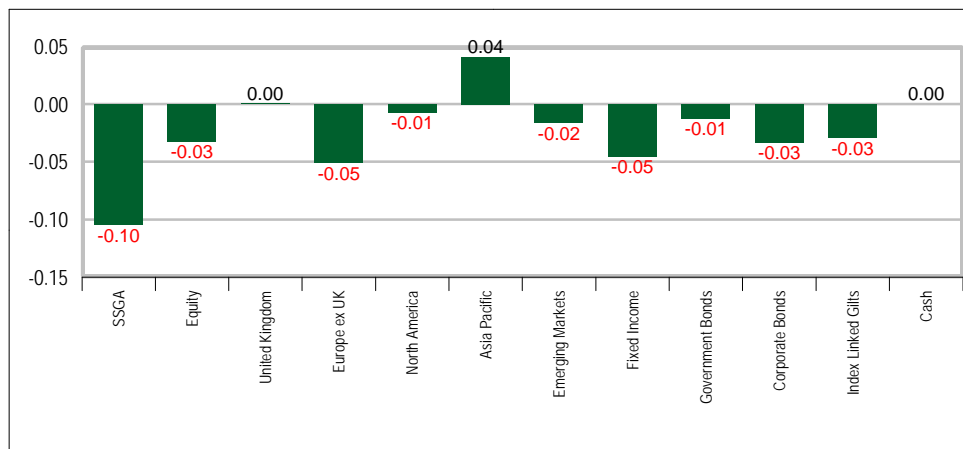


SSGA

Relative Contribution - Three Months



Relative Contribution - One Year



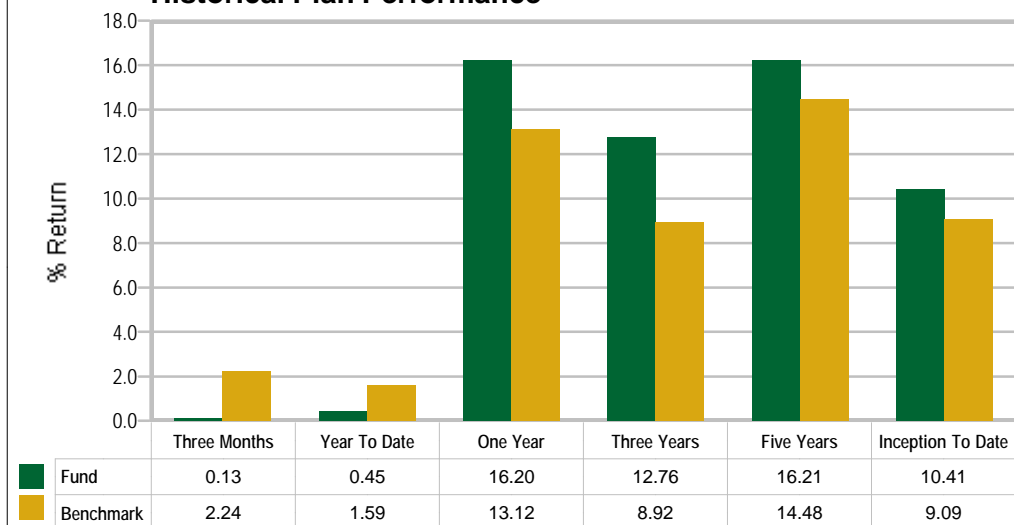
	Return	Benchmark	Relative Return	Asset Allocation	Stock Selection	Relative contribution
SSGA	2.09	2.12	-0.03	-0.02	-0.02	-0.03
Equity	2.24	-	2.24	-0.01	-0.02	-0.02
United Kingdom	2.27	2.24	0.03	-0.01	0.01	0.01
Europe ex UK	-0.14	0.01	-0.14	0.00	-0.02	-0.01
North America	2.88	2.89	-0.02	0.00	-0.00	-0.00
Asia Pacific	3.19	3.27	-0.08	-0.01	-0.01	-0.01
Emerging Markets	4.85	4.96	-0.11	0.00	-0.00	-0.00
Fixed Income	1.94	-	1.94	-0.00	-0.00	-0.01
Government Bonds	1.08	1.08	0.00	-0.00	0.00	-0.00
Corporate Bonds	2.09	2.10	-0.00	-0.00	-0.00	-0.00
Index Linked Gilts	0.97	0.97	0.00	-0.00	0.00	-0.00
Cash	-	-	0.00	0.00	0.00	0.00

	Return	Benchmark	Relative Return	Asset Allocation	Stock Selection	Relative contribution
SSGA	10.04	10.16	-0.10	-0.10	-0.00	-0.10
Equity	11.29	-	11.29	-0.02	-0.02	-0.03
United Kingdom	13.18	13.12	0.05	-0.02	0.02	0.00
Europe ex UK	16.57	16.93	-0.30	-0.02	-0.03	-0.05
North America	10.94	11.02	-0.07	0.00	-0.01	-0.01
Asia Pacific	1.77	1.69	0.07	0.03	0.01	0.04
Emerging Markets	0.99	1.20	-0.20	-0.01	-0.01	-0.02
Fixed Income	6.14	-	6.14	-0.05	0.00	-0.05
Government Bonds	2.35	2.33	0.02	-0.01	0.00	-0.01
Corporate Bonds	6.82	6.77	0.04	-0.04	0.00	-0.03
Index Linked Gilts	3.99	3.90	0.09	-0.04	0.01	-0.03
Cash	-	-	0.00	0.00	0.00	0.00



UBS

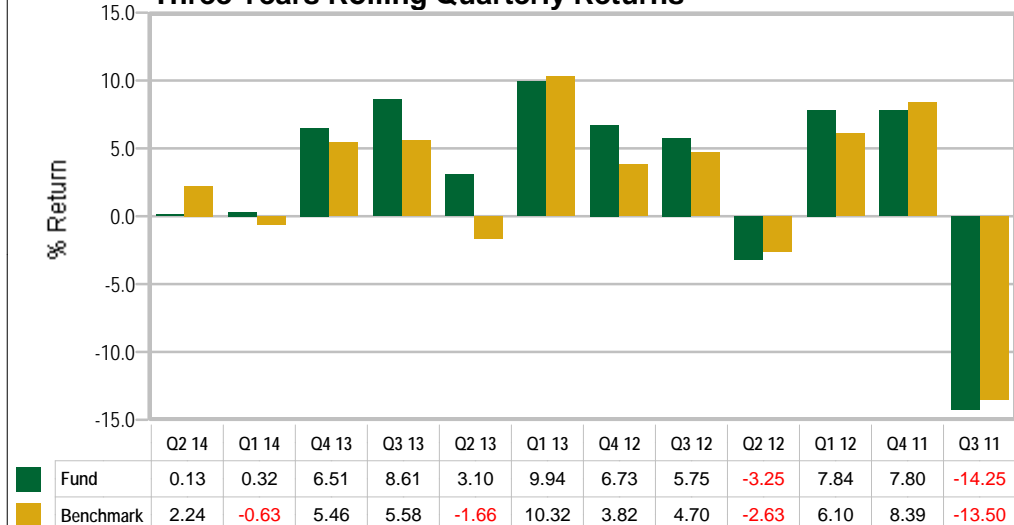
Historical Plan Performance



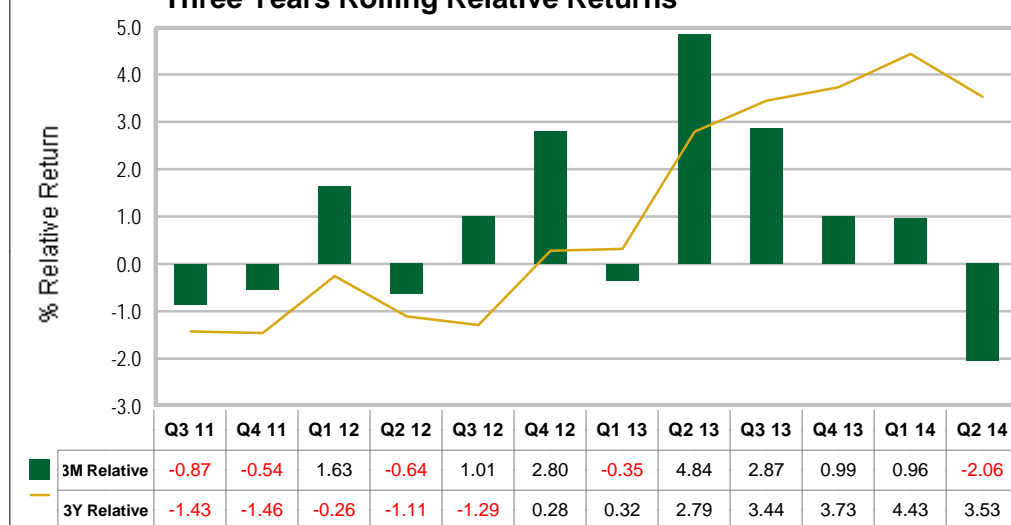
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	12.76	8.92
Standard Deviation	12.94	12.05
Relative Return	3.53	
Tracking Error	3.59	
Information Ratio	1.07	
Beta	1.03	
Alpha	3.39	
R Squared	0.92	
Sharpe Ratio	0.91	0.66
Percentage of Total Fund	15.8	
Inception Date	Dec-1988	
Opening Market Value (£000)	115,870	
Net Investment £(000)	0	
Income Received £(000)	1,384	
Appreciation £(000)	-1,234	
Closing Market Value (£000)	116,020	

Three Years Rolling Quarterly Returns

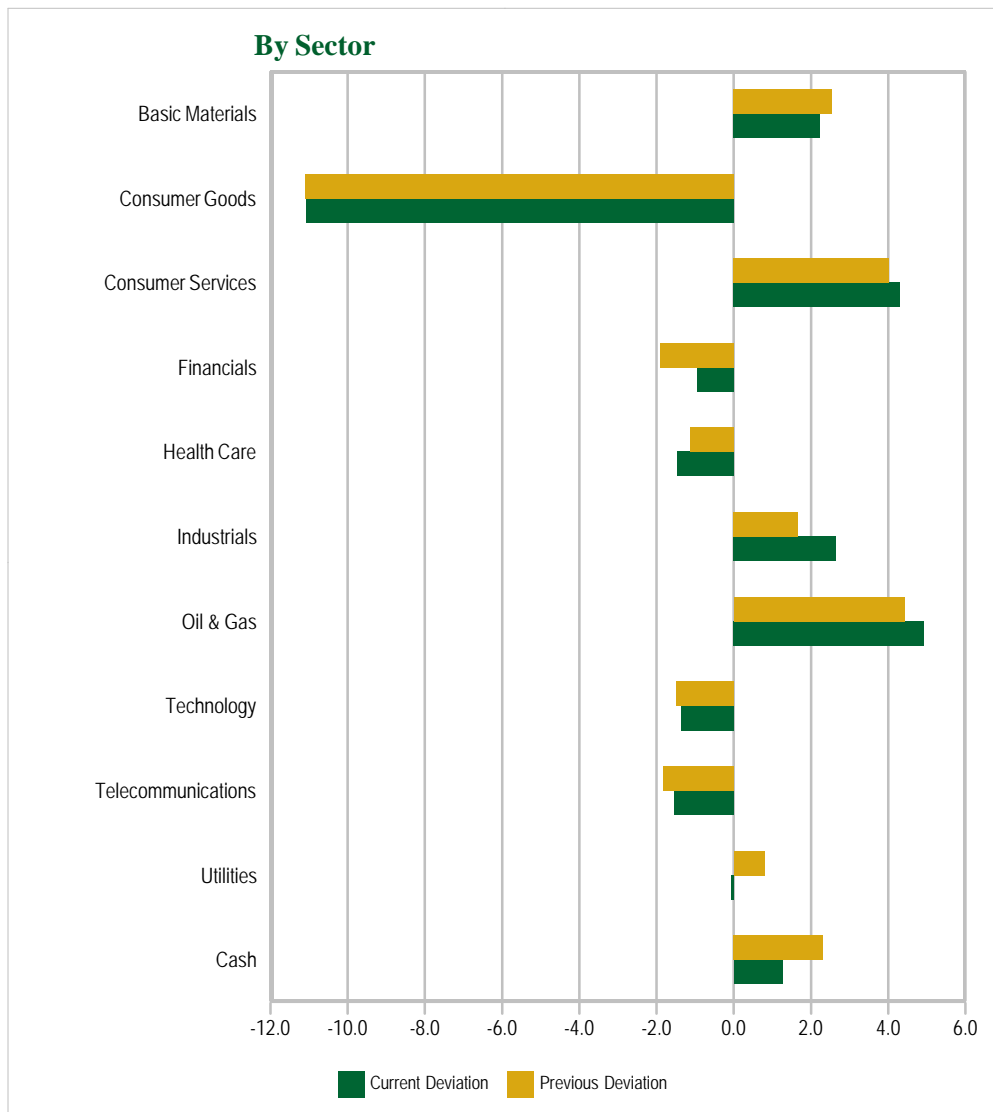


Three Years Rolling Relative Returns





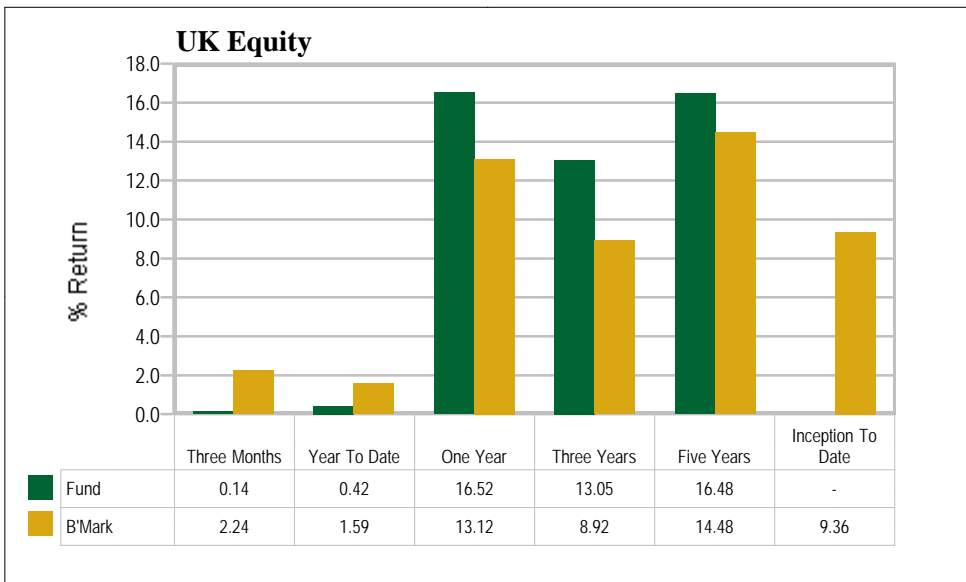
UBS



	Current Quarter	Previous Quarter	Current Benchmark	Current Deviation	Previous Benchmark	Previous Deviation
Basic Materials	10.07	10.73	7.84	2.23	8.19	2.54
Consumer Goods	3.00	2.74	14.06	-11.06	13.85	-11.11
Consumer Services	14.77	14.98	10.47	4.30	10.97	4.02
Financials	23.08	22.17	24.04	-0.96	24.09	-1.92
Health Care	7.06	6.70	8.52	-1.47	7.82	-1.12
Industrials	12.62	12.14	9.97	2.65	10.47	1.66
Oil & Gas	20.53	18.99	15.61	4.92	14.57	4.42
Technology			1.35	-1.35	1.50	-1.50
Telecommunications	2.80	2.91	4.34	-1.54	4.75	-1.84
Utilities	3.74	4.59	3.80	-0.06	3.80	0.79
Cash	1.26	2.32		1.26		2.32



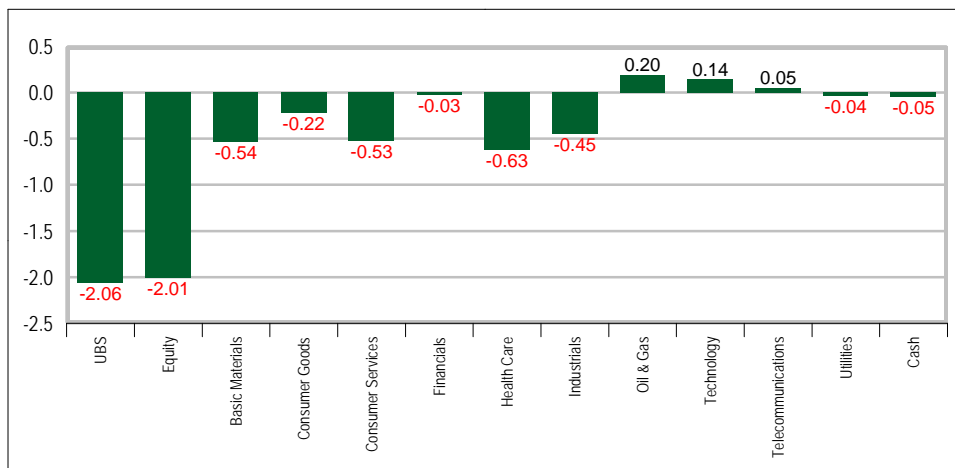
UBS



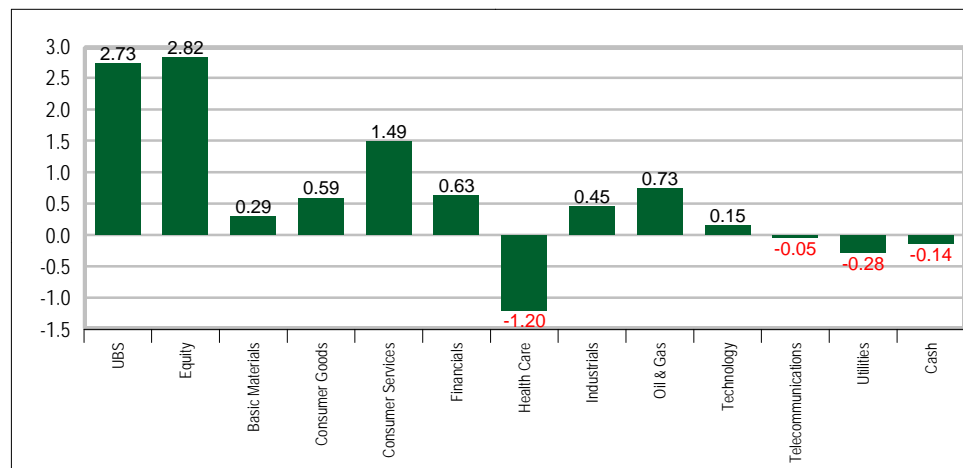


UBS

Relative Contribution - Three Months



Relative Contribution - One Year



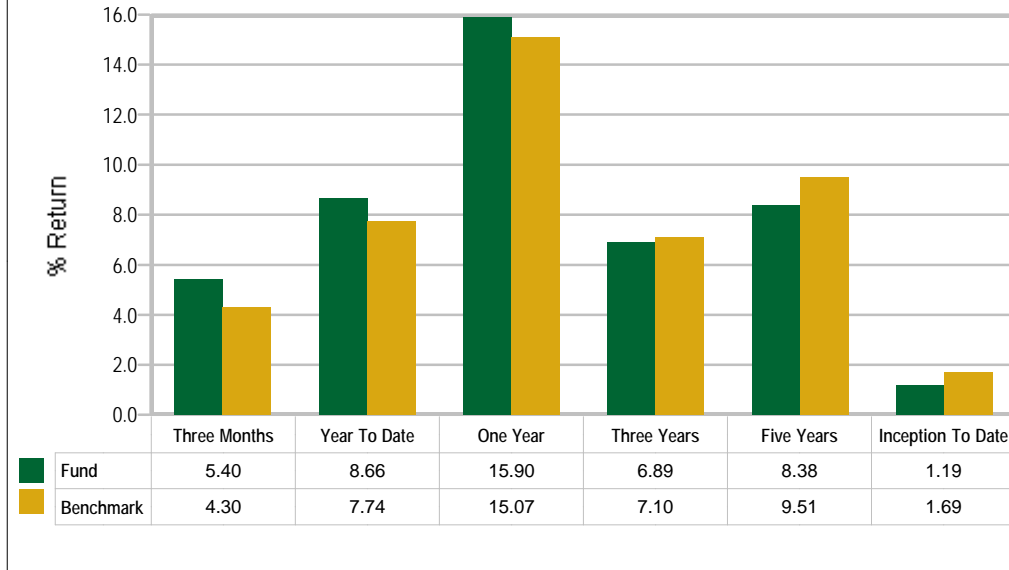
	Return	Benchmark	Relative Return	Asset Allocation	Stock Selection	Relative contribution
UBS	0.13	2.24	-2.06	0.03	-2.09	-2.06
Equity	0.14	2.24	-2.05	0.08	-2.09	-2.01
Basic Materials	-5.34	-0.84	-4.55	-0.07	-0.47	-0.54
Consumer Goods	1.80	3.76	-1.89	-0.17	-0.05	-0.22
Consumer Services	-4.02	-1.56	-2.50	-0.16	-0.37	-0.53
Financials	0.42	0.57	-0.15	0.01	-0.04	-0.03
Health Care	2.28	10.46	-7.40	-0.08	-0.55	-0.63
Industrials	-5.59	-2.67	-3.00	-0.09	-0.36	-0.45
Oil & Gas	9.17	9.98	-0.74	0.34	-0.14	0.20
Technology	-	-7.52	8.13	0.14	0.00	0.14
Telecommunications	-7.11	-4.71	-2.52	0.12	-0.07	0.05
Utilities	2.79	4.20	-1.36	0.02	-0.06	-0.04
Cash	-0.12	-	-0.12	-0.05	0.00	-0.05

	Return	Benchmark	Relative Return	Asset Allocation	Stock Selection	Relative contribution
UBS	16.20	13.12	2.73	0.85	1.80	2.73
Equity	16.45	13.12	2.95	1.00	1.80	2.82
Basic Materials	20.28	17.79	2.11	0.07	0.22	0.29
Consumer Goods	33.38	10.29	20.94	0.40	0.18	0.59
Consumer Services	19.32	11.97	6.56	0.16	1.32	1.49
Financials	10.19	7.35	2.65	0.07	0.56	0.63
Health Care	7.74	26.21	-14.64	-0.11	-1.09	-1.20
Industrials	16.86	11.65	4.67	-0.05	0.50	0.45
Oil & Gas	20.72	17.22	2.98	0.25	0.48	0.73
Technology	-	10.01	-9.10	0.11	0.03	0.15
Telecommunications	9.21	12.47	-2.90	0.01	-0.06	-0.05
Utilities	1.34	11.17	-8.84	0.06	-0.34	-0.28
Cash	0.96	-	0.96	-0.14	0.00	-0.14



UBS Property

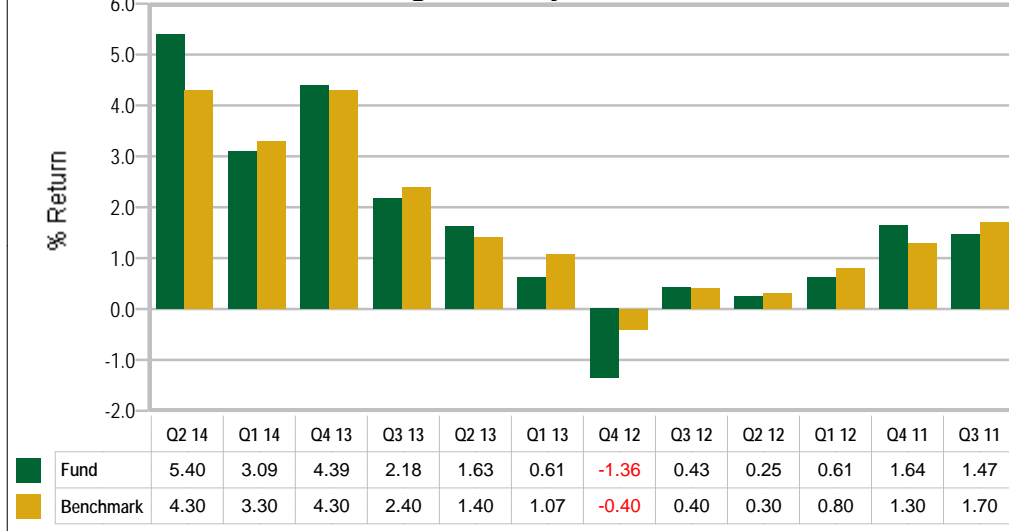
Historical Plan Performance



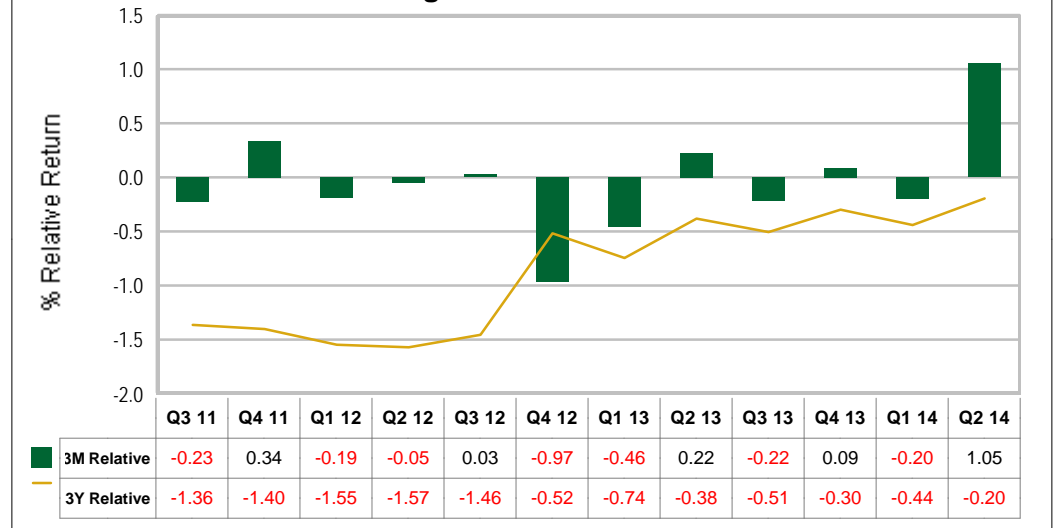
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	6.89	7.10
Standard Deviation	2.58	1.76
Relative Return	-0.20	
Tracking Error	1.47	
Information Ratio	-0.14	
Beta	1.20	
Alpha	-1.34	
R Squared	0.70	
Sharpe Ratio	2.30	3.48
Percentage of Total Fund	7.9	
Inception Date	Mar-2006	
Opening Market Value (£000)	55,040	
Net Investment (£000)	8	
Income Received (£000)	467	
Appreciation (£000)	2,505	
Closing Market Value (£000)	58,020	

Three Years Rolling Quarterly Returns



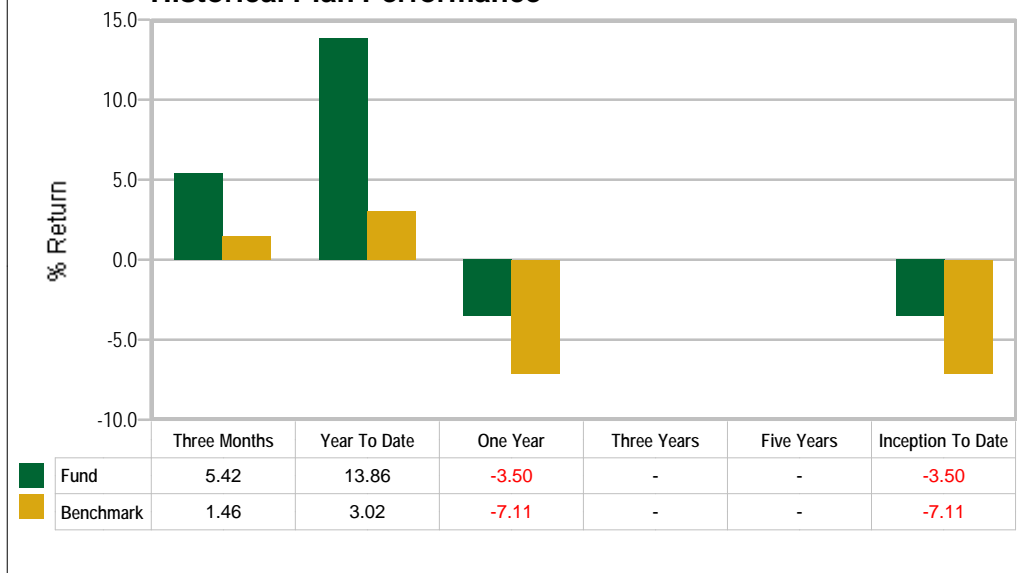
Three Years Rolling Relative Returns





UBS Tactical

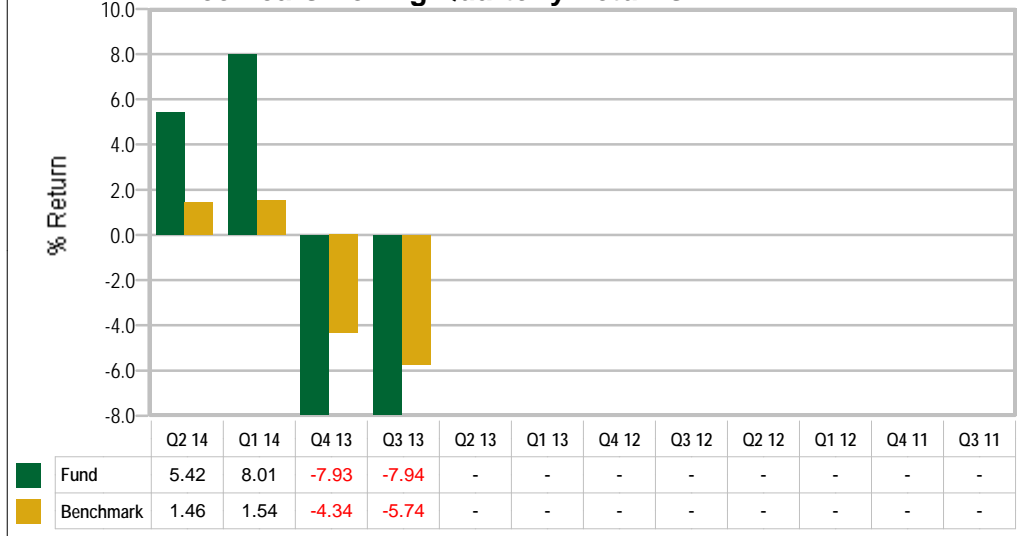
Historical Plan Performance



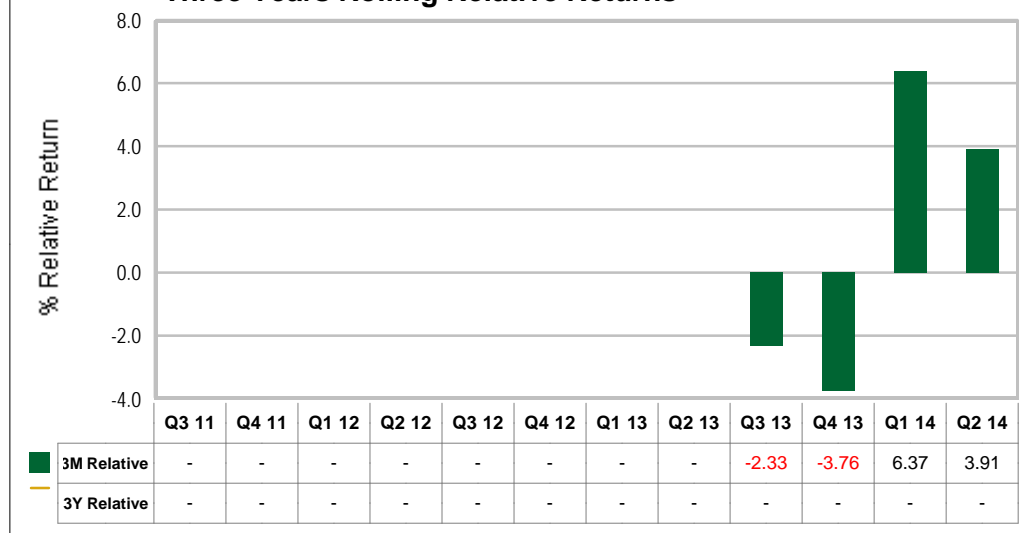
Risk Statistics - 3 years

	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)	12,873	
Net Investment £(000)	0	
Income Received £(000)	17	
Appreciation £(000)	681	
Closing Market Value (£000)	13,571	

Three Years Rolling Quarterly Returns

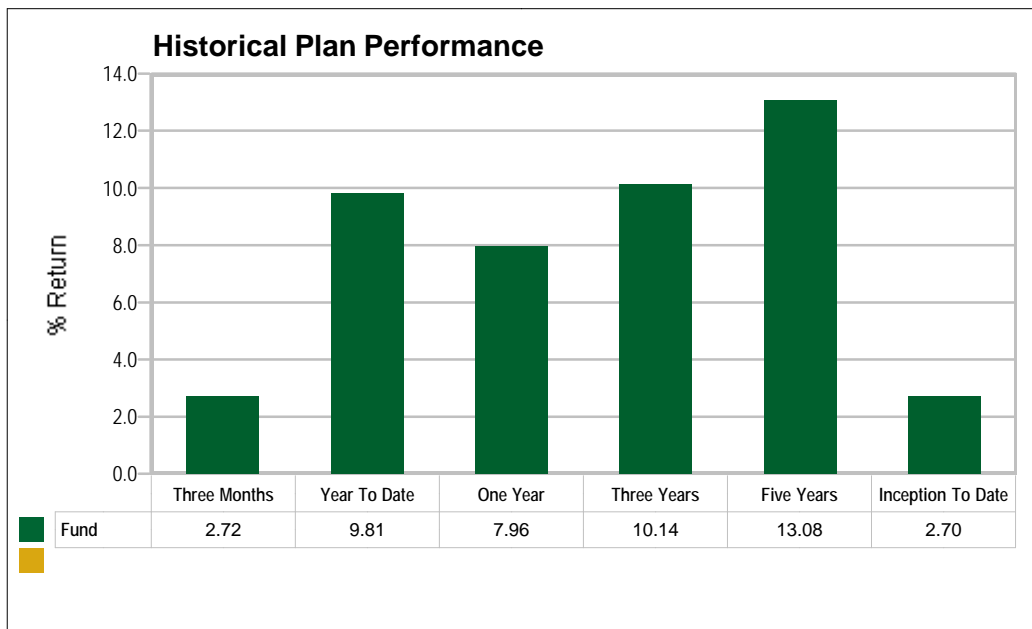


Three Years Rolling Relative Returns

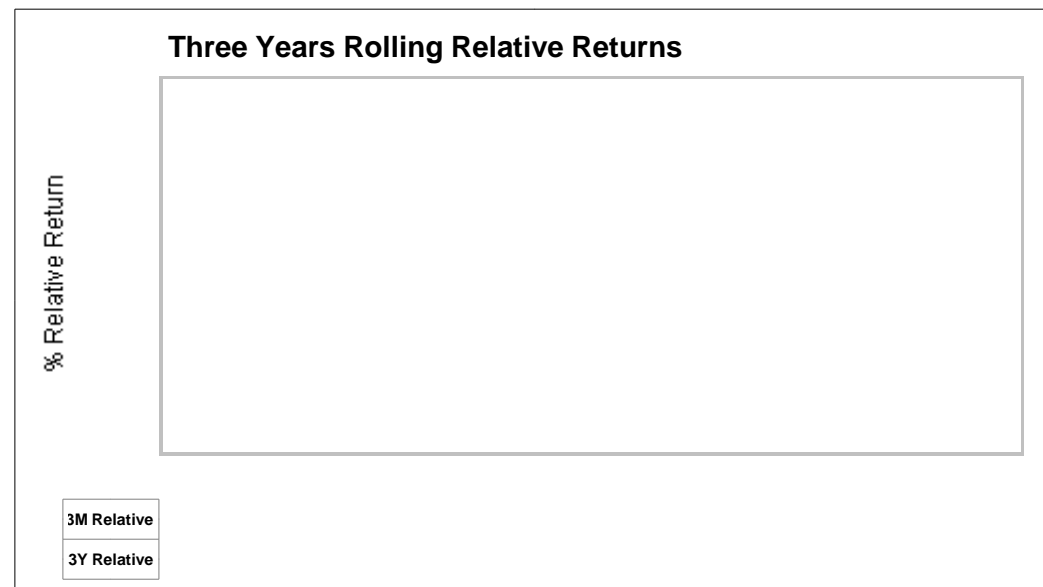
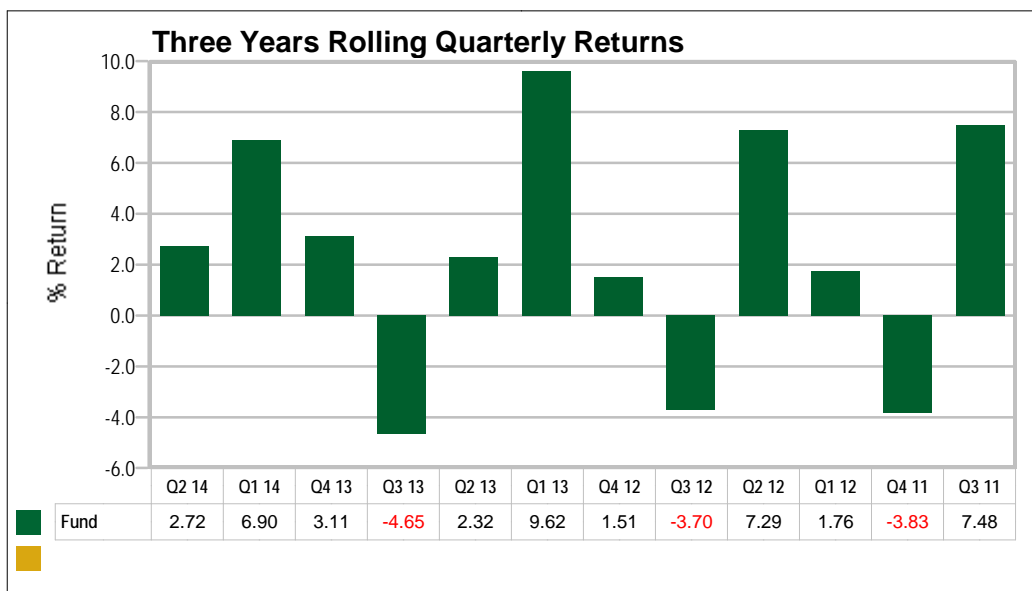




Adam Street



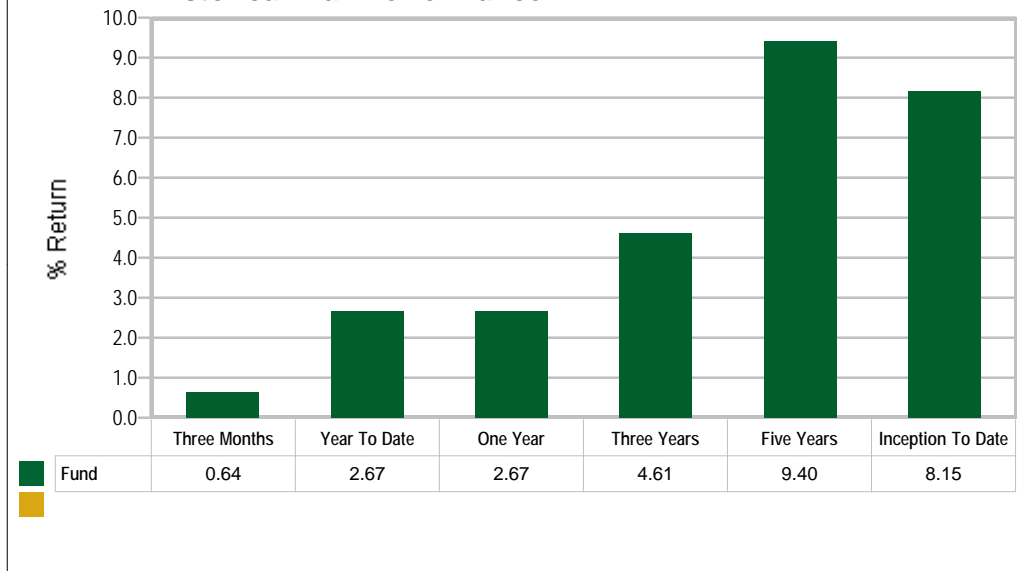
Risk Statistics - 3 years	Fund	B'mark
Performance Return	10.14	
Standard Deviation	9.64	
Relative Return	0.13	
Tracking Error	9.64	
Information Ratio	0.01	
Beta	4.14	
Alpha	-23.51	
R Squared	0.00	
Sharpe Ratio	0.95	
Percentage of Total Fund	2.9	
Inception Date	Jan-2005	
Opening Market Value (£000)	21,199	
Net Investment (£000)	-800	
Income Received (£000)	0	
Appreciation (£000)	566	
Closing Market Value (£000)	20,966	





LGT

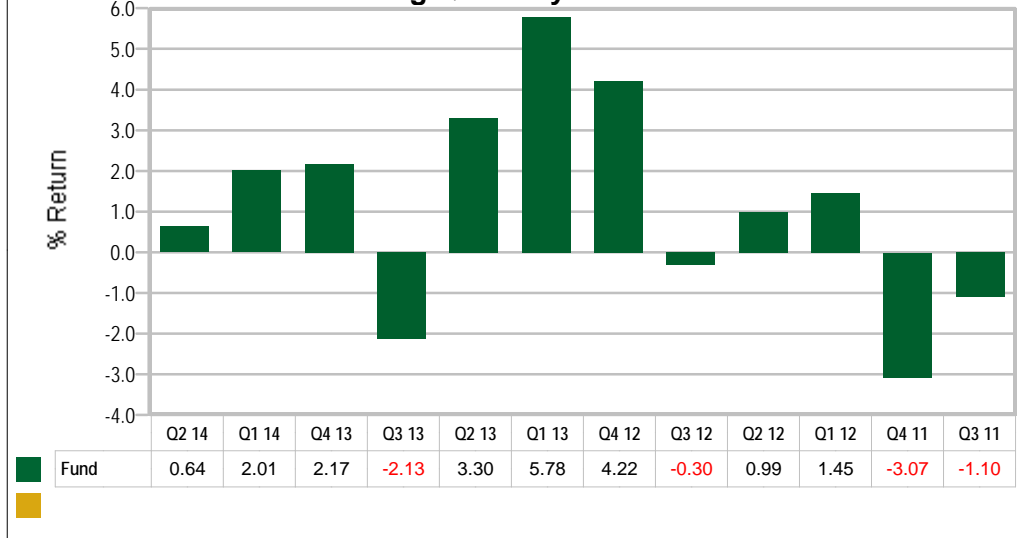
Historical Plan Performance



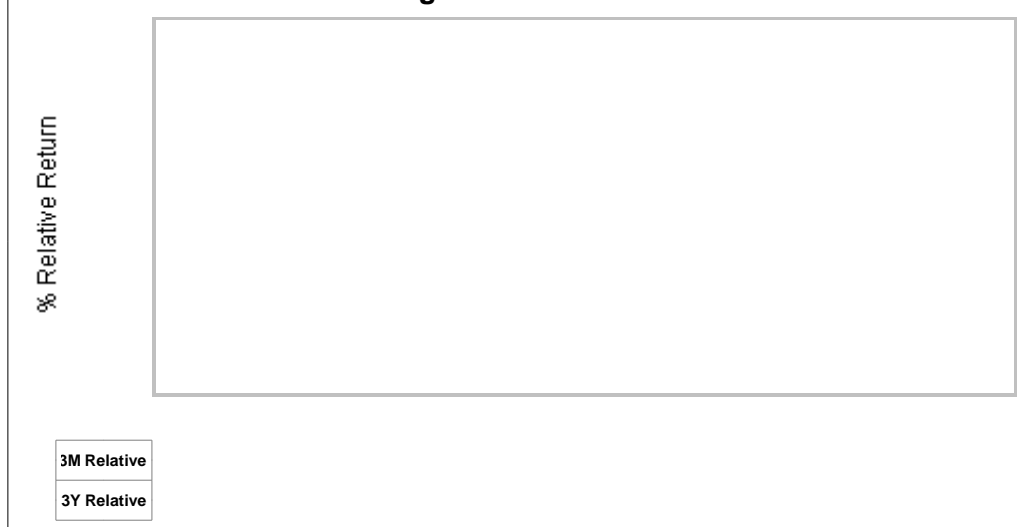
Risk Statistics - 3 years

	Fund	B'mark
Performance Return	4.61	
Standard Deviation	6.01	
Relative Return	-3.62	
Tracking Error	9.96	
Information Ratio	-0.39	
Beta	0.25	
Alpha	1.81	
R Squared	0.21	
Sharpe Ratio	0.61	
Percentage of Total Fund	2.1	
Inception Date	May-2004	
Opening Market Value (£000)	15,776	
Net Investment (£000)	-823	
Income Received (£000)	0	
Appreciation (£000)	104	
Closing Market Value (£000)	15,058	

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 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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