

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

23 FEBRUARY 2017

PERFORMANCE OF THE FUND'S PORTFOLIO FOR THE QUARTER
ENDING 31 DECEMBER 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 period to 31 December 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 December 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 (+1.7%) was below the customised benchmark for the Fund (+3.1%) by 1.4%.
- 3.2 The 12 month absolute rolling return was +18.5%, 1.5% below the customised benchmark of +20%.
- 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 2016	+18.5	-1.5
30 September 2016	+23.0	+2.0
30 June 2016	+7.3	-2.3
31 March 2016	+0.4	-0.7

- 3.4 The performance of the various managers against their benchmarks for the quarter ended 31 December 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 December 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 report of the Investment Consultant explains 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 +1.7% in the Quarter increased the invested value of the Fund by £48m. This Quarter, 7 managers/funds outperformed their respective benchmarks and 6 underperformed against their respective benchmarks. At the end of the December 2016 quarter the value of the Fund was £455m above the value at the end of December 2015, an increase of 19%.

Overseas Equities

- 4.2 **Fidelity** produced a relative return in the quarter of -0.8% against the benchmark return of +5.5%. Relative performance over the year to December 2016 was -2.8% against the benchmark of 26.8%. Over the last 5 years the manager has exceeded the benchmark by +0.9% p.a. (gross of fees).

Global Equities

- 4.3 The Global Alpha fund managed by **Baillie Gifford** returned +4.3% for the quarter against a benchmark return of +6.7%. Relative performance over the longer term was -3.6% over 1 year and +2.0% p.a. over 5 years. Since inception in 2006, the Fund has outperformed the FTSE All World by 1.9% p.a.

The LTGG fund, also managed by **Baillie Gifford** produced a return for the quarter of -4.2% against a benchmark return of +6.7%. LTGG is a relatively concentrated fund and short term volatility is to be expected. Relative performance over the longer term was -14.5% over 1 year and +4.1% p.a. over 5 years.

The Global equity funds for **Veritas** and **Dodge & Cox** produced a relative return of -1.5% and +5.9% respectively against the MSCI All Country World benchmark of +6.5%. Both managers invest on a global unconstrained basis so this benchmark is for performance measurement purposes only. In absolute terms, since inception in April 2015, both Veritas and Dodge and Cox have returned +12.6% p.a. against the benchmark return of +11.7%.

UK Equities

- 4.4 **Standard Life** produced an absolute return of +9.0% for the quarter. This represents an outperformance of 6.4% against the benchmark. Relative performance for the year was +8% against the benchmark of 9.9%. Relative annualised performance over the longer term was -1.4% p.a. over three years and +2.4% p.a. over five years.

Fixed Income

- 4.5 **ECM** produced +0.4% relative against cash (+0.1%) for the quarter and also +3.4% relative for the year. Annualised performance for the 5 years to December 2016 was +3.6% pa relative against a benchmark of +0.5%.
- 4.6 The investment in Gilts with **M&G** slightly outperformed the liability matching benchmark of -3.9% for the quarter to December 2016 by +0.3%. Performance for the year was +0.4% above the benchmark return of 30.6%, and annualised performance since inception in 2010 was +0.8% pa above the benchmark of +11.3%.

Property

- 4.7 The investments with **Hermes, L&G and Threadneedle** produced +0.8%, +0.5% and -6.3% respectively in relative terms, against the property index for each manager in the quarter to December 2016.
- 4.8 Over the year to December 2016 **Hermes** outperformed against the benchmark, returning in absolute terms +6.4% against a benchmark of 3.7%. **L&G and Threadneedle** both underperformed returning +2.6% and -3.3% respectively in absolute terms against the benchmark of +2.8%.

Diversified Growth Funds

- 4.9 The Investment with the **Standard Life** Global Absolute Return Strategy (GARS) Fund produced a relative over-performance for the quarter of +1.3% against a cash benchmark of +0.1%. The **Newton Investments** Real Return Fund produced a relative under-performance for the quarter of -5.2% against the same cash benchmark.
- 4.10 Over the period since inception in March 2013, in absolute terms, Standard Life returned +2.5% p.a. against cash of +0.5% and a performance target of +5.5%. Newton achieved +2.3% p.a. 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 7.6% for the rolling three year period to 31 December 2016, 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 2016 was 1.4%, which is slightly below the benchmark of 1.5%.
- 5.4 The **Tracking Error** figure reflects how closely a fund manager's actual return follows their respective benchmark. As at December 2016 the figure was 2.4%.
- 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 2016 the ratio for the Fund was +0.2%.

6.0 SOLVENCY

- 6.1 The **solvency position** is presented in **Appendices 3 and 4**. As at 31 December 2016 the estimated solvency was 97%. This is a 9% increase from the solvency figure as at 31 March 2016, calculated by the Actuary during the 2016 Valuation process.
- 6.2 This increase in solvency is primarily due to asset outperformance in the first 9 months of the financial year. In this time the gross return on the Fund's assets was 17.3%.

7.0 REBALANCING

- 7.1 At the end of September 2016 the Fund held a negative cash balance as a result of an opportunity to add to the property investment with Threadneedle in the previous quarter. NYPF disinvested £41.9m from ECM on the 10 November 2016 to address this deficit and to provide sufficient cash to satisfy the Fund's requirements over the current quarter.
- 7.2 NYPF also invested £7.6m with Bluebay, one of the two new Private Debt mandates, during the quarter ending 31 December 2016. As these funds were not invested until 19 December 2016, performance figures have not been provided for the last quarter.

8.0 PROXY VOTING

- 8.1 The report from PIRC is available on request summarising the proxy voting activity in the period October 2016 to December 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 period ending 31 December 2016.

GARY FIELDING
Treasurer
Central Services
County Hall
Northallerton

10 February 2017



BNY MELLON
ASSET SERVICING

North Yorkshire Pension Fund

3 Months Ending 31 December 2016

Fund Analysis & Performance Report



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Market Review

Market Briefing - Quarter Ended 30 December 2016

Market Summary

During the 4th Quarter of 2016, returns were positive for most of the sectors. Most Equities achieved positive returns whereas Fixed Income saw mixed returns. Cash also achieved positive returns.

UK Equities

In Quarter Four 2016, the FTSE Small 100 was the best performing index with a return of 4.3%, followed by the FTSE Small Cap with a return of 4.0%. The FTSE 250 showed the weakest performance with a return of 1.7%. Over the one year period ending 31st December 2016, the FTSE 100 was the best performing index with a return of 19.1%. The FTSE 250 was the weakest performing index with a return of 6.7%.

Oil & Gas was the best performing industry sector with a return of 17.6% for the quarter. The weakest performing sector was Technology with a return of -8.9%. Over the one year period returns ranged from 88.8% for Basic Materials to -11.3% for Telecommunications. Oil & Gas was the second best performing sector with a return of 59.8% over the year.

Overseas Equities

Most Overseas Equity markets achieved positive returns during the quarter.

Within Europe, Greece was the best performing country with a return of 21.1%. This was followed by Italy with a return of 15.6%. The weakest performing country was Belgium with a return of -6.7%. Over the one year period, Norway was the strongest performing country with a return of 36.4%, and Greece the weakest with a return of -1.7%.

Outside Europe, USA was the best performing country with a return of 8.8%. USA was followed by Brazil with a return of 7.6%. Mexico was the weakest performing country with a return of -3.2%.

Market Review

UK Bonds

For UK-Bonds, the fourth quarter returns were negative for most of the sectors. Non Gilts outperformed UK-Gilts with a return of -2.8% compared to a return of -3.4%. Within Gilts, Short-dated Gilts was the strongest performing sector with a return of -0.2%. Long-dated Gilts was the weakest performing sector with a return of -6.0%.

Over the one year period ending 31st December 2016, Non Gilts was the best performing sector with a return of 10.6% compared to the return of 10.1% for UK-Gilts. Within Gilts, Long-dated Gilts provided the strongest performance with a return of 18.5%, whilst the weakest came from Short-dated Gilts with 2.6%.

Overseas Bonds

Returns were mostly negative for the Overseas Bonds. Within Europe, Sweden was the best performing country with a return of -3.2%. Belgium was the weakest performing country with a return of -4.8%. Outside Europe, USA was the best performing country with a return of 0.8%. Japan was the weakest performing country outside Europe with a return of -10.3%.

Over the twelve month period, most European Bonds saw positive returns. Denmark provided the strongest performance with a return of 22.4%, followed by Belgium with a return of 21.7%. Outside Europe, the best performance came from the Japan with a twelve months return of 27.4%.

UK Index-Linked Gilts

UK Index Linked-Gilts achieved a negative return of -2.7% for the fourth quarter of 2016. Within this sector, Short-dated Index-Linked Gilts provided the strongest performance with a return of 0.7%. The weakest performance was provided by Long-dated Index-Linked Gilts with a return of -3.8%.

Over the one year period, on an overall basis, UK Index-Linked Gilts achieved a return of 24.3%. Over the same period, Long-dated Index-Linked Gilts was the strongest performing sector with a return of 32.5%, whereas Short-dated Index Linked Gilts showed the weakest performance, returning 4.0%.

UK Cash

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 fourth quarter of 2016, the fund returned 1.65% versus its benchmark of 3.11%, thereby underperformed by 1.46%. In terms of longer period performance, the fund has outperformed over 3 years by 0.4% p.a.

At asset class level, the fund outperformed its blended benchmark in few of the asset classes. UK Equities and Bonds are the best performing sectors which outperformed its benchmark by 6.7% and 0.23%.

Over the quarter, majority of the accounts out-performed their benchmarks. The best performance (excluding the Cash Account) was shown by Standard Life Manager which out-performed its benchmark by 6.40%.

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 2.97% and 4.51% underweight respectively.

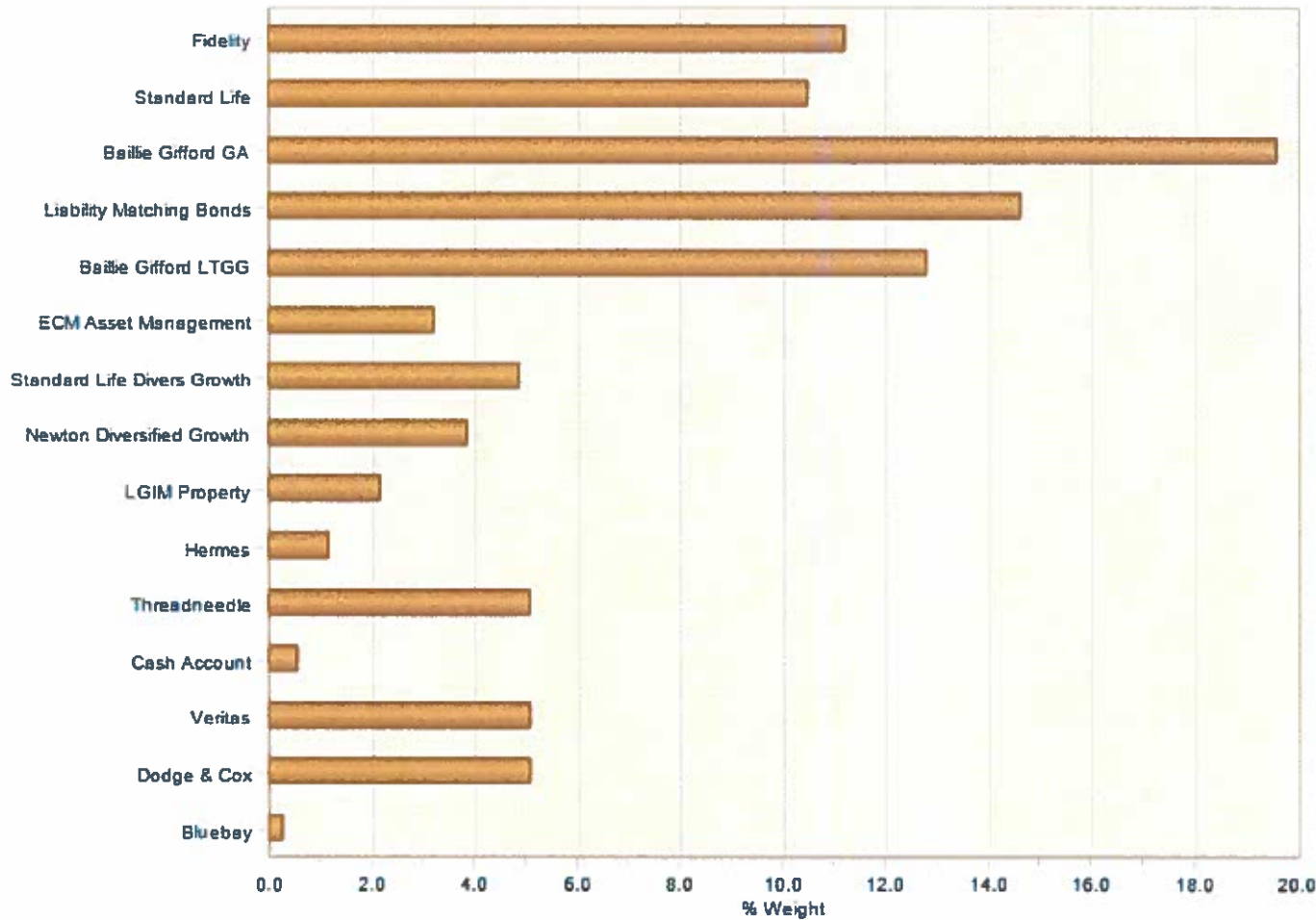
Fund Allocation





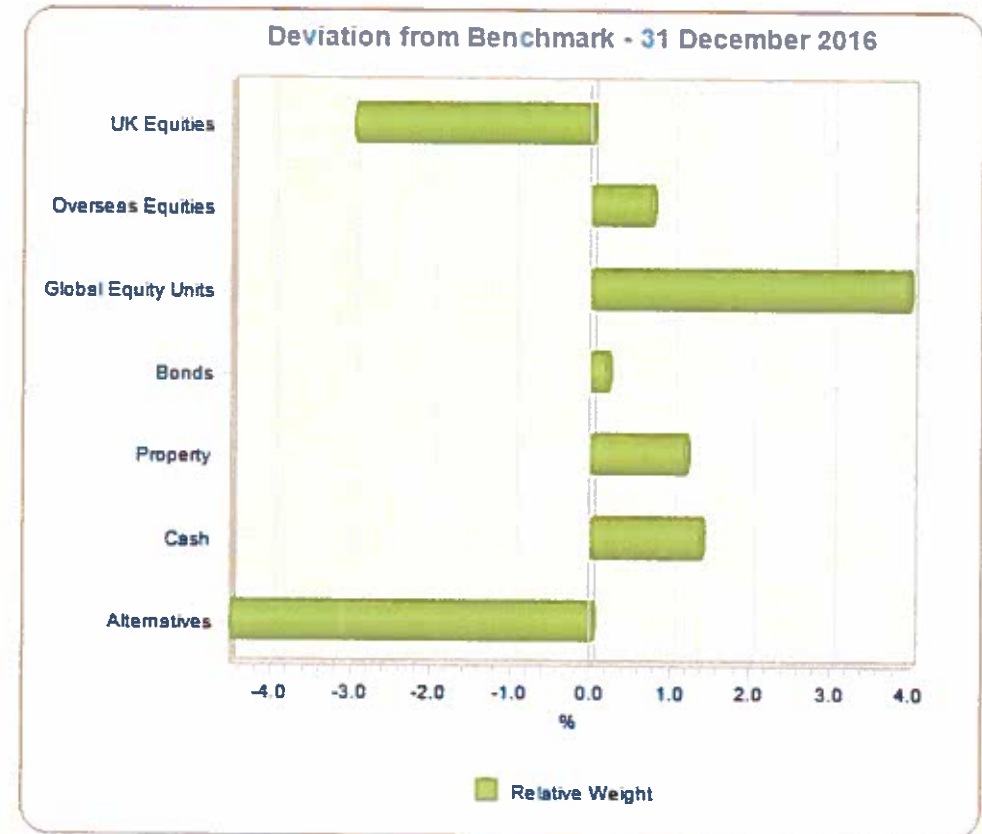
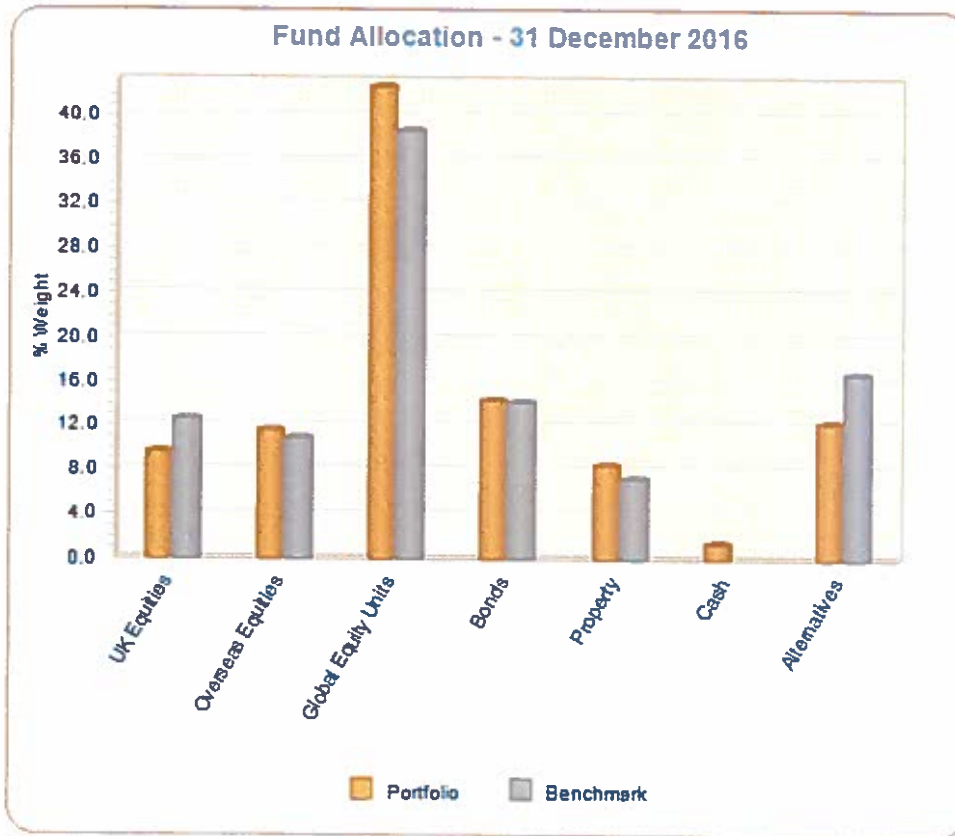
Fund Allocation - Managers

Manager Allocation - 3 Months Ending 31 December 2016



Manager	Weight (%)
Fidelity	11.19
Standard Life	10.49
Baillie Gifford GA	19.62
Liability Matching Bonds	14.62
Baillie Gifford LTGG	12.79
ECM Asset Management	3.22
Standard Life Divers Growth	4.86
Newton Diversified Growth	3.85
LGIM Property	2.15
Hermes	1.14
Threadneedle	5.09
Cash Account	0.55
Veritas	5.08
Dodge & Cox	5.07
Bluebay	0.26

Fund Allocation - Relative Analysis



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	9.63	11.55	42.57	14.30	8.38	1.38	12.19
Benchmark	12.60	10.80	38.60	14.10	7.20	1.38	16.70
Relative Weight	-2.97	0.75	3.97	0.20	1.18	1.38	-4.51

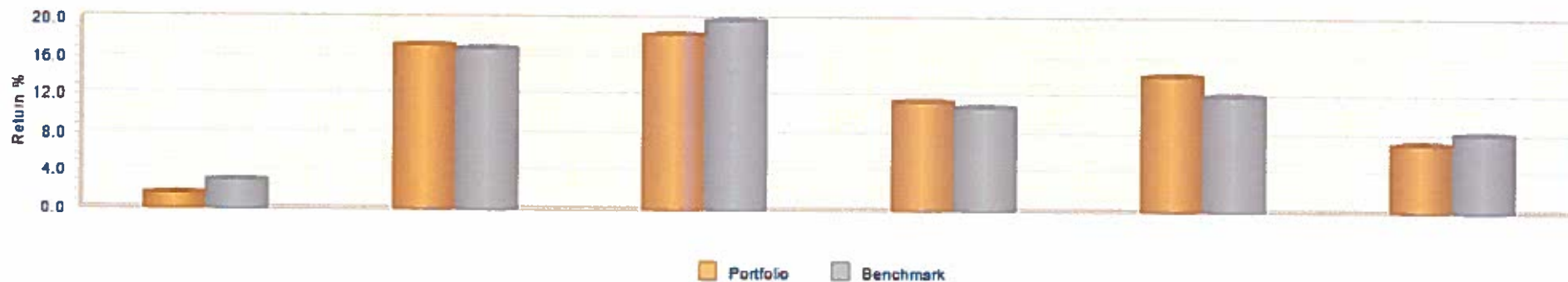
Fund Performance



Fund Performance - Summary



Periodic Performance



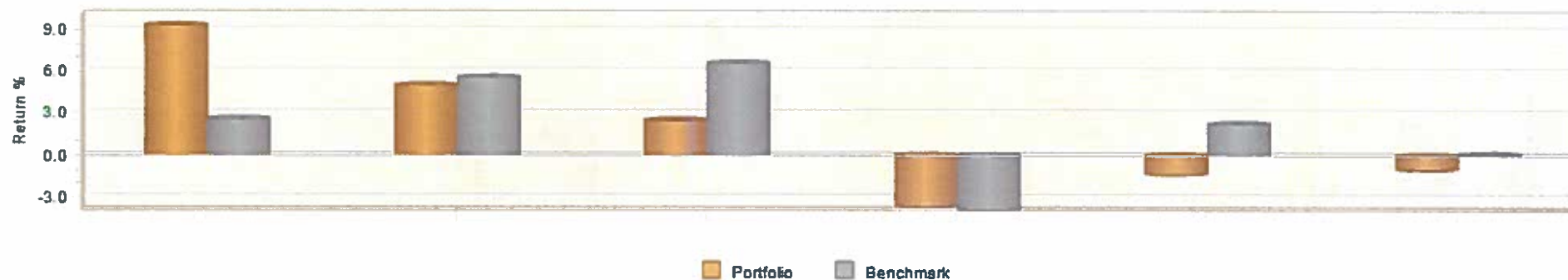
	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception (Ann)
Portfolio	1.65	17.28	18.48	11.50	14.32	7.34
Benchmark	3.11	16.97	19.97	11.10	12.18	8.26

Inception Date: 31 Jan 2002

Ann = Annualised

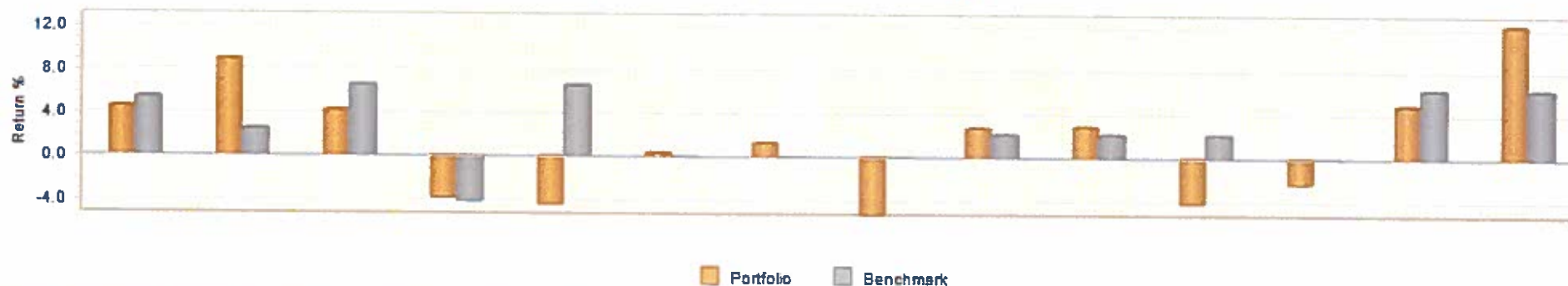
Fund Performance - Segment Analysis

Segment Performance - 3 Months Ending 31 December 2016



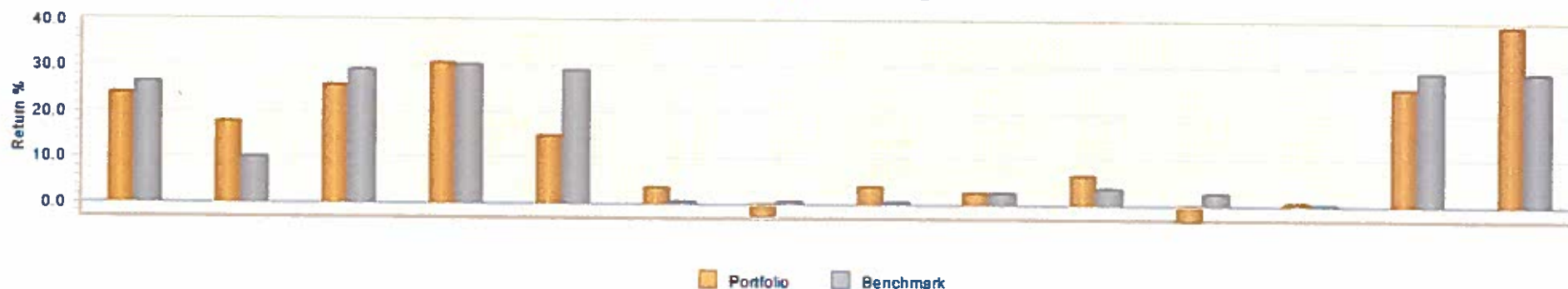
	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Alternatives
Portfolio	9.28	4.99	2.53	-3.68	-1.39	-0.98
Benchmark	2.58	5.53	6.61	-3.91	2.25	0.07

Manager Performance - 3 Months Ending 31 December 2016



	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	4.68	8.97	4.29	-3.62	-4.21	0.50	1.43	-5.11	2.79	3.02	-3.97	-2.16	5.04	12.39
Benchmark	5.53	2.58	6.66	-3.91	6.66	0.07	0.07	0.07	2.26	2.23	2.26	0.03	6.50	6.50

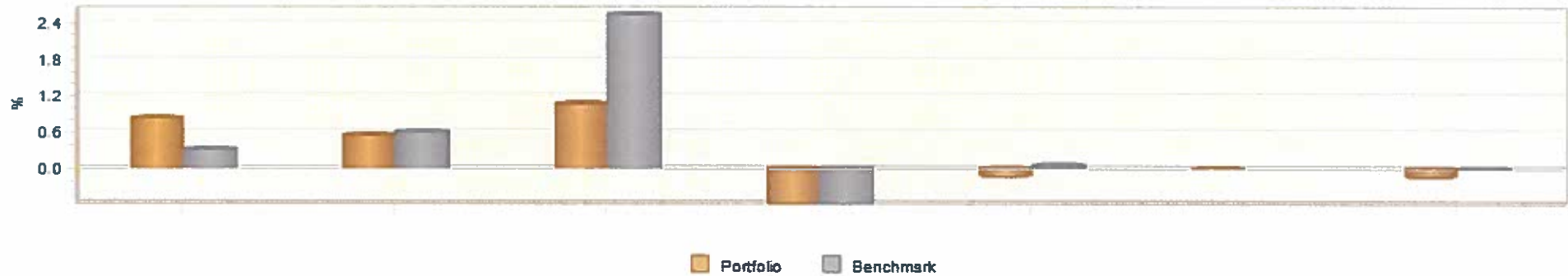
Manager Performance - 1 Year Ending 31 December 2016



	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	24.05	17.94	25.96	31.00	15.09	3.80	-2.46	4.11	2.57	6.43	-3.29	0.50	25.84	39.76
Benchmark	26.76	9.94	29.56	30.64	29.56	0.42	0.42	0.42	2.77	3.66	2.77	0.28	29.40	29.40

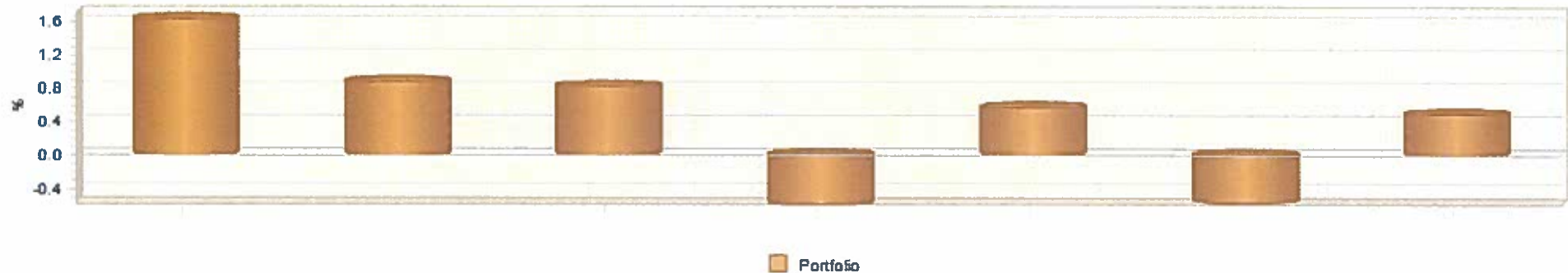
Fund Performance - Contribution Analysis

Source of Contribution - Quarter to 31 December 2016



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	0.84	0.55	1.07	-0.56	-0.12	0.00	-0.12
Benchmark	0.33	0.60	2.54	-0.55	0.07		0.01

Top 5 Manager Contribution - Quarter to 31 December 2016



	Total Consolidation	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	Dodge & Cox	M&G	Remaining Managers
Portfolio	1.65	0.88	0.82	-0.58	0.57	-0.56	0.51

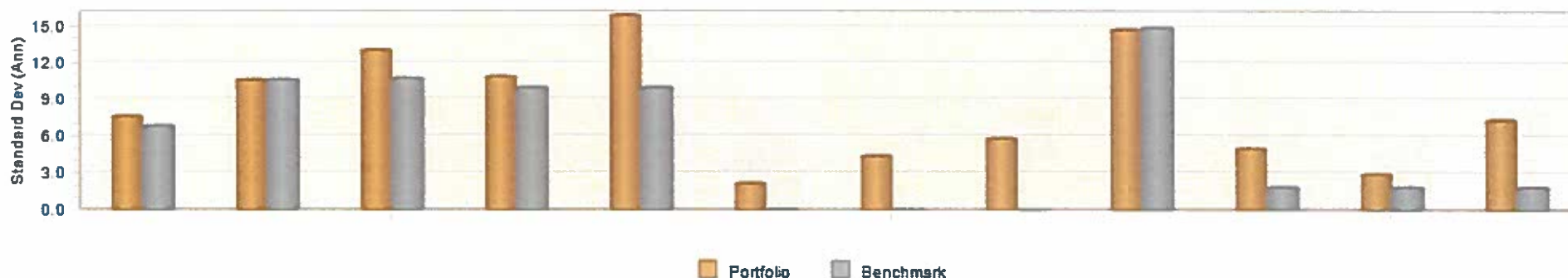
Risk Profile





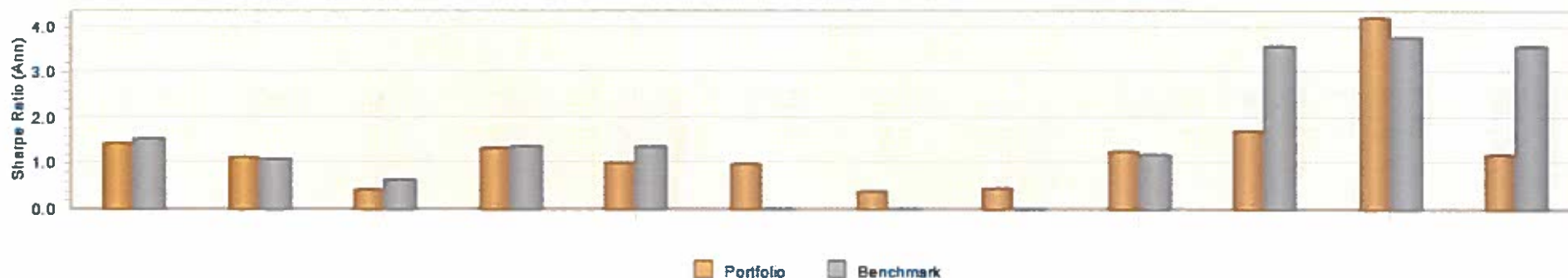
Risk Profile - Historic Risk

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



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	7.58	10.50	12.99	10.84	15.84	2.07	4.27	5.70	14.73	4.96	2.86	7.24
Benchmark	6.73	10.51	10.64	9.94	9.94	0.02	0.02	0.02	14.77	1.80	1.81	1.80

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

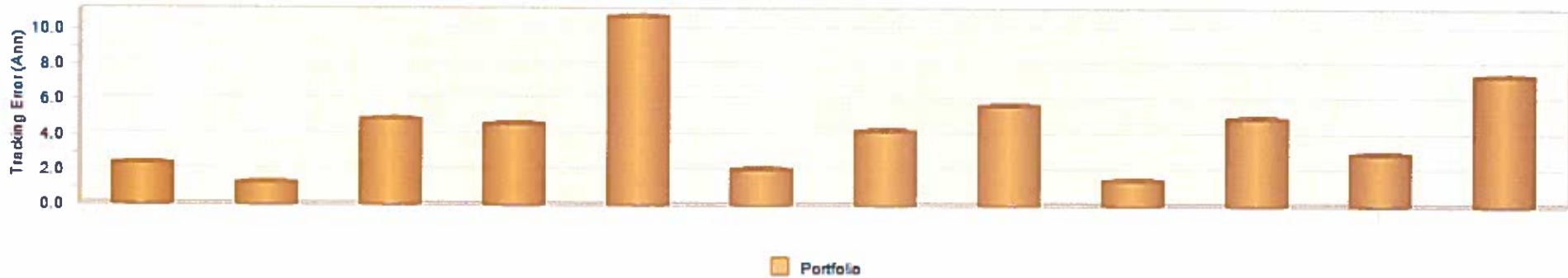


	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	1.42	1.11	0.43	1.32	1.01	0.97	0.38	0.45	1.25	1.72	4.21	1.18
Benchmark	1.53	1.09	0.62	1.37	1.37	0.00	0.00	0.00	1.18	3.58	3.78	3.58

Ann = Annualised

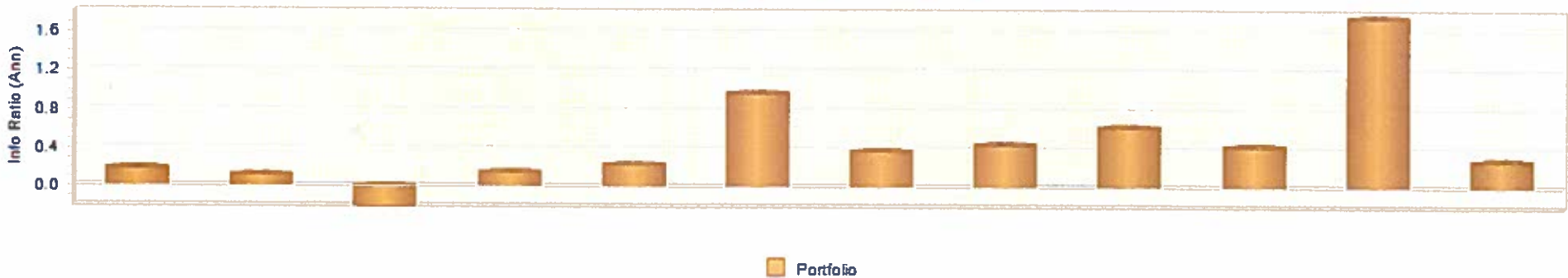
Risk Profile - Historic Risk

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



Portfolio	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	2.38	1.28	4.83	4.56	10.72	2.07	4.28	5.69	1.47	4.96	2.94	7.36

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



Portfolio	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	ECM Asset Management	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle
Portfolio	0.18	0.12	-0.21	0.15	0.23	0.97	0.38	0.45	0.63	0.43	1.77	0.29

Ann = Annualised



Risk Profile - Consistency Analysis

Manager	Active Number of Months	Number of Positive Months	Consistency Rate (%)	Benchmark Consistency (%)	Outperformance (%)
Total Consolidation	180	117	65	67	55
Fidelity	98	63	64	51	52
Standard Life	123	70	57	40	56
Baillie Gifford GA	123	77	63	45	55
Amundi	125	73	58		
Baillie Gifford LTGG	124	74	60	44	52
ECM Asset Management	138	91	66	57	62
Standard Life Divers Growth	46	29	63	100	61
Newton Diversified Growth	46	25	54	100	54
M&G	61	34	56	61	56
LGIM Property	49	43	88	82	61
Hermes	58	45	78	79	57
Threadneedle	55	48	87	81	67
Veritas	21	12	57	67	48
Dodge & Cox	21	14	67	67	43
Bluebay	1	0	0	100	0

Fund Profile



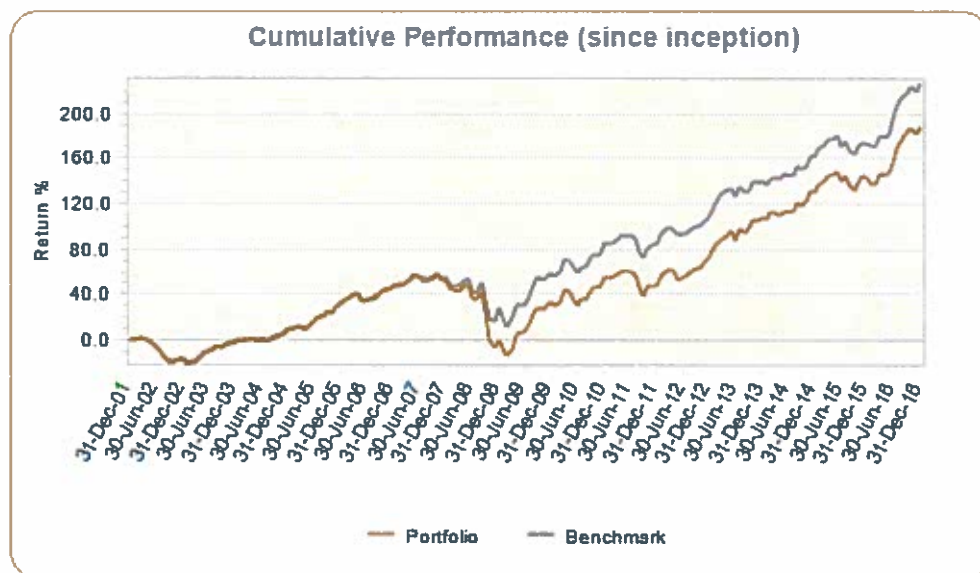
Fund Profile - Movement of Funds

Manager Name	Market Value 30-Sep-2016 (000's)	Net Contributions (000's)	Income (000's)	Gain/Loss (000's)	Market Value 31-Dec-2016 (000's)	% Change
Total Consolidation	2,800,629.42	2,380.26	4,176.98	42,119.56	2,849,306.22	1.74
Total Consolidation	2,800,629.42	2,380.26	4,176.98	42,119.56	2,849,306.22	1.74
Fidelity	304,633.28	0.00	1,502.09	12,743.20	318,878.57	4.68
Standard Life	274,376.72	0.00	1,614.22	22,990.57	298,981.52	8.97
Baillie Gifford GA	536,165.43	0.00	0.00	23,009.43	559,174.86	4.29
Baillie Gifford LTGG	380,529.17	0.00	0.00	-16,003.67	364,525.50	-4.21
ECM Asset Management	133,118.70	-41,892.95	0.00	531.22	91,756.97	-31.07
Standard Life Divers Growth	136,513.06	0.00	0.00	1,953.71	138,466.77	1.43
Newton Diversified Growth	115,536.91	0.00	0.00	-5,901.83	109,635.08	-5.11
M&G	432,513.61	-186.50	769.50	-16,418.17	416,678.44	-3.66
LGIM Property	59,599.41	0.00	0.00	1,660.74	61,260.15	2.79
Hermes	31,925.77	-312.13	312.13	646.71	32,572.48	2.03
Threadneedle	150,939.37	0.00	0.00	-5,988.85	144,950.52	-3.97
Cash Account	-21,641.73	37,248.93	-21.86	18.76	15,604.10	-172.10
Veritas	137,739.41	0.00	0.00	6,944.53	144,683.94	5.04
Dodge & Cox	128,599.54	0.00	0.00	15,933.22	144,532.76	12.39
Bluebay		7,549.91	0.00	0.00	7,549.92	

Manager Analysis



Manager Analysis - Total Consolidation



Inception Date: 31 Jan 2002

Portfolio Size and Mandate	
Portfolio Size (GBP)	Portfolio Mandate
2,849,306,220	Total Plan

Allocation - 31 December 2016							
	UK	Overseas	Global	Bonds	Property	Cash	Alternative
	Equities	Equities	Equity				
Portfolio	9.63	11.55	42.57	14.30	8.38	1.38	12.19
Benchmark	12.60	10.80	38.60	14.10	7.20		16.70

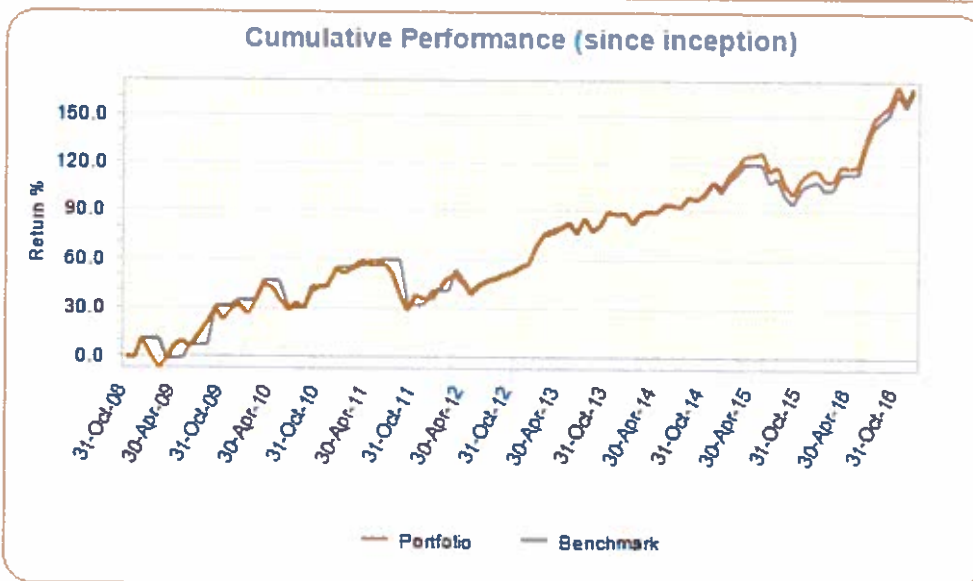
Periodic Performance						
	Quarter	Fiscal Year	1 Year	3 Years	5 Years	Since
		To Date		(Ann)	(Ann)	Inception
Portfolio	1.7	17.3	18.5	11.5	14.3	7.3
Benchmark	3.1	17.0	20.0	11.1	12.2	8.3

Summary - 3 Months Ending 31 December 2016

The fund's relative performance of the Quarter and 1 Year was -1.4% and -1.5% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016				
	Standard	Sharpe Ratio	Tracking Error	Information Ratio
	Deviation			
Portfolio	7.6	1.4	2.4	0.2
Benchmark	6.7	1.5		

Manager Analysis - Fidelity



Inception Date: 30 Nov 2008

Portfolio Size and Mandate

Portfolio Size (GBP)

318,878,574

Portfolio Mandate

Global Equities

Allocation - 31 December 2016

	UK Equities	Overseas Equities	Cash
Portfolio	0.21	98.78	1.01
Benchmark			

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	4.7	22.7	24.0	12.2	14.5	12.8
Benchmark	5.5	23.8	26.8	12.0	13.6	12.7

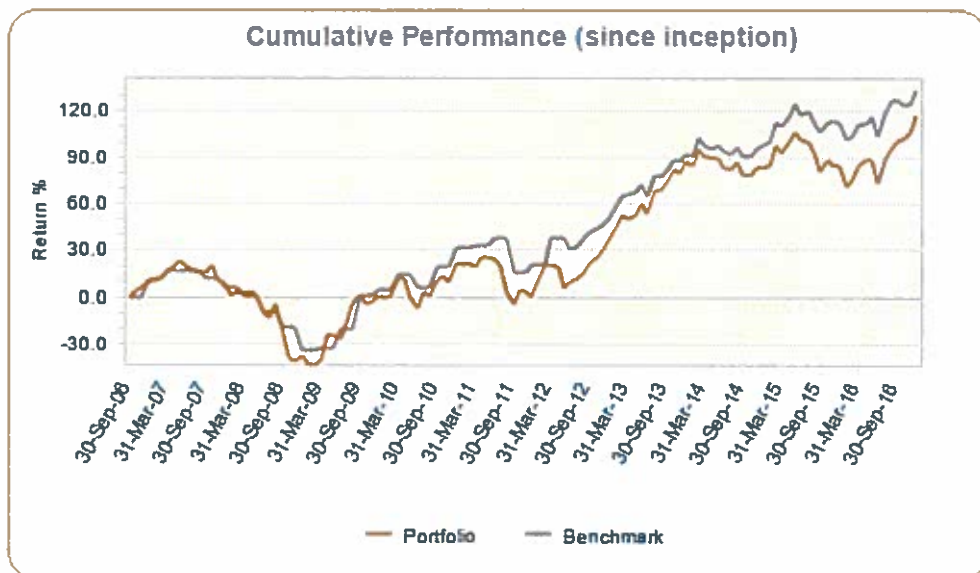
Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was -0.8% and -2.8% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	10.5	1.1	1.3	0.1
Benchmark	10.5	1.1		

Manager Analysis - Standard Life



Inception Date: 31 Oct 2006

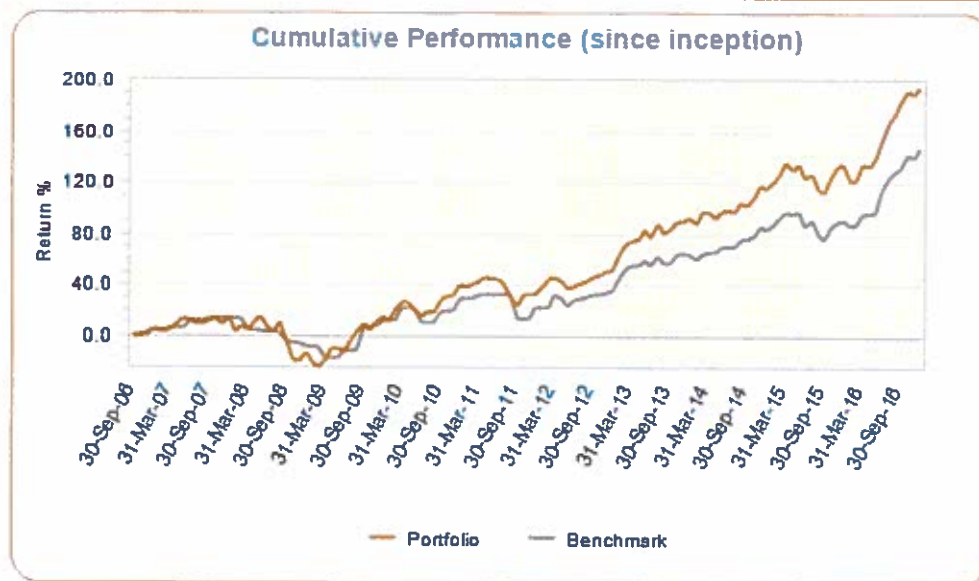
Periodic Performance						
	Quarter	Fiscal Year	1 Year	3 Years	5 Years	Since
		To Date		(Ann)	(Ann)	Inception
Portfolio	9.0	17.9	17.9	5.3	16.6	7.9
Benchmark	2.6	10.4	9.9	6.7	14.2	8.7

Risk Profile - 3 Years (Ann) to 31 December 2016				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	13.0	0.4	4.8	-0.2
Benchmark	10.6	0.6		

Portfolio Size and Mandate	
Portfolio Size (GBP)	Portfolio Mandate
298,981,521	UK Equities

Allocation - 31 December 2016			
	UK Equities	Overseas Equities	Cash
Portfolio	91.52	4.75	3.74
Benchmark	100.00		

Summary - 3 Months Ending 31 December 2016
The manager's relative performance of the Quarter and 1 Year was 6.4% and 8.0% respectively.



Inception Date: 31 Oct 2006

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	4.3	25.4	26.0	15.1	17.3	11.1
Benchmark	6.7	25.8	29.6	14.5	15.3	9.2

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	10.8	1.3	4.6	0.1
Benchmark	9.9	1.4		

Portfolio Size and Mandate

Portfolio Size (GBP)

559,174,859

Portfolio Mandate

Global Equities

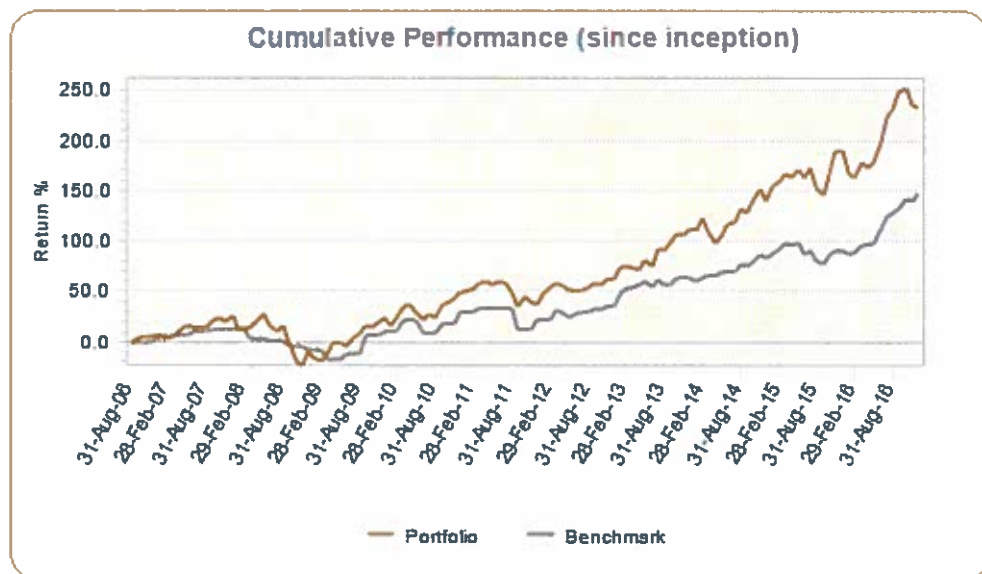
Allocation - 31 December 2016

	Global Equity Units	Cash
Portfolio	100.00	0.00
Benchmark	100.00	

Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was -2.4% and -3.6% respectively.

Manager Analysis - Baillie Gifford LTGG



Inception Date: 30 Sep 2006

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	-4.2	20.3	15.1	16.4	19.4	12.4
Benchmark	6.7	25.8	29.6	14.5	15.3	

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	15.8	1.0	10.7	0.2
Benchmark	9.9	1.4		

Portfolio Size and Mandate

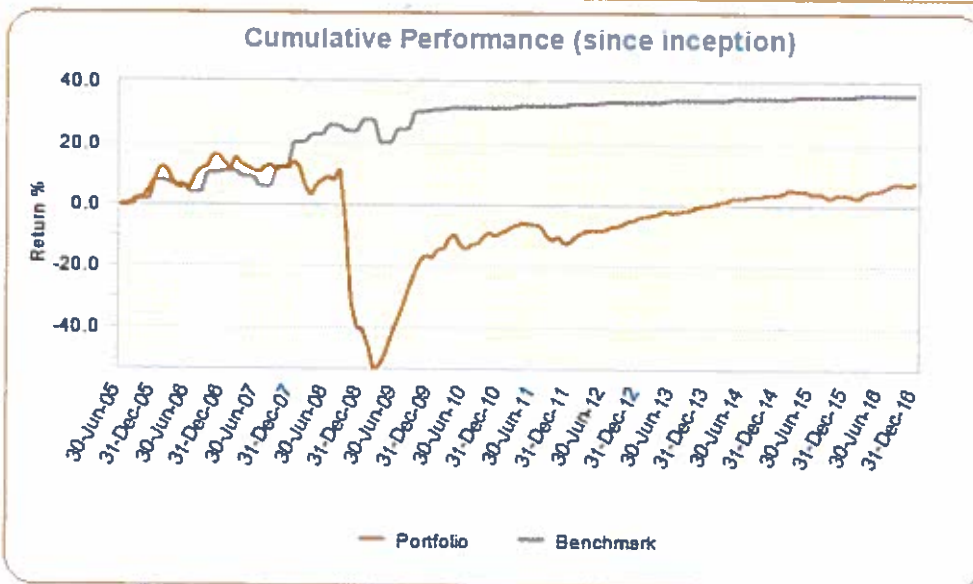
Portfolio Size (GBP)	Portfolio Mandate
364,525,495	Global Equities

Allocation - 31 December 2016

	Global Equity Units
Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was -10.9% and -14.5% respectively.



Inception Date: 31 Jul 2005

Portfolio Size and Mandate

Portfolio Size (GBP)

91,756,965

Portfolio Mandate

Alternatives

Allocation - 31 December 2016

	Alternatives
Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	0.5	3.4	3.8	2.5	4.1	0.7
Benchmark	0.1	0.3	0.4	0.5	0.5	2.7

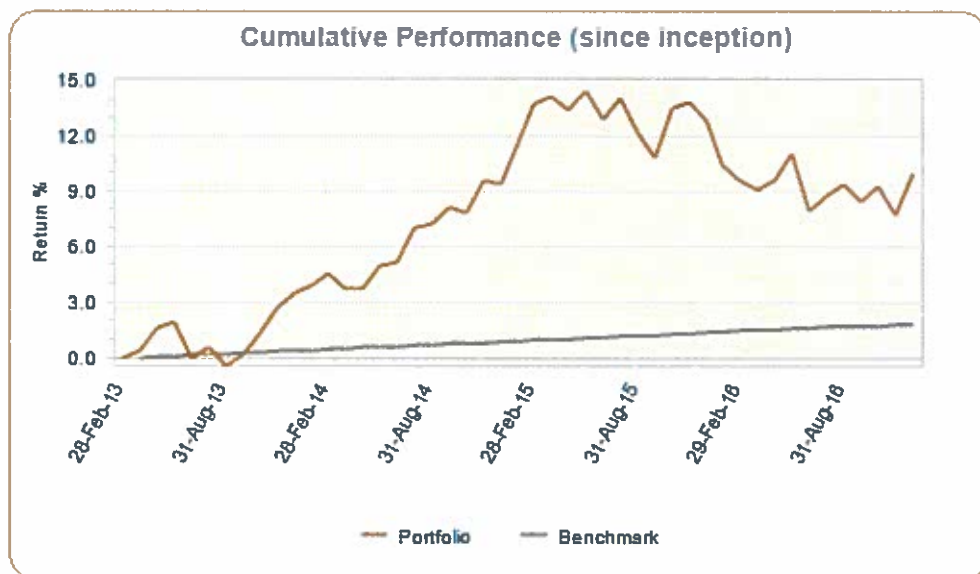
Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was 0.4% and 3.4% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016

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

Manager Analysis - Standard Life Divers Growth



Inception Date: 31 Mar 2013

Portfolio Size and Mandate	
Portfolio Size (GBP)	Portfolio Mandate
138,466,768	Diversified Growth

Allocation - 31 December 2016	
	Alternatives
Portfolio	100.00
Benchmark	100.00

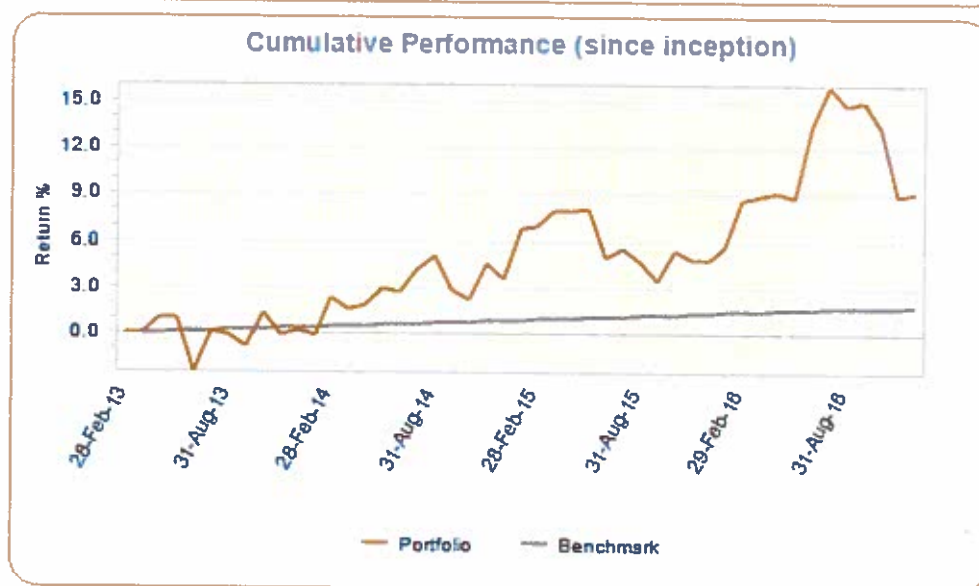
Periodic Performance					
	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	1.4	0.8	-2.5	2.0	2.5
Benchmark	0.1	0.3	0.4	0.5	0.5

Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was and 1.3% and -2.9% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	4.3	0.4	4.3	0.4
Benchmark	0.0	0.0		

Manager Analysis - Newton Diversified Growth



Inception Date: 31 Mar 2013

Portfolio Size and Mandate

Portfolio Size (GBP)

109,635,076

Portfolio Mandate

Diversified Growth

Allocation - 31 December 2016

	Alternatives
Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	-5.1	0.2	4.1	2.9	2.3
Benchmark	0.1	0.3	0.4	0.5	0.5

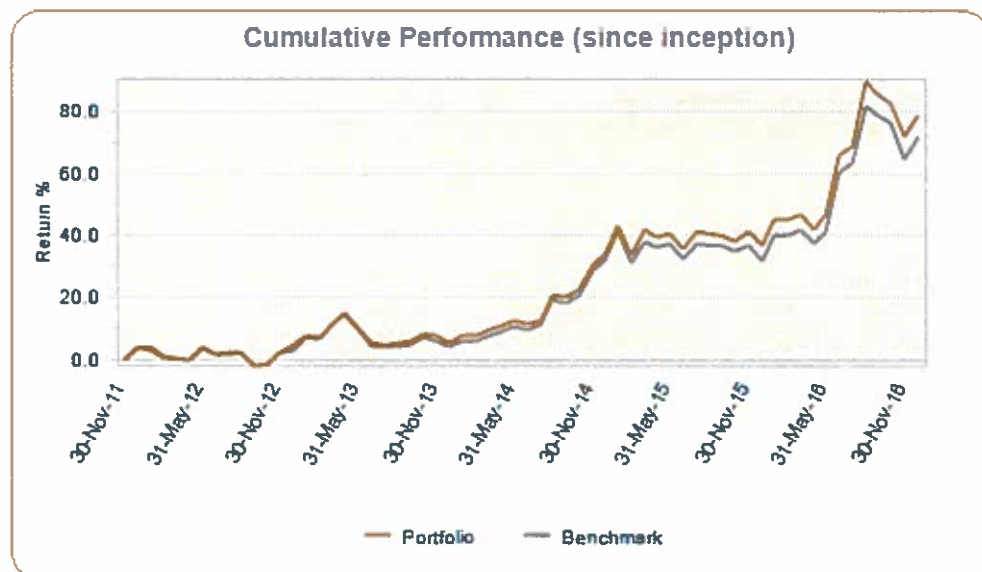
Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was -5.2% and 3.7% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	5.7	0.4	5.7	0.4
Benchmark	0.0	0.0		

Manager Analysis - M&G



Inception Date: 31 Dec 2011

Portfolio Size and Mandate

Portfolio Size (GBP)

416,678,439

Portfolio Mandate

Global Bonds

Allocation - 31 December 2016

	Bonds	Cash
Portfolio	97.75	2.25
Benchmark		

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	-3.6	21.8	31.0	19.4	11.5	12.1
Benchmark	-3.9	21.4	30.6	18.3	10.7	11.3

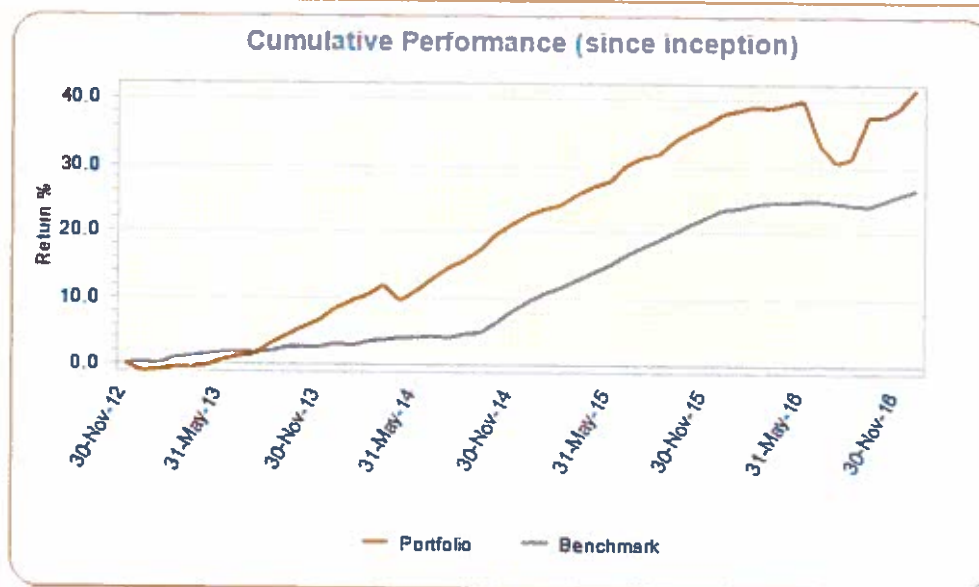
Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was 0.3% and 0.4% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	14.7	1.2	1.5	0.6
Benchmark	14.8	1.2		

Manager Analysis - LGIM Property



Inception Date: 31 Dec 2012

Portfolio Size and Mandate

Portfolio Size (GBP)

61,260,155

Portfolio Mandate

Property

Allocation - 31 December 2016

Property

Portfolio
Benchmark

100.00
100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	2.8	2.1	2.6	9.3	8.9
Benchmark	2.3	1.7	2.8	7.1	6.0

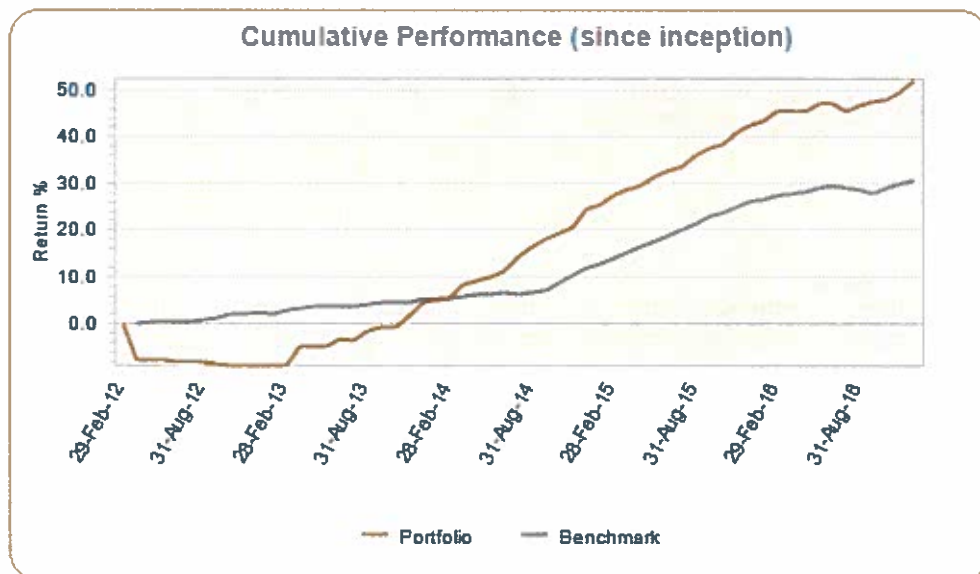
Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 year was 0.5% and -0.2% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	5.0	1.7	5.0	0.4
Benchmark	1.8	3.6		

Manager Analysis - Hermes



Inception Date: 31 Mar 2012

Portfolio Size and Mandate

Portfolio Size (GBP)	Portfolio Mandate
32,572,483	Property

Allocation - 31 December 2016

	Property
Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	3.0	4.5	6.4	13.2	9.0
Benchmark	2.2	2.4	3.7	7.6	5.8

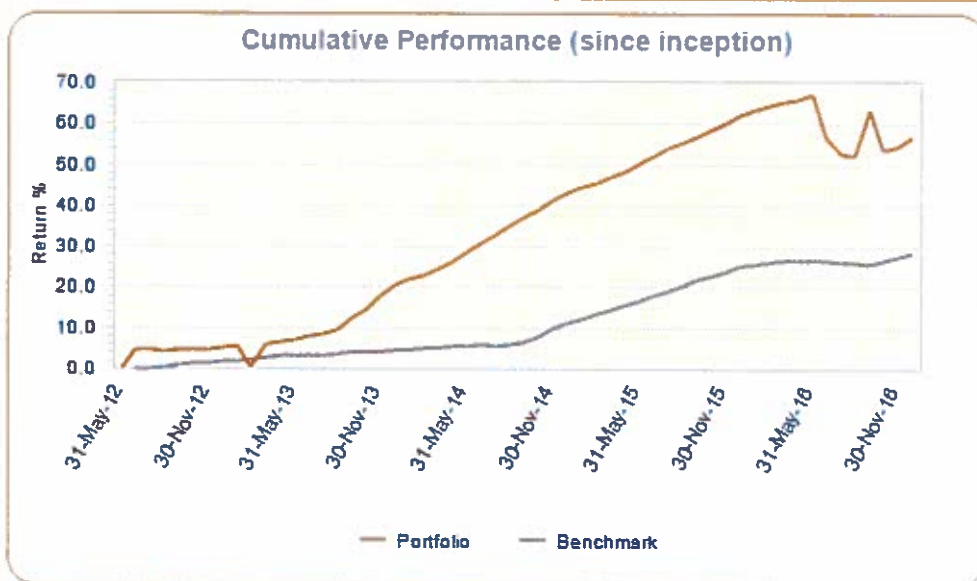
Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was 0.8% and 2.7% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	2.9	4.2	2.9	1.8
Benchmark	1.8	3.8		

Manager Analysis - Threadneedle



Inception Date: 30 Jun 2012

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	-4.0	-5.2	-3.3	9.1	10.3
Benchmark	2.3	1.7	2.8	7.1	5.8

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	7.2	1.2	7.4	0.3
Benchmark	1.8	3.6		

Portfolio Size and Mandate

Portfolio Size (GBP)

144,950,520

Portfolio Mandate

Property

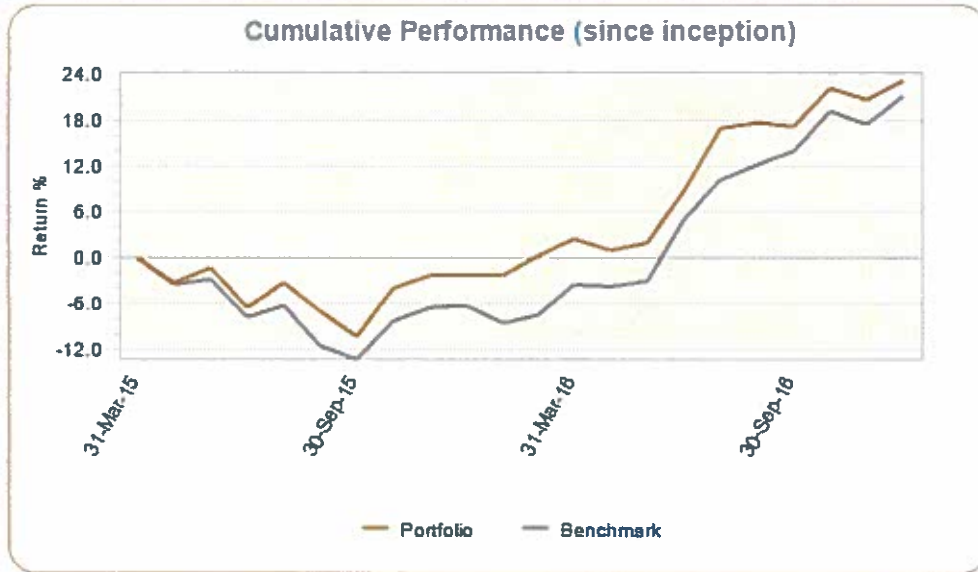
Allocation - 31 December 2016

	Property
Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was -6.3% and -6.1% respectively.

Manager Analysis - Veritas



Inception Date: 30 Apr 2015

Portfolio Size and Mandate	
Portfolio Size (GBP)	Portfolio Mandate
144,683,944	Global Equities

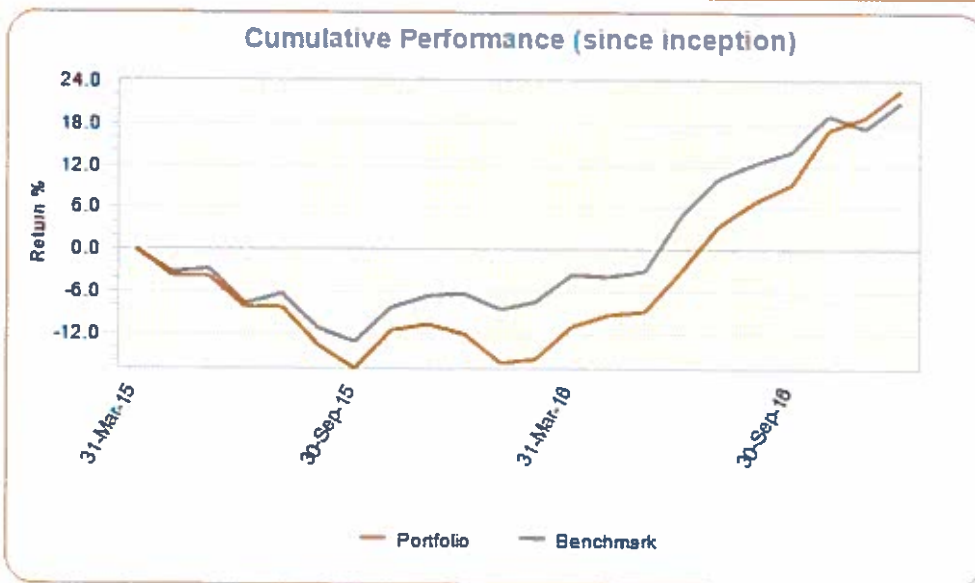
Allocation - 31 December 2016	
	Global Equity Units
Portfolio	100.00
Benchmark	100.00

Periodic Performance				
	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	5.0	20.2	25.8	12.6
Benchmark	6.5	25.7	29.4	11.7

Summary - 3 Months Ending 31 December 2016
The manager's relative performance of the Quarter and 1 Year was -1.5% and -3.6% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

Manager Analysis - Dodge & Cox



Inception Date: 30 Apr 2015

Portfolio Size and Mandate

Portfolio Size (GBP)

144,532,758

Portfolio Mandate

Global Equities

Allocation - 31 December 2016

Global Equity Units

Portfolio
Benchmark

100.00
100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	12.4	38.0	39.8	12.6
Benchmark	6.5	25.7	29.4	11.7

Summary - 3 Months Ending 31 December 2016

The manager's relative performance of the Quarter and 1 Year was 5.9% and 10.4% respectively.

Risk Profile - 3 Years (Ann) to 31 December 2016

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

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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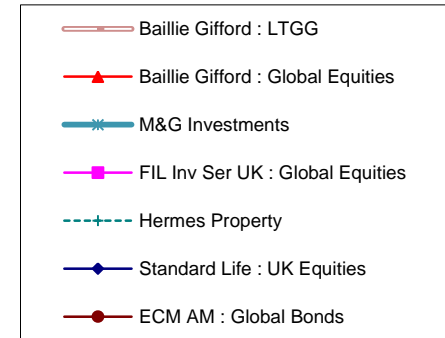
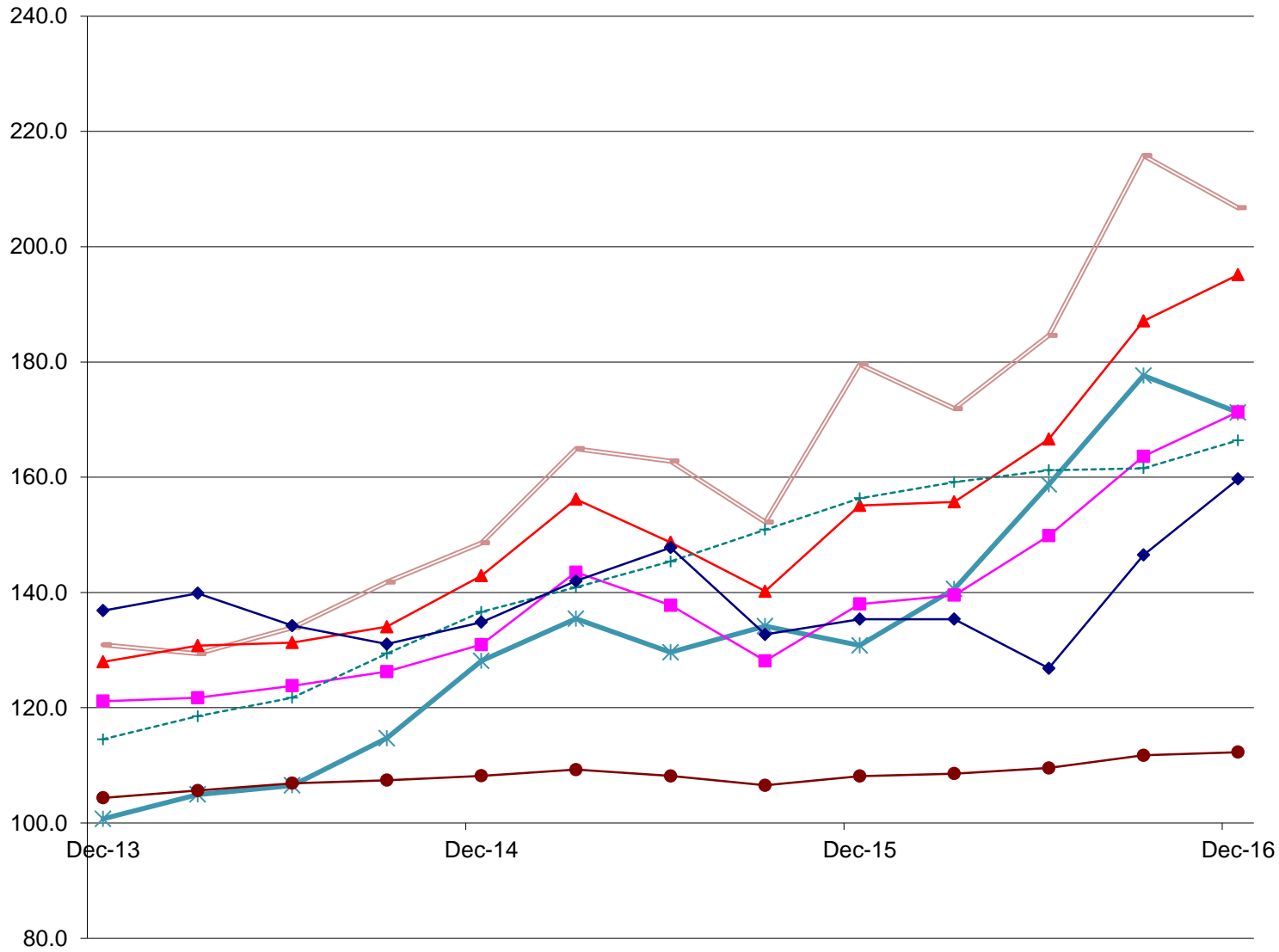
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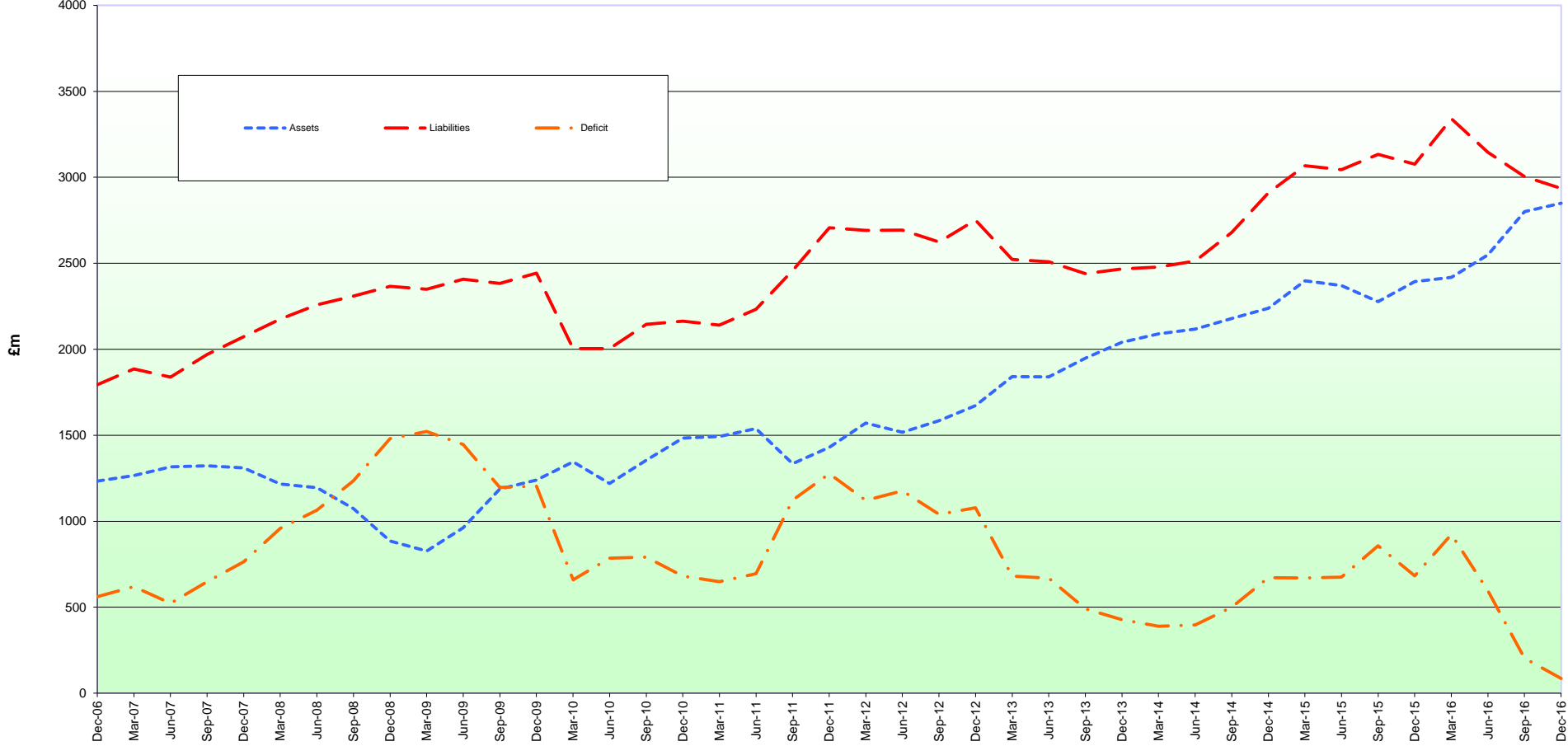
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Investment Manager Performance - cumulative absolute performance 3 years to December 2016



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	5,643
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	1483	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%	399	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	6,175
June 30, 2016	81%	596	2549	6,504
September 30, 2016	93%	203	2801	6,899
December 31, 2016	97%	86	2849	7,143

Triennial valuation results highlighted in grey

Movement in Assets and Liabilities

