

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

25 FEBRUARY 2016

PERFORMANCE OF THE FUND'S PORTFOLIO FOR THE QUARTER
ENDING 31 DECEMBER 2015

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 31 December 2015.

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 31 December 2015.
- 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 (5.5%) was above the customised benchmark for the Fund (4%) by 1.5%.
- 3.2 The 12 month absolute rolling return was +6.2%, 1.8% 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.

Year End	Absolute %	Relative %
31 December 2015	+6.2	+1.8
30 September 2015	+5.7	+0.8
30 June 2015	+12.9	+2.6
31 March 2015	+15.9	+1.6

- 3.4 The performance of the various managers against their benchmarks for the Quarter ended 31 December 2015 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 31 December 2015 in absolute percentage terms from a starting point of “100”

Appendix 3 Solvency graph – this shows the key Asset, Liability and Deficit figures in a simple graphical format

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

- 3.6 The separate reports of the Investment Adviser and Investment Consultant explain developments in the financial markets and in NYPF’s investments, and also look ahead over the short, medium and longer term.

4.0 **FUND MANAGER PERFORMANCE**

- 4.1 In monetary terms, the absolute return of 5.5% in the Quarter increased the invested value of the Fund by £117m. This Quarter 12 managers/funds outperformed their respective benchmarks and two did not. At the end of the December 2015 quarter the value of the Fund was £156m above the value at the end of December 2014, an increase of 7%.

Overseas Equities

- 4.2 **Fidelity** produced a relative return in the quarter of 0.1% over the benchmark return of 7.6%. Performance over the year to December 2015 was +2.0% relative. Since inception in November 2008 the manager has exceeded the benchmark by +0.5% p.a. (gross of fees).

Global Equities

- 4.3 The Global Alpha fund managed by **Baillie Gifford** returned 10.6% for the quarter against a benchmark return of 8.1%. Outperformance over the longer term was +4.5% over 1 year and +2.8% pa over 5 years. Since inception in 2006, the Fund has outperformed the FTSE All World by 2.4% p.a.

The LTGG fund, also managed by **Baillie Gifford** produced a positive return for the quarter of 18% against a benchmark return of 8.1%. Outperformance over the longer term was +16.8% over 1 year and +6.2% p.a. over 5 years.

The recently invested Global equity funds **Veritas** and **Dodge & Cox** returned +0.9% and -2% respectively against the MSCI All Country World benchmark of 8.1%. Both managers invest on a global unconstrained basis so this benchmark is for performance measurement purposes only.

UK Equities

- 4.4 **Standard Life** produced an absolute return of 2% for the quarter. This represents a negative relative return of -1.3% against a benchmark return of 3.3%. Relative performance for the year was -7.1% against the benchmark of +7.6%. Relative annualised performance over the longer term was -1.6% p.a. over three years and -1.3% pa over five years.

Fixed Income

- 4.5 **ECM** produced 1.4% relative against cash for the quarter and -0.4% relative for the year to December 2015. Annualised performance for the 5 years to December 2015 was +2.1% relative.
- 4.6 The investment in Gilts with **M&G** outperformed the liability matching benchmark of -3.6% for the quarter to December 2015 by +1.1%. Performance for the year was +2.2% above the benchmark return of -0.2%, and annualised performance since inception in 2010 was +0.9% p.a.

Property

- 4.7 The investments with **Hermes, Threadneedle** and **L&G** produced +0.7%, +0.4% and +0.3% respectively in relative terms, against the property index for each manager in the quarter to December 2015.
- 4.8 Property has continued to perform strongly over the year to December 2015 with Hermes, Threadneedle and L&G returning in absolute terms +14.3%, +13.1% and +12.6% respectively.

Diversified Growth Funds

- 4.9 The Investment with the **Standard Life** Global Absolute Return Strategy (GARS) Fund and the **Newton Investments** Real Return Fund produced relative over-performance for the quarter of 1.6% and 1.3% respectively against a cash benchmark of +0.1%.
- 4.10 Over the period since inception in March 2013, in absolute terms, Standard Life returned +4.3% p.a. against cash of +0.5% p.a. and a performance target of +5.5% p.a. and Newton +1.7% p.a. against cash of +0.5% p.a. and a performance target of +4.5% p.a.

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, was 7.9% for the rolling three year period to December 2015, 0.9% 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 December 2015 is +0.2% above the benchmark.
- 5.4 The **Tracking Error** figure reflects how closely a fund manager's actual return follows their respective benchmark. As at December 2015 the figure was 2.1%.
- 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 up to December 2015 the ratio for the Fund was +1.1%.

6.0 **SOLVENCY**

- 6.1 The **solvency position** is presented in **Appendices 3 and 4**. As at 31 December 2015 the estimated solvency was 78%. This is a 5% increase from the solvency figure as at 30 September 2015 and is also an increase of 5% to the 2013 Actuarial Valuation figure.
- 6.2 Liabilities as valued by the Actuary have decreased in the quarter from £3,134m as at 30 September 2015 to £3,076m at 31 December 2015. This decrease of £58m (2%) is due primarily to a rise in gilt yields over the Quarter.

7.0 **REBALANCING**

- 7.1 To remind Members, the Fund disinvested from Amundi during the last quarter, with transfers made to Baillie Gifford and Standard Life (GARS).
- 7.2 No further rebalancing has taken place since the end of the quarter.

8.0 **PROXY VOTING**

- 8.1 The report from PIRC is available on request summarising the proxy voting activity in the period September 2015 to December 2015. 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.

9.0 **RECOMMENDATION**

- 9.1 Members are asked to note the investment performance of the Fund for the Quarter ending 31 December 2015.

GARY FIELDING
Treasurer
Central Services
County Hall
Northallerton

16 February 2016



BNY MELLON
ASSET SERVICING

North Yorkshire Pension Fund

3 Months Ending 31 December 2015

Fund Analysis & Performance Report



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Market Review

Market Briefing - Quarter Ended 31 December 2015

Market Summary

During the fourth quarter of 2015, returns were primarily positive with the only exception being UK Bonds and Canadian Equities. Within UK, equities provided the strongest result of the quarter, followed by Property

UK Equities

The FTSE 250 was the best performing index with a return of 5.0%, followed by the FTSE Small Cap with a return of 4.1%. The FTSE 100 was the weakest performing sector with a return of 3.7%.

Over the one year period ending 31st December 2015, the FTSE 250 was the best performing index with a return of 11.2%. The FTSE 100 was the weakest performing index with a return of -1.3%.

Technology was the best performing industry sector with a return of 11.0% for the quarter. The weakest performing sector was Basic Materials with a return of -11.1%.

Over the one year period ending on 31st December 2015, returns ranged from 18.5% for Technology to -39.3% for Basic materials. Consumer Goods was the second best performing sector with a return of 16.8%.

Overseas Equities

Most Overseas Equity markets showed positive returns, with the exception of Brazil and Canada.

Within Europe, Belgium was the best performing country with a return of 16.6%. This was followed by Finland with a return of 12.5%. The weakest performing country was Greece with a return of -17.5%. Over the one year period, Denmark was the strongest performing country with a return of 31.2%, and Greece the weakest with a return of -61.5%.

Outside Europe, Australia was the best performing country with a return of 13.2%, followed by Japan with a return of 12.5%. Canada was the weakest performing country with a return of -2.6% in Sterling terms.

Market Review

UK Bonds

For UK-Bonds the fourth quarter returns were negative for all sectors with the exception of Non-Gilts. Non-Gilts outperformed UK-Gilts with a return of 0.5% compared to -1.2%. Within Gilts, Short-dated Gilts was the strongest performing sector with a return of -0.1%. Long-dated Gilts was the weakest performing sector with a return of -2.4%.

Over the one year period ending 31st December 2015, Non-Gilts was the best performing sector with a return of 0.7% compared to the return of 0.6% for UK-Gilts. Within Gilts, Medium-dated Gilts provided the strongest performance with a return of 1.1%, whilst the weakest came from Long-dated Gilts with 0.1%.

Overseas Bonds

The fourth quarter of 2015 saw mix returns for Overseas Bonds. Within Europe, Italy was the best performing country with a return of 1.7%. Denmark was the weakest performing country with a return of -0.7%. Outside Europe, Australia was the best performing country with a return of 5.9%. Canada was the weakest performing country outside Europe with a return of -0.1%.

Over the twelve month period, most European Bonds saw negative returns. Italy provided the strongest performance with a return of -0.4%, followed by Sweden with a return of -2.0%. Outside Europe, the best performance came from the Japan with a return of 6.8%. The weakest performing country was Canada with a return of -8.4%.

UK Index-Linked Gilts

UK Index Linked-Gilts achieved a negative return of -2.9% for the fourth quarter of 2015. Within this sector, Short-dated Index-Linked Gilts provided the strongest performance with a return of -0.4%, whereas the weakest performance was provided by Long-dated Index-Linked Gilts with return of -3.9%.

Over the one year period to 31st December 2015, on an overall basis UK Index-Linked Gilts achieved a return of -1.0%. Over the same period, Long-dated Index-Linked Gilts was the strongest performing sector with a return of -0.3%, whereas Medium-dated Index Linked Gilts showed the weakest performance, returning -2.9%.

UK Cash and Property

Property recorded a positive return of 2.1% for the fourth quarter. The overall return for the one year period ending 31st December 2015 was 9.8%. Cash achieved a return of 0.1% over the quarter and 0.4% over the last twelve months.

Fund Performance, Risk and Allocation Highlights

During the fourth quarter of 2015, the fund returned 5.49% versus its benchmark of 4.03%, thereby outperforming by 1.46%. In terms of longer period performance, the fund has outperformed over 3 years by 2.57% p.a.

At asset class level, the fund outperformed its blended benchmark in the majority of asset classes. Global Equity Units is the best performing sector which outperformed its benchmark by 4.01%. UK Equities however underperformed the benchmark by 1.19% respectively.

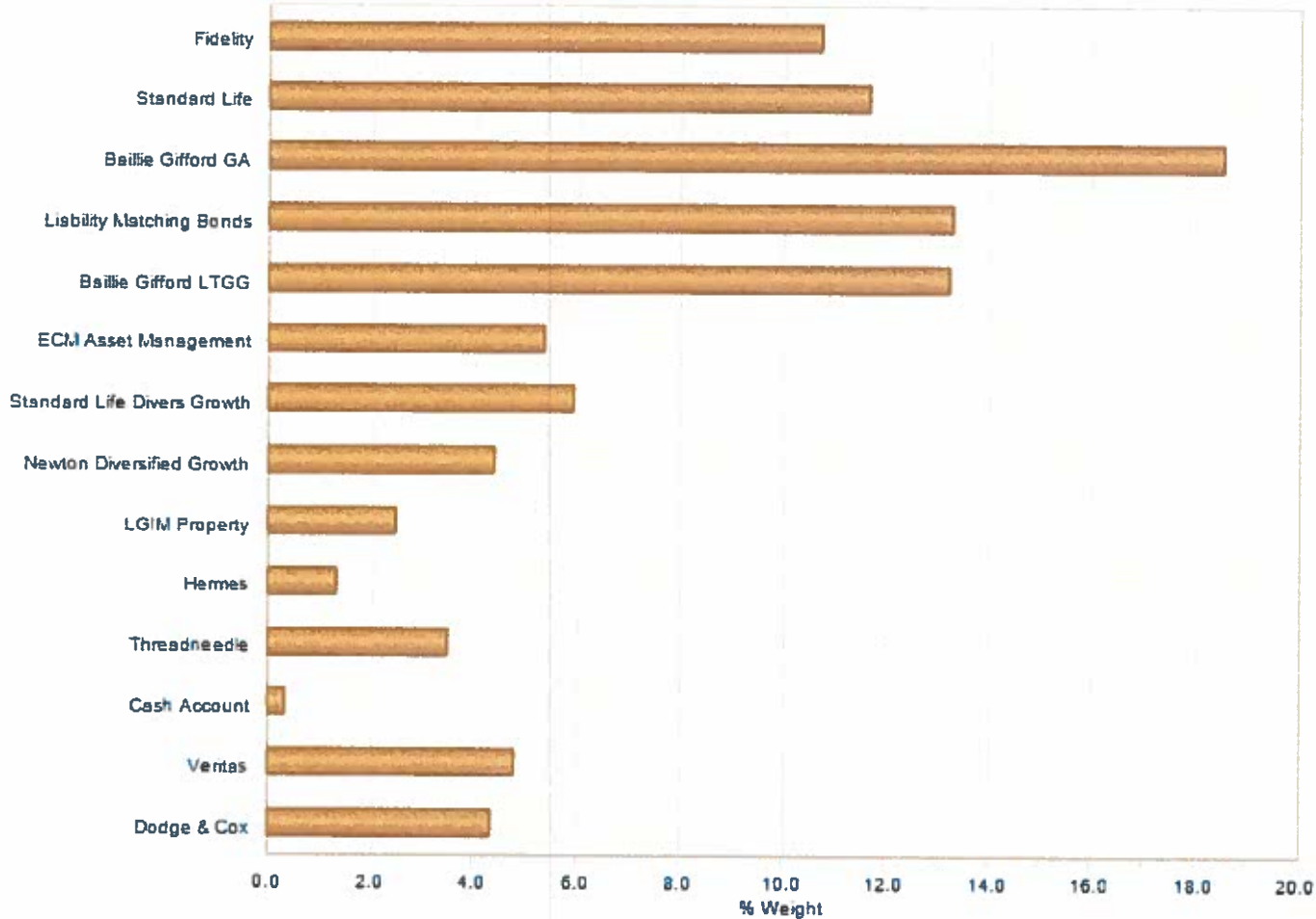
Over the quarter, eleven accounts out-performed their benchmarks. The best performance (excluding the Cash Account) was shown by Baillie Gifford LTGG Manager which out-performed its benchmark by 9.86%.

For asset allocation the fund is closely matched to the benchmark with the largest variances being in UK Equities and Alternatives where the fund is 1.68% underweight and 0.98% underweight respectively.

Fund Allocation

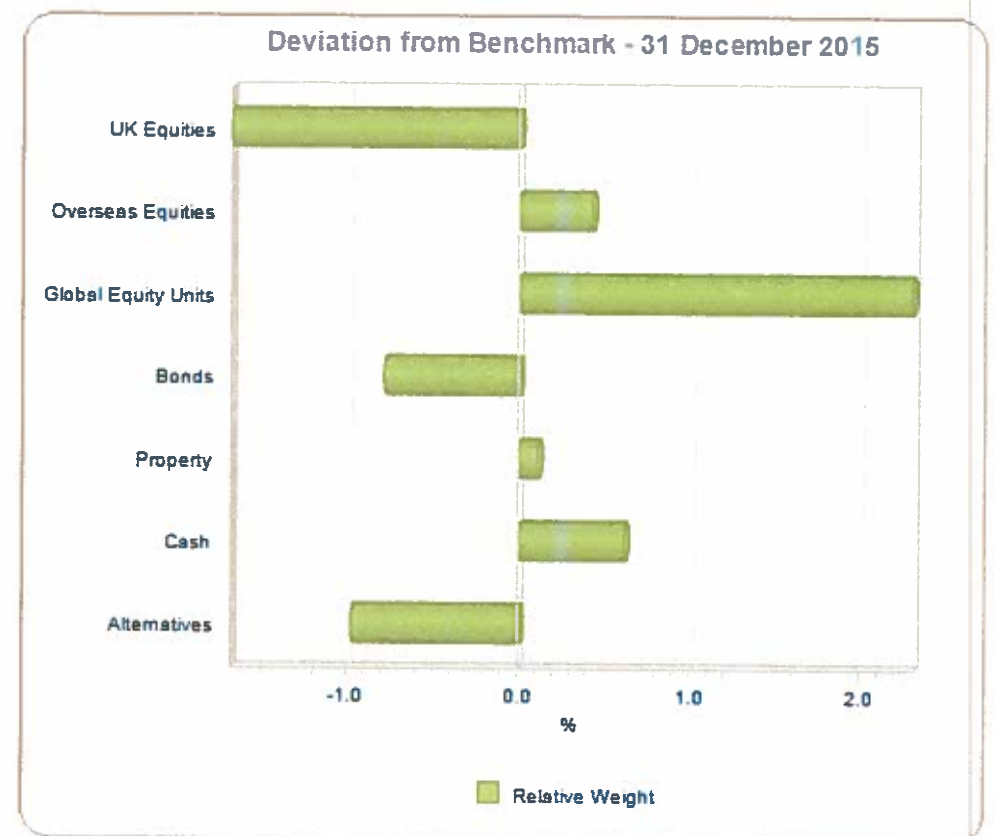
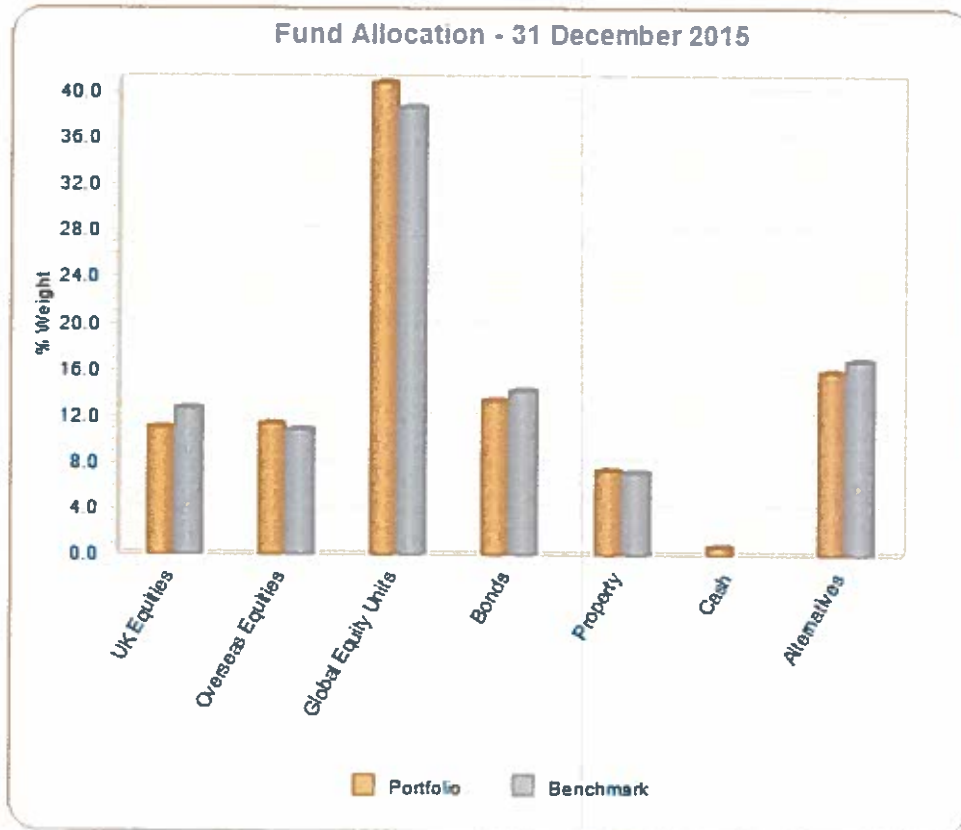


Manager Allocation - 3 Months Ending 31 December 2015



Manager	Weight (%)
Fidelity	10.74
Standard Life	11.68
Baillie Gifford GA	18.55
Liability Matching Bonds	13.31
Baillie Gifford LTGG	13.23
ECM Asset Management	5.38
Standard Life Divers Growth	5.93
Newton Diversified Growth	4.40
LGIM Property	2.50
Hermes	1.33
Threadneedle	3.48
Cash Account	0.34
Veritas	4.80
Dodge & Cox	4.32

Fund Allocation - Relative Analysis

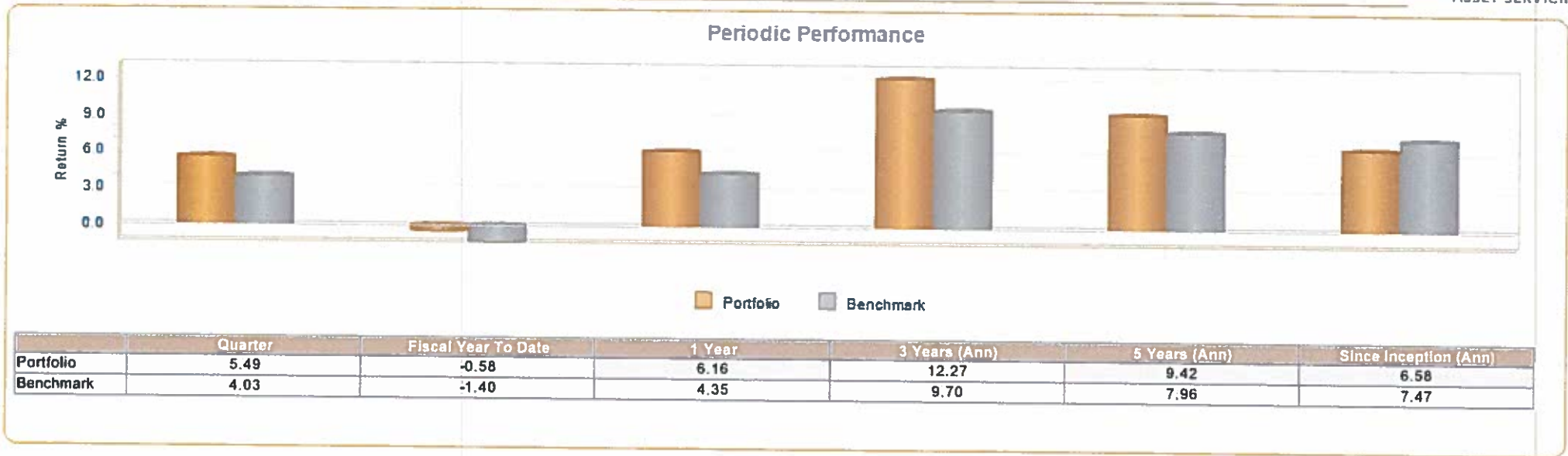


	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	10.92	11.23	40.90	13.31	7.31	0.62	15.72
Benchmark	12.60	10.80	38.60	14.10	7.20	0.62	16.70
Relative Weight	-1.68	0.43	2.30	-0.79	0.11	0.62	-0.98

Fund Performance



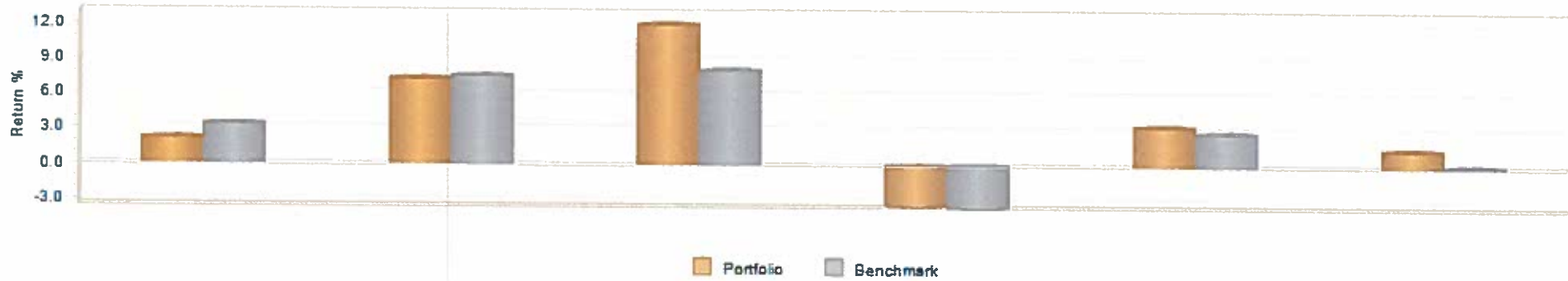
Fund Performance - Summary



Inception Date: 31 Jan 2002

Ann = Annualised

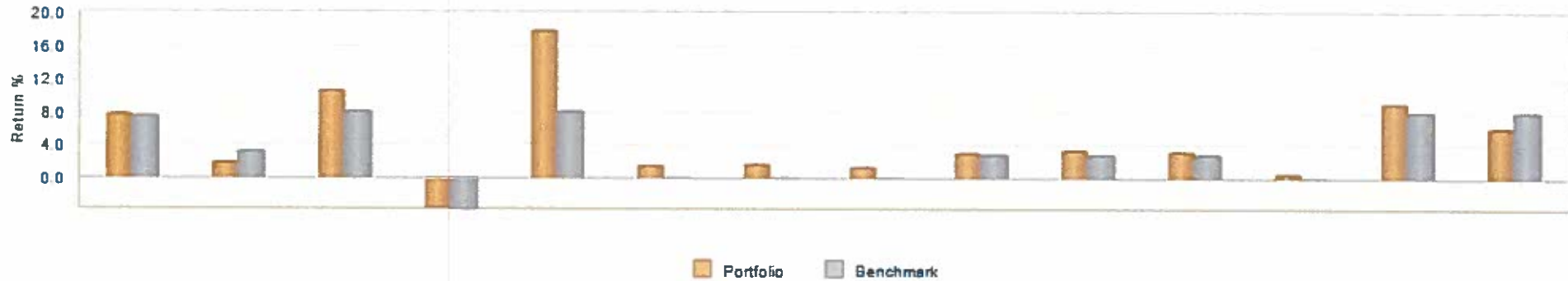
Segment Performance - 3 Months Ending 31 December 2015



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Alternatives
Portfolio	2.10	7.32	12.09	-3.47	3.27	1.52
Benchmark	3.29	7.58	8.08	-3.61	2.85	0.13

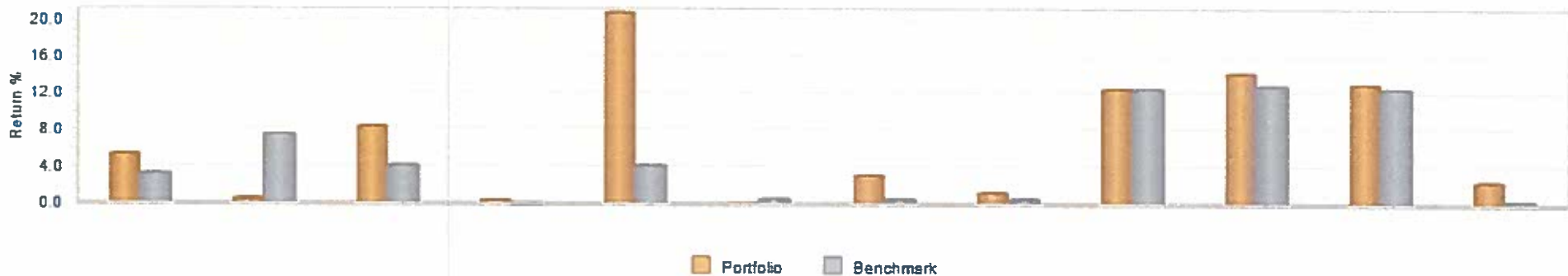
Fund Performance - Manager Overview

Manager Performance - 3 Months Ending 31 December 2015



	Fidelity	Standard Life	Baillie Gifford GA	Liability Matching	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers	Newton Diversified	LGIM Property	Hermes	Threadneedle	Cash Account	Veritas	Dodge & Cox
Portfolio	7.67	2.00	10.57	-3.47	17.96	1.53	1.73	1.41	3.14	3.58	3.25	0.63	9.01	6.12
Benchmark	7.58	3.29	8.09	-3.61	8.09	0.13	0.13	0.13	2.84	2.87	2.84	0.09	8.06	8.06

Manager Performance - 1 Year Ending 31 December 2015



	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
Portfolio	5.32	0.48	8.51	0.33	20.82	0.06	3.11	1.25	12.59	14.35	13.11	2.42
Benchmark	3.34	7.63	4.05	-0.18	4.05	0.51	0.51	0.51	12.50	12.97	12.50	0.36

Fund Performance - Contribution Analysis

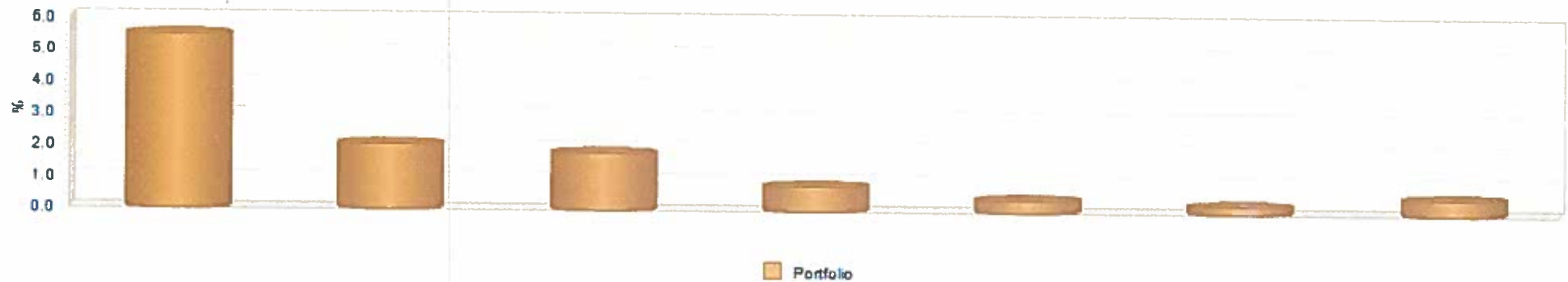


Source of Contribution - Quarter to 31 December 2015



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	0.25	0.80	4.51	-0.55	0.24	0.01	0.23
Benchmark	0.42	0.81	3.09	-0.51	0.09		0.02

Top 5 Manager Contribution - Quarter to 31 December 2015



	Total Consolidation	Baillie Gifford LTGG	Baillie Gifford GA	Fidelity	Veritas	Dodge & Cox	Remaining Managers
Portfolio	5.49	2.04	1.78	0.80	0.42	0.27	0.49

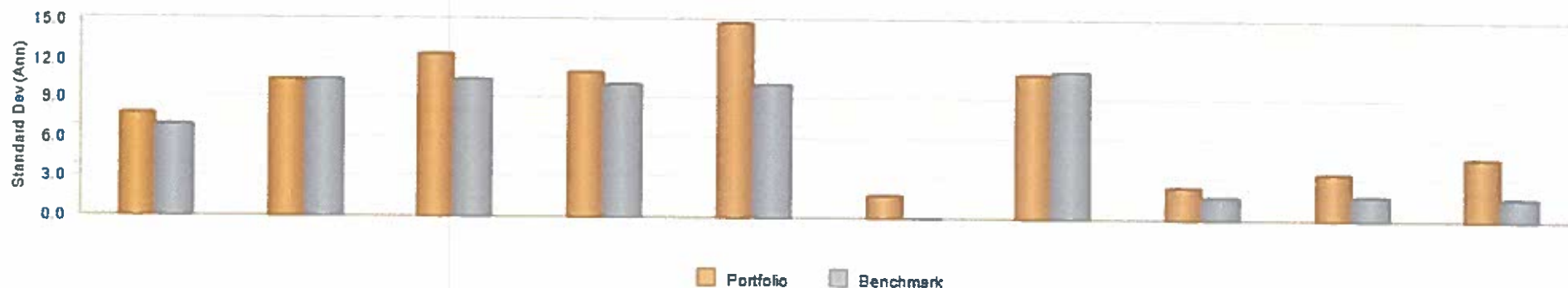
Risk Profile



Risk Profile - Historic Risk

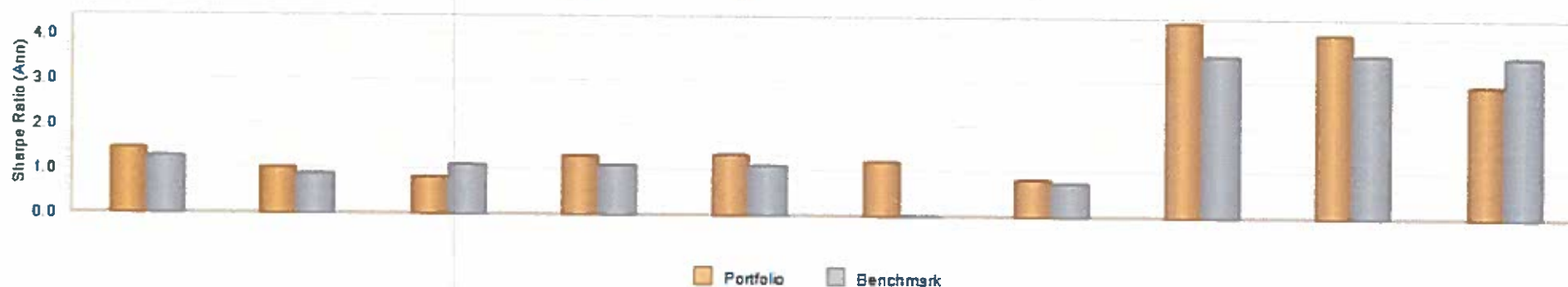


Standard Deviation - 3 Years (Ann) to 31 December 2015



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	7.86	10.49	12.42	11.13	14.92	1.75	10.97	2.45	3.55	4.75
Benchmark	7.00	10.48	10.54	10.07	10.07	0.00	11.21	1.76	1.79	1.76

Sharpe Ratio - 3 Years (Ann) to 31 December 2015

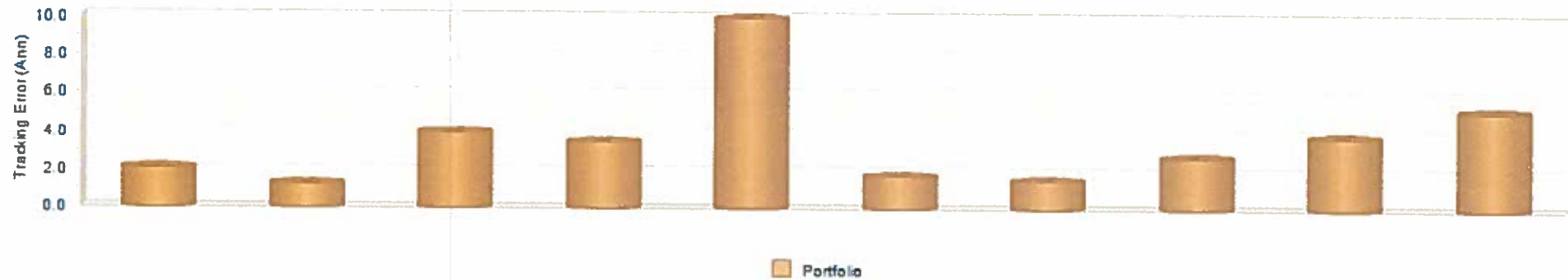


	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	1.45	1.03	0.84	1.33	1.36	1.23	0.83	4.36	4.10	2.96
Benchmark	1.29	0.91	1.11	1.12	1.12	0.00	0.74	3.62	3.64	3.62

Ann = Annualised

Risk Profile - Historic Risk

Tracking Error - 3 Years (Ann) to 31 December 2015



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	2.10	1.26	3.95	3.47	9.97	1.75	1.46	2.72	3.79	5.19

Information Ratio - 3 Years (Ann) to 31 December 2015



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	1.14	0.99	-0.31	1.01	0.90	1.23	0.49	1.58	2.13	1.48

Ann = Annualised

Risk Profile - Consistency Analysis



Manager	Active Number of Months	Number of Positive Months	Consistency Rate (%)	Benchmark Consistency (%)	Outperformance (%)
Total Consolidation	168	108	64	67	56
Fidelity	86	54	63	48	56
Standard Life	111	60	54	37	54
Baillie Gifford GA	111	68	61	41	56
Amundi	125	73	58		
Baillie Gifford LTGG	112	67	60	41	54
ECM Asset Management	126	83	66	52	62
Standard Life Divers Growth	34	23	68	100	65
Newton Diversified Growth	34	17	50	100	50
M&G	49	27	55	59	57
LGIM Property	37	35	95	84	62
Hermes	46	35	76	80	57
Threadneedle	43	40	93	83	70
Veritas	9	4	44	56	67
Dodge & Cox	9	3	33	56	22

Fund Profile



Fund Profile - Movement of Funds

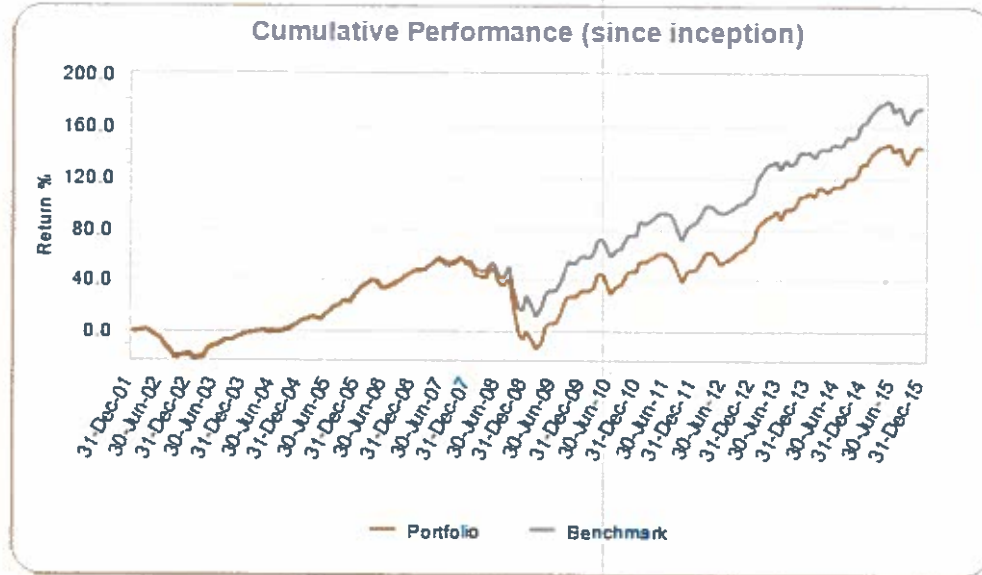
Manager Name	Market Value 30-Sep-2015 (000's)	Net Contributions (000's)	Income (000's)	Gain/Loss (000's)	Market Value 31-Dec-2015 (000's)	% Change
Total Consolidation	2,276,906.22	-8,264.61	3,140.23	121,791.28	2,393,573.12	5.12
Total Consolidation	2,276,906.22	-8,264.61	3,140.23	121,791.28	2,393,573.12	5.12
Fidelity	238,753.29	-0.06	862.24	17,445.57	257,061.04	7.67
Standard Life	274,120.03	0.00	1,685.21	3,790.64	279,595.89	2.00
Baillie Gifford GA	370,256.17	32,999.09	0.00	40,670.79	443,926.06	19.90
Amundi	210,557.70	-203,253.97	-0.01	-7,303.71		
Baillie Gifford LTGG	252,661.79	16,999.53	0.00	47,068.39	316,729.71	25.36
ECM Asset Management	126,947.65	0.00	0.00	1,942.84	128,890.49	1.53
Standard Life Divers Growth	108,209.34	31,993.89	0.00	1,759.81	141,963.04	31.19
Newton Diversified Growth	103,846.01	0.00	0.00	1,466.07	105,312.08	1.41
M&G	205,983.49	118,151.17	205.52	-5,725.28	318,614.91	54.68
LGIM Property	57,903.60	0.00	0.00	1,819.81	59,723.41	3.14
Hermes	31,118.71	-348.85	348.85	758.95	31,877.66	2.44
Threadneedle	80,656.02	0.00	0.00	2,618.47	83,274.49	3.25
Cash Account	12,894.66	-4,805.41	38.41	4.50	8,132.15	-36.93
Veritas	105,467.76	0.00	0.00	9,506.96	114,974.72	9.01
Dodge & Cox	97,449.21	0.00	0.00	5,967.50	103,416.71	6.12

Manager Analysis





Manager Analysis - Total Consolidation



Inception Date: 31 Jan 2002

Portfolio Size and Mandate

Portfolio Size (GBP)	Portfolio Mandate
2,393,573,124	Total Plan

Allocation - 31 December 2015

	UK Equities	Overseas Equities	Global Equity	Bonds	Property	Cash	Alternative
Portfolio	10.92	11.23	40.90	13.31	7.31	0.62	15.72
Benchmark	12.60	10.80	38.60	14.10	7.20		16.70

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	5.5	-0.6	6.2	12.3	9.4	6.6
Benchmark	4.0	-1.4	4.3	9.7	8.0	7.5

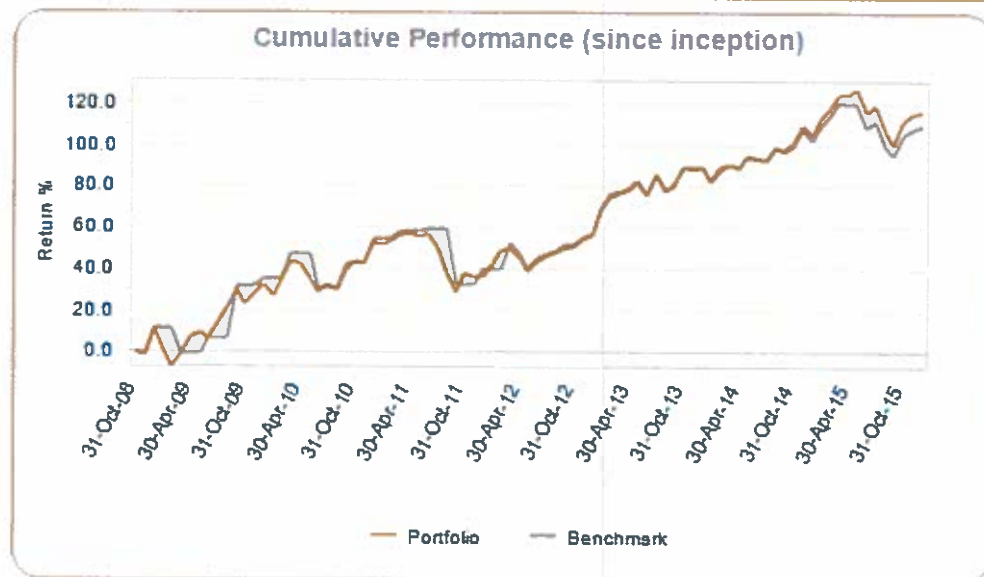
Summary - 3 Months Ending 31 December 2015

The fund's relative performance of the Quarter and 1 Year was 1.5% and 1.8% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	7.9	1.5	2.1	1.1
Benchmark	7.0	1.3		

Manager Analysis - Fidelity



Inception Date: 30 Nov 2008

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	7.7	-3.9	5.3	11.3	7.1	11.4
Benchmark	7.6	-5.1	3.3	10.0	6.2	10.9

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	10.5	1.0	1.3	1.0
Benchmark	10.5	0.9		

Portfolio Size and Mandate

Portfolio Size (GBP)

257,061,039

Portfolio Mandate

Global Equities

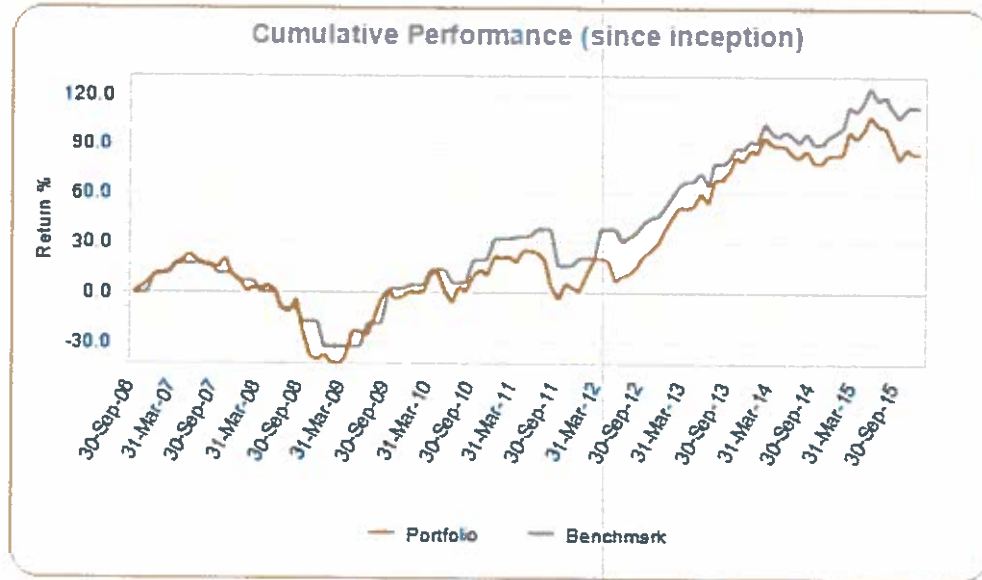
Allocation - 31 December 2015

	UK Equities	Overseas Equities	Cash
Portfolio	0.53	98.18	1.30
Benchmark		100.00	

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was 0.1% and 2.0% respectively.

Manager Analysis - Standard Life



Inception Date: 31 Oct 2006

Portfolio Size and Mandate

Portfolio Size (GBP)

279,595,888

Portfolio Mandate

UK Equities

Allocation - 31 December 2015

	UK Equities	Overseas Equities	Cash
Portfolio	92.96	5.88	1.16
Benchmark	100.00		

Periodic Performance

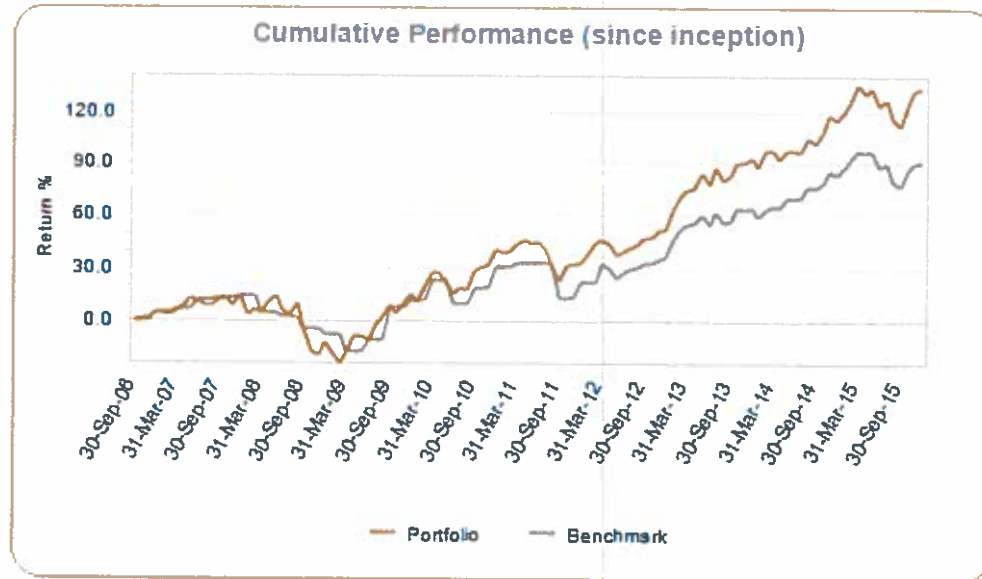
	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	2.0	-4.6	0.5	10.7	8.7	6.9
Benchmark	3.3	1.4	7.6	12.3	10.0	8.5

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was -1.3% and -7.1% respectively

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	12.4	0.8	4.0	-0.3
Benchmark	10.5	1.1		



Inception Date: 31 Oct 2006

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	10.6	-0.7	8.5	15.7	10.8	9.7
Benchmark	8.1	-3.3	4.0	11.9	8.0	7.3

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	11.1	1.3	3.5	1.0
Benchmark	10.1	1.1		

Portfolio Size and Mandate

Portfolio Size (GBP)

443,926,058

Portfolio Mandate

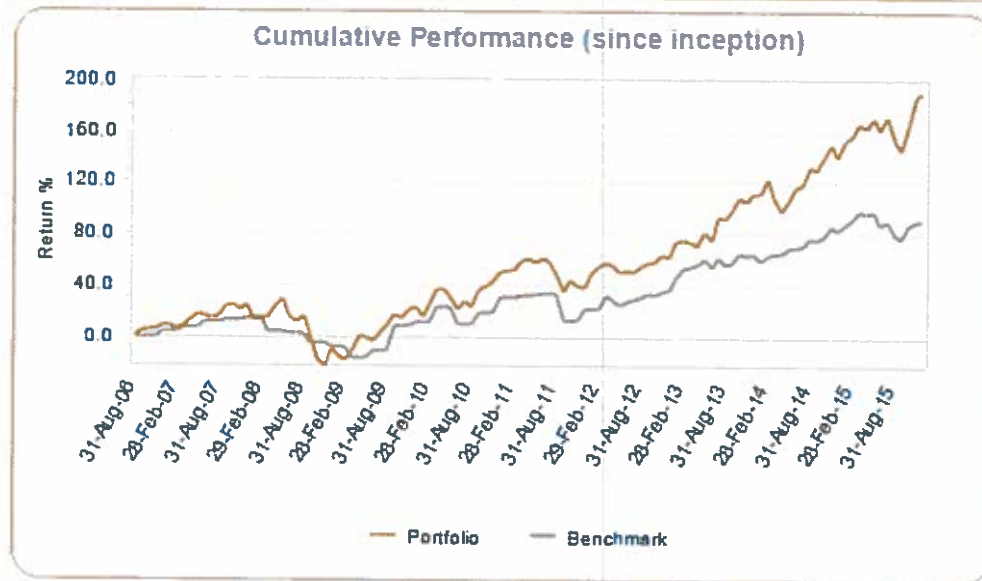
Global Equities

Allocation - 31 December 2015

	Global Equity Units	Cash
Portfolio	100.00	
Benchmark	100.00	0.00

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was 2.5% and 4.5% respectively.



Inception Date: 30 Sep 2006

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	18.0	8.8	20.8	21.5	14.2	12.1
Benchmark	8.1	-3.3	4.0	11.9	8.0	

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	14.9	1.4	10.0	0.9
Benchmark	10.1	1.1		

Portfolio Size and Mandate

Portfolio Size (GBP)

316,729,710

Portfolio Mandate

Global Equities

Allocation - 31 December 2015

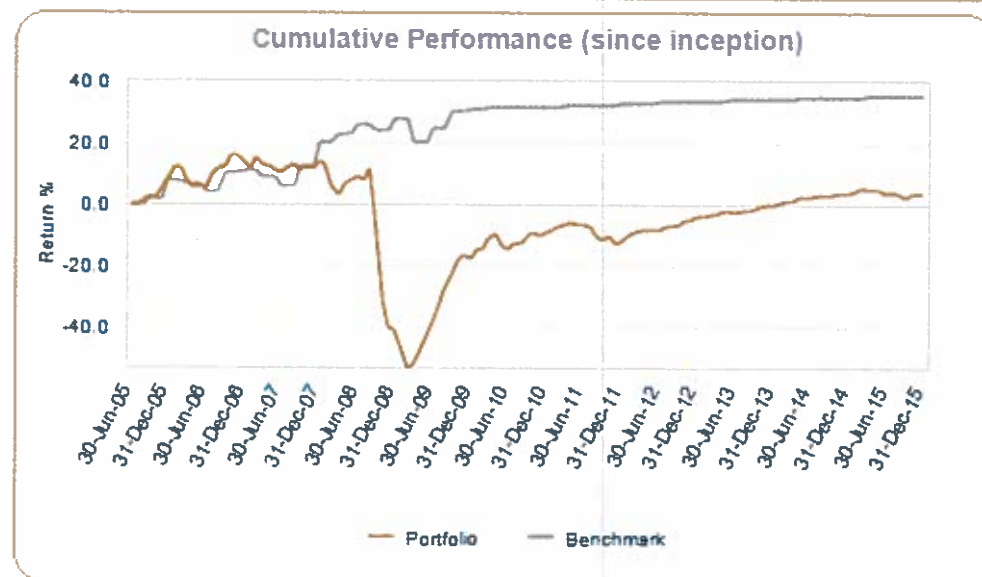
Global Equity Units

Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was 9.9% and 16.8% respectively.

Manager Analysis - ECM Asset Management



Inception Date: 31 Jul 2005

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	1.5	-0.9	0.1	2.7	2.7	0.4
Benchmark	0.1	0.4	0.5	0.5	0.6	3.0

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	1.8	1.2	1.8	1.2
Benchmark	0.0	0.0		

Portfolio Size and Mandate

Portfolio Size (GBP)

128,890,493

Portfolio Mandate

European Bonds

Allocation - 31 December 2015

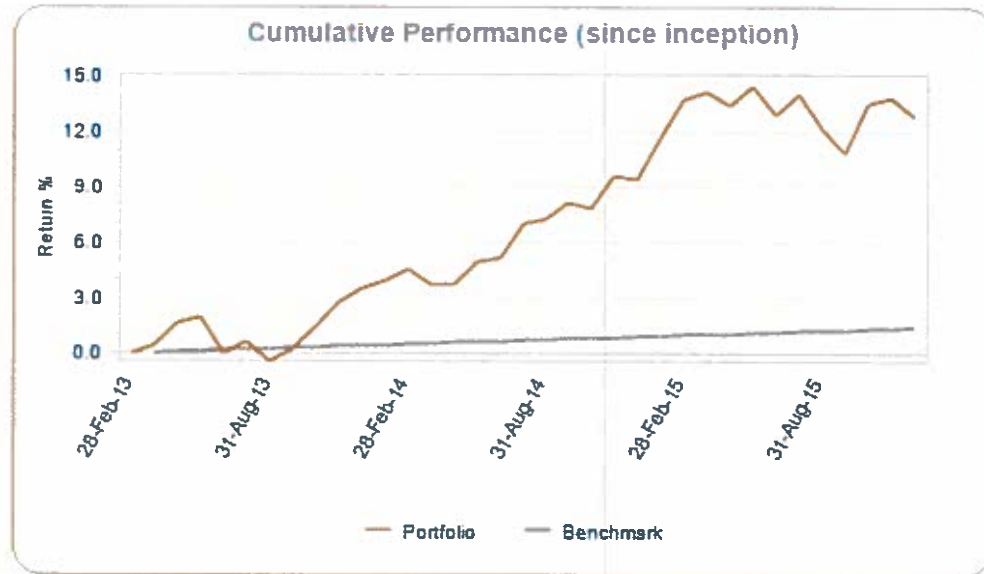
	Alternatives
Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was 1.4% and -0.4% respectively.



Manager Analysis - Standard Life Divers Growth



Inception Date: 31 Mar 2013

Portfolio Size and Mandate

Portfolio Size (GBP)

141,963,042

Portfolio Mandate

Diversified Growth

Allocation - 31 December 2015

	Alternatives
Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	1.7	-1.3	3.1	4.3
Benchmark	0.1	0.4	0.5	0.5

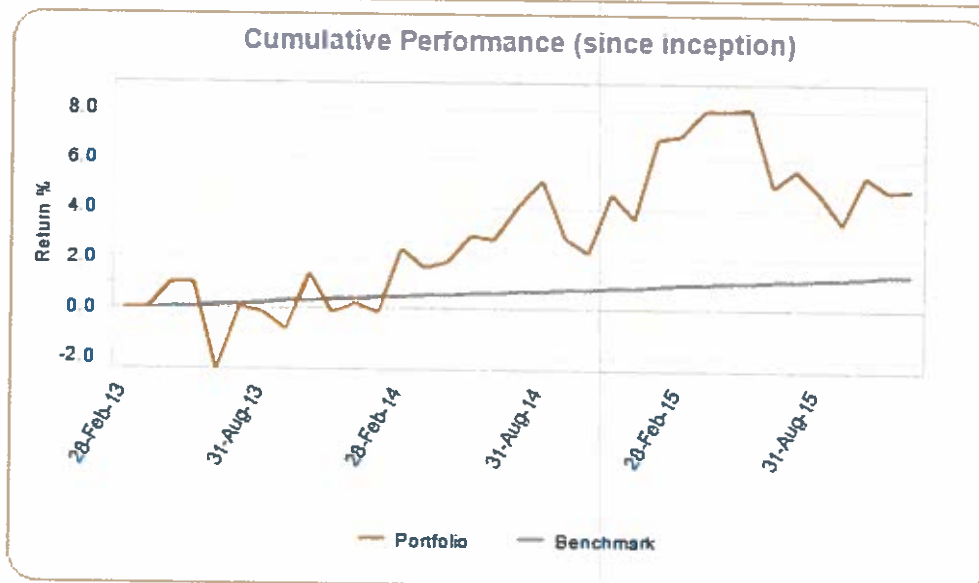
Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was and 1.6% and 2.6% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

Manager Analysis - Newton Diversified Growth



Inception Date: 31 Mar 2013

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	1.4	-2.9	1.2	1.7
Benchmark	0.1	0.4	0.5	0.5

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

Portfolio Size and Mandate

Portfolio Size (GBP)

105,312,075

Portfolio Mandate

Diversified Growth

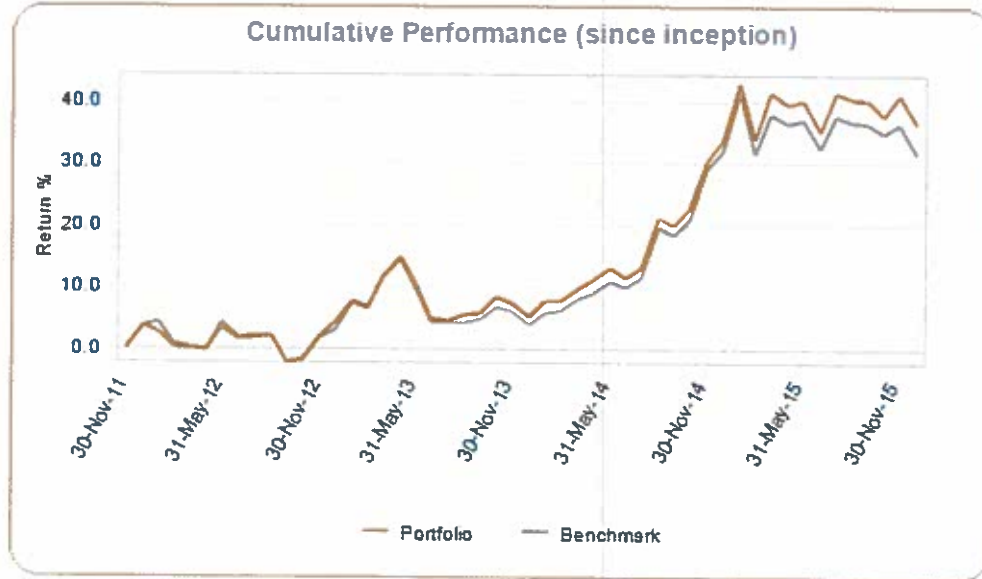
Allocation - 31 December 2015

	Alternatives
Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was 1.3% and 0.7% respectively.

Manager Analysis - M&G



Inception Date: 31 Dec 2011

Portfolio Size and Mandate

Portfolio Size (GBP)

318,614,913

Portfolio Mandate

Global Bonds

Allocation - 31 December 2015

	Bonds	Cash
Portfolio	99.95	0.05
Benchmark	100.00	

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	-2.5	-3.5	2.0	9.3	7.9
Benchmark	-3.6	-4.7	-0.2	8.5	7.0

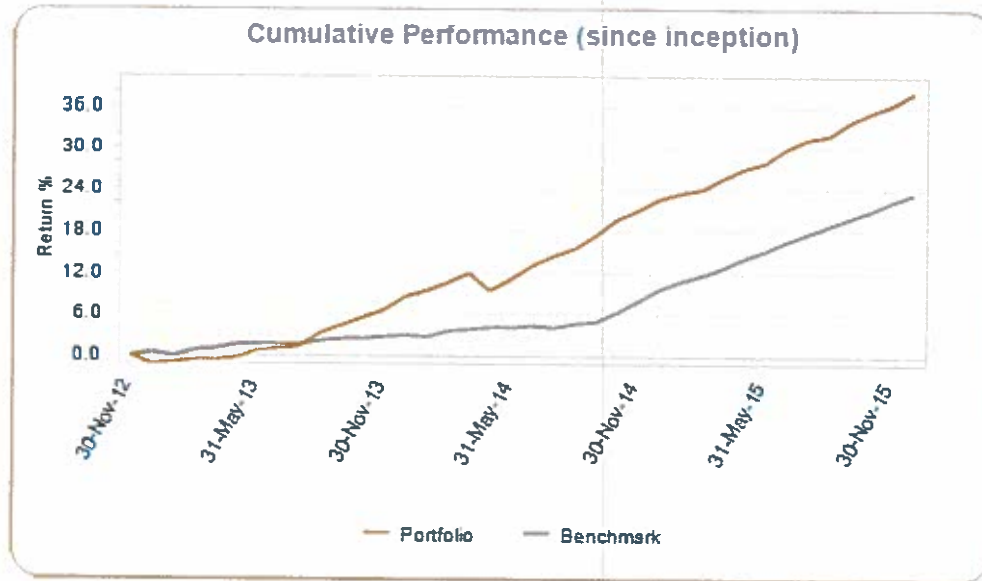
Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was 1.1% and 2.2% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	11.0	0.8	1.5	0.5
Benchmark	11.2	0.7		

Manager Analysis - LGIM Property



Inception Date: 31 Dec 2012

Portfolio Size and Mandate

Portfolio Size (GBP)

59,723,408

Portfolio Mandate

Property

Allocation - 31 December 2015

	Property
Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	3.1	9.8	12.6	11.7	11.0
Benchmark	2.8	9.4	12.5	7.1	7.0

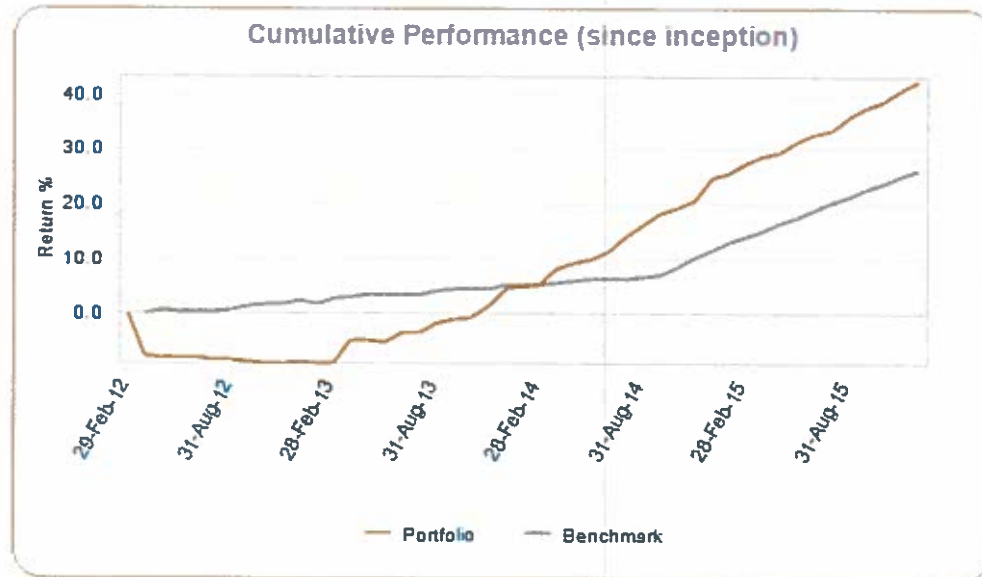
Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 year was 0.3% and 0.1% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	2.5	4.4	2.7	1.6
Benchmark	1.8	3.6		

Manager Analysis - Hermes



Inception Date: 31 Mar 2012

Portfolio Size and Mandate

Portfolio Size (GBP)

31,877,664

Portfolio Mandate

Property

Allocation - 31 December 2015

	Property
Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	3.6	10.9	14.3	16.1	9.7
Benchmark	2.9	9.7	13.0	7.2	6.4

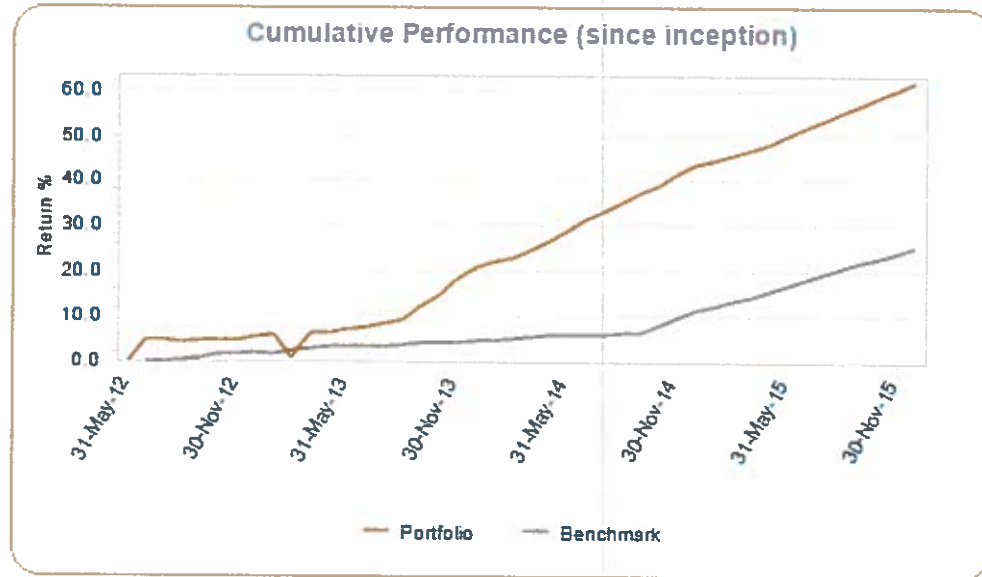
Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter and 1 Year was 0.7% and 1.4% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	3.5	4.1	3.8	2.1
Benchmark	1.8	3.6		

Manager Analysis - Threadneedle



Inception Date: 30 Jun 2012

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	3.2	10.3	13.1	15.4	14.4
Benchmark	2.8	9.4	12.5	7.1	6.7

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	4.7	3.0	5.2	1.5
Benchmark	1.8	3.6		

Portfolio Size and Mandate

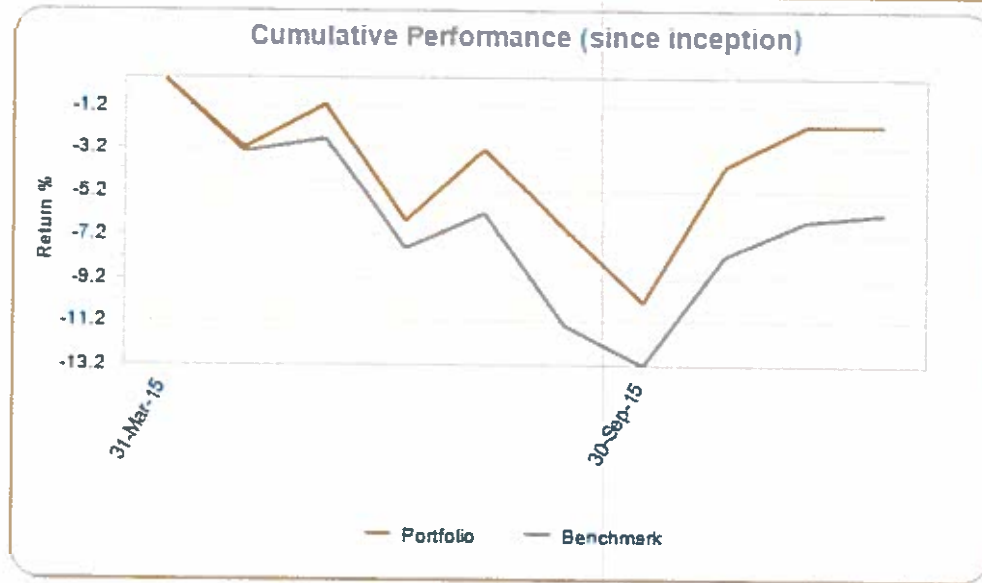
Portfolio Size (GBP)	Portfolio Mandate
83,274,487	Property

Allocation - 31 December 2015

	Property
Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 31 December 2015
 The manager's relative performance of the Quarter and 1 Year was 0.4% and 0.6% respectively.

Manager Analysis - Veritas



Inception Date: 30 Apr 2015

Portfolio Size and Mandate

Portfolio Size (GBP)

114,974,715

Portfolio Mandate

Global Equities

Allocation - 31 December 2015

Global Equity Units

Portfolio
Benchmark

100.00
100.00

Periodic Performance

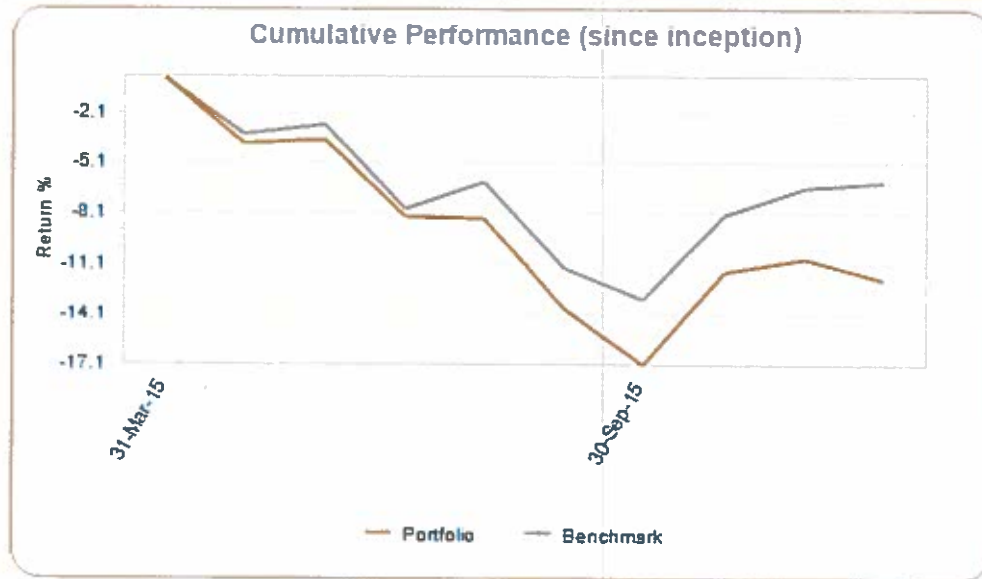
	Quarter	Fiscal Year To Date	Since Inception (Ann)
Portfolio	9.0	-2.1	-2.1
Benchmark	8.1	-6.2	-6.2

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter was 1.0% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				



Inception Date: 30 Apr 2015

Periodic Performance

	Quarter	Fiscal Year To Date	Since Inception (Ann)
Portfolio	6.1	-12.0	-12.0
Benchmark	8.1	-6.2	-6.2

Risk Profile - 3 Years (Ann) to 31 December 2015

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

Portfolio Size and Mandate

Portfolio Size (GBP)

103,416,709

Portfolio Mandate

Global Equities

Allocation - 31 December 2015

Global Equity Units

Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 31 December 2015

The manager's relative performance of the Quarter was -1.9% respectively.

Appendix



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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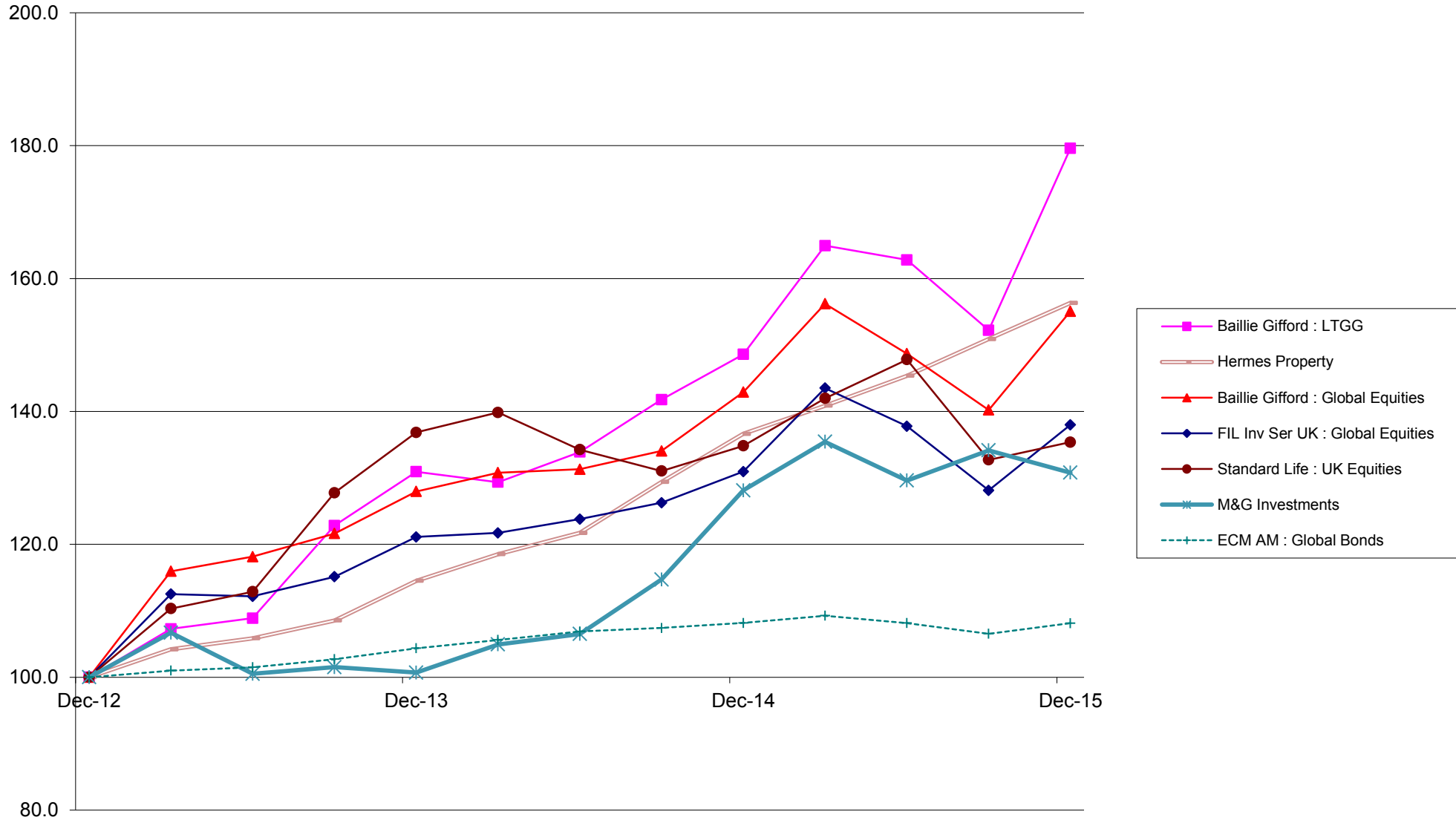
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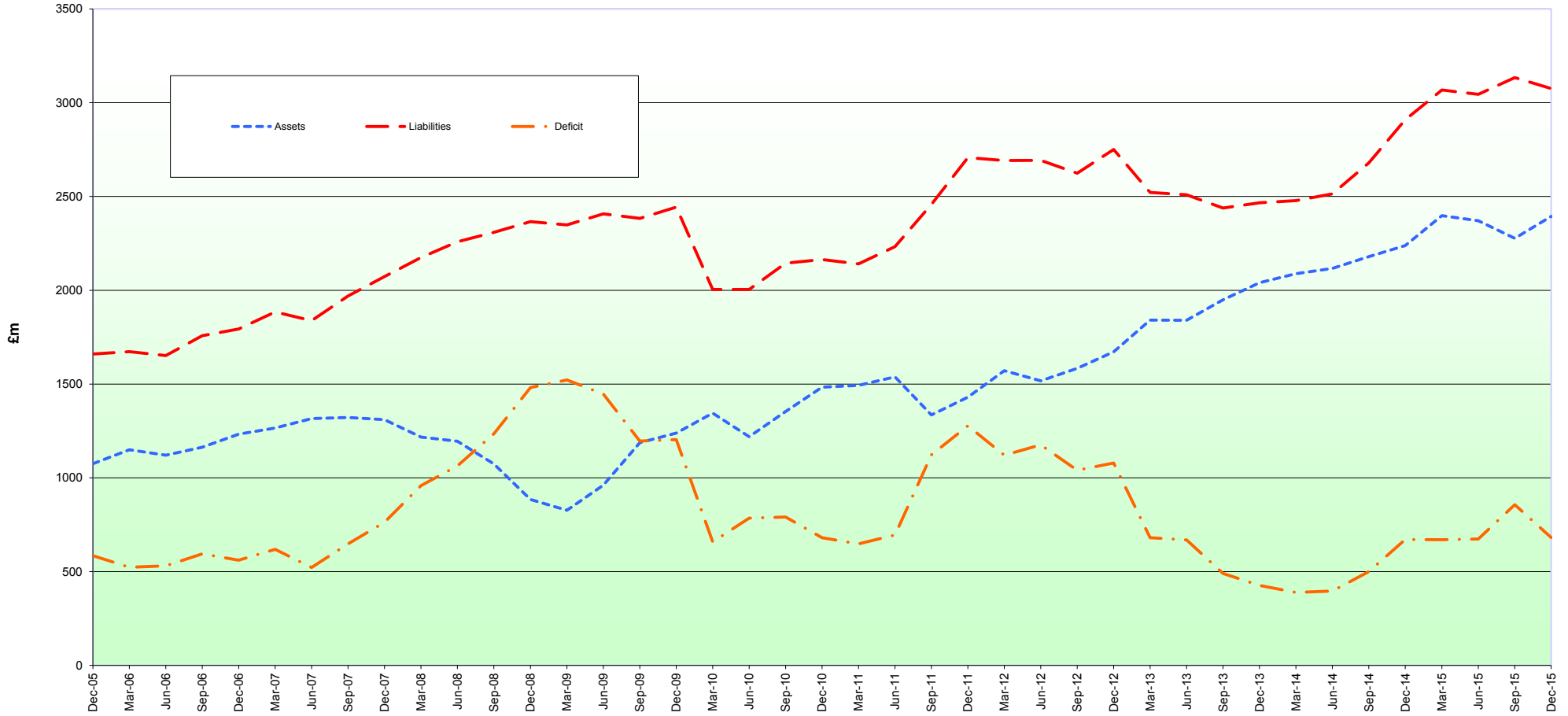
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Investment Manager Performance - cumulative absolute performance 3 years to December 2015



North Yorkshire Pension Fund Assets, Liabilities and Deficit



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	58%	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%	397	2117	6,744
September 30, 2014	81%	500	2179	6,623
December 31, 2014	77%	671	2238	6,566
March 31, 2015	78%	669	2399	6,773
June 30, 2015	78%	674	2371	6,521
September 30, 2015	73%	857	2277	6,062
December 31, 2015	78%	682	2394	6,242

Triennial valuation results highlighted in grey

Movement in Assets and Liabilities

