

## NORTH YORKSHIRE COUNTY COUNCIL

## PENSION FUND COMMITTEE

21 NOVEMBER 2014

PERFORMANCE OF THE FUND'S PORTFOLIO FOR THE QUARTER  
ENDING 30 SEPTEMBER 2014

## Report of the Treasurer

**1.0 PURPOSE OF REPORT**

- 1.1 To report the investment performance of the overall Fund, and of the individual Fund Managers, for the Quarter to 30 September 2014.

**2.0 PERFORMANCE REPORT**

- 2.1 The Fund Analysis & Performance Report (**Appendix 1**) produced by BNY Mellon Asset Servicing (MAS) provides a performance analysis of the North Yorkshire Pension Fund for the quarter ending 30 September 2014.
- 2.2 The report highlights the performance of the total Fund by asset class against the customised Fund benchmark. It also includes an analysis of the performance of each manager against their specific benchmark and a comparison of performance levels over time.

**3.0 PERFORMANCE OF THE FUND**

- 3.1 **The absolute overall return for the quarter (+2.7%) was above the customised benchmark for the Fund (+2.1%) by 0.6%.**
- 3.2 **The 12 month absolute rolling return was +9.8%, 1.9% above the customised benchmark.**
- 3.3 Absolute and relative returns over the rolling years to each of the last four quarter ends were as follows.

<b>Year End</b>	<b>Absolute %</b>	<b>Relative %</b>
30 September 2014	+9.8	+1.9
30 June 2014	+12.9	+4.4
31 March 2014	+12.0	+6.1
31 December 2013	+20.9	+5.5

- 3.4 The performance of the various managers against their benchmarks for the Quarter ended 30 September 2014 is detailed on **page 8** of the MAS report and in **Section 4** below. This performance is measured on a time-weighted basis and expressed as a +/- variation to their benchmark.

3.5 The Appendices used in this report have been designed to present a fuller picture of recent investment performance.

**Appendix 2** Fund Manager Performance over the three years to 30 September 2014 in absolute percentage terms from a starting point of “100”

**Appendix 3** Performance of NYPF relative to other LGPS Funds over the last ten years

**Appendix 4** Solvency position (in % and £ terms) since the 2004 Triennial Valuation; this Appendix also shows in absolute terms the +/- in the value of assets and liabilities of the Fund

**Appendix 5** Solvency graph – this shows the key figures from **Appendix 4** in a simple graphical format

3.6 The separate reports of the Investment Adviser and Investment Consultant explain what has been happening in the financial markets and to NYPF’s investments, and look ahead over the short, medium and longer term.

#### 4.0 FUND MANAGER PERFORMANCE

4.1 In monetary terms, the positive absolute return of +2.7% in the Quarter increased the invested value of the Fund by £61m. Eleven of thirteen managers and funds added value, with 10 managers outperforming their respective benchmarks. At the end of the September 2014 quarter the value of the Fund was £223m above the value at the end of September 2014, an increase of 11%.

4.2 **Appendix 3** shows the **performance of NYPF relative to other Funds in the LGPS universe**. The local authority average performance figure for the quarter is not yet available. For the one, three and five year periods to June 2014 NYPF was placed 4<sup>th</sup>, 4<sup>th</sup> and 3<sup>rd</sup> respectively.

#### Overseas Equities

4.3 **Fidelity** produced a positive relative return in the quarter of 0.2% on a benchmark return of +1.8%, recovering the previous quarters’ underperformance. Performance over the year to September 2014 was +0.7% relative. Since inception in November 2008 the manager has exceeded the benchmark by 0.2% pa (gross of fees).

#### Global Equities

4.4 The Global Alpha fund managed by **Baillie Gifford** returned +2.1% for the quarter. Although the Fund underperformed the benchmark by 1.1% for the quarter and by 1.6% for the year, Global Alpha is managed on an absolute return basis with a long term investment horizon. The benchmark is referred to for performance monitoring purposes only. Since inception, the Fund has outperformed the FTSE All World by 1.9% pa.

The LTGG fund, also managed by **Baillie Gifford** on an absolute return basis, produced a positive relative return for the quarter (+2.7%) against the same

benchmark return of +3.2%. Performance since inception is 3.5% pa above the benchmark.

### **UK Equities**

- 4.5 **Standard Life** produced a negative relative return (-0.4%) in the quarter against the FTSE 350 equally weighted benchmark return of -2%. Relative performance for the year was +2.6%, which was 3% below the benchmark return.

### **Fixed Income**

- 4.6 **ECM** produced +0.4% relative against the cash benchmark for the quarter and +4.1% relative for the year to September 2014. The performance target is to beat the cash benchmark by 3% each year.
- 4.7 **Amundi** performed above the benchmark (+7.6%) by 0.6% in the quarter and was slightly below it (-0.1%) for the year to September 2014. The performance target is to exceed the benchmark by +2.5% each year. Outperformance since inception is 1% pa.
- 4.8 The investment in Gilts with **M&G** produced +0.1% against the liability matching benchmark of +7.6% for the quarter to September 2014. Year to date performance was above the benchmark by +0.5%. The performance target is to exceed the benchmark by +0.5% (net of fees) each year.

### **Property**

- 4.9 The investments with **Hermes, Threadneedle** and **L&G** produced +4.8%, +4% and +3.5% respectively in relative terms, against RPI of +0.5% for the quarter to September 2014.
- 4.10 Property has been the best performing asset class over the year to September 2014 with Hermes, Threadneedle and L&G returning in absolute terms +19.3%, +22.1% and +12.5% respectively.
- 4.11 RPI is used to make the comparison between the managers clearer. However each manager uses an index appropriate to their fund. In relative terms, for the year to September 2014, Hermes, Threadneedle and L&G returned +2.3%, +1.4% and -1.2% respectively.

### **Diversified Growth Funds**

- 4.12 The Investment with the **Standard Life** Global Absolute Return Strategy (GARS) Fund and the **Newton Investments** Real Return Fund produced relative outperformance of +2.7% and +0% respectively against a cash benchmark of +0.1%.
- 4.13 Over the period since inception in March 2013, in absolute terms, Standard Life returned +5.1% pa and Newton +1.8% pa. The cash benchmark return was +0.5% pa.

## 5.0 RISK INDICATORS

- 5.1 The Report (**pages 10 and 11**) includes three long-term risk indicators.
- 5.2 The Fund's annualised **Standard Deviation**, which is a reflection of volatility, is 8.2% for the rolling three year period to September 2014, 1.4% above the benchmark.
- 5.3 The **Sharpe Ratio** is a measure of how well the return compensates an investor relative to the risk taken. A higher Sharpe Ratio reflects a better return for a given level of risk or lower risk for a given level of return. The ratio for the Fund for the rolling three year period to September 2014 is in line with the benchmark.
- 5.4 The **Tracking Error** figure reflects how closely a fund manager's actual return follows their respective benchmark. As at September 2014 the figure was 3.1%.
- 5.5 The **Information Ratio** is a measure of excess returns in relation to the benchmark and the consistency of those returns. A high IR could be derived from a high portfolio return, a low benchmark return and a low tracking error. For the period to September 2014 the ratio for the Fund was +0.9%.
- 5.6 Steps taken by the PFC to diversify into Property and Diversified Growth Funds have clearly had a positive impact on these four measures. Volatility has reduced, and risk adjusted returns have improved.

## 6.0 SOLVENCY

- 6.1 The **solvency position** is presented in **Appendices 4 and 5**. As at 30 September 2014 the estimated solvency was 81%, being 3% below the level at the previous quarter end.
- 6.2 The assets of the Fund increased by 2.9% in the Quarter, whilst liabilities (as modelled by the Actuary) rose by 6.6% as a result of Gilt yields falling.

## 7.0 REBALANCING

- 7.1 As a result of local authority pension fund arrangements for the Probation Service transferring to Greater Manchester Pension Fund, £34m was transferred from NYPF on 1 October 2014. This was funded by disinvestments from Amundi (£17m) and Fidelity (£18m), the balance being required for cash flow purposes. In addition, on 27 October 2014 £11.7m was transferred from cash to Threadneedle to fund a secondary market investment opportunity. See **Appendix 6** for the Rebalancing Schedule.

## 8.0 PROXY VOTING

- 8.1 The report from PIRC is available on request summarising the proxy voting activity in the period July to September 2014. This report covers the votes cast on behalf of NYPF at all relevant company AGMs in the period and includes an analysis of voting recommendations at selected meetings and responses to company engagement.

10.0 **RECOMMENDATION**

10.1 Members are asked to note the investment performance of the Fund for the Quarter ending 30 September 2014.

GARY FIELDING  
Treasurer  
Central Services  
County Hall  
Northallerton

7 November 2014



**BNY MELLON**  
ASSET SERVICING

**North Yorkshire Pension Fund**

**3 Months Ending 30 September 2014**

*Fund Analysis & Performance Report*



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## Executive Summary

### Market Review

#### Market Briefing - Quarter Ended 30 September 2014

##### Market Summary

During the third quarter of 2014, returns were primarily positive with the only exception being UK Equities. UK Index-Linked Gilts provided the strongest result of the quarter, followed by UK Bonds and Property.

##### UK Equities

All of the UK Equity market capitalisation sectors recorded negative returns for the Quarter. The FTSE Small Cap was the best performing sector with a return of -0.8% followed by the FTSE 100 with a return of -0.9%. The weakest performance came from the FTSE 250 with a return of -1.5%.

Over the one year period ending 30<sup>th</sup> September 2014, all the indices achieved positive returns. The FTSE Small CAP was the best performing sector with a return of 6.6% over this period. The FTSE 250 was the weakest performing index with a return of 5.9%.

Financials was the best performing industry sector with a return of 2.7% for the Quarter. The weakest performing sector was Oil and Gas with a return of -6.2%.

Over the one year period ending on 30<sup>th</sup> September 2014, returns ranged from 25.5% for Health Care to -1.8% for Consumer Services. Utilities were the second best performing sector with a return of 11.7%.

##### Overseas Equities

The Third Quarter of 2014 saw mixed results across the Overseas Equity market. Within Europe, Ireland was the best performing country with a return of 7.5%. This was followed by Finland and Belgium with returns of 2.1% and 1.7% respectively. Portugal was the weakest performing country with a return of -20.4%, followed by Austria with a return of -16.1%. Over the one year period Denmark was the strongest performing country with a return of 28.2%, with Austria being the weakest with a return of -19.6%.

Outside Europe, Mexico was the best performing country with a return of 7.6%. Singapore provided the second best performance with a return of 4.1%. The weakest performing country was Brazil with a return of -3.3% in sterling terms.



## Executive Summary

### Market Review

#### UK Bonds

Returns were positive across all the UK Bond sectors during the Quarter. UK Gilts outperformed Non-Gilts with a return of 3.7% compared to 2.9%. Within Gilts, long-dated Gilts were the strongest performing sector with a return of 7.2%. Short-dated Gilts was the weakest performing sector with a return of 0.8%.

Over the one year period ending 30<sup>th</sup> September 2014, UK Non-Gilts was the best performing sector with a return of 7.6% compared to the return of 5.7% for UK Gilts. Within Gilts, long-dated Gilts provided the strongest performance with a return of 11.4%, whilst the weakest came from short-dated Gilts with 0.9%.

#### Overseas Bonds

The Third Quarter of 2014 saw Overseas Bonds record a positive performance of 1.9%. Within Europe, Spain was the best performing country with a return of 0.9%. Germany was the weakest performing country with a return of -0.4%. Outside Europe, USA was the best performing country with a return of 5.9%, whereas Japan was the weakest performing country with a return of -2.0%.

Over the twelve month period, Overseas Bonds achieved a return of -0.2%. European Bonds saw mixed returns over this period, with Italy providing the strongest return of 9.0%, and Sweden recording the weakest result with a return of -3.3%. Outside of Europe, the best performance again came from the USA with a return of 2.6%. Japan was the weakest performing country with a return of -8.5%.

#### UK Index-Linked Gilts

UK Index Linked-Gilts achieved a positive return of 5.3% for the Third Quarter of 2014. Within this sector, long-dated Index-Linked Gilts provided the strongest performance with a return of 7.9%, whereas the weakest performance was provided by short-dated Index-Linked Gilts with a return of 0.3%.

Over the one year period to 30<sup>th</sup> September 2014, on an overall basis UK Index-Linked Gilts achieved a return of 8.8%. Over the same period, long-dated Index-Linked Gilts were the strongest performing sector with a return of 12.9%, whereas short-dated Index Linked Gilts showed the weakest performance, returning 0.0%.

#### UK Cash and Property

Property recorded a positive return for the seventh successive quarter with a return of 3.5%. The overall return for the one year period ending 30<sup>th</sup> September 2014 was 15.0%. Cash achieved a return of 0.1% over the Quarter and 0.3% over the last twelve months.

### Fund Performance, Risk and Allocation Highlights

During the Third Quarter of 2014, the fund returned 2.75% versus its benchmark of 2.13%, thereby outperforming by 0.62%. In terms of longer period performance, the fund has outperformed over 5 year by 1.06%.

At asset class level, the fund outperformed its blended benchmark in the majority of asset classes. Property is the best performing sector which outperformed its benchmark by 4.22%. UK Equities however underperformed the benchmark by 0.43% respectively.

Over the quarter, eight accounts out-performed their benchmarks. The best (excluding the Cash Account) was shown by Hermes which out-performed its benchmark by 5.83%.

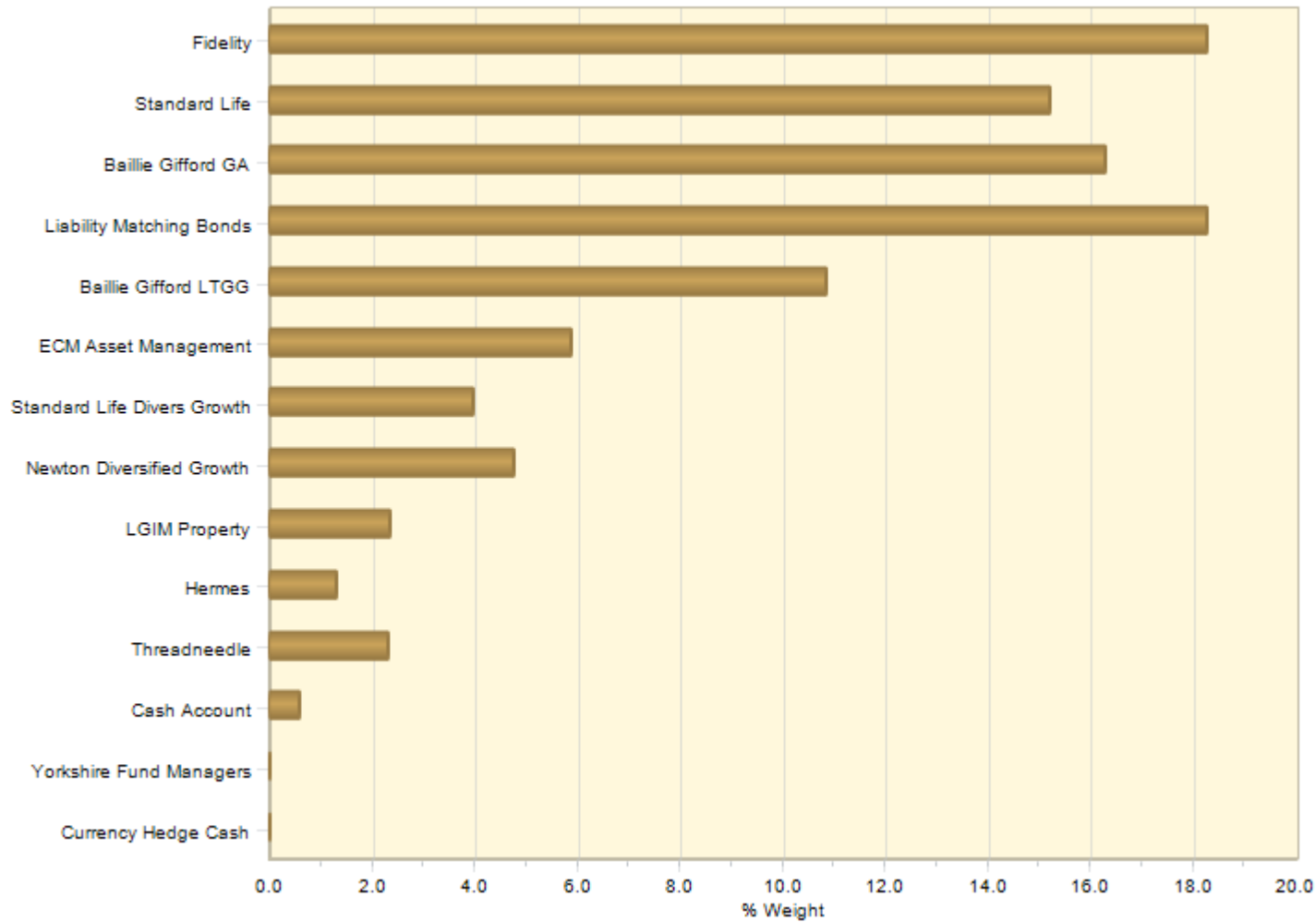
For asset allocation the fund is closely matched to the benchmark with the largest variances being in UK Equities and Global Equity Units where the fund is 2.77% underweight and 2.13% overweight respectively.

*Fund Allocation*

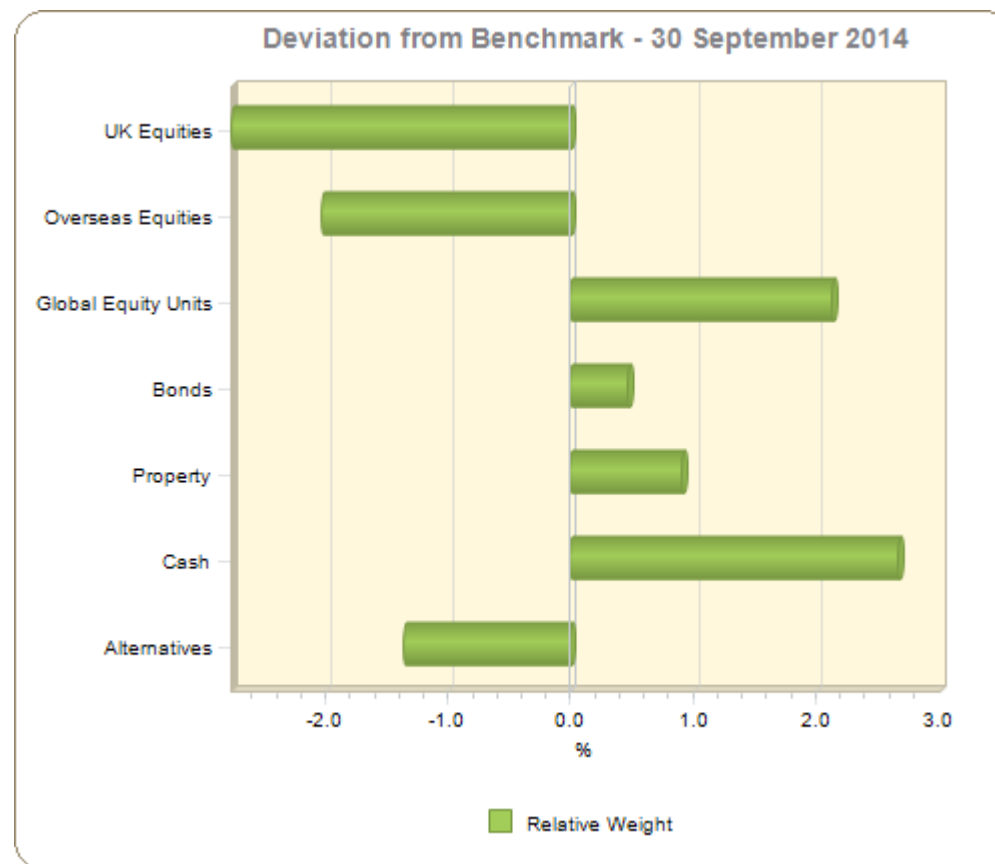
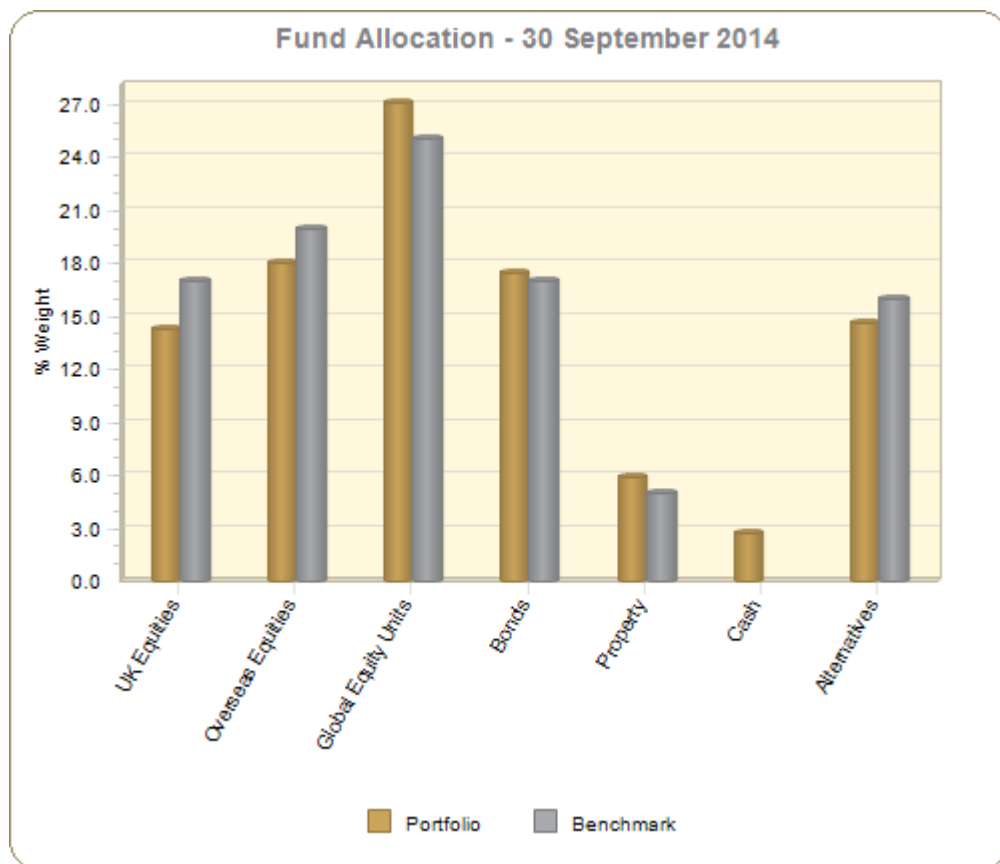


Fund Allocation - Managers

Manager Allocation - 3 Months Ending 30 September 2014



Manager	Weight (%)
Fidelity	18.26
Standard Life	15.19
Baillie Gifford GA	16.30
Liability Matching Bonds	18.28
Baillie Gifford LTGG	10.83
ECM Asset Management	5.89
Standard Life Divers Growth	3.98
Newton Diversified Growth	4.75
LGIM Property	2.34
Hermes	1.28
Threadneedle	2.29
Cash Account	0.59
Yorkshire Fund Managers	0.01
Currency Hedge Cash	0.00



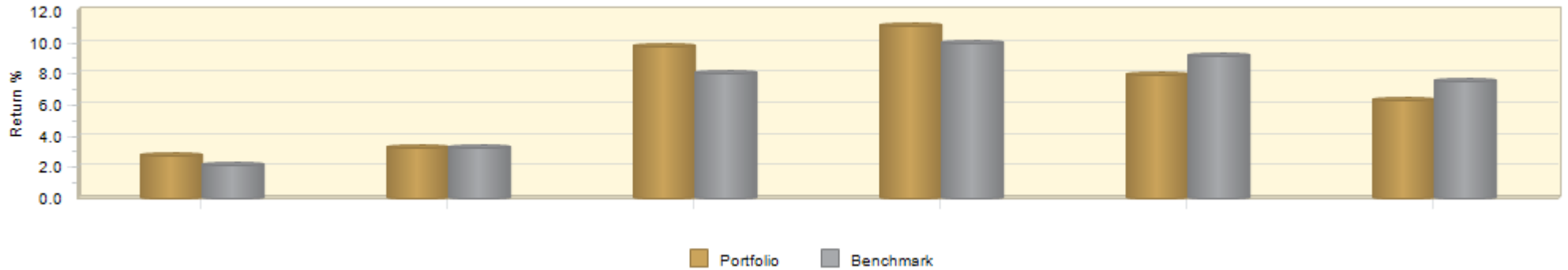
	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	14.23	17.97	27.13	17.47	5.91	2.67	14.63
Benchmark	17.00	20.00	25.00	17.00	5.00	2.67	16.00
Relative Weight	-2.77	-2.03	2.13	0.47	0.91	2.67	-1.37

*Fund Performance*



Fund Performance - Summary

Periodic Performance



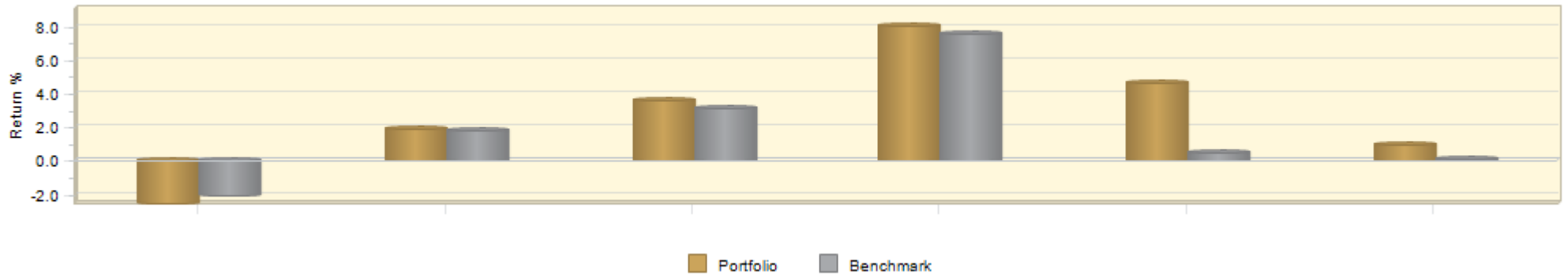
	Quarter	Fiscal Year To Date	1 Year	5 Years (Ann)	10 Years (Ann)	Since Inception (Ann)
Portfolio	2.75	3.31	9.79	11.07	7.87	6.34
Benchmark	2.13	3.25	7.98	10.01	9.22	7.49

Inception Date: 31 Jan 2002

Ann = Annualised

Fund Performance - Segment Analysis

Segment Performance - 3 Months Ending 30 September 2014

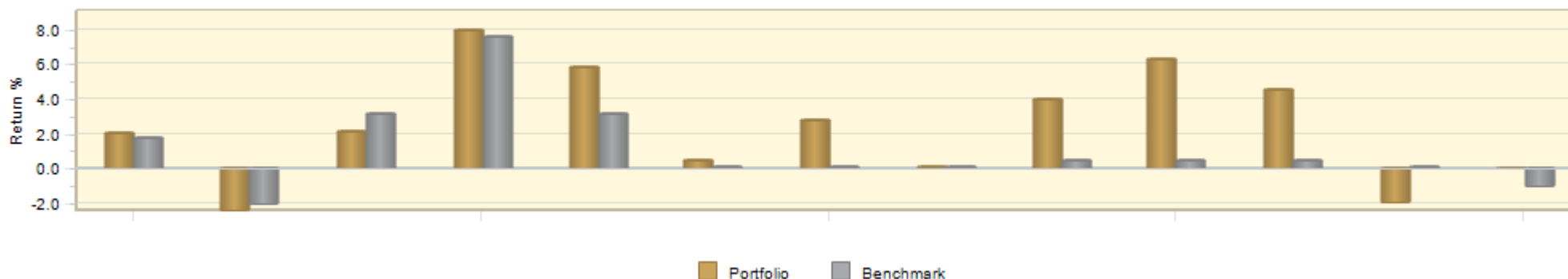


	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Alternatives
Portfolio	-2.46	1.90	3.57	8.05	4.73	0.96
Benchmark	-2.03	1.77	3.19	7.60	0.51	0.13



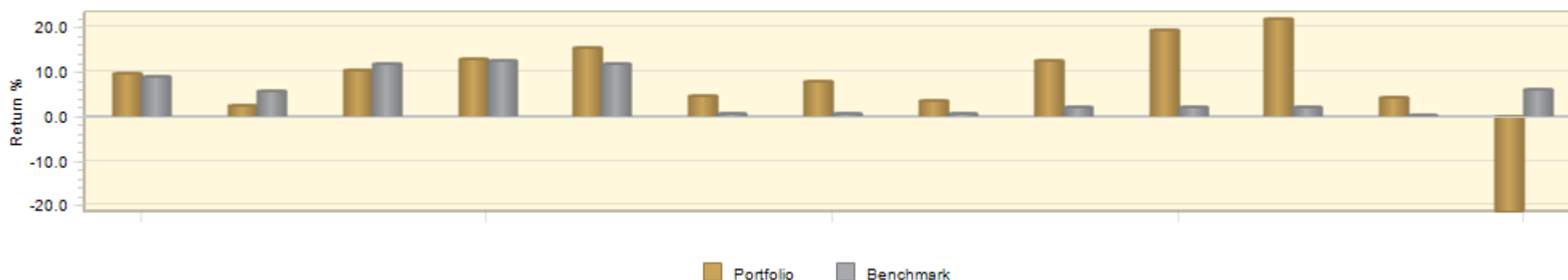
Fund Performance - Manager Overview

Manager Performance - 3 Months Ending 30 September 2014



	Fidelity	Standard Life	Baillie Gifford GA	Liability Matching	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers Growth	Newton Diversified	LGIM Property	Hermes	Threadneedle	Cash Account	Yorkshire Fund
Portfolio	2.01	-2.40	2.10	8.02	5.86	0.46	2.79	0.08	4.03	6.34	4.53	-1.93	0.00
Benchmark	1.77	-2.03	3.19	7.60	3.19	0.13	0.13	0.13	0.51	0.51	0.51	0.09	-0.97

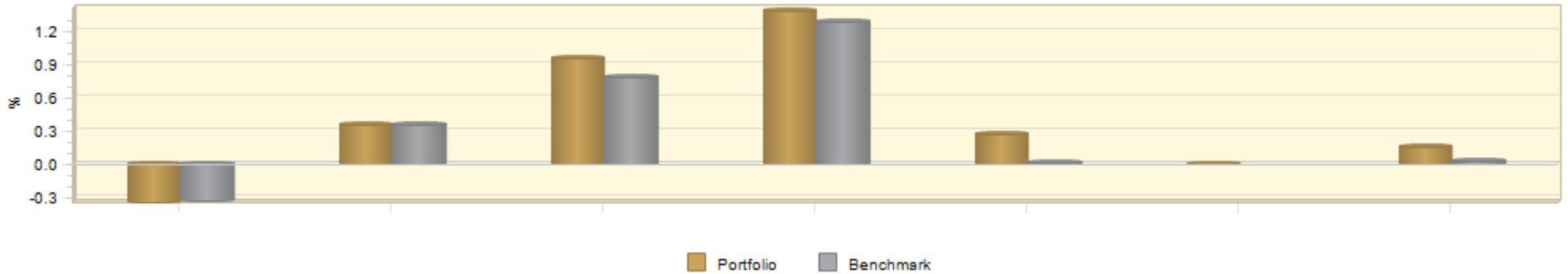
Manager Performance - 1 Year Ending 30 September 2014



	Fidelity	Standard Life	Baillie Gifford GA	Liability Matching	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers Growth	Newton Diversified	LGIM Property	Hermes	Threadneedle	Cash Account	Yorkshire Fund
Portfolio	9.70	2.62	10.24	12.76	15.33	4.59	7.99	3.71	12.53	19.29	22.07	4.41	-21.33
Benchmark	8.96	5.58	11.82	12.56	11.82	0.49	0.49	0.49	2.26	2.26	2.26	0.35	6.09

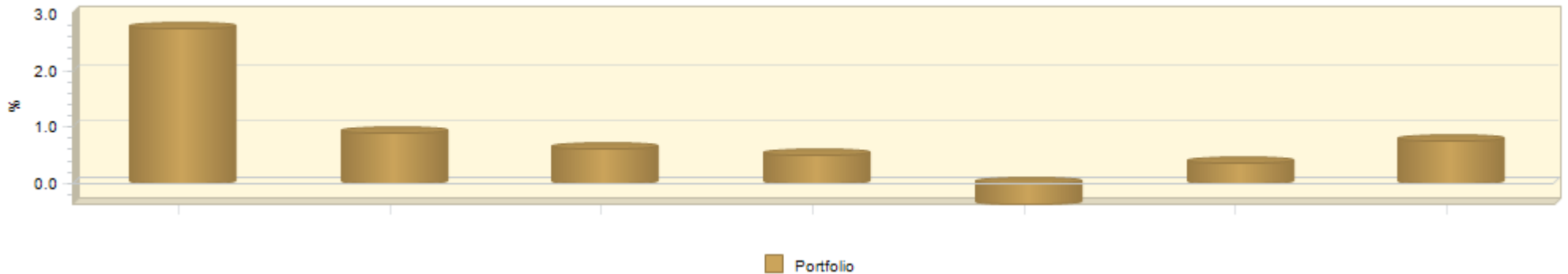
Fund Performance - Contribution Analysis

Source of Contribution - Quarter to 30 September 2014



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	-0.35	0.35	0.96	1.39	0.27	-0.01	0.15
Benchmark	-0.34	0.35	0.79	1.28	0.01		0.02

Top 5 Manager Contribution - Quarter to 30 September 2014



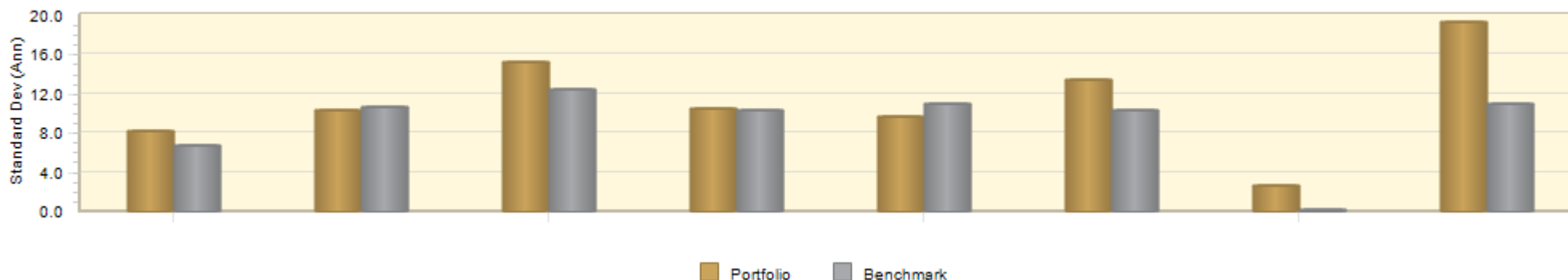
	Total Consolidation	Amundi	Baillie Gifford LTGG	M&G	Standard Life	Fidelity	Remaining Managers
Portfolio	2.75	0.90	0.62	0.49	-0.37	0.36	0.75

*Risk Profile*



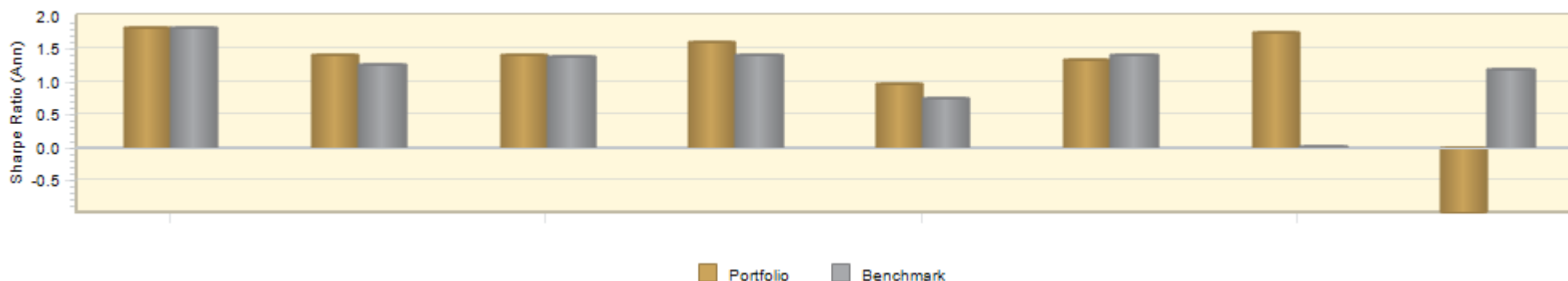
**Risk Profile - Historic Risk**

**Standard Deviation - 3 Years (Ann) to 30 September 2014**



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Amundi	Baillie Gifford LTGG	ECM Asset Management	Yorkshire Fund Managers
Portfolio	8.22	10.28	15.19	10.42	9.61	13.44	2.64	19.35
Benchmark	6.75	10.64	12.38	10.29	11.00	10.29	0.13	11.00

**Sharpe Ratio - 3 Years (Ann) to 30 September 2014**

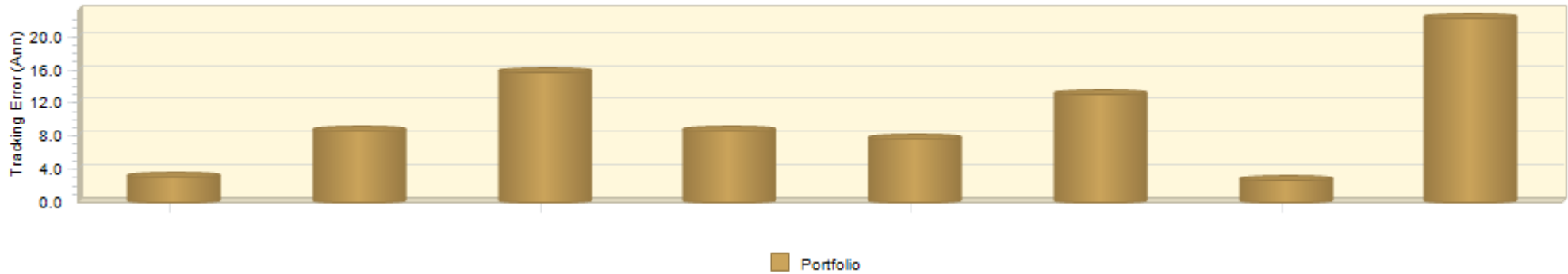


	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Amundi	Baillie Gifford LTGG	ECM Asset Management	Yorkshire Fund Managers
Portfolio	1.82	1.40	1.42	1.60	0.96	1.35	1.75	-0.99
Benchmark	1.82	1.26	1.38	1.42	0.75	1.42	0.01	1.20

Ann = Annualised

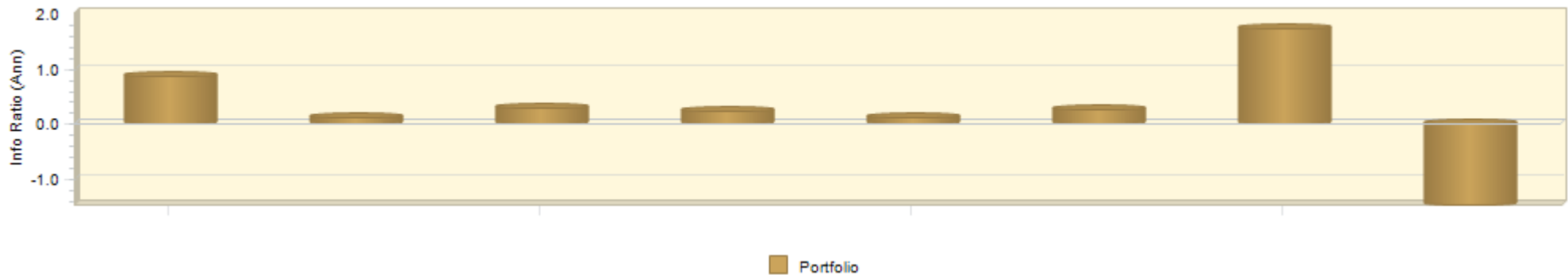
Risk Profile - Historic Risk

Tracking Error - 3 Years (Ann) to 30 September 2014



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Amundi	Baillie Gifford LTGG	ECM Asset Management	Yorkshire Fund Managers
Portfolio	3.08	8.53	15.69	8.69	7.69	13.07	2.63	22.22

Information Ratio - 3 Years (Ann) to 30 September 2014



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Amundi	Baillie Gifford LTGG	ECM Asset Management	Yorkshire Fund Managers
Portfolio	0.87	0.12	0.29	0.23	0.13	0.27	1.75	-1.46

Ann = Annualised

Risk Profile - Consistency Analysis

Manager	Active Number of Months	Number of Positive Months	Consistency Rate (%)	Benchmark Consistency (%)	Outperformance (%)
<b>Total Consolidation</b>	<b>153</b>	<b>99</b>	<b>65</b>	<b>67</b>	<b>54</b>
Fidelity	71	44	62	44	52
Standard Life	96	52	54	32	56
Baillie Gifford GA	96	58	60	38	53
Amundi	111	66	59	34	53
Baillie Gifford LTGG	97	57	59	37	53
ECM Asset Management	111	72	65	46	62
Standard Life Divers Growth	19	15	79	100	74
Newton Diversified Growth	19	9	47	100	47
M&G	34	19	56	56	56
LGIM Property	22	20	91	73	77
Hermes	31	20	65	70	58
Threadneedle	28	25	89	71	79
Yorkshire Fund Managers	135	4	3	33	16

*Fund Profile*



Fund Profile - Movement of Funds

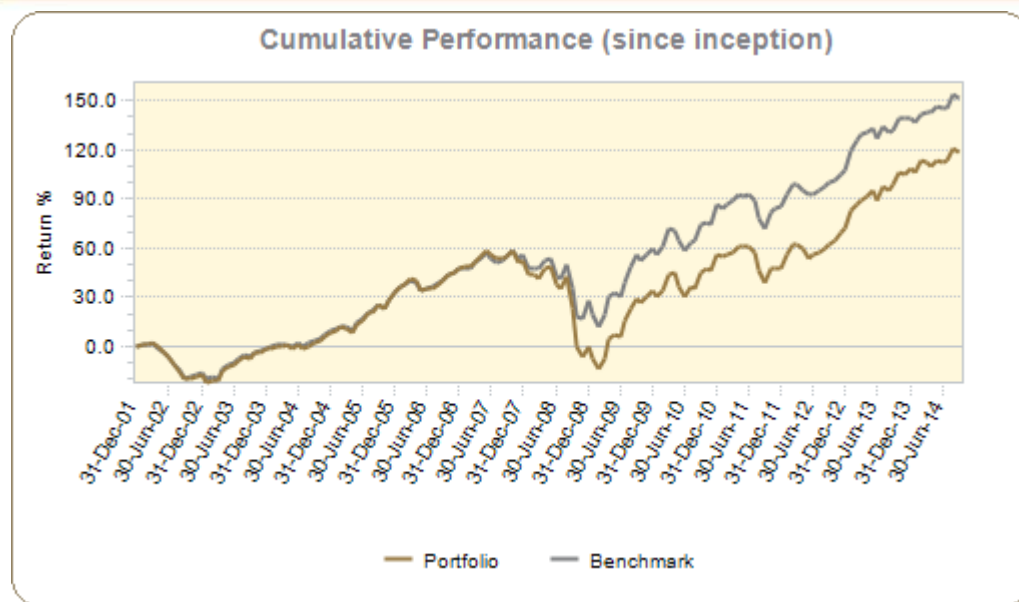
Manager Name	Market Value 30-Jun-2014 (000's)	Net Contributions (000's)	Income (000's)	Gain/Loss (000's)	Market Value 30-Sep-2014 (000's)	% Change
<b>Total Consolidation</b>	<b>2,110,450.35</b>	<b>3,109.75</b>	<b>5,424.25</b>	<b>52,633.08</b>	<b>2,171,617.44</b>	<b>2.90</b>
Total Consolidation	2,110,450.35	3,109.75	5,424.25	52,633.08	2,171,617.44	2.90
Fidelity	388,792.68	0.00	1,218.02	6,581.30	396,592.01	2.01
Standard Life	337,892.99	0.00	3,113.72	-11,236.05	329,770.67	-2.40
Baillie Gifford GA	346,624.12	0.00	0.00	7,274.19	353,898.31	2.10
Amundi	231,215.07	0.00	0.00	19,054.77	250,269.84	8.24
Baillie Gifford LTGG	222,251.34	0.00	0.00	13,026.86	235,278.20	5.86
ECM Asset Management	127,276.90	0.00	0.00	580.45	127,857.35	0.46
Standard Life Divers Growth	84,149.92	0.00	0.00	2,344.01	86,493.93	2.79
Newton Diversified Growth	103,169.37	0.00	0.00	84.58	103,253.95	0.08
M&G	136,261.44	-58.17	852.11	9,574.73	146,630.11	7.61
LGIM Property	48,866.98	0.00	0.00	1,969.80	50,836.78	4.03
Hermes	26,488.71	-451.60	451.60	1,214.70	27,703.41	4.59
Threadneedle	47,664.88	0.00	0.00	2,160.95	49,825.83	4.53
Cash Account	9,499.26	3,619.52	-233.91	0.71	12,885.58	35.65
Yorkshire Fund Managers	257.80	0.00	0.00	0.00	257.80	0.00
Currency Hedge Cash	38.88	0.00	22.69	2.08	63.66	63.73



*Manager Analysis*



Manager Analysis - Total Consolidation



Inception Date: 31 Jan 2002

Periodic Performance						
	Quarter	Fiscal Year To Date	1 Year	5 Years (Ann)	10 Years (Ann)	Since Inception
Portfolio	2.7	3.3	9.8	11.1	7.9	6.3
Benchmark	2.1	3.3	8.0	10.0	9.2	7.5

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	8.2	1.8	3.1	0.9
Benchmark	6.7	1.8		

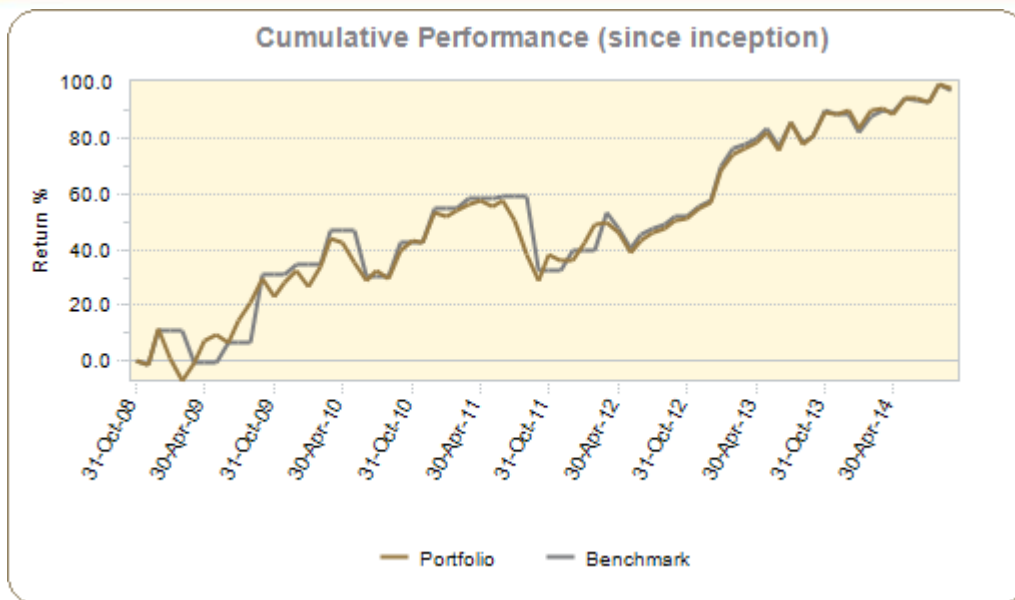
Portfolio Size and Mandate	
Portfolio Size (GBP)	Portfolio Mandate
2,171,617,443	Total Plan

Allocation - 30 September 2014							
	UK Equities	Overseas Equities	Global Equitv	Bonds	Property	Cash	Alternative
Portfolio	14.23	17.97	27.13	17.47	5.91	2.67	14.63
Benchmark	17.00	20.00	25.00	17.00	5.00		16.00

Summary - 3 Months Ending 30 September 2014

The fund's relative performance of the Quarter and 1 Year was -0.6% and -1.80% respectively.

Manager Analysis - Fidelity



Inception Date: 30 Nov 2008

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
396,592,012	Global Equities

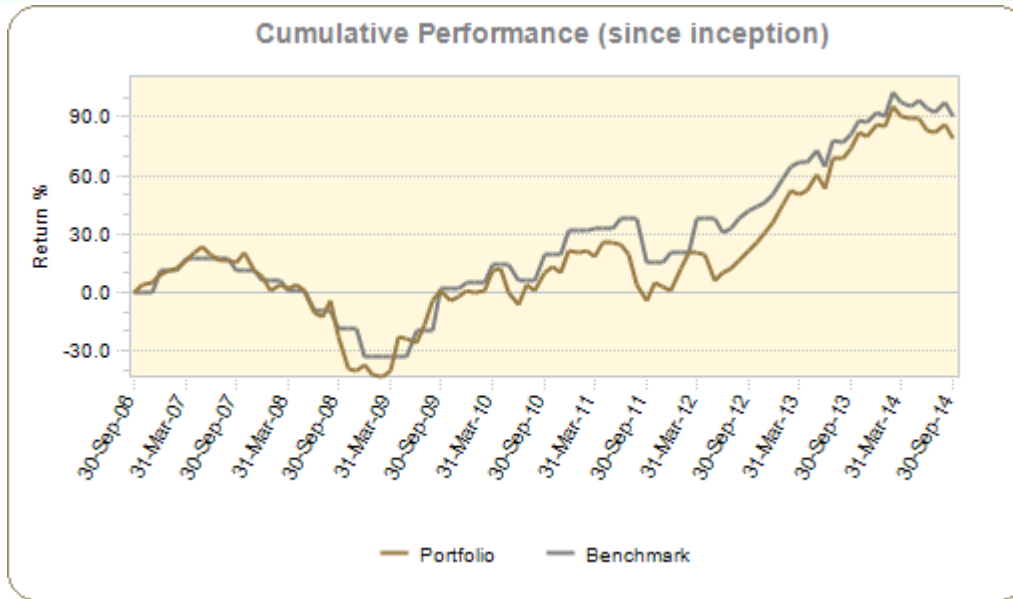
Allocation - 30 September 2014			
	<b>UK Equities</b>	<b>Overseas Equities</b>	<b>Cash</b>
Portfolio	0.20	94.42	5.38
Benchmark		100.00	

Periodic Performance					
	<b>Quarter</b>	<b>Fiscal Year To Date</b>	<b>1 Year</b>	<b>5 Years (Ann)</b>	<b>Since Inception (Ann)</b>
Portfolio	2.0	3.8	9.7	8.8	12.2
Benchmark	1.8	3.7	9.0	8.5	12.0

**Summary - 3 Months Ending 30 September 2014**  
 The manager's relative performance of the Quarter and 1 Year was 0.20% and 0.70% respectively.

Risk Profile - 3 Years (Ann) to 30 September 2014				
	<b>Standard Deviation</b>	<b>Sharpe Ratio</b>	<b>Tracking Error</b>	<b>Information Ratio</b>
Portfolio	10.3	1.4	8.5	0.1
Benchmark	10.6	1.3		

Manager Analysis - Standard Life



Inception Date: 31 Oct 2006

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
329,770,673	UK Equities

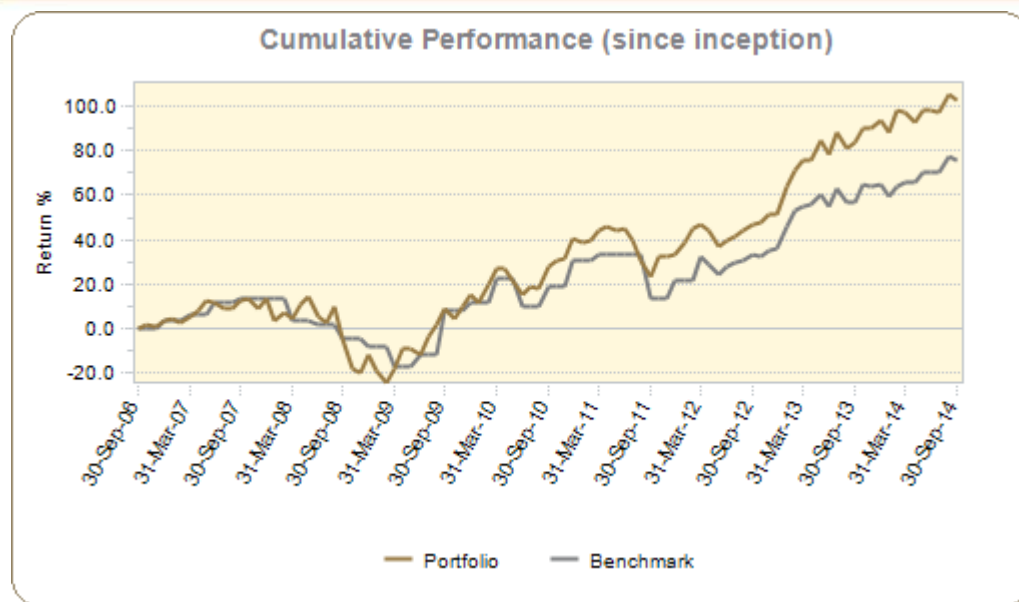
Allocation - 30 September 2014			
	<b>UK Equities</b>	<b>Overseas Equities</b>	<b>Cash</b>
Portfolio	93.38	4.77	1.85
Benchmark	100.00		

Periodic Performance					
	<b>Quarter</b>	<b>Fiscal Year To Date</b>	<b>1 Year</b>	<b>5 Years (Ann)</b>	<b>Since Inception (Ann)</b>
Portfolio	-2.4	-6.2	2.6	12.2	7.5
Benchmark	-2.0	-3.4	5.6	13.5	8.4

**Summary - 3 Months Ending 30 September 2014**  
 The manager's relative performance of the Quarter and 1 Year was -0.40% and -3.00% respectively.

Risk Profile - 3 Years (Ann) to 30 September 2014				
	<b>Standard Deviation</b>	<b>Sharpe Ratio</b>	<b>Tracking Error</b>	<b>Information Ratio</b>
Portfolio	15.2	1.4	15.7	0.3
Benchmark	12.4	1.4		

Manager Analysis - Baillie Gifford GA



Inception Date: 31 Oct 2006

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
353,898,311	Global Equities

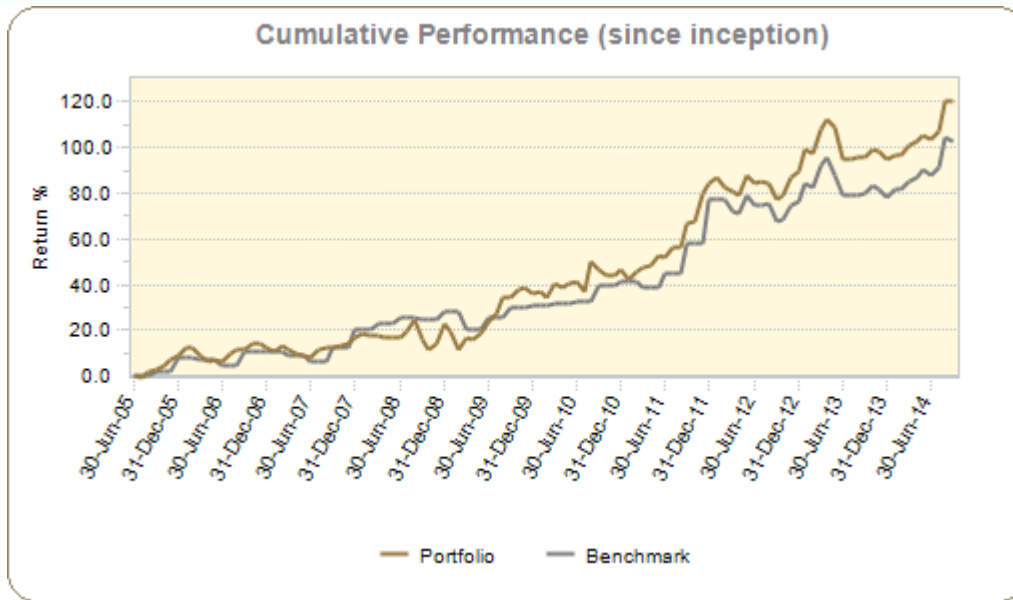
Allocation - 30 September 2014		
	<b>Global Equity Units</b>	<b>Cash</b>
Portfolio	100.00	0.00
Benchmark	100.00	

Periodic Performance					
	<b>Quarter</b>	<b>Fiscal Year To Date</b>	<b>1 Year</b>	<b>5 Years (Ann)</b>	<b>Since Inception (Ann)</b>
Portfolio	2.1	2.5	10.2	13.2	9.2
Benchmark	3.2	5.9	11.8	10.3	7.3

**Summary - 3 Months Ending 30 September 2014**  
 The manager's relative performance of the quarter and 1 Year was -1.10% and -1.60% respectively.

Risk Profile - 3 Years (Ann) to 30 September 2014				
	<b>Standard Deviation</b>	<b>Sharpe Ratio</b>	<b>Tracking Error</b>	<b>Information Ratio</b>
Portfolio	10.4	1.6	8.7	0.2
Benchmark	10.3	1.4		

Manager Analysis - Amundi



Inception Date: 31 Jul 2005

Periodic Performance					
	Quarter	Fiscal Year To Date	1 Year	5 Years (Ann)	Since Inception (Ann)
Portfolio	8.2	9.4	12.5	10.4	8.9
Benchmark	7.6	9.3	12.6	9.2	7.9

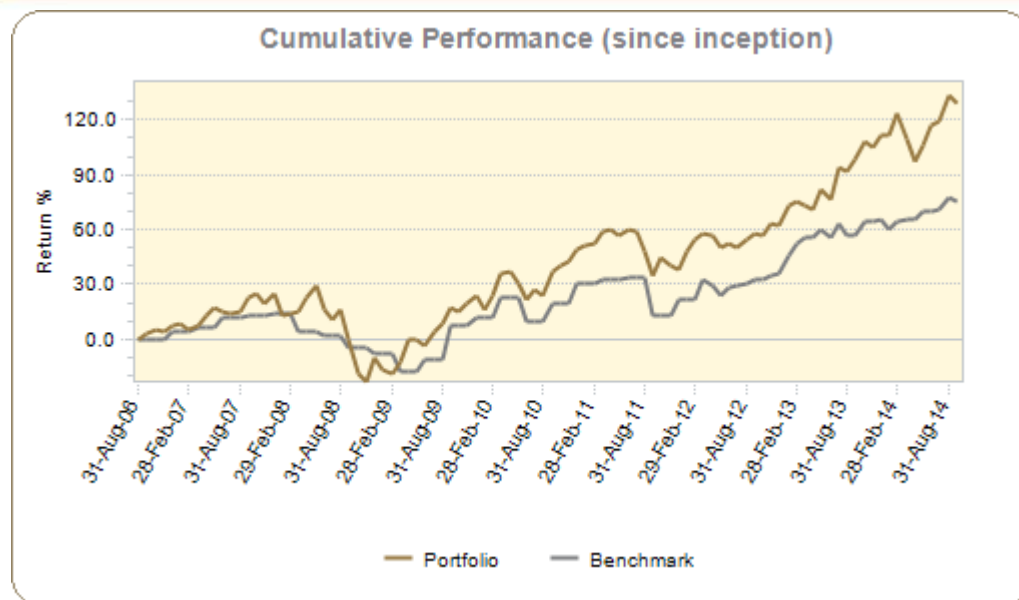
Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	9.6	1.0	7.7	0.1
Benchmark	11.0	0.7		

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
250,269,844	Global Bonds

Allocation - 30 September 2014		
	<b>Bonds</b>	<b>Cash</b>
Portfolio	93.21	6.79
Benchmark	100.00	

**Summary - 3 Months Ending 30 September 2014**  
 The manager's relative performance of the quarter and 1 Year was 0.60% and -0.10% respectively.

Manager Analysis - Baillie Gifford LTGG



Inception Date: 30 Sep 2006

Periodic Performance					
	Quarter	Fiscal Year To Date	1 Year	5 Years (Ann)	Since Inception (Ann)
Portfolio	5.9	9.5	15.3	14.3	10.8
Benchmark	3.2	5.9	11.8	10.3	

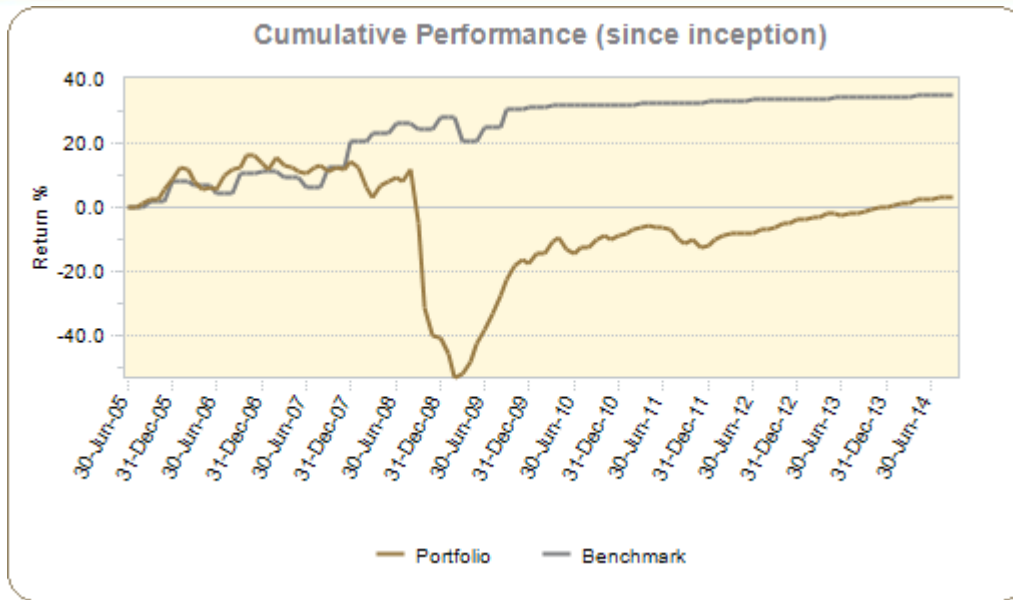
Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	13.4	1.4	13.1	0.3
Benchmark	10.3	1.4		

Portfolio Size and Mandate	
Portfolio Size (GBP)	235,278,200
Portfolio Mandate	Global Equities

Allocation - 30 September 2014	
	Global Equity Units
Portfolio	100.00
Benchmark	100.00

**Summary - 3 Months Ending 30 September 2014**  
 The manager's relative performance of the Quarter and 1 Year was 2.70% and 3.50% respectively.

Manager Analysis - ECM Asset Management



Inception Date: 31 Jul 2005

Periodic Performance					
	Quarter	Fiscal Year To Date	1 Year	5 Years (Ann)	Since Inception (Ann)
Portfolio	0.5	1.6	4.6	5.8	0.3
Benchmark	0.1	0.2	0.5	0.7	3.3

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	2.6	1.8	2.6	1.8
Benchmark	0.1	0.0		

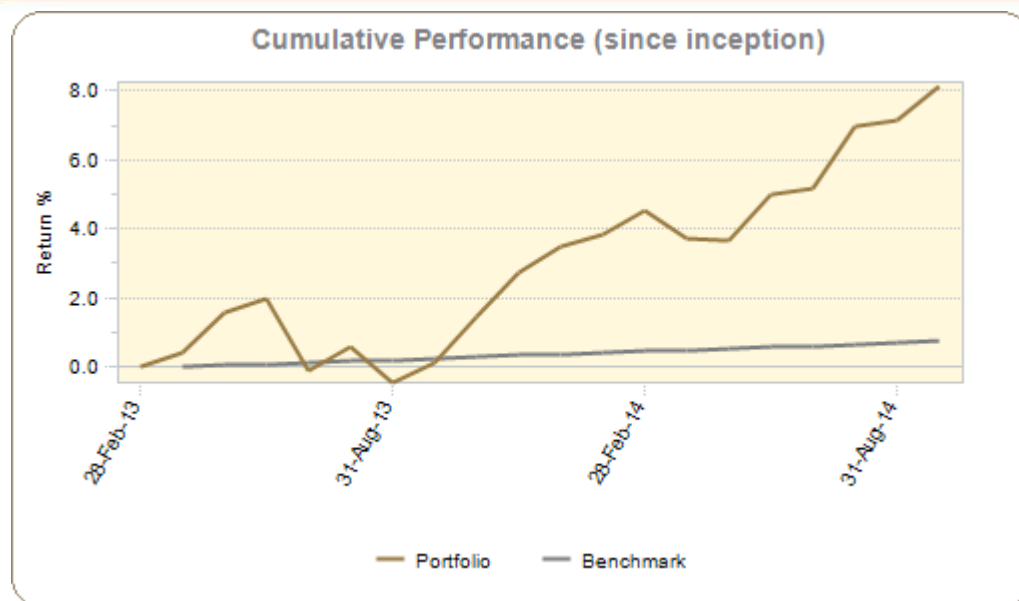
Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
127,857,354	European Bonds

Allocation - 30 September 2014		
	Cash	Alternatives
Portfolio	0.00	100.00
Benchmark		100.00

**Summary - 3 Months Ending 30 September 2014**  
 The manager's relative performance of the Quarter and 1 Year was 0.40% and 4.10% respectively.



Manager Analysis - Standard Life Divers Growth



Inception Date: 31 Mar 2013

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
86,493,933	Diversified Growth

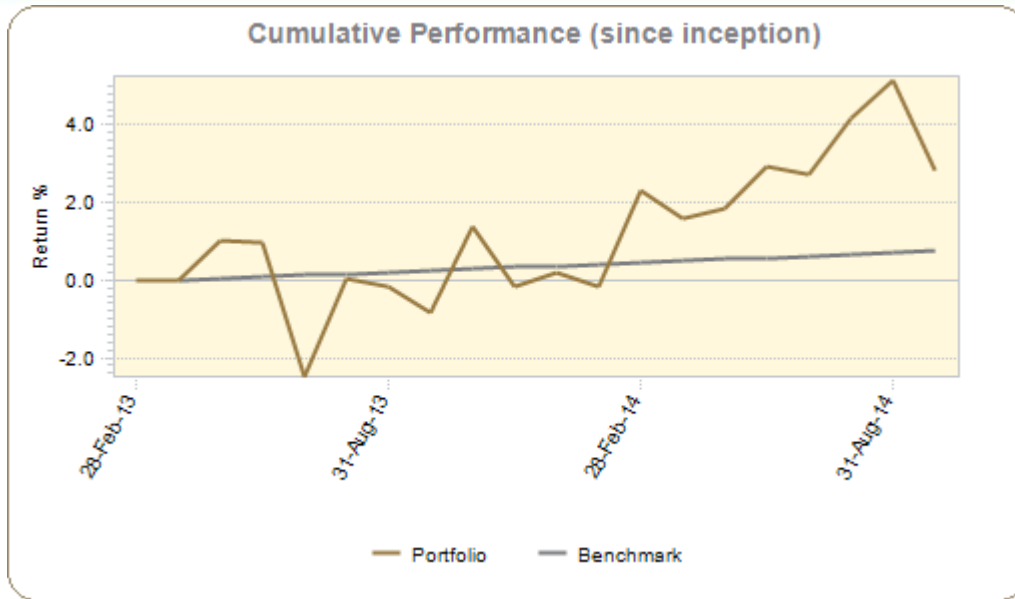
Allocation - 30 September 2014	
	<b>Alternatives</b>
Portfolio	100.00
Benchmark	100.00

Periodic Performance				
	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	2.8	4.2	8.0	5.1
Benchmark	0.1	0.2	0.5	0.5

**Summary - 3 Months Ending 30 September 2014**  
 The manager's relative performance of the Quarter and 1 Year was 2.70% and 7.50%.

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

Manager Analysis - Newton Diversified Growth



Inception Date: 31 Mar 2013

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
103,253,950	Diversified Growth

Allocation - 30 September 2014	
	<b>Alternatives</b>
Portfolio	100.00
Benchmark	100.00

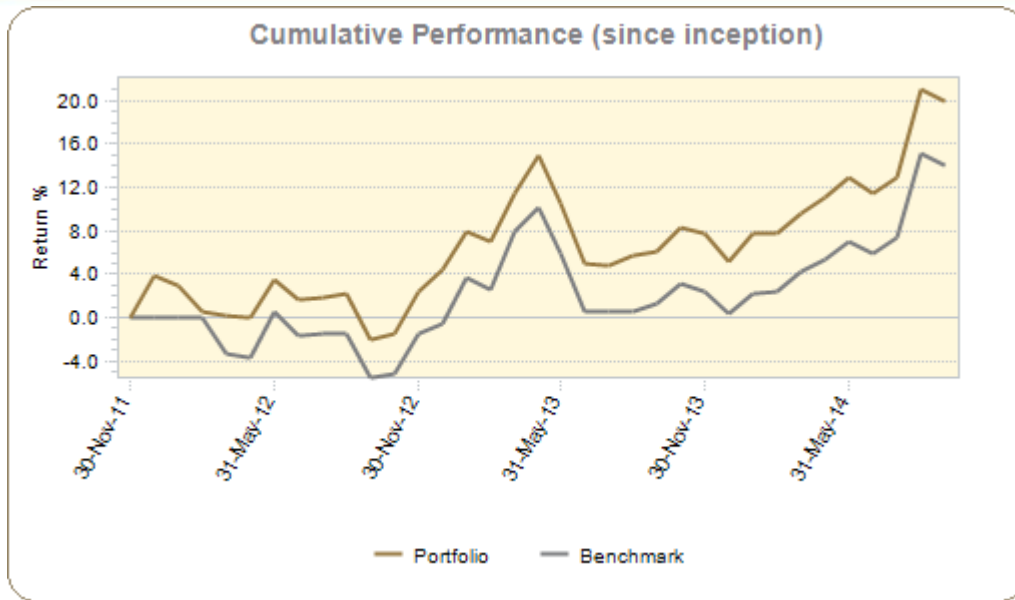
Periodic Performance				
	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	0.1	1.2	3.7	1.8
Benchmark	0.1	0.2	0.5	0.5

Summary - 3 Months Ending 30 September 2014

The manager performance equalled the Benchmark over the quarter and outperformed by 3.20% over the 1 Year period.

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

Manager Analysis - M&G



Inception Date: 31 Dec 2011

Periodic Performance				
	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	7.7	9.3	13.1	6.6
Benchmark	7.6	9.3	12.6	4.7

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

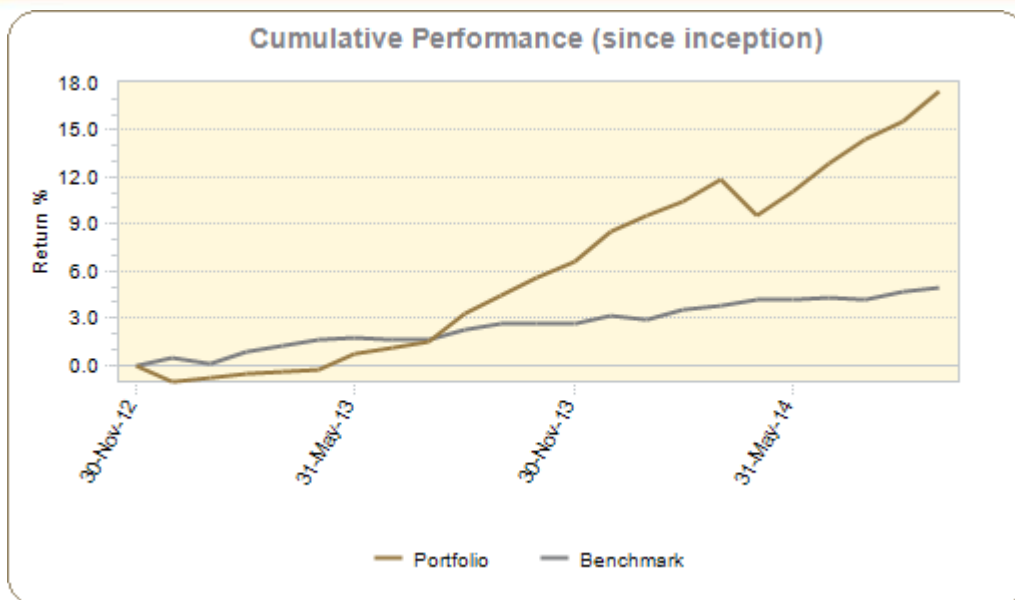
Portfolio Size and Mandate	
Portfolio Size (GBP)	146,630,111
Portfolio Mandate	Global Bonds

Allocation - 30 September 2014		
	Bonds	Cash
Portfolio	99.61	0.39
Benchmark	100.00	

Summary - 3 Months Ending 30 September 2014

The manager's relative performance of the Quarter and 1 Year was 0.10% and 0.50% respectively.

Manager Analysis - LGIM Property



Inception Date: 31 Dec 2012

Periodic Performance				
	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	4.0	5.0	12.5	9.2
Benchmark	0.5	1.1	2.3	2.6

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

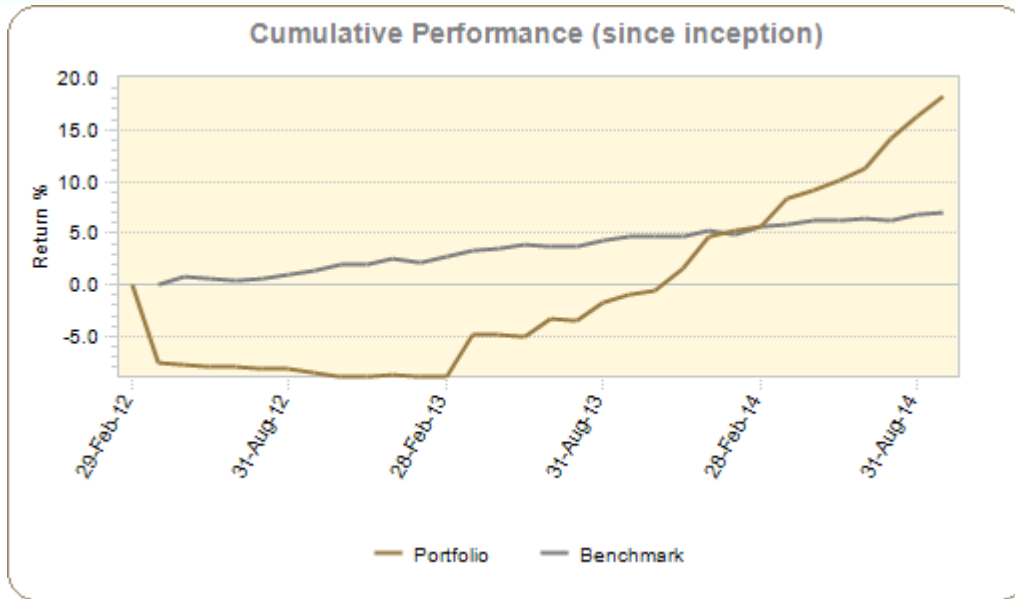
Portfolio Size and Mandate	
Portfolio Size (GBP)	50,836,781
Portfolio Mandate	Property

Allocation - 30 September 2014	
Portfolio Benchmark	Property 100.00

Summary - 3 Months Ending 30 September 2014

The manager's relative performance of the quarter and 1 year was 3.50% and 10.20% respectively.

Manager Analysis - Hermes



Inception Date: 31 Mar 2012

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
27,703,409	Property

Allocation - 30 September 2014	
	<b>Property</b>
Portfolio	100.00
Benchmark	100.00

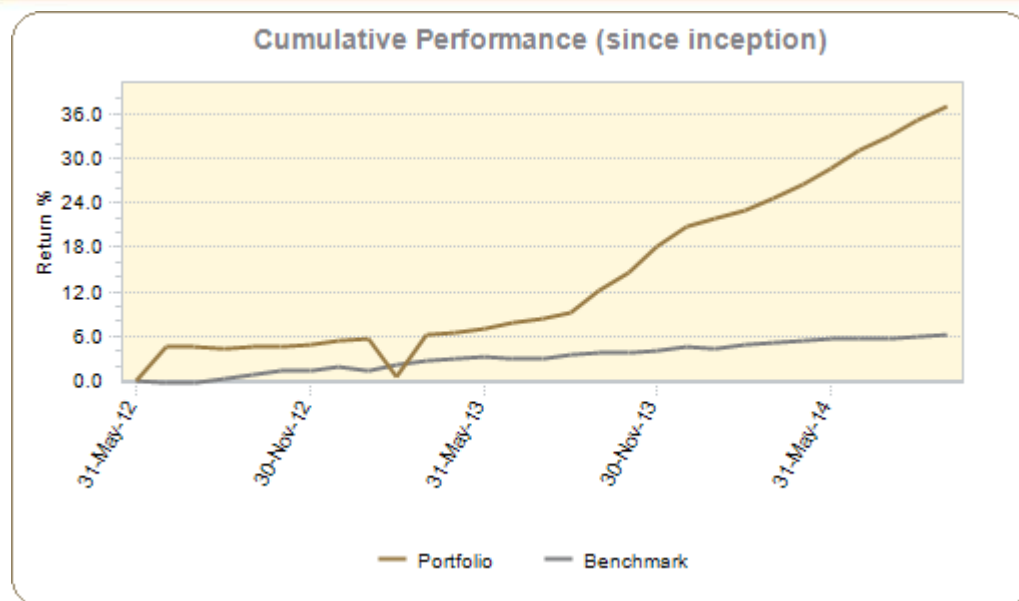
Periodic Performance				
	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	6.3	9.2	19.3	6.7
Benchmark	0.5	1.1	2.3	2.7

Summary - 3 Months Ending 30 September 2014

The manager's relative performance of the quarter and 1 Year was 5.80% and 17.00% respectively.

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

## Manager Analysis - Threadneedle



Inception Date: 30 Jun 2012

Periodic Performance				
	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	4.5	10.0	22.1	14.5
Benchmark	0.5	1.1	2.3	2.6

Risk Profile - 3 Years (Ann) to 30 September 2014				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
49,825,829	Property

Allocation - 30 September 2014	
	<b>Property</b>
Portfolio	100.00
Benchmark	100.00

### Summary - 3 Months Ending 30 September 2014

The manager's relative performance of the quarter and 1 year was 4.00% and 19.80% respectively.

*Appendix*



Appendix - Benchmark Summary

Manager	Weight	Benchmark
Total Consolidation	25.00	Overseas Global Equity Bmk
	20.00	Overseas Equity Bmk
	17.00	Fixed Income Bmk
	17.00	UK Equity Bmk
	16.00	Cash Bmk
	5.00	Property Bmk
	Fidelity	100.00
Standard Life	100.00	Standard Life Alg100 Bmk
Baillie Gifford GA	100.00	FTAW All World
Amundi	100.00	Amundi Bmk
Baillie Gifford LTGG	100.00	FTAW All World
ECM Asset Management	100.00	LIBOR BBA GBP 1 Month
Standard Life Divers Growth	100.00	LIBOR BBA GBP 1 Month Index
Newton Diversified Growth	100.00	LIBOR BBA GBP 1 Month Index
M&G	100.00	M&G Bmk
LGIM Property	100.00	UK Retail Price Idx RPI
Hermes	100.00	UK Retail Price Idx RPI
Threadneedle	100.00	UK Retail Price Idx RPI
Cash Account	100.00	LIBID 1 Week Bid
Yorkshire Fund Managers	100.00	FTSE All-Share



## Appendix - Glossary

### Risk

**Standard Deviation** - Standard Deviation measures the variability (or volatility) of a fund's return over a specified time period.

**Tracking Error** - Tracking Error measures the variability of a fund's returns relative to its benchmark over a time period.

**Information Ratio** - Information Ratio is a measure of performance adjusted for the level of (active) risk.

**Sharpe Ratio** - Sharpe Ratio relates a portfolio's reward (determined as the portfolio's return minus risk free return) to the portfolio's variability (as measured by its standard deviation).

**Active Number of months** - Number of complete months of performance

**Number of Positive Months** - number of complete months the portfolio has produced a positive return

**Consistency Rate (%)** - Number of Positive Months/Active Number of Months

**Benchmark Consistency (%)** - Number of Positive Benchmark Months/Active Number of Months

**Outperformance (%)** - Percentage of months the portfolio has outperformed the benchmark

### Attribution

**Allocation Effect** - Measures the impact of decisions to allocate assets differently from the benchmark.

**Selection Effect** - Measures the impact of decisions of selecting securities different from those held in the benchmark.

**Currency Effect** - Measures the impact of deviating from the benchmark currency position.

**Management Effect** - Measures the combined impact of allocation, selection and currency effects. At the total level, this represents the fund's relative performance against the benchmark.

**Interaction Effect** - Measures the combined impact of an investment manager's selection and allocation decisions within a segment.

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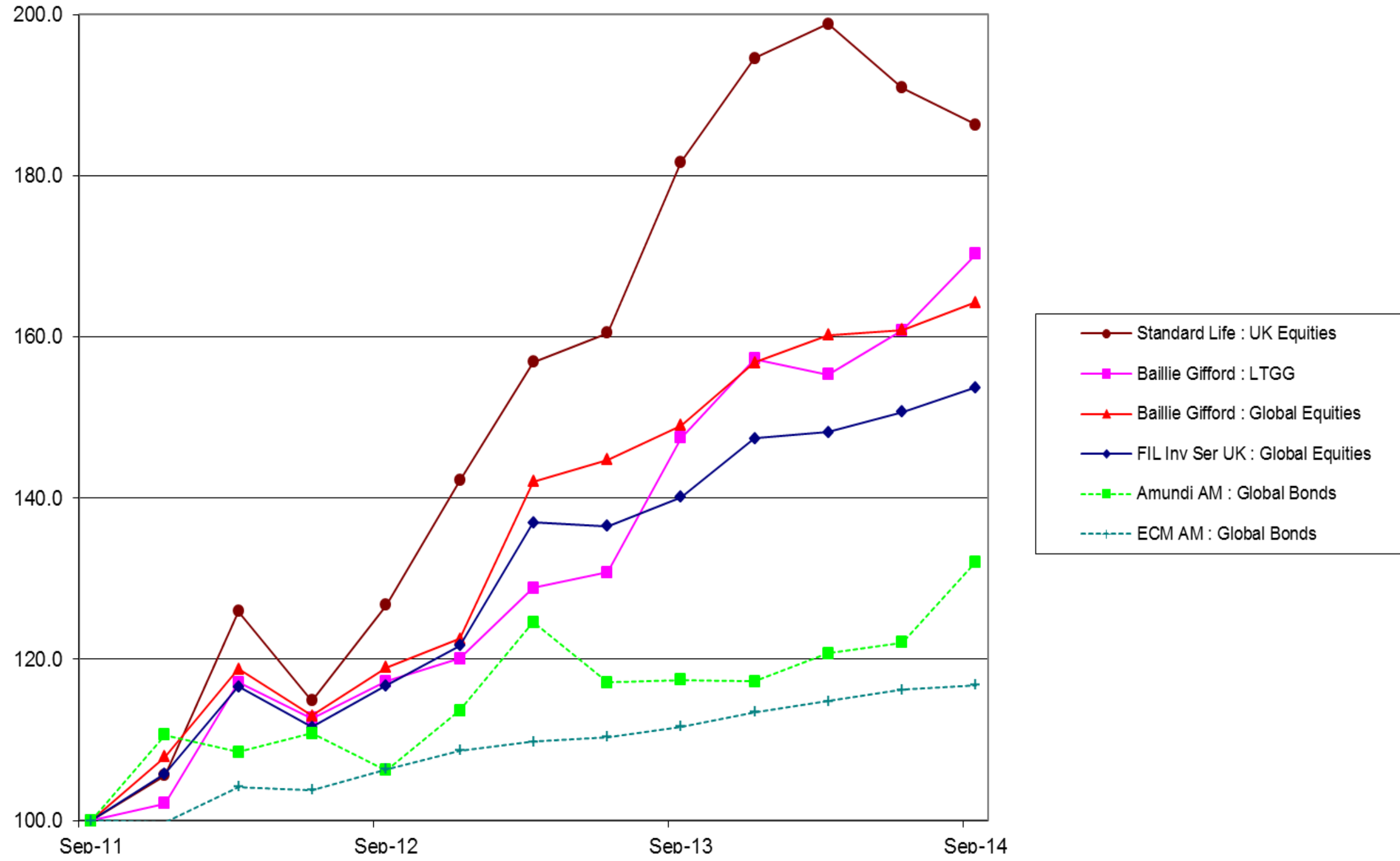
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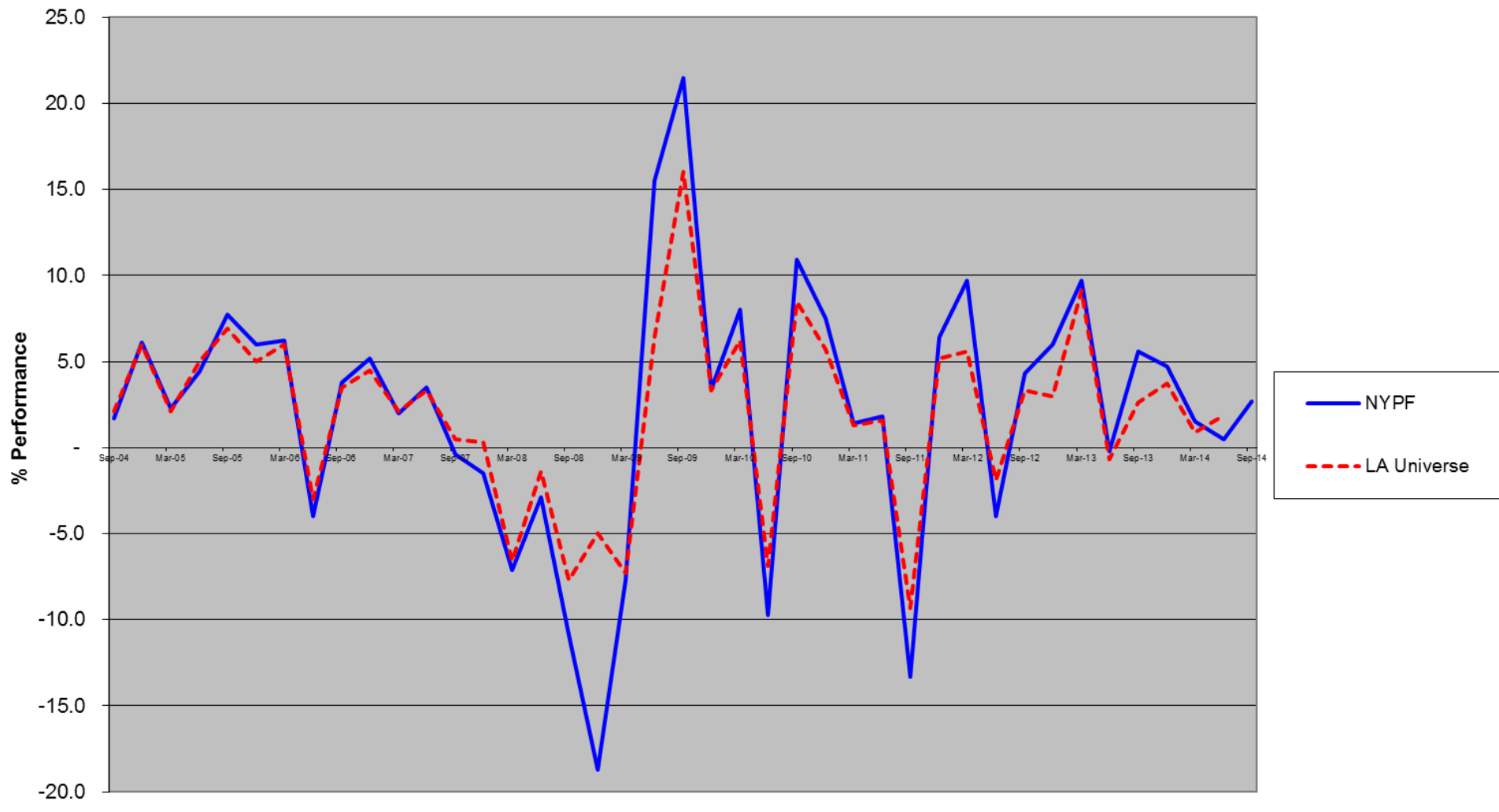
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Investment Manager Performance - cumulative absolute performance 3 years to September 2014



Pension Fund Performance - NYPF vs Other Local Authorities

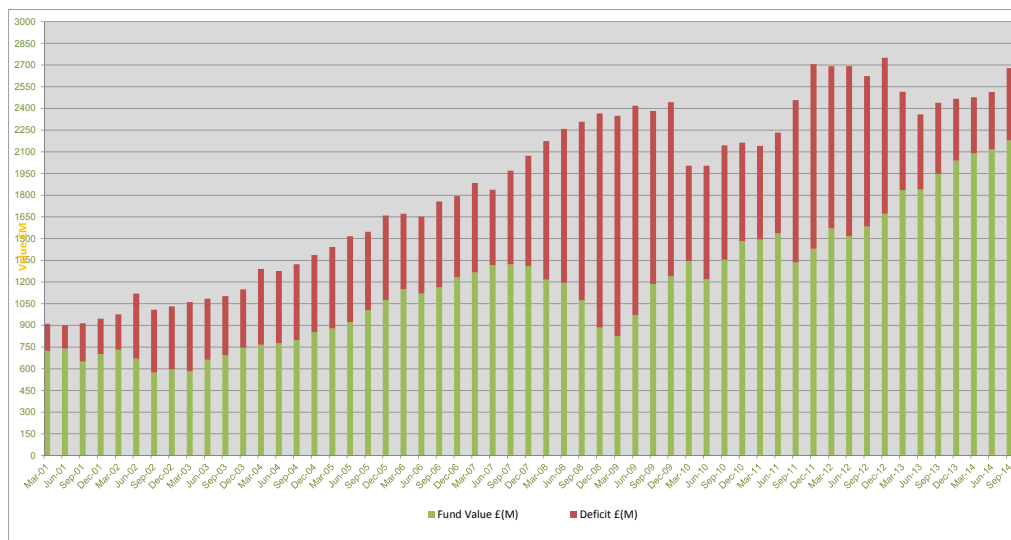


**Actuarial Model of Quarterly Solvency Position**

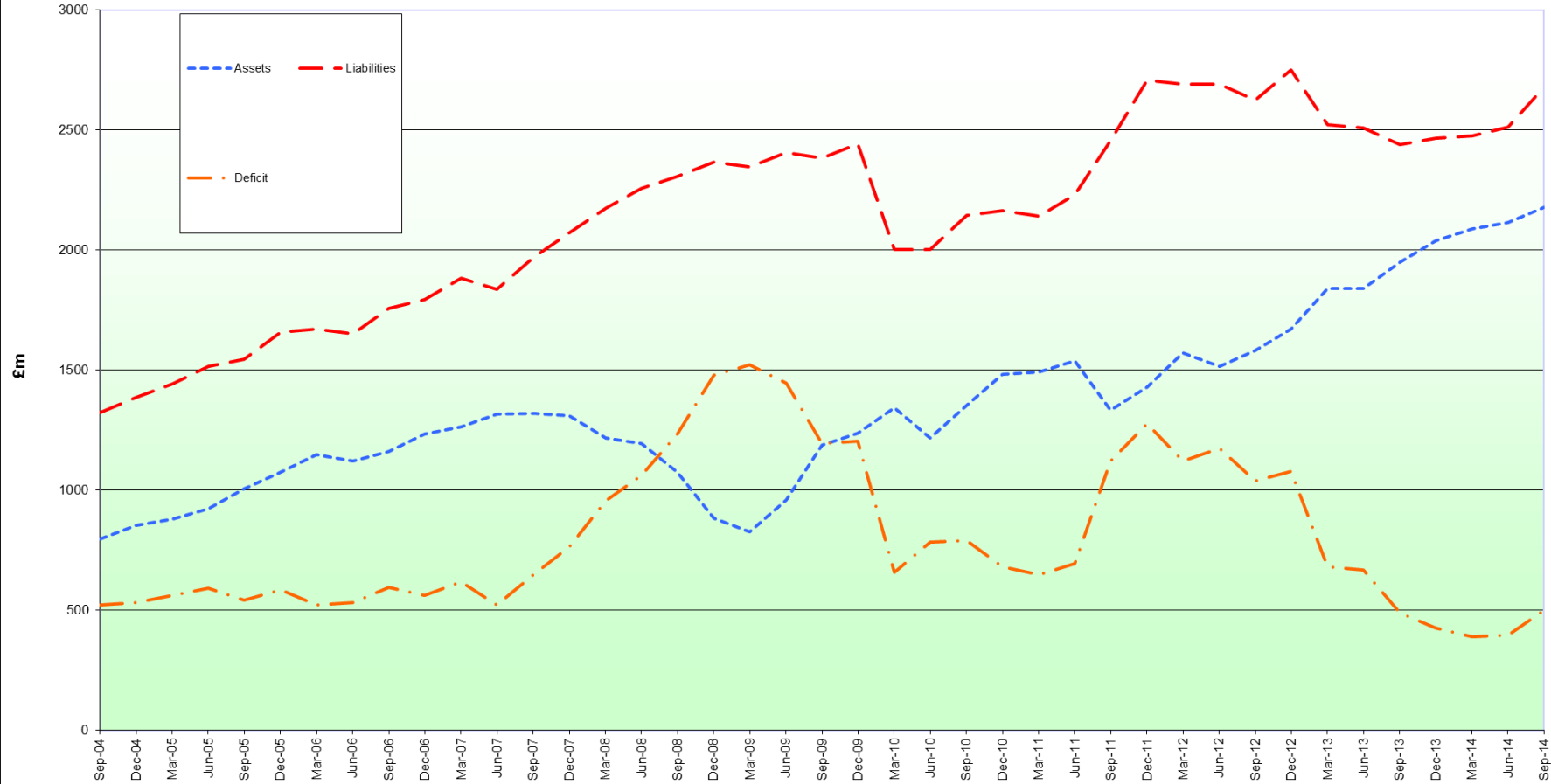
Date	Solvency	Deficit £(M)	Fund Value £(M)	FTSE 100
March 31, 2001	79%	187	724	5,634
June 30, 2001	82%	162	740	5,643
September 30, 2001	71%	265	650	4,903
December 31, 2001	74%	245	702	5,217
March 31, 2002	75%	245	732	5,272
June 30, 2002	60%	450	670	4,656
September 30, 2002	56%	435	574	3,722
December 31, 2002	58%	435	597	3,940
March 31, 2003	55%	478	584	3,613
June 30, 2003	61%	423	662	4,031
September 30, 2003	63%	408	695	4,091
December 31, 2003	65%	402	747	4,477
March 31, 2004	59%	524	767	4,386
June 30, 2004	61%	498	778	4,464
September 30, 2004	60%	524	799	4,571
December 31, 2004	62%	533	854	4,814
March 31, 2005	61%	563	879	4,884
June 30, 2005	61%	592	924	5,113
September 30, 2005	65%	542	1005	5,478
December 31, 2005	65%	585	1075	5,619
March 31, 2006	69%	523	1150	5,965
June 30, 2006	68%	531	1121	5,833
September 30, 2006	66%	595	1163	5,961
December 31, 2006	69%	561	1233	6,221
March 31, 2007	67%	619	1266	6,308
June 30, 2007	72%	522	1316	6,608
September 30, 2007	67%	648	1322	6,467
December 31, 2007	63%	763	1310	6,457
March 31, 2008	56%	958	1217	5,702
June 30, 2008	53%	1064	1195	5,625
September 30, 2008	47%	1235	1074	4,902
December 31, 2008	37%	1481	885	4,434
March 31, 2009	35%	1522	827	3,926
June 30, 2009	40%	1447	972	4,249
September 30, 2009	50%	1196	1187	5,134
December 31, 2009	51%	1204	1239	5,413
March 31, 2010	67%	659	1345	5,680
June 30, 2010	61%	785	1219	4,917
September 30, 2010	63%	791	1354	5,549
December 31, 2010	69%	681	1483	5,900
March 31, 2011	70%	648	1493	5,909
June 30, 2011	69%	695	1538	5,946
September 30, 2011	54%	1123	1335	5,129
December 31, 2011	53%	1277	1430	5,572
March 31, 2012	58%	1121	1571	5,768
June 30, 2012	56%	1176	1517	5,571
September 30, 2012	60%	1040	1584	5,742
December 31, 2012	61%	1079	1672	5,898
March 31, 2013	73%	679	1836	6,412
June 30, 2013	78%	519	1840	6,215
September 30, 2013	80%	490	1949	6,462
December 31, 2013	83%	427	2040	6,749
March 31, 2014	84%	389	2089	6,598
June 30, 2014	84%	387	2117	6,744
September 30, 2014	81%	500	2179	6,623

Triennial valuation results highlighted in grey

**Movement in Assets and Liabilities**



## North Yorkshire Pension Fund Assets, Liabilities and Deficit



## REBALANCING OF NYPF ASSETS AS AT 30 SEPTEMBER 2014

Asset Class	Minimum Allocation to Non-Equities	Maximum Allocation to Non-Equities	Allocation as at September 2014	Allocation After Rebalancing
Equity + Cash	75%	50%	61.0%	60.7%
Bonds	15%	30%	24.2%	23.8%
DGFs	5%	10%	8.8%	8.9%
Property	5%	10%	6.0%	6.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	30-Sep-14		Min		Max		Under		Over		Post September Rebalancing		
	Value £m	actual %	%	£m	%	£m							
<b>Global Equity Managers</b>													
Baillie Gifford Global Alpha	354.00	16.3%	12.0%	260.64	18.0%	390.96	0.00	0.00	0.00	354.00	16.6%		
Baillie Gifford Global Growth	235.00	10.8%	8.0%	173.76	12.0%	260.64	0.00	0.00	0.00	235.00	11.0%		
(a)	589.00	27.1%	20.0%	434.40	30.0%	651.60	0.00	0.00	0.00	589.00	27.6%		
<b>Global (ex UK) Equity Managers</b>													
Fidelity	397.00	18.3%								-18.00	379.00		
(b)	397.00	18.3%	15.0%	325.80	22.5%	488.70	0.00	0.00	-18.00	379.00	17.7%		
<b>UK Equity Managers</b>													
Standard Life	330.00	15.2%	15.0%	325.80	22.4%	486.53	0.00	0.00		330.00	15.4%		
Yorkshire Fund Managers	0.00	0.0%	0.0%	0.00	0.1%	2.17	0.00	0.00		0.00	0.0%		
(c)	330.00	15.2%	15.0%	325.80	22.5%	488.70	0.00	0.00	0.00	330.00	15.4%		
<b>Equity sub-total</b>	(a+b+c)=(d)	1316.00	60.6%	50.0%	1086.00	75.0%	1629.00	0.00	0.00	-18.00	1298.00	60.7%	
Amundi	250.00	11.5%								-17.00	233.00		
ECM	128.00	5.9%									128.00		
M & G	147.00	6.8%									147.00		
(e)	525.00	24.2%	15.0%	325.80	30.0%	651.60	0.00	0.00	-17.00	508.00	23.8%		
<b>Fixed Income sub-total</b>													
Hermes	27.00	1.2%									27.00		
LGIM Property	53.00	2.4%									53.00		
Threadneedle	50.00	2.3%								11.70	61.70		
(f)	130.00	6.0%	5%	108.60	10%	217.20	0.00	0.00	11.70	141.70	6.6%		
<b>Property sub-total</b>													
Standard Life	86.00	4.0%									86.00		
Newton	105.00	4.8%									105.00		
(g)	191.00	8.8%	5%	108.60	10%	217.20	0.00	0.00	0.00	191.00	8.9%		
<b>DGF sub-total</b>													
Cash	10.00	0.5%	0.0%	0.00	0.0%	0.00	0.00	-10.00	-10.70	-0.70	0.0%		
(h)													
<b>Total Assets</b>	(d+e+f+g+h)=(i)	2172.00	100.0%								100.0%		