

## NORTH YORKSHIRE COUNTY COUNCIL

## PENSION FUND COMMITTEE

19 MAY 2016

PERFORMANCE OF THE FUND'S PORTFOLIO FOR THE QUARTER  
ENDING 31 MARCH 2016

## 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 March 2016.

**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 March 2016.
- 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 (+1%) was below the customised benchmark for the Fund (+2.6%) by 1.6%.
- 3.2 The 12 month absolute rolling return was +0.4%, 0.7% below the customised benchmark of +1.1%.
- 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 March 2016	+0.4	-0.7
31 December 2015	+6.2	+1.8
30 September 2015	+5.7	+0.8
30 June 2015	+12.9	+2.6

- 3.4 The performance of the various managers against their benchmarks for the Quarter ended 31 March 2016 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 March 2016 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 +1% in the Quarter increased the invested value of the Fund by £25m. This Quarter 7 managers/funds outperformed their respective benchmarks and 7 did not. At the end of the March 2016 quarter the value of the Fund was £19m above the value at the end of March 2015, an increase of 0.8%.

##### Overseas Equities

4.2 **Fidelity** produced a relative return in the quarter of 1.3% below the benchmark return of +2.4%. Performance over the year to March 2016 matched the benchmark. Over the last 5 years the manager has exceeded the benchmark by +0.7% p.a. (gross of fees).

##### Global Equities

4.3 The Global Alpha fund managed by **Baillie Gifford** returned +0.4% for the quarter against a benchmark return of +3%. Relative performance over the longer term was +0.3% over 1 year and +2.2% pa over 5 years. Since inception in 2006, the Fund has outperformed the FTSE All World by 2% p.a.

The LTGG fund, also managed by **Baillie Gifford** produced a negative return for the quarter of -4.3% against a benchmark return of +3%. LTGG is a relatively concentrated fund and short term volatility is to be expected. Relative performance over the longer term was +4.6% over 1 year and +3.6% p.a. over 5 years.

The recently invested Global equity funds **Veritas** and **Dodge & Cox** returned +4.7% and +1.3% respectively against the MSCI All Country World benchmark of +2.9%. Both managers invest on a global unconstrained basis so this benchmark is for performance measurement purposes only. Since inception in April 2015 Veritas returned +2.5% and Dodge & Cox -10.9% against the benchmark return of -3.5%.

## UK Equities

- 4.4 **Standard Life** produced an absolute return of 0% for the quarter. This represents a positive relative return against a benchmark return of -0.4%. Relative performance for the year was a disappointing -5.5% against the benchmark of +0.9%. Relative annualised performance over the longer term was -0.6% pa over five years.

## Fixed Income

- 4.5 **ECM** produced 0.3% relative against cash (+0.1%) for the quarter and 1% relative for the year. Annualised performance for the 5 years to March 2016 was +1.7% relative.
- 4.6 The investment in Gilts with **M&G** slightly underperformed against the liability matching benchmark of +7.7% for the quarter to March 2016 by -0.2%. Performance for the year was +1.2% above the benchmark return of 2.6%, and annualised performance since inception in 2010 was +0.9% pa above the benchmark of +8.4%.

## Property

- 4.7 The investments with **Hermes and Threadneedle** produced +0.6% and +0.9% respectively in relative terms, against the property index for each manager in the quarter to March 2016. **L&G** underperformed against the benchmark of 1.1% by -0.6%.
- 4.8 Over the year to March 2016 **Hermes and Threadneedle** outperformed against the benchmark, returning in absolute terms +12.9%, and +12.4% respectively. **L&G** underperformed returning +10.4% in absolute terms against the benchmark of +10.6%.

## Diversified Growth Funds

- 4.9 The Investment with the **Standard Life** Global Absolute Return Strategy (GARS) Fund produced a relative under-performance for the quarter of -3.4% against a cash benchmark of +0.1%. The **Newton Investments** Real Return Fund produced a relative over-performance for the quarter of 3.8% against the same cash benchmark.
- 4.10 Over the period since inception in March 2013, in absolute terms, Standard Life returned +2.9% pa against cash of +0.5% and a performance target of +5.5% and Newton +2.8% pa against cash of +0.5% and a performance target of +4.5%.

## 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 7.7% for the rolling three year period to March 2016, 1.3% 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 March 2016 is +0.1% above the benchmark.
- 5.4 The **Tracking Error** figure reflects how closely a fund manager's actual return follows their respective benchmark. As at March 2016 the figure was 2.3%.
- 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 March 2016 the ratio for the Fund was +0.9%.

## 6.0 **SOLVENCY**

- 6.1 The **solvency position** is presented in **Appendices 3 and 4**. As at 31 March 2016 the estimated solvency was 72%. This is a 6% decrease from the solvency figure as at 31 December 2015 and is also a decrease of 1% to the 2013 Actuarial Valuation figure.
- 6.2 Asset outperformance since the 2013 Actuarial Valuation has been 9.3% p.a., however due to falling gilt yield values the solvency has actually decreased by 1% over the three years.
- 6.3 The liability valuation has been carried out on a basis consistent with that used for the 2013 Triennial Valuation. The Fund's actuary, Aon Hewitt will use a different methodology for the 2016 Valuation, where the discount factor will be based on the Fund's assets and not on gilt yields. Going forward, it is expected that this approach will reduce the significant volatility the Fund has experienced in liability valuations from quarter to quarter.

## 7.0 **REBALANCING**

- 7.1 No rebalancing has taken place since the end of the December 2016 quarter.

## 8.0 **PROXY VOTING**

- 8.1 The report from PIRC is available on request summarising the proxy voting activity in the period January 2016 to March 2016. 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 March 2016.

GARY FIELDING  
Treasurer  
Central Services  
County Hall  
Northallerton

11 May 2016



**BNY MELLON**  
ASSET SERVICING

**North Yorkshire Pension Fund**

**3 Months Ending 31 March 2016**

*Fund Analysis & Performance Report*





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## Market Review

### Market Briefing - Quarter Ended 31 March 2016

#### Market Summary

During the first quarter of 2016, returns were primarily positive with the only exception being UK Equities and Japan Equities. Fixed Income market alongside cash and property achieved positive returns.

#### UK Equities

The FTSE 100 was the best performing index with a return of 0.1%, followed by the FTSE All Share with a return of -0.4%. The FTSE 250 was the weakest performing sector with a return of -2.4%.

Over the one year period ending 31st March 2016, the FTSE 250 was the best performing index with a return of 1.7%. The FTSE 100 was the weakest performing index with a return of -5.3%. Basic Materials was the best performing industry sector with a return of 20.0% for the quarter. The weakest performing sector was Financials with a return of -10.0%.

Over the one year period returns ranged from 17.5% for Consumer Goods to -26.4% for Basic Materials. Technology was the second best performing sector with a return of 11.9%.

#### Overseas Equities

Overseas Equity markets showed mixed returns over the quarter.

Within Europe, Netherlands was the best performing country with a return of 6.9%. This was followed by Portugal with a return of 5.9%. The weakest performing country was Greece with a return of -17.3%. Over the one year period, Ireland was the strongest performing country with a return of 14.1%, and Greece the weakest with a return of -53.6%.

Outside Europe, Brazil was the best performing country with a return of 31.4. Brazil was followed by Canada with a return of 14.5%. Japan was the weakest performing country with a return of -4.4% in Sterling terms.





### Market Review

#### UK Bonds

For UK-Bonds the 1st quarter returns were positive for all sectors. UK-Gilts outperformed Non-Gilts with a return of 4.9% compared to 3.0%. Within Gilts, Long-dated Gilts was the strongest performing sector with a return of 8.2%. Short-dated Gilts was the weakest performing sector with a return of -1.4%.

Over the one year period ending 31st March 2016, UK-Gilts was the best performing sector with a return of 3.2% compared to the return of 0.4% for Non-Gilts. Within Gilts, Long-dated Gilts provided the strongest performance with a return of 4.0%, whilst the weakest came from Short-dated Gilts with 1.9%.

#### Overseas Bonds

The first quarter saw positive returns for Overseas Bonds. Within Europe, Denmark was the best performing country with a return of 12.8%. Sweden was the weakest performing country with a return of 9.9%. Outside Europe, Japan was the best performing country with a return of 14.8%. The US was the weakest performing country outside Europe with a return of 6.0%.

Over the twelve month period, most European Bonds saw positive returns. Italy provided the strongest performance with a return of 11.6%, followed by France with a return of 10.3%. Outside Europe, the best performance came from Japan with a return of 17.3%. The weakest performing country was Canada with a return of 2.6%.

#### UK Index-Linked Gilts

UK Index Linked-Gilts achieved a positive return of 5.7% for the first quarter of 2016. Within this sector, Long-dated Index-Linked Gilts provided the strongest performance with a return of 7.5%, whereas the weakest performance was provided by Short-dated Index-Linked Gilts with return of 1.0%.

Over the one year period to 31st March 2016, on an overall basis UK Index-Linked Gilts achieved a return of 1.7%. Over the same period, Long-dated Index-Linked Gilts was the strongest performing sector with a return of 2.4%, whereas Short-dated Index Linked Gilts showed the weakest performance, returning 0.5%.

#### UK Cash and Property

Property recorded a positive return of 1.0% for the quarter. The overall return for the one year period ending 31st March 2016 was 8.5%. 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 first quarter of 2016, the fund returned 1.02% versus its benchmark of 2.57%, thereby underperforming by 1.55%. In terms of longer period performance, the fund has outperformed over 3 years by 2.26% p.a.

At asset class level, the fund underperformed its blended benchmark in the majority of asset classes. UK Equity is the best performing sector which outperformed its benchmark by 0.84%. Global Equity units however underperformed the benchmark by 3.46% respectively.

Over the quarter, seven accounts out-performed their benchmarks. The best performance was shown by Newton Diversified Manager which out-performed its benchmark by 3.76%.

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 1.77% underweight and 1.68% overweight respectively.



<i>Fund Allocation</i>	
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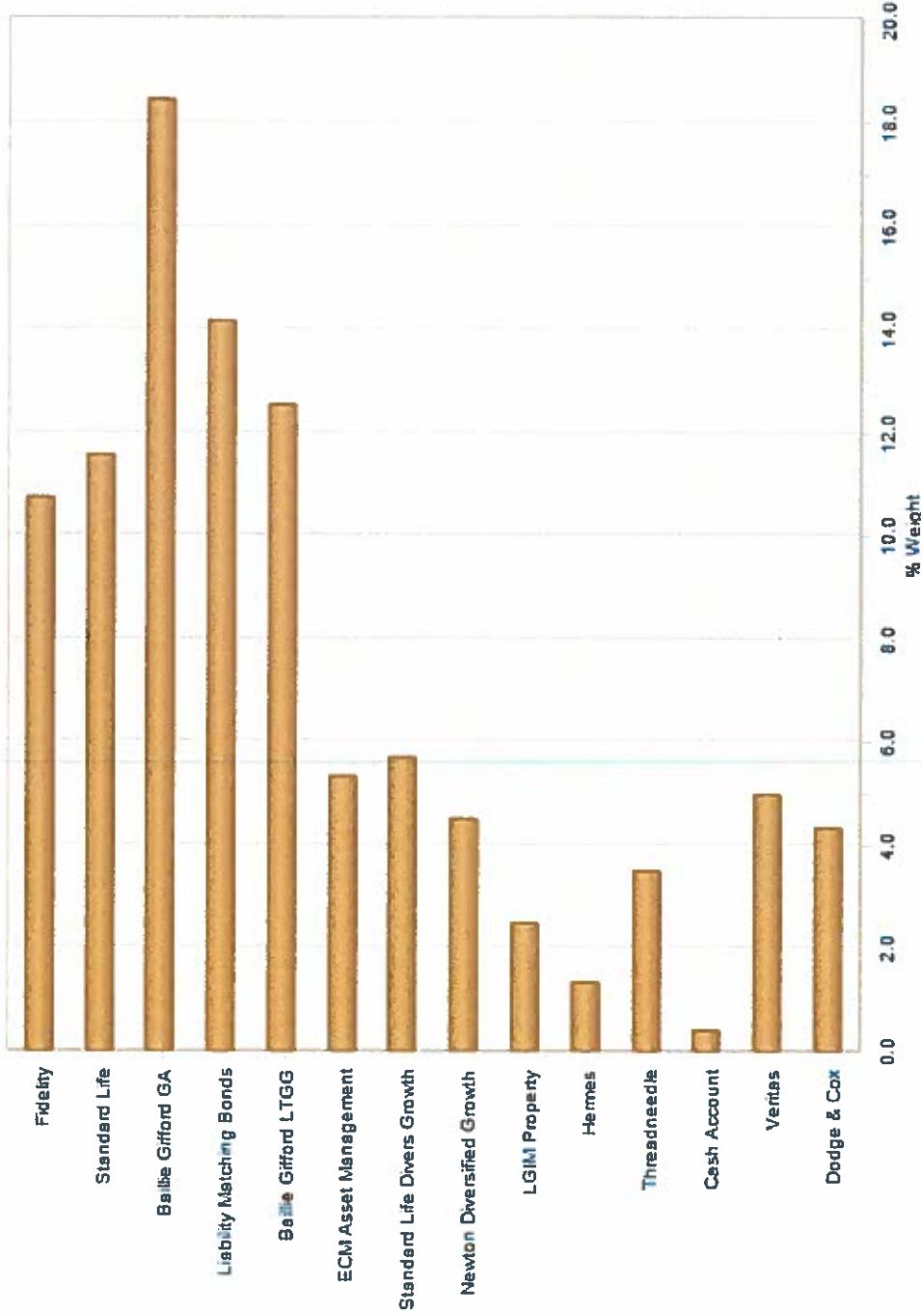
# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Fund Allocation - Managers



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Manager Allocation - 3 Months Ending 31 March 2016



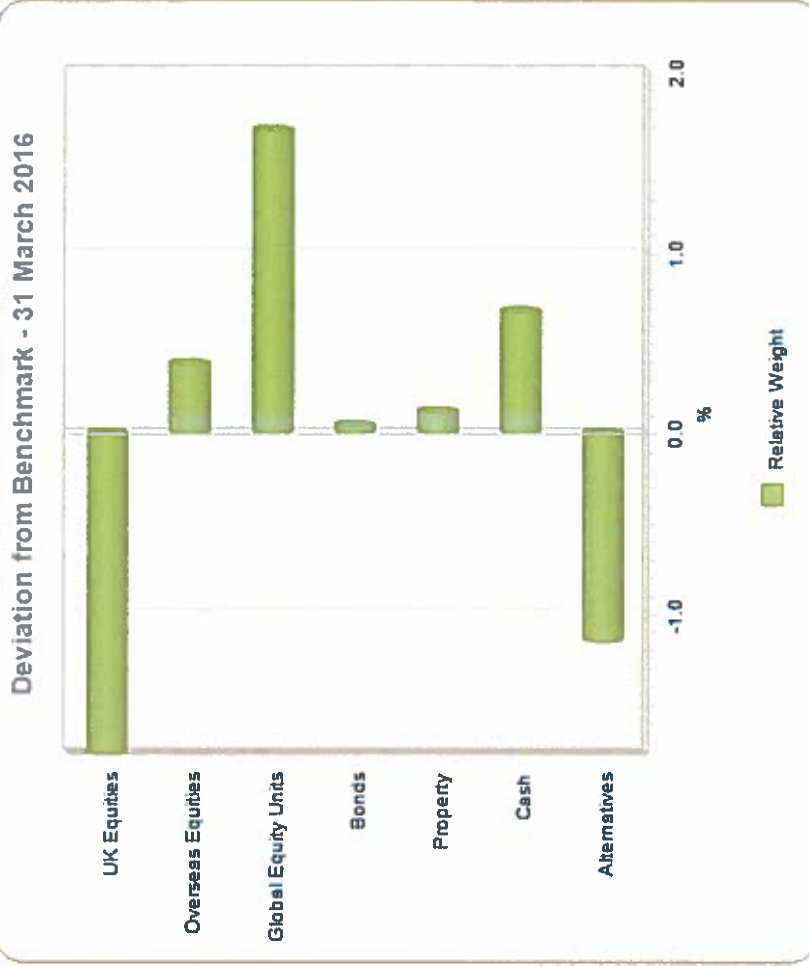
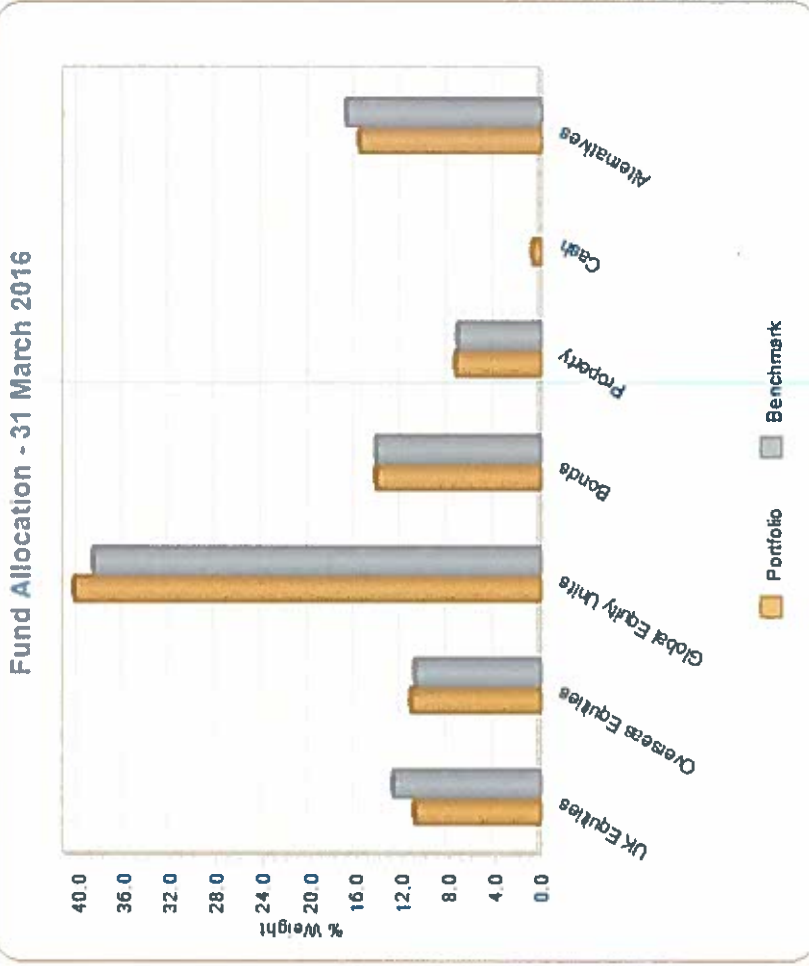
Manager	Weight (%)
Fidelity	10.74
Standard Life	11.56
Baillie Gifford GA	18.44
Liability Matching Bonds	14.16
Baillie Gifford LTGG	12.53
ECM Asset Management	5.35
Standard Life Divers Growth	5.68
Newton Diversified Growth	4.52
LGIM Property	2.48
Hermes	1.33
Threadneedle	3.51
Cash Account	0.38
Veritas	4.98
Dodge & Cox	4.33

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Fund Allocation - Relative Analysis



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	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	10.83	11.19	40.28	14.15	7.32	0.68	15.55
Benchmark	12.60	10.80	38.60	14.10	7.20	0.68	16.70
Relative Weight	-1.77	0.39	1.68	0.05	0.12	0.68	-1.15



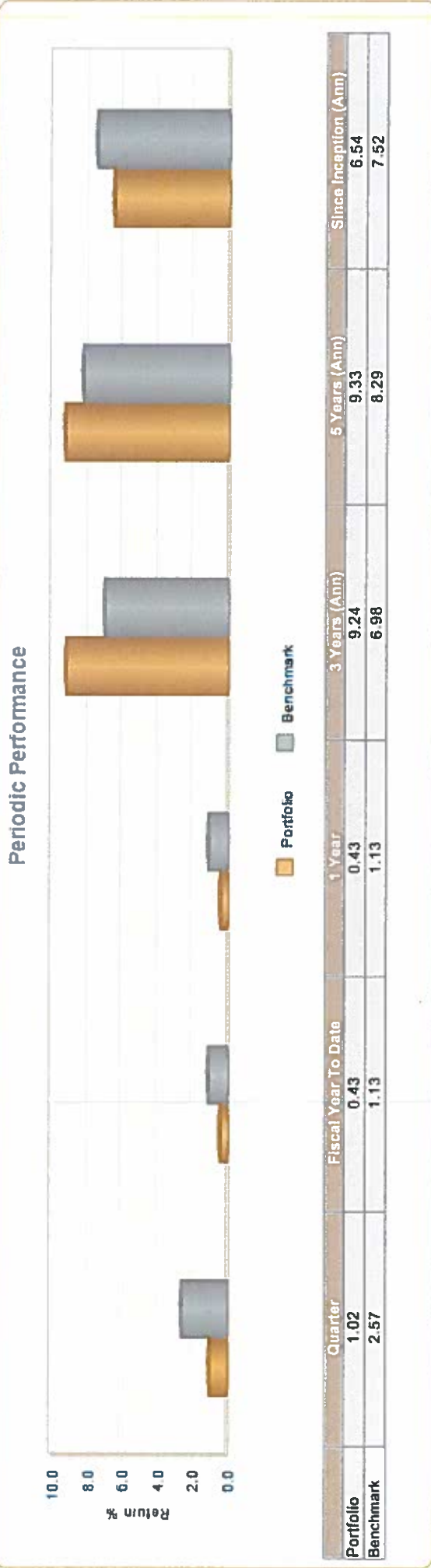
*Fund Performance*

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Fund Performance - Summary



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Inception Date: 31 Jan 2002

Ann = Annualised

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Fund Performance - Segment Analysis

Segment Performance - 3 Months Ending 31 March 2016



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Alternatives
Portfolio	0.41	0.53	-0.51	7.56	1.44	-0.01
Benchmark	-0.43	2.38	2.95	7.65	1.11	0.13



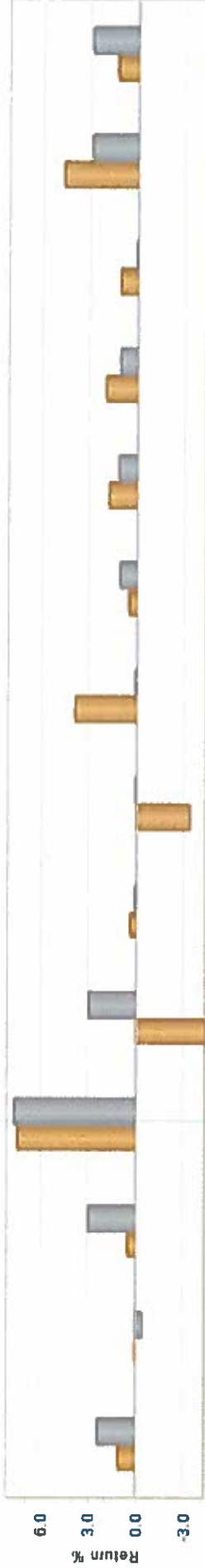
# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Fund Performance - Manager Overview



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Manager Performance - 3 Months Ending 31 March 2016



Manager	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	1.09	0.01	0.45	7.53	-4.32	0.39	-3.28	3.89	0.51	1.81	1.97	1.06	4.72	1.27
Benchmark	2.38	-0.43	2.95	7.65	2.95	0.13	0.13	0.13	1.07	1.19	1.07	0.09	2.94	2.94

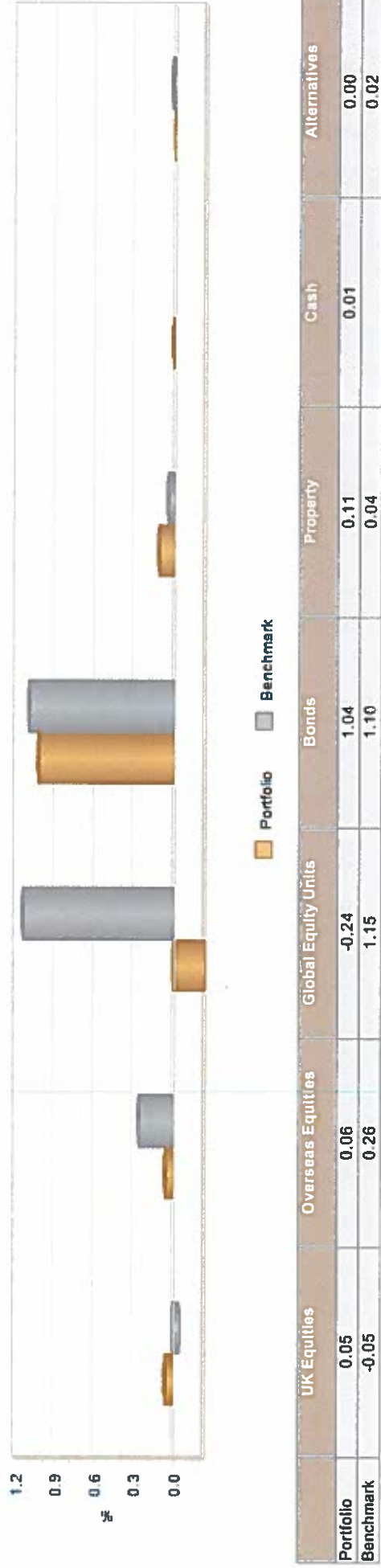
Manager Performance - 1 Year Ending 31 March 2016



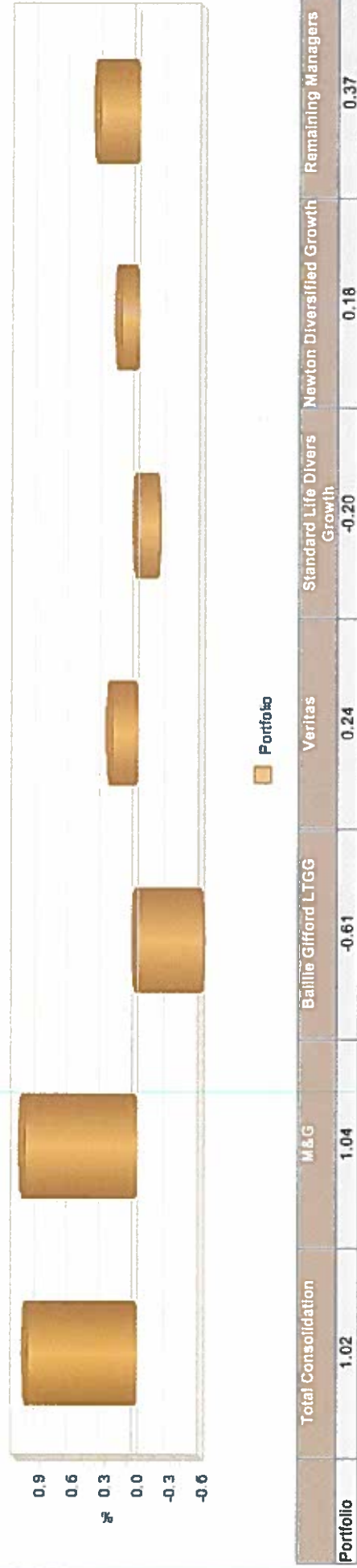
Manager	Fidelity	Standard Life	Baillie Gifford GA	Liability Matching	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers	Newton Diversified	LGIM Property	Hermes	Threadneedle	Cash Account	Veritas	Dodge & Cox
Portfolio	-2.87	-4.59	-0.24	2.73	4.13	-0.53	-4.49	0.88	10.35	12.89	12.42	3.63	2.47	-10.87
Benchmark	-2.84	0.95	-0.49	2.59	-0.49	0.51	0.51	0.51	10.61	10.98	10.61	0.36	-3.45	-3.45



Source of Contribution - Quarter to 31 March 2016



Top 5 Manager Contribution - Quarter to 31 March 2016



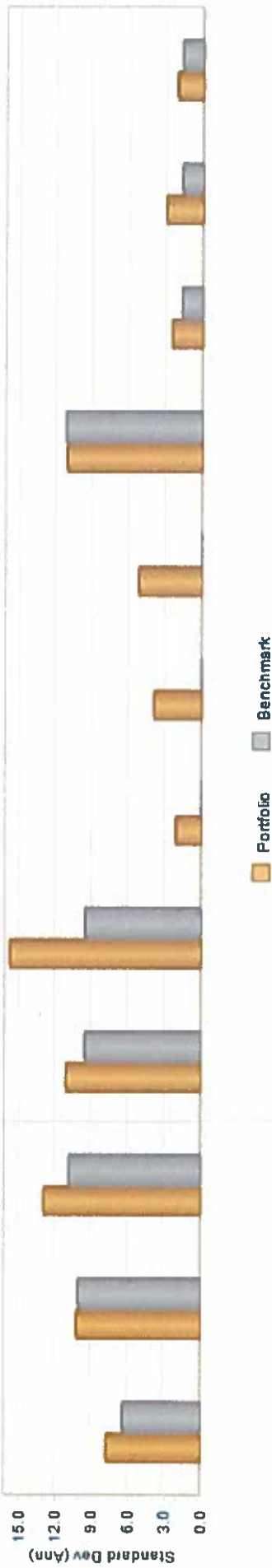


*Risk Profile*

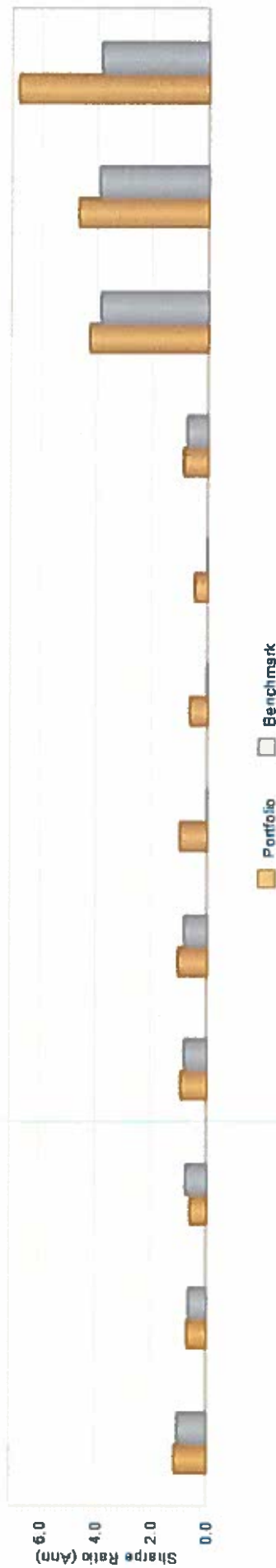


Risk Profile - Historic Risk

Standard Deviation - 3 Years (Ann) to 31 March 2016



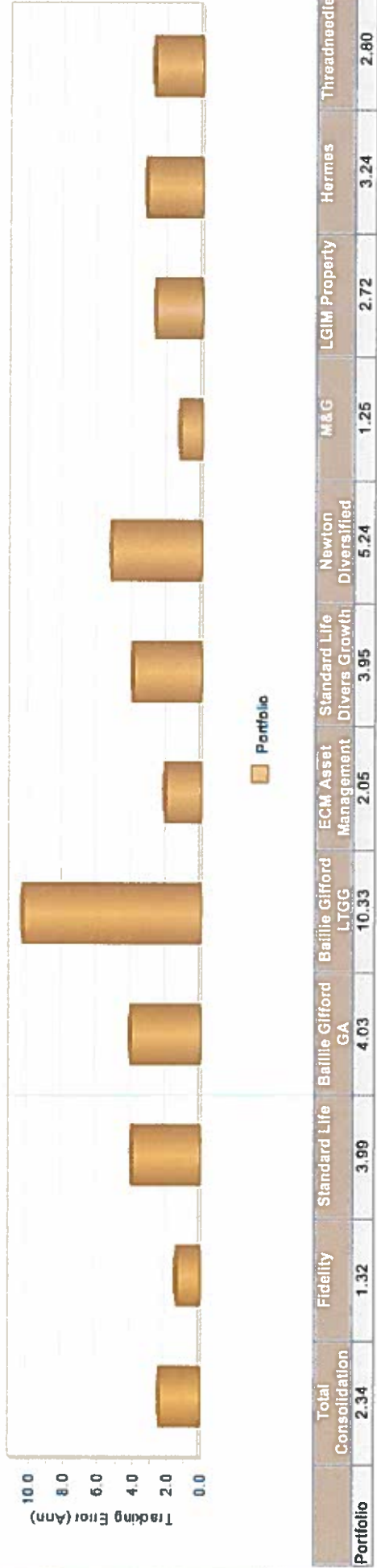
Sharpe Ratio - 3 Years (Ann) to 31 March 2016



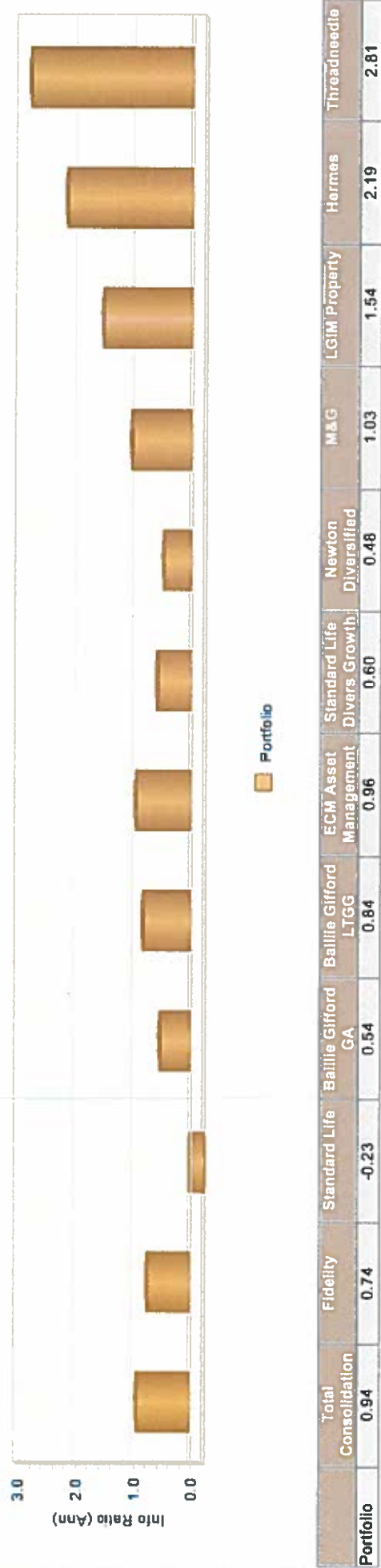
Ann = Annualised



Tracking Error - 3 Years (Ann) to 31 March 2016



Information Ratio - 3 Years (Ann) to 31 March 2016



Ann = Annualised

# North Yorkshire County Council - 3 Months Ending 31 March 2016



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## Risk Profile - Consistency Analysis

Manager	Active Number of Months	Number of Positive Months	Consistency Rate (%)	Benchmark Consistency (%)	Outperformance (%)
<b>Total Consolidation</b>	<b>171</b>	<b>110</b>	<b>64</b>	<b>67</b>	<b>56</b>
Fidelity	89	56	63	48	54
Standard Life	114	62	54	38	54
Baillie Gifford GA	114	70	61	42	55
Amundi	125	73	58		
Baillie Gifford LTGG	115	68	59	42	53
ECM Asset Management	129	84	65	53	61
Standard Life Divers Growth	37	23	62	100	59
Newton Diversified Growth	37	20	54	100	54
M&G	52	29	56	62	56
LGIM Property	40	37	93	85	60
Hermes	49	38	78	81	57
Threadneedle	46	43	93	84	72
Veritas	12	6	50	58	67
Dodge & Cox	12	5	42	58	25



*Fund Profile*

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Fund Profile - Movement of Funds



Manager Name	Market Value 31-Dec-2015 (000's)	Net Contributions (000's)	Income (000's)	Gain/Loss (000's)	Market Value 31-Mar-2016 (000's)	% Change
<b>Total Consolidation</b>	<b>2,393,573.12</b>	<b>462.77</b>	<b>2,760.50</b>	<b>21,635.39</b>	<b>2,418,431.80</b>	<b>1.04</b>
Total Consolidation	2,393,573.12	462.77	2,760.50	21,635.39	2,418,431.80	1.04
Fidelity	257,061.04	0.00	899.13	1,890.05	259,850.22	1.09
Standard Life	279,595.89	0.00	889.45	-851.44	279,633.91	0.01
Baillie Gifford GA	443,926.06	0.00	0.00	1,980.09	445,906.15	0.45
Baillie Gifford LTGG	316,729.71	0.00	0.00	-13,674.61	303,055.10	-4.32
ECM Asset Management	128,890.49	0.00	0.00	504.05	129,394.54	0.39
Standard Life Divers Growth	141,963.04	0.00	0.00	-4,650.77	137,312.27	-3.28
Newton Diversified Growth	105,312.08	0.00	0.00	4,097.45	109,409.53	3.89
M&G	318,614.91	-129.21	550.32	23,439.28	342,475.30	7.49
LGIM Property	59,723.41	0.00	0.00	305.45	60,028.86	0.51
Hermes	31,877.66	-341.85	341.85	235.17	32,112.83	0.74
Threadneedle	83,274.49	0.00	0.00	1,636.54	84,911.03	1.97
Cash Account	8,132.15	933.84	79.74	-10.67	9,135.07	12.33
Veritas	114,974.72	0.00	0.00	5,421.93	120,396.65	4.72
Dodge & Cox	103,416.71	0.00	0.00	1,312.85	104,729.56	1.27





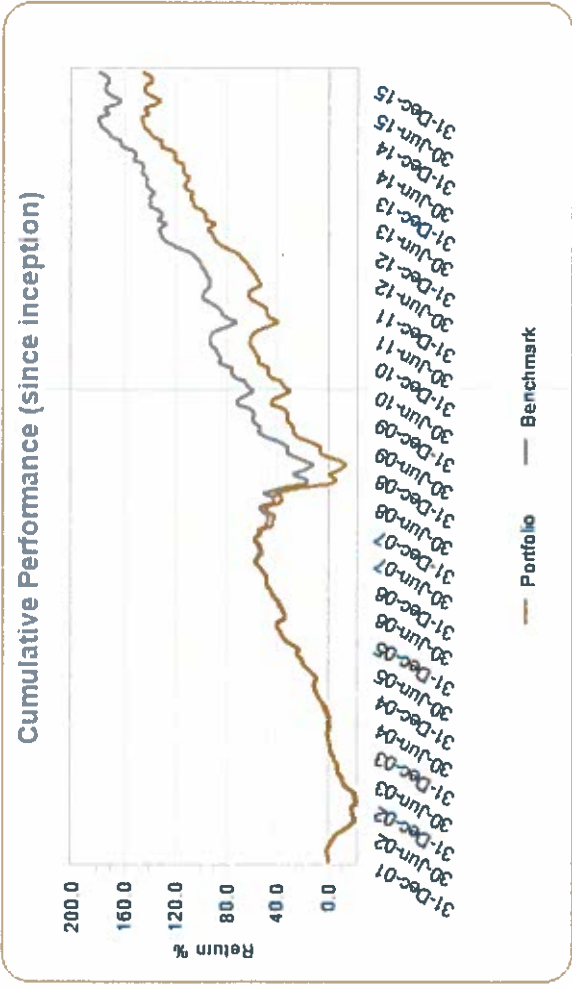
*Manager Analysis*

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Total Consolidation



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Inception Date: 31 Jan 2002

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	<b>Portfolio Mandate</b>
2,418,431,798	Total Plan

Allocation - 31 March 2016							
	UK Equities	Overseas Equities	Global Equity	Bonds	Property	Cash	Alternative
Portfolio	10.83	11.19	40.28	14.15	7.32	0.68	15.55
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	1.0	0.4	0.4	9.2	9.3	6.5
Benchmark	2.6	1.1	1.1	7.0	8.3	7.5

Risk Profile - 3 Years (Ann) to 31 March 2016			
	Standard Deviation	Sharpe Ratio	Information Ratio
Portfolio	7.7	1.1	0.9
Benchmark	6.4	1.0	2.3

### Summary - 3 Months Ending 31 March 2016

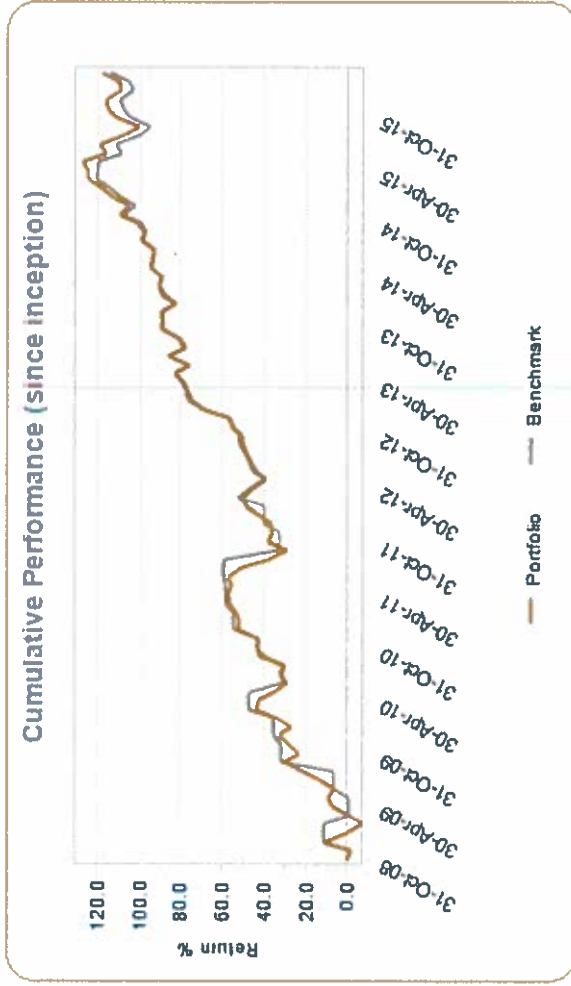
The fund's relative performance of the Quarter and 1 Year was -1.6% and -0.7% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Fidelity



**BNY MELLON**  
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Inception Date: 30 Nov 2008

Portfolio Size and Mandate	Portfolio Mandate
<b>Portfolio Size (GBP)</b>	Global Equities
259,850,224	

Allocation - 31 March 2016	
<b>UK Equities</b>	<b>Overseas Equities</b>
0.25	98.53
<b>Portfolio Benchmark</b>	<b>Cash</b>
	1.22
	100.00

Periodic Performance						
	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	1.1	-2.9	-2.9	7.4	6.9	11.1
Benchmark	2.4	-2.8	-2.8	6.4	6.2	10.8

Risk Profile - 3 Years (Ann) to 31 March 2016			
	Standard Deviation	Sharpe Ratio	Information Ratio
Portfolio	10.1	0.7	0.7
Benchmark	10.0	0.6	1.3

### Summary - 3 Months Ending 31 March 2016

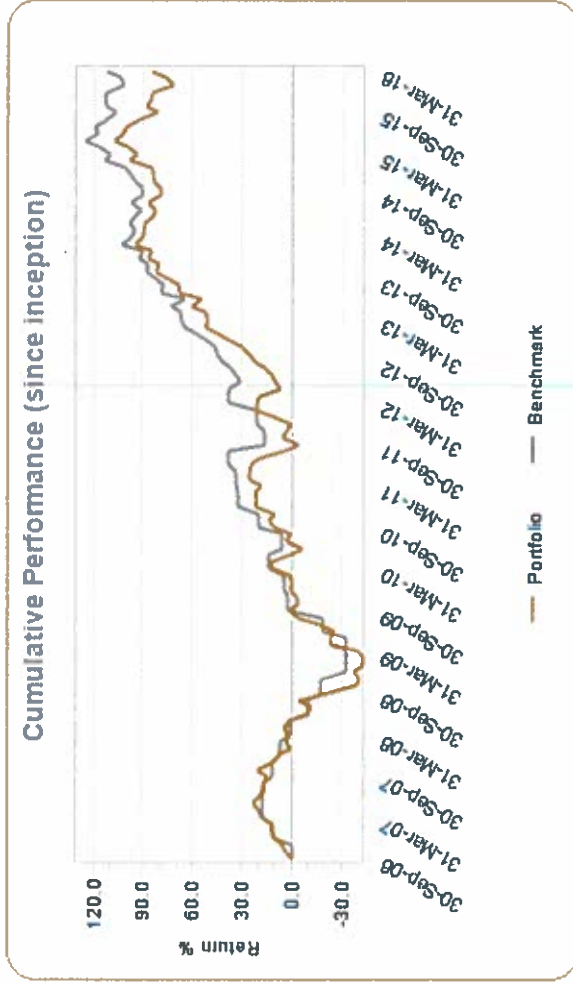
The manager's relative performance of the Quarter and 1 Year was -1.3% and -0.1% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Standard Life



**BNY MELLON**  
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Inception Date: 31 Oct 2006

### Portfolio Size and Mandate

#### Portfolio Size (GBP)

279,633,913

#### Portfolio Mandate

UK Equities

### Allocation - 31 March 2016

	UK Equities	Overseas Equities	Cash
Portfolio	93.42	5.18	1.40
Benchmark	100.00		

### Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	0.0	-4.6	-4.6	7.1	9.2	6.7
Benchmark	-0.4	0.9	0.9	8.3	9.8	8.2

### Risk Profile - 3 Years (Ann) to 31 March 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	12.8	0.6	4.0	-0.2
Benchmark	10.8	0.8		

### Summary - 3 Months Ending 31 March 2016

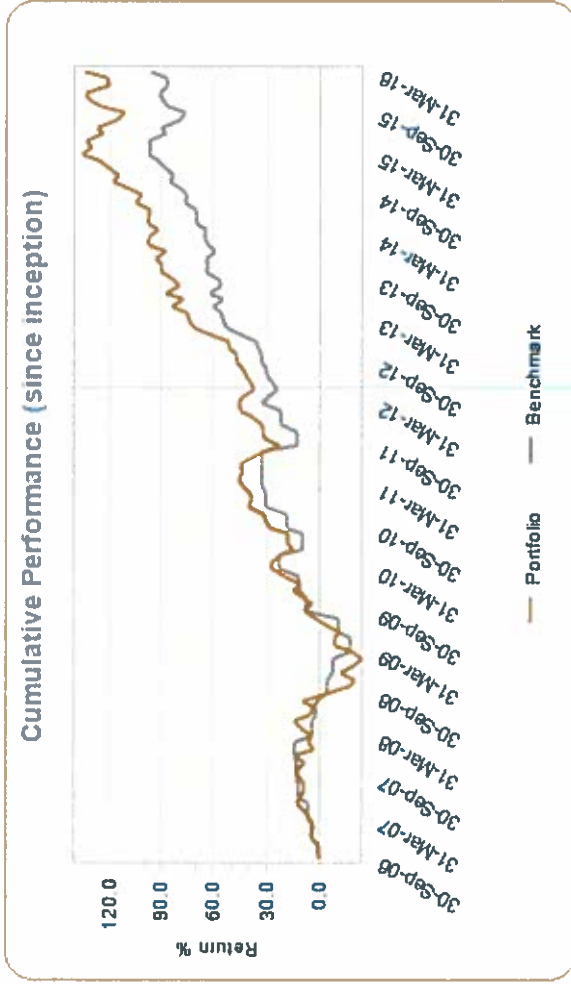
The manager's relative performance of the Quarter and 1 Year was 0.4% and -5.5% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Baillie Gifford GA



**BNY MELLON**  
ASSET SERVICING



Inception Date: 31 Oct 2006

Portfolio Size and Mandate	
<b>Portfolio Size (GBP)</b>	445,906,152
<b>Portfolio Mandate</b>	Global Equities

Allocation - 31 March 2016	
<b>Global Equity Units</b>	Cash
Portfolio	100.00
Benchmark	100.00

Periodic Performance						
	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	0.4	-0.2	-0.2	10.3	10.4	9.4
Benchmark	3.0	-0.5	-0.5	8.2	8.2	7.4

Risk Profile - 3 Years (Ann) to 31 March 2016			
	Standard Deviation	Sharpe Ratio	Information Ratio
Portfolio	11.1	0.9	4.0
Benchmark	9.5	0.8	0.5

### Summary - 3 Months Ending 31 March 2016

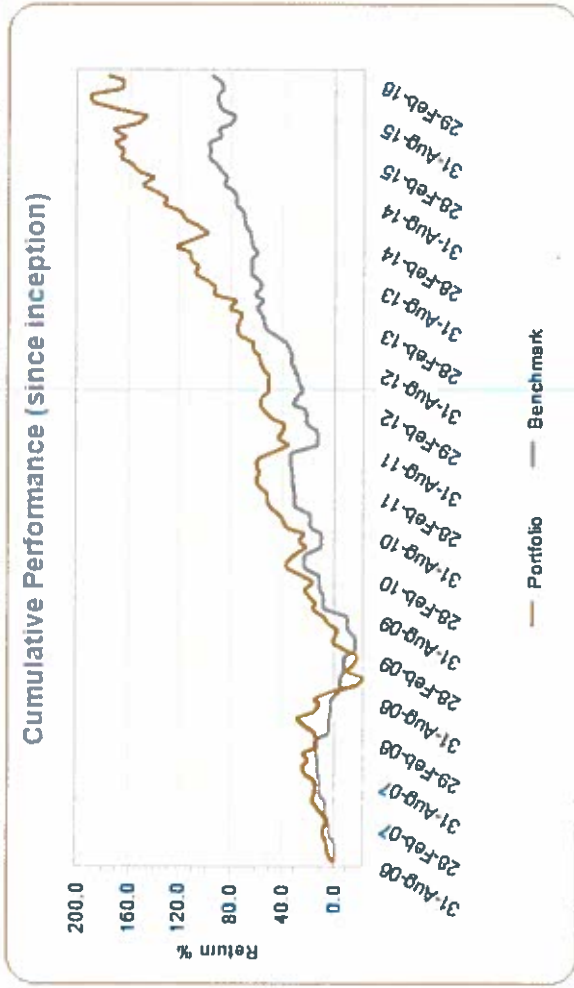
The manager's relative performance of the Quarter and 1 Year was -2.6% and 0.3% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Baillie Gifford LTGG



**BNY MELLON**  
ASSET SERVICING



Inception Date: 30 Sep 2006

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
 303,055,103  
**Portfolio Mandate**  
 Global Equities

**Allocation - 31 March 2016**  
**Global Equity Units**  
 Portfolio 100.00  
 Benchmark 100.00

**Periodic Performance**

Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	-4.3	4.1	17.0	11.8	11.3
Benchmark	3.0	-0.5	8.2	8.2	

**Risk Profile - 3 Years (Ann) to 31 March 2016**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	15.8	1.0	10.3	0.8
Benchmark	9.5	0.8		

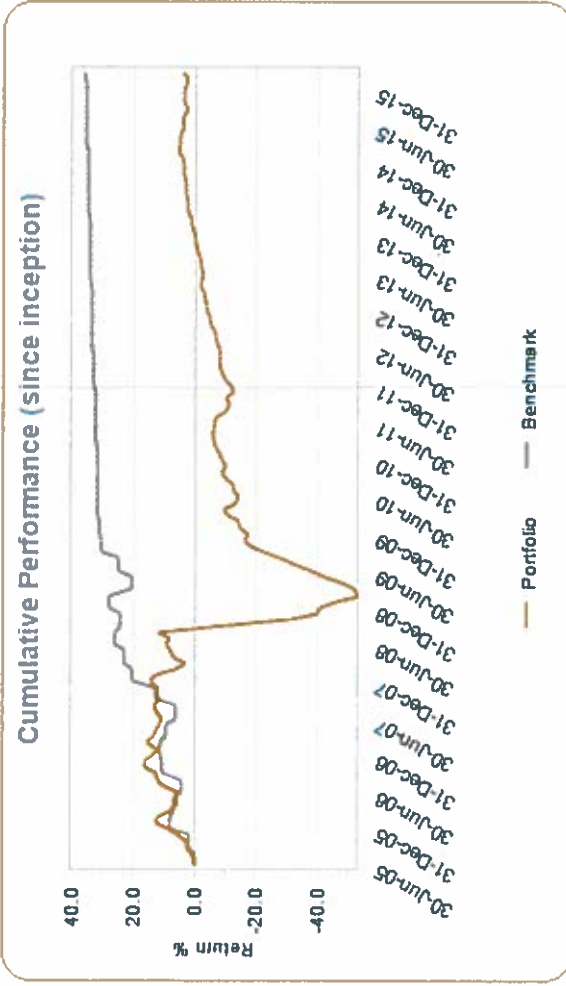
**Summary - 3 Months Ending 31 March 2016**  
 The manager's relative performance of the Quarter and 1 Year was -7.3% and 4.6% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - ECM Asset Management



**BNY MELLON**  
ASSET SERVICING



Inception Date: 31 Jul 2005

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
 129,394,540  
**Portfolio Mandate**  
 European Bonds

**Allocation - 31 March 2016**

Portfolio	100.00
Benchmark	100.00
<b>Alternatives</b>	

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	0.4	-0.5	-0.5	2.5	2.2	0.4
Benchmark	0.1	0.5	0.5	0.5	0.5	2.9

**Risk Profile - 3 Years (Ann) to 31 March 2016**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	2.1	1.0	2.1	1.0
Benchmark	0.0	0.0		

**Summary - 3 Months Ending 31 March 2016**

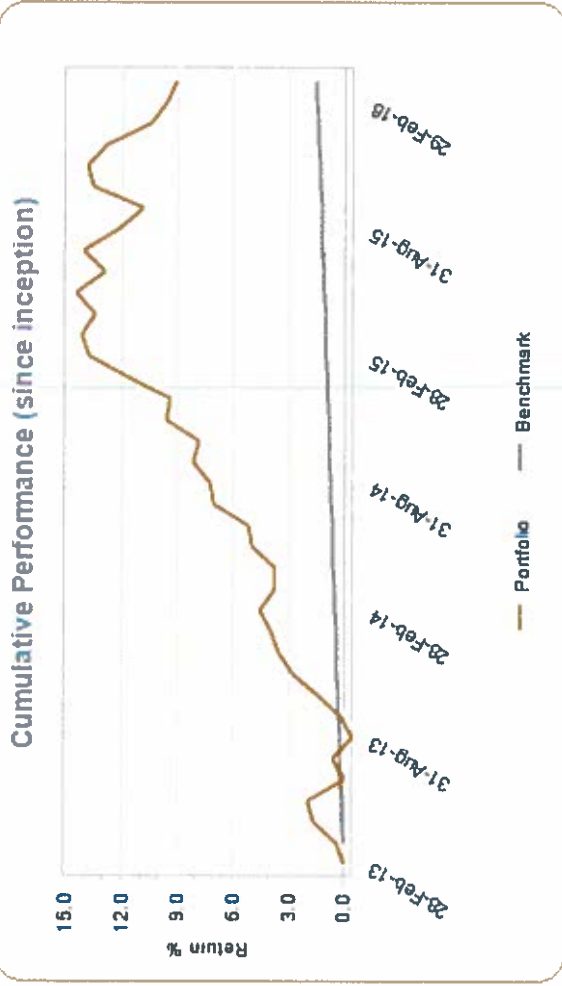
The manager's relative performance of the Quarter and 1 Year was 0.3% and -1% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Standard Life Divers Growth



**BNY MELLON**  
ASSET SERVICING



Inception Date: 31 Mar 2013

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
137,312,267

**Portfolio Mandate**  
Diversified Growth

**Allocation - 31 March 2016**

Portfolio Benchmark	Alternatives
100.00	100.00
100.00	100.00

**Periodic Performance**

Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	-3.3	-4.5	2.8	2.9
Benchmark	0.1	0.5	0.5	0.5

**Risk Profile - 3 Years (Ann) to 31 March 2016**

Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	4.0	0.6	4.0
Benchmark	0.0	0.0	0.6

**Summary - 3 Months Ending 31 March 2016**

The manager's relative performance of the Quarter and 1 Year was and -3.4% and -5% respectively.

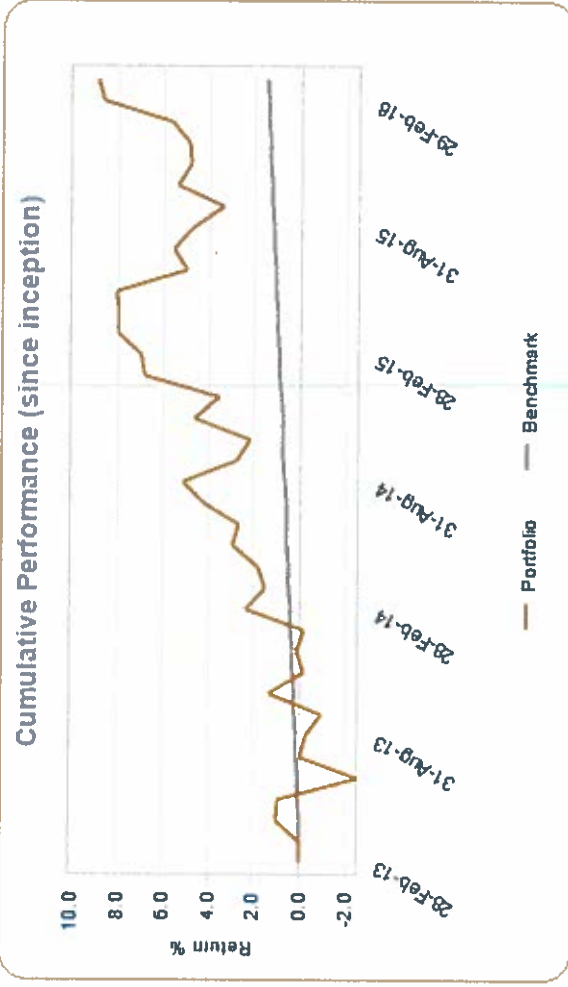


# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Newton Diversified Growth



**BNY MELLON**  
ASSET SERVICING



Inception Date: 31 Mar 2013

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
 109,409,529  
**Portfolio Mandate**  
 Diversified Growth

**Allocation - 31 March 2016**

Alternatives	Allocation
Portfolio	100.00
Benchmark	100.00

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	3.9	0.9	0.9	2.9	2.8
Benchmark	0.1	0.5	0.5	0.5	0.5

**Risk Profile - 3 Years (Ann) to 31 March 2016**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	5.2	0.5	5.2	0.5
Benchmark	0.0	0.0		

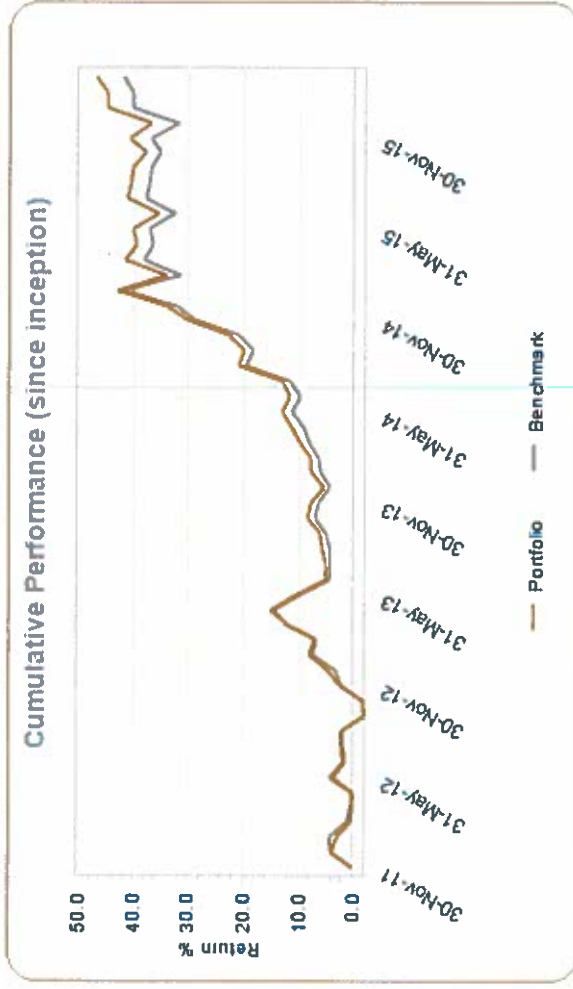
**Summary - 3 Months Ending 31 March 2016**  
 The manager's relative performance of the Quarter and 1 Year was 3.8% and 0.4% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - M&G



**BNY MELLON**  
ASSET SERVICING



Inception Date: 31 Dec 2011

### Portfolio Size and Mandate

#### Portfolio Size (GBP)

342,475,300

#### Portfolio Mandate

Global Bonds

### Allocation - 31 March 2016

	Bonds	Cash
Portfolio	99.96	0.04
Benchmark	100.00	

### Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	7.5	3.8	3.8	9.6	9.3
Benchmark	7.7	2.6	2.6	8.2	8.4

### Risk Profile - 3 Years (Ann) to 31 March 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	11.1	0.8	1.3	1.0
Benchmark	11.2	0.7		

### Summary - 3 Months Ending 31 March 2016

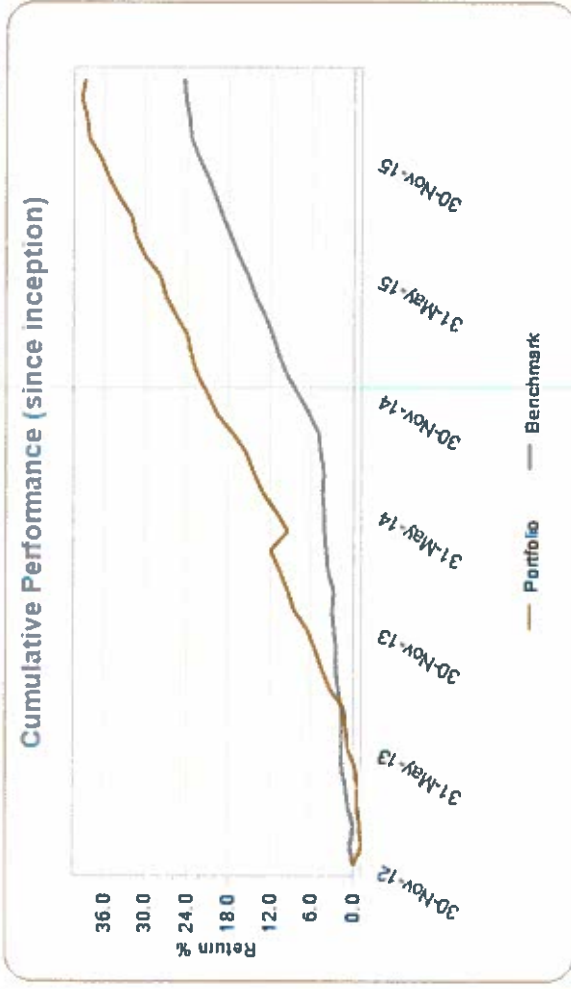
The manager's relative performance of the Quarter and 1 Year was -0.2% and 1.2% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - LGIM Property



**BNY MELLON**  
ASSET SERVICING



Inception Date: 31 Dec 2012

**Portfolio Size and Mandate**

<b>Portfolio Size (GBP)</b>	60,028,864
<b>Portfolio Mandate</b>	Property

**Allocation - 31 March 2016**

<b>Property</b>	100.00
<b>Cash</b>	0.00
<b>Benchmark</b>	100.00

### Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	0.5	10.4	10.4	11.7	10.3
Benchmark	1.1	10.6	10.6	7.2	6.8

### Risk Profile - 3 Years (Ann) to 31 March 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	2.5	4.3	2.7	1.5
Benchmark	1.7	3.9		

### Summary - 3 Months Ending 31 March 2016

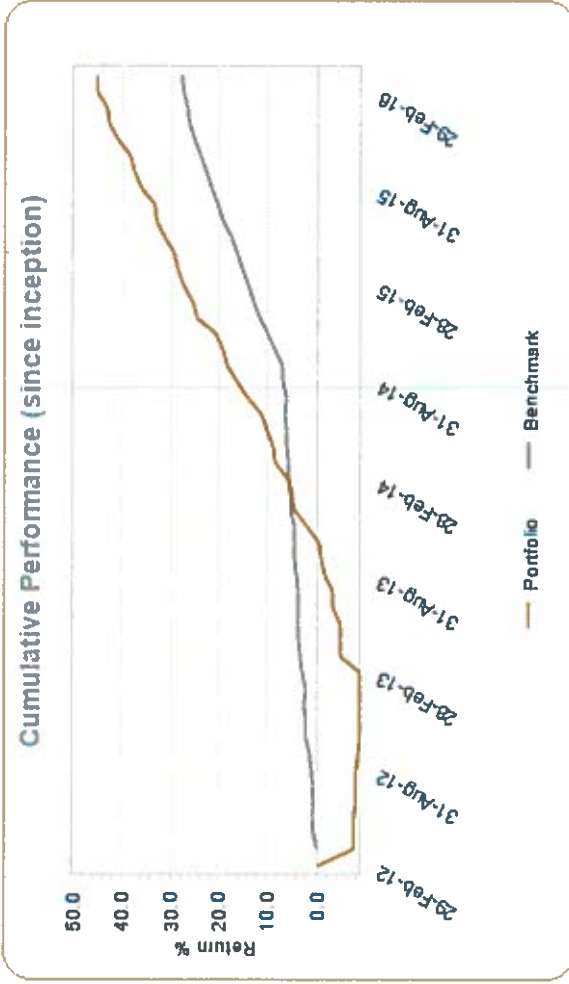
The manager's relative performance of the Quarter and 1 year was -0.6% and -0.2% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Hermes



**BNY MELLON**  
ASSET SERVICING



Inception Date: 31 Mar 2012

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
 32,112,834  
**Portfolio Mandate**  
 Property

**Allocation - 31 March 2016**  
**Property**  
 100.00  
**Benchmark**  
 100.00

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	1.8	12.9	12.9	15.2	9.6
Benchmark	1.2	11.0	11.0	7.4	6.3

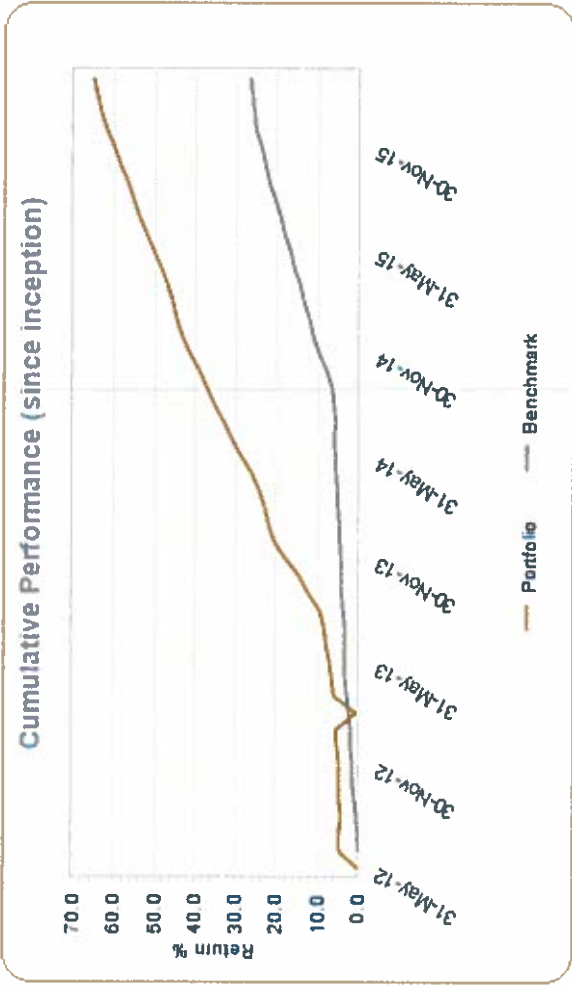
**Summary - 3 Months Ending 31 March 2016**  
 The manager's relative performance of the Quarter and 1 Year was 0.6% and 1.9% respectively.

**Risk Profile - 3 Years (Ann) to 31 March 2016**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	3.0	4.6	3.2	2.2
Benchmark	1.7	3.9		

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Threadneedle



Inception Date: 30 Jun 2012

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
 84,911,030  
**Portfolio Mandate**  
 Property

**Allocation - 31 March 2016**  
**Portfolio**  
 100.00  
**Benchmark**  
 100.00  
**Property**

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	2.0	12.4	12.4	15.9	14.0
Benchmark	1.1	10.6	10.6	7.2	6.5

**Risk Profile - 3 Years (Ann) to 31 March 2016**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	2.1	6.8	2.8	2.8
Benchmark	1.7	3.9		

**Summary - 3 Months Ending 31 March 2016**

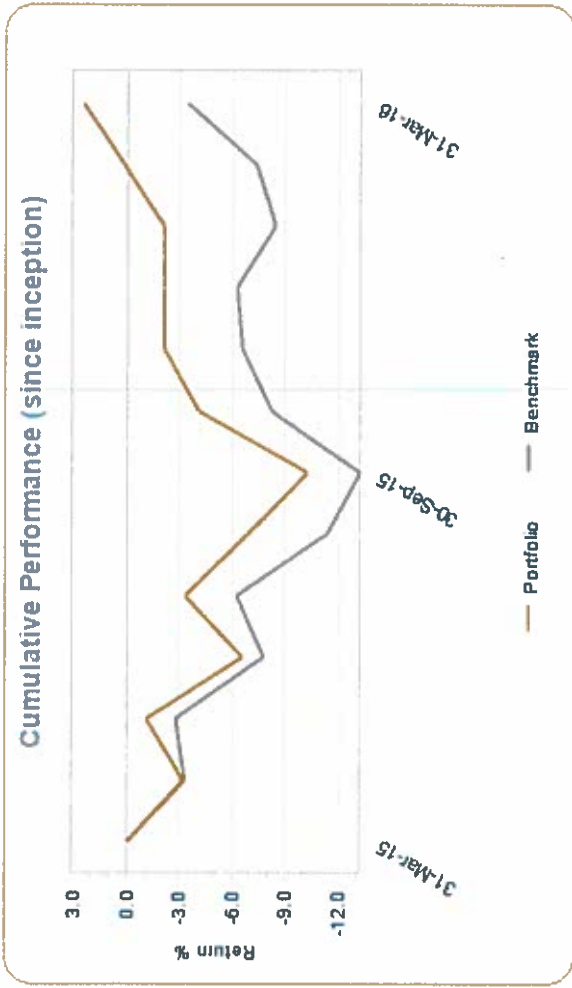
The manager's relative performance of the Quarter and 1 Year was 0.9% and 1.8% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Veritas



**BNY MELLON**  
ASSET SERVICING



Inception Date: 30 Apr 2015

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
 120,396,650  
**Portfolio Mandate**  
 Global Equities

**Allocation - 31 March 2016**  
**Global Equity Units**  
 100.00  
 100.00

**Periodic Performance**

Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
4.7	2.5	2.5	2.5
2.9	-3.5	-3.5	-3.5

**Risk Profile - 3 Years (Ann) to 31 March 2016**

Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio

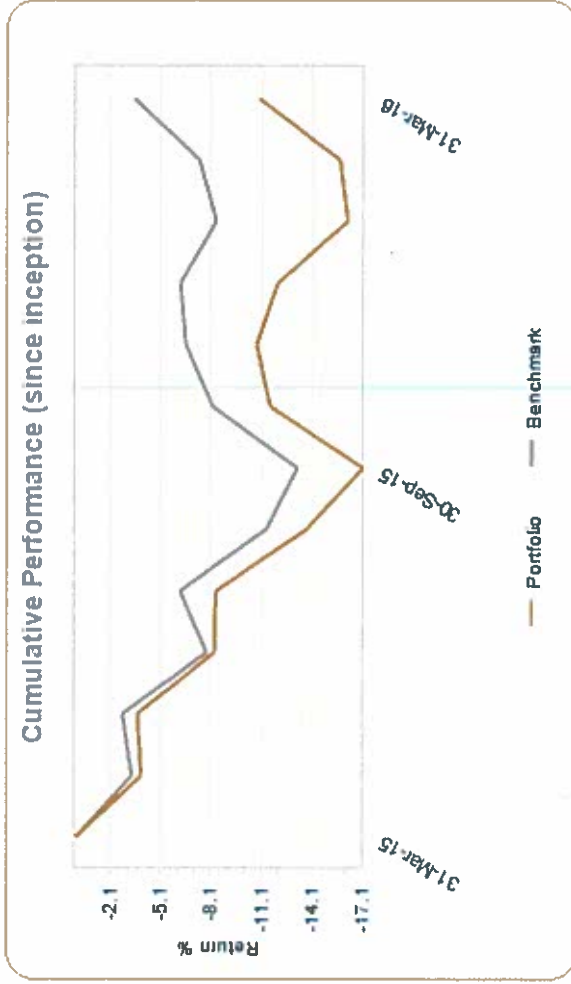
**Summary - 3 Months Ending 31 March 2016**  
 The manager's relative performance of the Quarter and 1 Year was 1.8% and 6% respectively.

# North Yorkshire County Council - 3 Months Ending 31 March 2016

## Manager Analysis - Dodge & Cox



**BNY MELLON**  
ASSET SERVICING



Inception Date: 30 Apr 2015

**Portfolio Size and Mandate**  
**Portfolio Size (GBP)**  
 104,729,558  
**Portfolio Mandate**  
 Global Equities

**Allocation - 31 March 2016**  
**Global Equity Units**  
 Portfolio 100.00  
 Benchmark 100.00

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	1.3	-10.9	-10.9	-10.9
Benchmark	2.9	-3.5	-3.5	-3.5

**Risk Profile - 3 Years (Ann) to 31 March 2016**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

**Summary - 3 Months Ending 31 March 2016**

The manager's relative performance of the Quarter and 1 Year was -1.6% and -7.4% respectively.



Appendix





**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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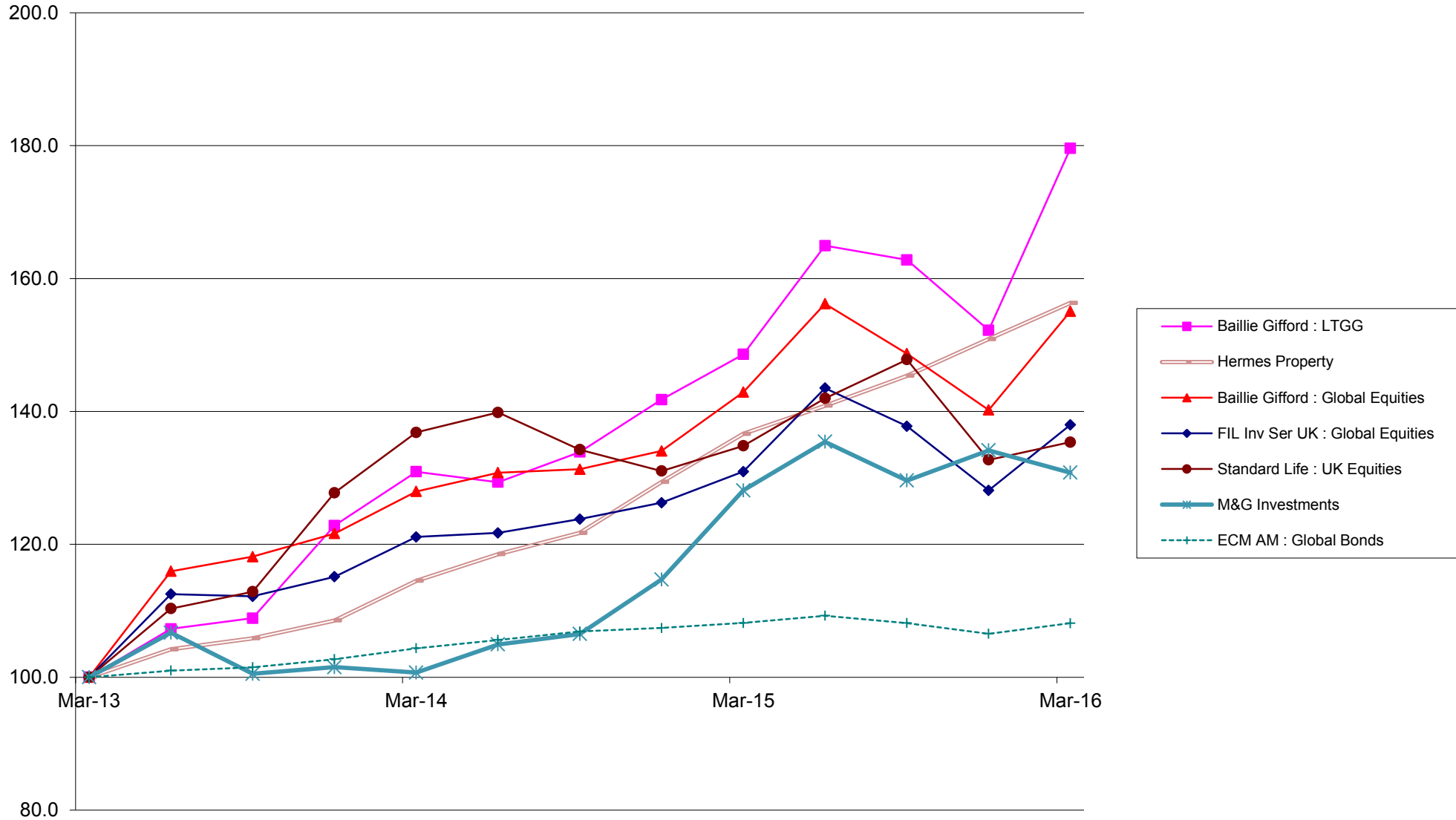
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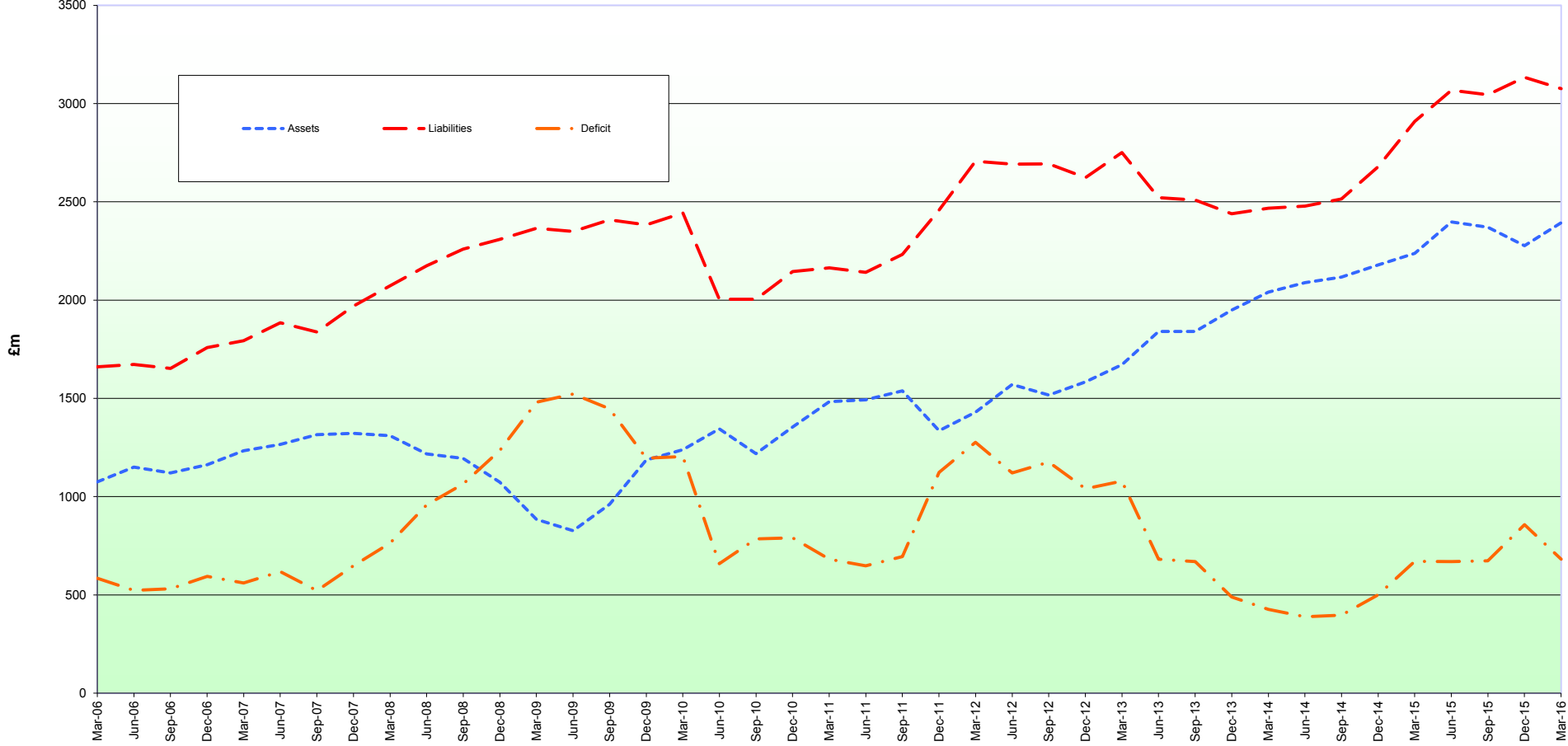
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## Investment Manager Performance - cumulative absolute performance 3 years to March 2016



# 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	5,843
September 30, 2001	71%	265	660	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	4,894
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	5,880
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
March 31, 2016	72%	923	2418	6,242

Triennial valuation results highlighted in grey

**Movement in Assets and Liabilities**

