

## NORTH YORKSHIRE COUNTY COUNCIL

## PENSION FUND COMMITTEE

13 SEPTEMBER 2018

PERFORMANCE OF THE FUND'S PORTFOLIO FOR THE QUARTER  
ENDING 30 JUNE 2018

## 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 30 June 2018.

**2.0 PERFORMANCE REPORT**

- 2.1 The Fund Analysis & Performance Report (**Appendix 1**) produced by BNY Mellon Asset Servicing (MAS) provides a performance analysis of the North Yorkshire Pension Fund for the quarter ending 30 June 2018.
- 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 (+5.8%) was above the customised benchmark for the Fund (+4.1%) by +1.7%.
- 3.2 The 12 month absolute rolling return was +12.0%, +5.1% above the customised benchmark of +6.9%.
- 3.3 Absolute and relative returns over the rolling years to each of the last four quarter ends were as follows:

Quarter End	Absolute %	Relative %
30 June 2018	+12.0	+5.1
31 March 2018	+8.4	+5.0
31 December 2017	+17.0	+6.4
30 September 2017	+14.0	+4.3

3.4 The performance of the various managers against their benchmarks for the quarter ended 30 June 2018 is detailed on **page 8** of the MAS report and in **Section 4** below. This performance is measured on a time-weighted basis and expressed as a +/- variation to their benchmark.

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

**Appendix 2** Fund Manager Performance over the three years to 30 June 2018 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**

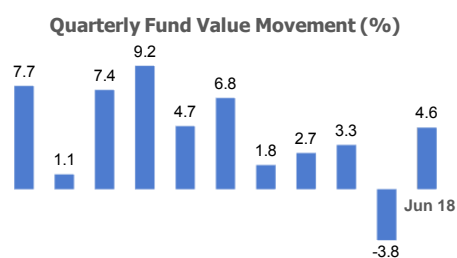
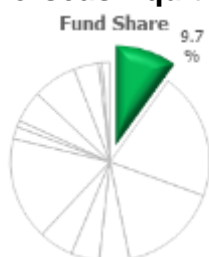
4.1 In monetary terms, the absolute return of +5.8% in the quarter increased the invested value of the Fund by £191.1m. This quarter, 8 managers/funds outperformed their respective benchmarks and 6 underperformed against their respective benchmarks. At the end of the June 2018 quarter the value of the Fund was £378.4m above the value at the end of June 2017, an increase of 12.0%.

4.2 The table below shows the performance of the Fund’s investments against the relevant benchmarks as at 30 June 2018. Performance targets set by the Fund are measured on a rolling 3 year basis and shown in the ‘3 Years’ section of the table.

Manager	Quarter		One Year		3 Years		
	Fund (%)	B'mk (%)	Fund (%)	B'mk (%)	Fund (%)	B'mk (%)	Target (%)
<b>Overseas Equities</b>							
Fidelity	5.0	5.0	7.1	7.0	13.1	13.8	15.8
Global Equities							
Baillie Gifford GA	7.5	6.9	16.2	9.4	20.0	15.3	17.3
Baillie Gifford LTGG	17.4	6.9	36.2	9.4	29.3	15.3	18.3
Dodge & Cox	5.5	7.0	4.4	9.5	13.6	15.3	15.3
Veritas	11.2	7.0	3.6	9.5	15.3	15.3	9.0-13.0
<b>UK Equities</b>							
Standard Life	6.7	8.0	17.3	10.1	9.3	9.3	12.3
<b>Fixed Income</b>							
M&G	-1.7	-1.6	3.0	2.6	10.6	9.8	10.3
<b>Property</b>							
Hermes	2.4	2.2	11.1	10.2	10.0	8.2	8.7
LGIM Property	1.3	2.0	8.0	9.7	6.7	7.6	7.7
Threadneedle	1.7	2.0	10.3	9.7	8.1	7.6	8.6-9.1
<b>Diversified Growth</b>							
Newton Diversified	2.3	0.1	-1.0	0.4	2.0	0.4	4.5
Standard Life Diversified	-1.4	0.1	-1.7	0.4	-1.1	0.4	5.5
<b>Private Debt</b>							
Bluebay	6.0	2.3	8.1	8.4			
Permira Credit	4.0	1.5	14.8	6.0			

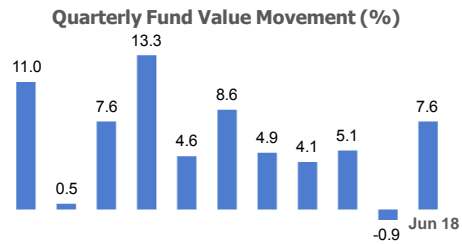
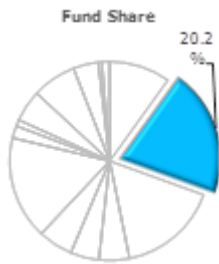
4.3 In the following section, the Fund's investments are analysed under the relevant asset heading with diagrams showing the size of the investment in relation to the total assets of the Fund as at 30 June 2018 and the quarterly increase or decrease in value of each investment up until 30 June 2018.

#### 4.4 Overseas Equities

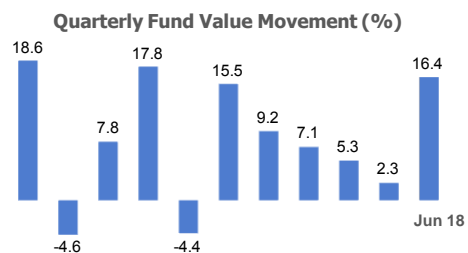
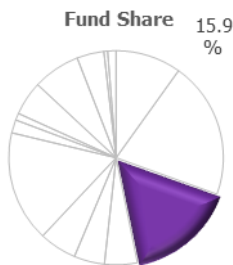


**Fidelity** met the benchmark return of +5.0% in the quarter. Relative performance over the year to June 2018 was +0.1% against the benchmark of +7.0%. Over the last 5 years the manager has exceeded the benchmark by +0.5% p.a.

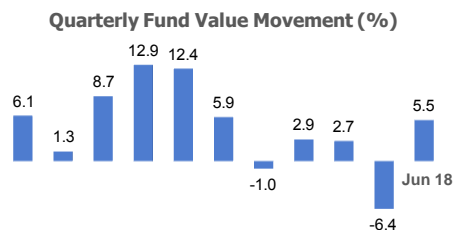
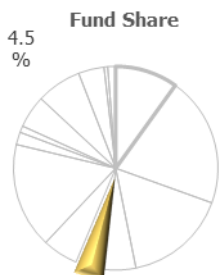
#### 4.5 Global Equities



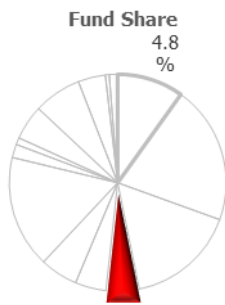
4.6 The Global Alpha fund managed by **Baillie Gifford** returned +7.5% for the quarter against a benchmark return of +6.9%. Relative performance over the longer term was +6.8% over 1 year and +3.7% annually over 5 years. Since inception in 2006, the Fund has outperformed the FTSE All World by 2.8%.



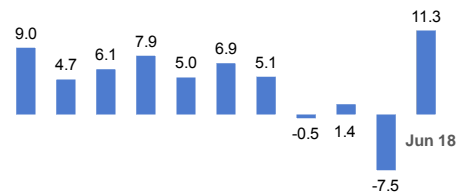
4.7 The Baillie Gifford LTGG fund gave a return of +17.4% in the quarter against a benchmark of +6.9% resulting in a relative return of +10.5%. Over the past year the performance has well exceeded the benchmark giving a relative return of +26.8% and overall the return for the past five years on an annual basis has been just over +13.3%.



4.8 The **Dodge & Cox** Fund gave a relative return of -1.5% for the quarter, with a performance of +5.5% against the benchmark of +7.0%. Annually the relative performance is lower at -5.1% though this improves when looking at the relative return from inception which increases slightly to -1.6%.

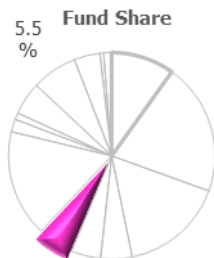


Quarterly Fund Value Movement (%)

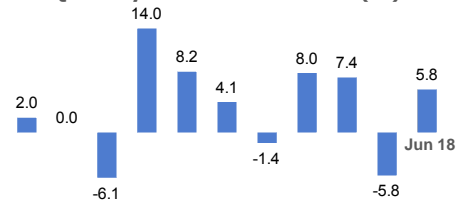


4.9 **Veritas** has performed strongly in the quarter with a relative return of +4.2% against a benchmark of +7.0%. Over the longer term, Veritas has achieved an annual relative performance figure of -5.9% and a relative performance of +0.5% since its inception in April 2015.

4.10 **UK Equities**

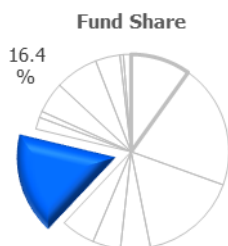


Quarterly Fund Value Movement (%)

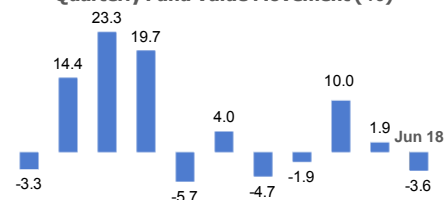


In the last quarter **Standard Life** returned +6.7% against the benchmark of +8.0% giving a relative return of -1.3%. Over the longer term they have produced relative returns of +7.2% for the year and -0.2% over a five year period.

4.11 **Fixed Income**

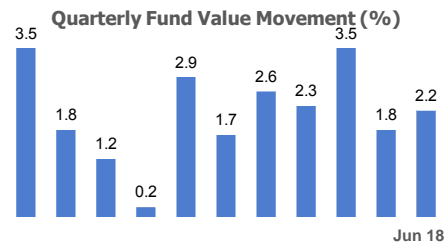
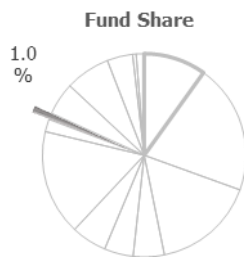


Quarterly Fund Value Movement (%)

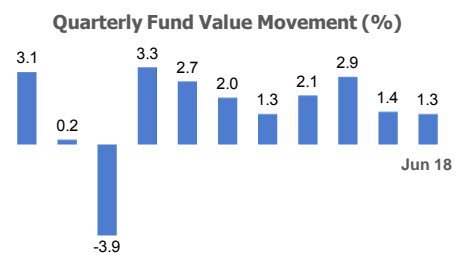
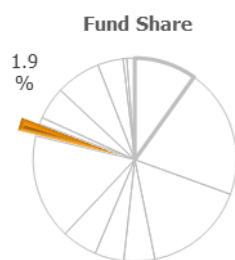


The investment in Gilts with **M&G** underperformed against the liability matching benchmark of -1.6% for the quarter to June 2018 by -0.1%. Performance for the year was +0.4% above the benchmark return of +2.6%, and annualised performance since inception in 2010 was +0.8% above the benchmark of +8.9%.

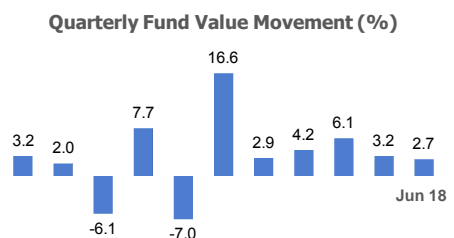
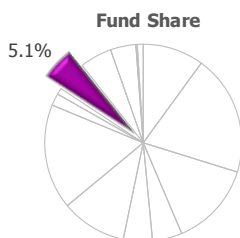
#### 4.12 Property



**Hermes** is showing consistent levels of performance with the relative return for the quarter being +0.2%. This compares with the annual relative performance of +0.9% and with a relative return of +2.6% against a benchmark of +6.8% since inception.

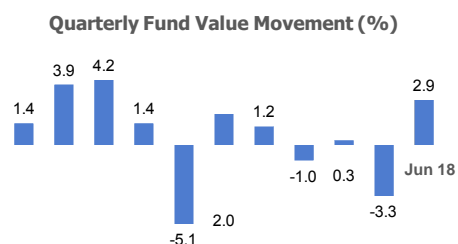
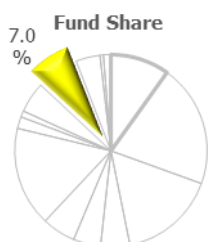


4.13 **Legal & General's** property portfolio has returned +1.3% against the benchmark of +2.0%. The 3 year performance is also slightly down with a relative return of -0.9% but over 5 years the return improves to +9.4% compared with a benchmark of +7.4%, resulting in a relative return of +2.0%.



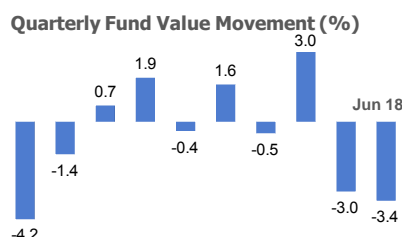
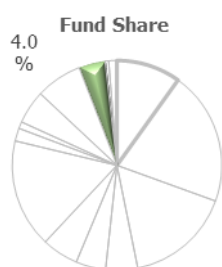
4.14 **Threadneedle** produced a relative return of -0.3% for the quarter and had a strong year giving a return of +10.3% against the property index value of +9.7%.

#### 4.15 Diversified Growth Funds



**Standard Life's GARS** fund has produced a relative return for the quarter of -1.5% against a benchmark of +0.1%. The performance since inception is a return of

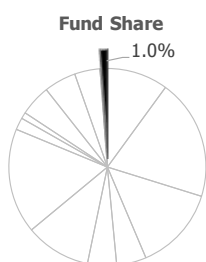
1.7% against a benchmark of +0.4%. This is however under the target performance of 5.5%. The Fund share above of 7% includes £75m in a Treasury Deposit Fund, the true Fund Share for GARS is 4.9%.



4.16 **Newton Investments** shows a performance of a +2.2% relative return for the quarter and has an overall performance of +2.0% against the +0.4% benchmark since inception. This is however under the target performance of 4.5%.

#### 4.17 **Private Debt**

4.18 The **Bluebay** private debt Fund has produced a relative return of +3.7% for the quarter against a benchmark value of +2.3%. The annual performance shows a negative relative performance of -0.3%.



4.19 **Permira** performed well in the quarter giving a return of +4.0% against the benchmark of 1.5%. Both Private Debt mandates are still in the investment period which makes it difficult to produce meaningful reporting at this stage.

#### 4.20 **Insurance Linked Securities**

#### 4.21 **Leadenhall**

In the Quarter the Fund made investments in three Leadenhall Insurance Linked Security Funds, which makes up 2.3% of the Fund total. In future quarters the performance of these Funds will be reported on.

### 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 7.0% for the rolling three year period to 30 June 2018, 1.9% 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 June 2018 was +0.2% above benchmark at 1.6%.
- 5.4 The **Tracking Error** figure reflects how closely a fund manager's actual return follows their respective benchmark. As at June 2018 the figure was 2.8%.
- 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 June 2018 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 30 June 2018 the estimated solvency was 110%. This is a 20 percentage point 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 with Equities being the best performing asset class throughout the period.
- 6.3 The solvency figure does not yet reflect any changes to the investment strategy as part of the recent investment strategy review. Changes in the investment strategy will have an impact on the discount rate used to calculate the funding level as both the volatility and return are taken into account. These anticipated changes in the investment strategy will be reflected in the funding level in a future quarter.

## 7.0 REBALANCING

- 7.1 The diagrams below show both the target asset allocation of the Fund and also the current allocation. Following the Investment Strategy Review, the target for equities is now 52% against an actual allocation of 60.6% as at 30 June 2018. Of this 8.6%, £160m is to be invested in Property Debt; once this has been implemented equities will be overweight by around 4%. It is recommended that a rebalancing exercise takes place to bring this allocation more in line with the target. The options for where to place the funds are as follows:
- Invest in DGFs to bring the investment from an underweight position to the target of 10%
  - Increase the ILS investment to a 5% allocation from the current commitment of 4.5% based on the current assets of the Fund
  - Invest in the property funds to increase the allocation up to the target of 10% rather than the current balance of 8%

Whilst the top option above could be implemented immediately, the option to invest further in ILS is subject to the capacity being available and the option to invest further in property would need to take place when the opportunity arises to invest at



NAV rather than on the secondary market. Members are asked to consider the options for rebalancing.

#### Asset Allocation as at 30 June 2018



7.2 In the quarter to 30 June 2018, the following rebalancing took place:

- Permira made their 7th and 8th capital calls totalling £9.7m
- Bluebay made their 6th and 7th capital calls totalling £9.4m
- As part of the investment strategy review, £166m was disinvested from the Standard Life equities mandate, £75m was placed in a Standard Life Treasury Deposit account to be invested in Insurance Linked Securities and £11m was used to fund the Permira and Bluebay capital calls
- The remaining £80m from Standard Life equities was invested with Leadenhall in the quarter across the following three Funds:
  - Diversified Fund- £26.7m
  - Nat Cat Focus Fund- £26.7m
  - Remote Fund- £26.6m

#### 8.0 PROXY VOTING

8.1 The report from PIRC is available on request summarising the proxy voting activity in the period April 2018 to June 2018. 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 30 June 2018.

9.2 Members are asked to consider the rebalancing of the equity portfolio

GARY FIELDING  
Treasurer to North Yorkshire Pension Fund  
NYCC  
County Hall  
Northallerton  
3 September 2018



**BNY MELLON**  
ASSET SERVICING

**North Yorkshire Pension Fund**

**3 Months Ending 30 June 2018**

*Fund Analysis & Performance Report*





## Contents

### Fund Analysis

Executive Summary

1

### Fund Allocation

Fund Allocation - Managers

4

Fund Allocation - Relative Analysis

5

### Fund Performance

Fund Performance - Summary

6

Fund Performance - Segment Analysis

7

Fund Performance - Manager Overview

8

Fund Performance - Contribution Analysis

9

### Risk Profile

Risk Profile - Historic Risk

10

Risk Profile - Consistency Analysis

12

### Fund Profile

Fund Profile - Movement of Funds

13

### Manager Analysis

Manager Analysis - Total Consolidation

14

Manager Analysis - Fidelity

15

Manager Analysis - Standard Life

16

Manager Analysis - Baillie Gifford GA

17

Manager Analysis - Baillie Gifford LTGG

18

Manager Analysis - Standard Life Divers Growth

19

Manager Analysis - Newton Diversified Growth

20

Manager Analysis - M&G

21

Manager Analysis - LGIM Property

22

Manager Analysis - Hermes

23

Manager Analysis - Threadneedle

24

Manager Analysis - Veritas

25

Manager Analysis - Dodge & Cox

26

Manager Analysis - Bluebay

27

Manager Analysis - Permira Credit

28

### Appendix

Appendix - Glossary

29

### Market Review

#### Market Briefing - Quarter Ended 30 June 2018

#### Market Summary

Returns were primarily positive across all the sectors during 2nd quarter of 2018. Most equities and fixed income sectors achieved positive returns with the exception of UK Index Linked gilts.

#### UK Equities

The FTSE 100 was the best performing index with a return of 9.6% whereas the FTSE Small Cap showed the weakest performance with a return of 6.1%. Over the one year period ending 30th June 2018, the FTSE 250 was the best performing index with a return of 10.6% followed by the FTSE 350 index with a return of 9.0%. The FTSE Small Cap as the weakest performing index with a return of 8.3%.

Oil and Gas was the best performing industry sector with a return of 20.6% for the quarter. The weakest performing sector was Telecommunications with a return of -0.5%. Over the one year period returns ranged from 37.3% for Oil and Gas to -13.8% for Telecommunications.

#### Overseas Equities

Most Overseas Equity markets achieved positive returns during the quarter.

Within Europe, Norway was the best performing country with a return of 10.2%. This was followed by Ireland with a return of 8.5%. The weakest performing country during the quarter was Austria with a return of -5.4%. Over the one year period, Norway was the strongest performing country with a return of 27.1% and Greece was the weakest with a return of -10.7%.

Outside Europe, Australia was the best performing country with a return of 11.6% followed by Canada with a return of 11.2%. Brazil was the weakest performing country with a return of -21.9%.

### Market Review

#### UK Bonds

UK-Gilts outperformed Non-Gilts with a return of 0.2% compared to a return of -0.1%. Within Gilts, Medium-dated Gilts was the strongest performing sector with a return of 0.7%. Long-dated Gilts was the weakest performing sector with a return of -0.4%.

Over the one year period ending 30th June 2018, UK-Gilts was the best performing sector with a return of 1.9% compared to the return of 0.7% for Non-Gilts. Within Gilts, Long-dated Gilts provided the strongest performance with a return of 4.2%, whilst the weakest came from Short-dated Gilts with -0.2%.

#### Overseas Bonds

Within Europe, Denmark was the best performing country with a return of 2.8%. Italy was the weakest performing country with a return of -4.4%. Outside Europe, USA was the best performing country with a return of 6.4%. Japan was the weakest performing country outside Europe with a return of 2.3%.

Over the twelve month period, most European Bonds saw positive returns. Spain provided the strongest performance with a return of 4.0%, followed by Denmark with a return of 3.7%. Outside Europe, the best performance came from Japan with a twelve months return of 1.1%.

#### UK Index-Linked Gilts

UK Index Linked-Gilts achieved a negative return of -1.0% for the 2nd quarter of 2018. Within this sector, Medium-dated Index-Linked Gilts provided the strongest performance with a return of 1.0%. The weakest performance was provided by Long-dated Index-Linked Gilts with a return of -1.9%.

Over the one year period, on an overall basis UK Index-Linked Gilts achieved a return of 1.8%. 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 -0.1%.

#### UK Cash

Cash achieved a return of 0.1% over the quarter and 0.3% over the last twelve months.

Executive Summary

Fund Performance, Risk and Allocation Highlights

During the second quarter of 2018, the fund returned 5.75% versus its benchmark of 4.13%, thereby outperformed by 1.62%. In terms of longer period performance, the fund has outperformed over 3 years by 2.84% p.a.

At asset class level, the fund outperformed its blended benchmark in few of the asset classes. Global Equity Units is the best performing sectors which outperformed its benchmark by 4.08%.

Over the quarter, majority of the 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 10.60%.

With regards to the fund allocation, the greatest deviations from the benchmark were in Alternatives and UK Equities, fund being underweight by 6.13% & 3.24% respectively. Allocations in Global Equity Units and Bonds were overweight by 6.64% & 1.45% respectively with respect to the benchmark.

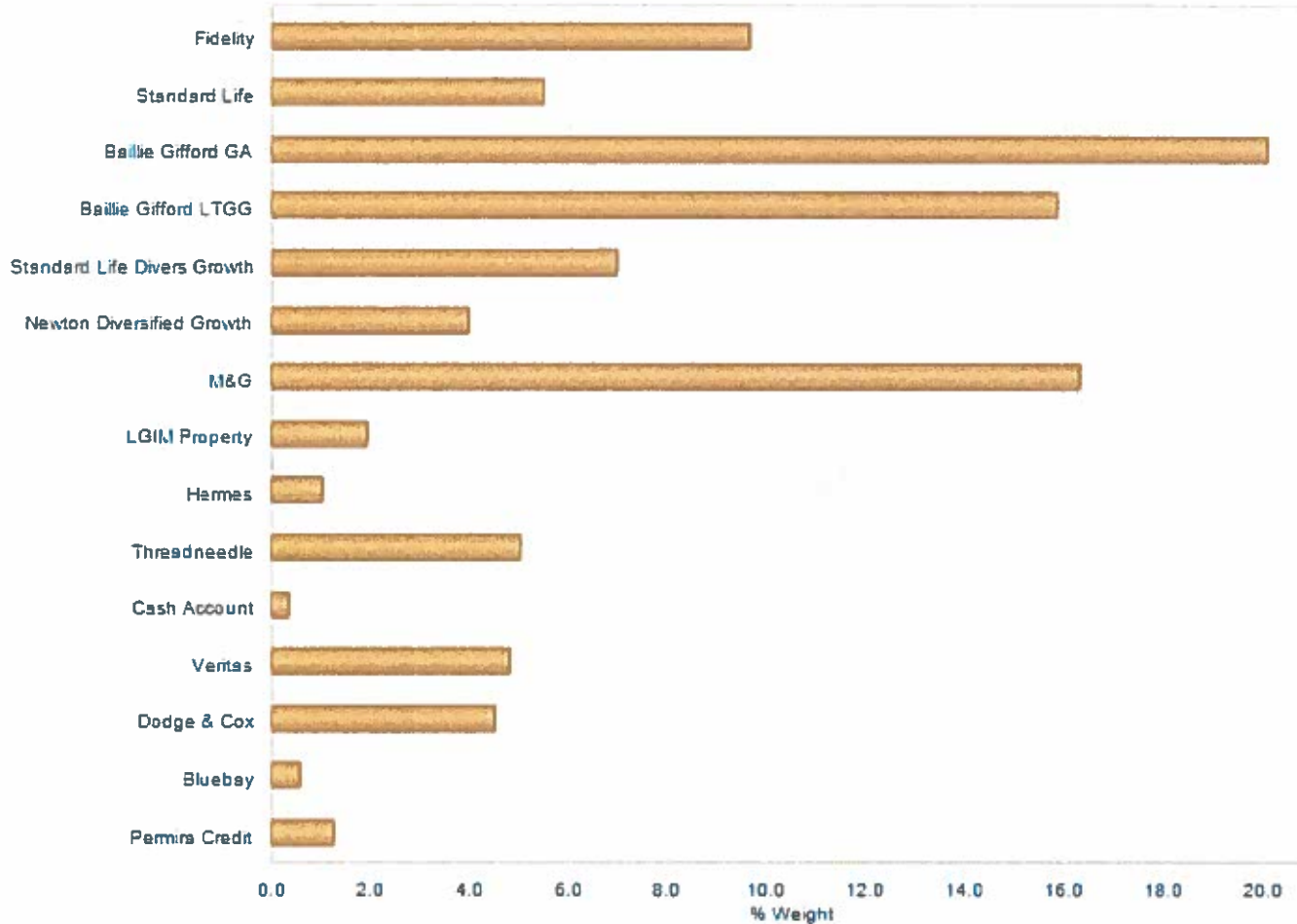
*Fund Allocation*





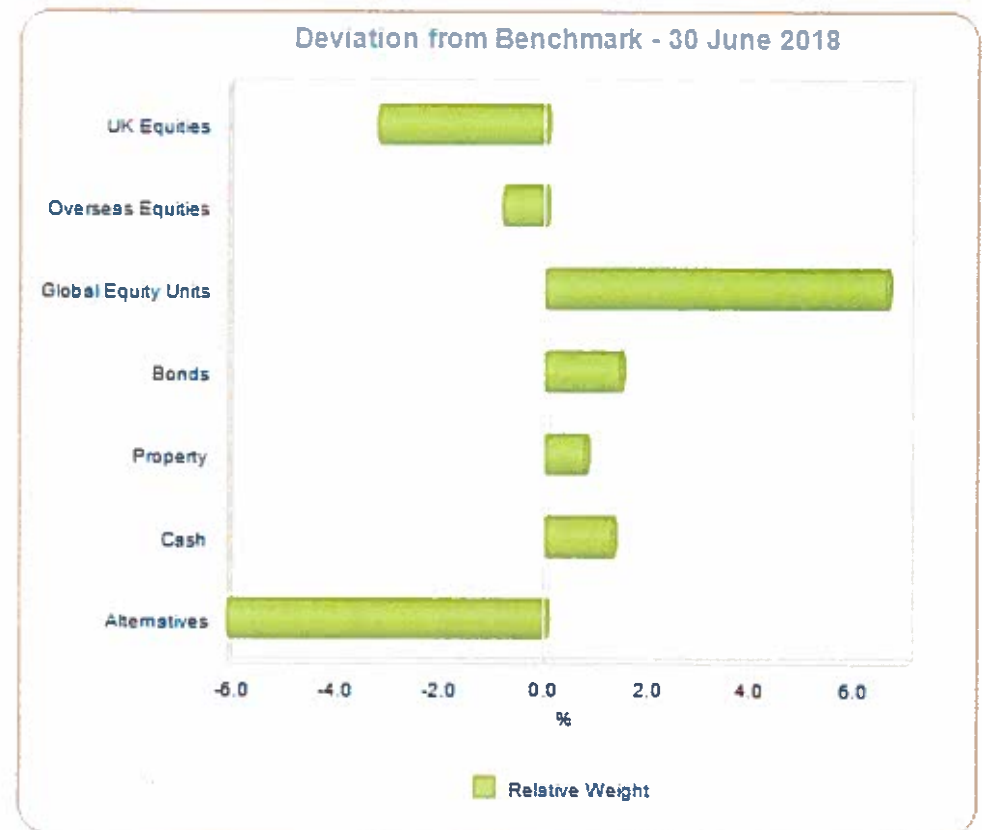
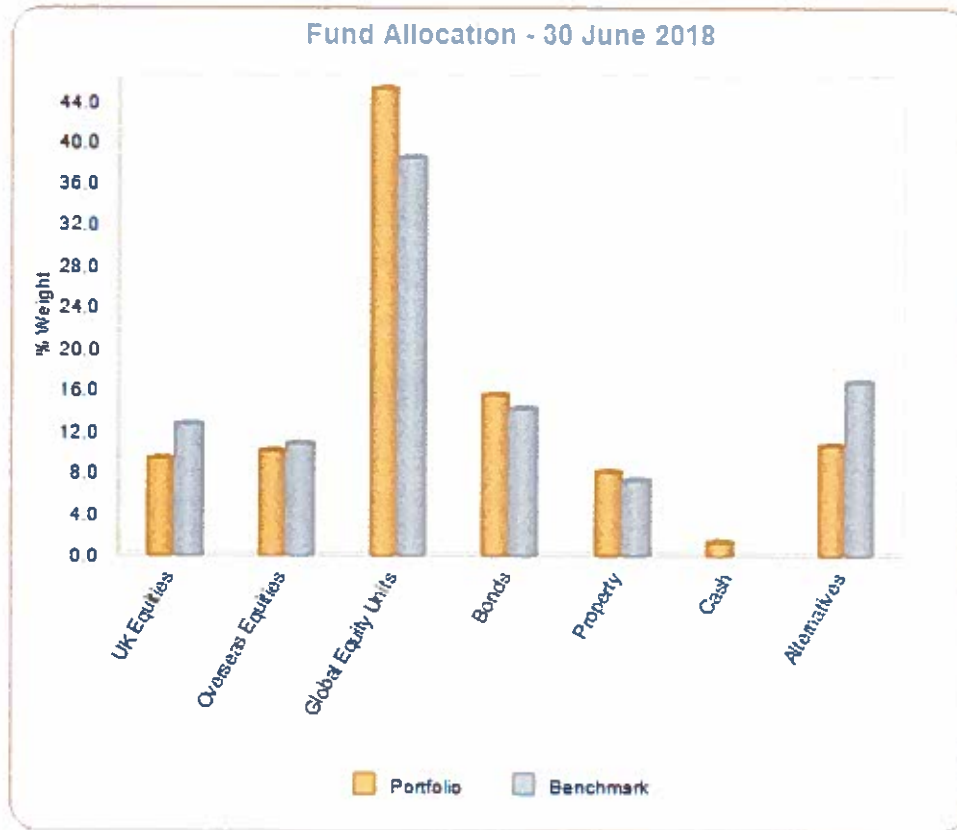
Fund Allocation - Managers

Manager Allocation - 3 Months Ending 30 June 2018



Manager	Weight (%)
Fidelity	9.63
Standard Life	5.49
Baillie Gifford GA	20.09
Baillie Gifford LTGG	15.86
Standard Life Divers Growth	6.95
Newton Diversified Growth	3.96
M&G	16.32
LGIM Property	1.94
Hermes	1.02
Threadneedle	5.04
Cash Account	0.35
Veritas	4.79
Dodge & Cox	4.49
Bluebay	0.56
Permira Credit	1.23

Fund Allocation - Relative Analysis



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	9.36	9.98	45.24	15.55	8.00	1.32	10.57
Benchmark	12.60	10.80	38.60	14.10	7.20	1.32	16.70
Relative Weight	-3.24	-0.82	6.64	1.45	0.80	0.00	-6.13

*Fund Performance*



Fund Performance - Summary



Periodic Performance



	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception (Ann)
Portfolio	5.75	5.75	12.04	13.60	13.32	7.94
Benchmark	4.13	4.13	6.92	10.76	10.21	8.22

Inception Date: 31 Jan 2002

Ann = Annualised

Fund Performance - Segment Analysis

Segment Performance - 3 Months Ending 30 June 2018



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Alternatives
<b>Portfolio</b>	5.34	6.49	10.98	-1.74	1.68	0.49
<b>Benchmark</b>	7.97	4.98	6.90	-1.64	2.05	0.13

Manager Performance - 3 Months Ending 30 June 2018



	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford	Standard Life Divers	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle	Cash Account	Veritas	Dodge & Cox	Bluebay	Permira Credit
Portfolio	5.00	6.65	7.50	17.42	-1.35	2.32	-1.71	1.29	2.42	1.69	0.17	11.23	5.54	6.02	3.97
Benchmark	4.98	7.97	6.85	6.85	0.13	0.13	-1.64	1.96	2.22	1.96	0.09	7.01	7.01	2.34	1.47

Manager Performance - 1 Year Ending 30 June 2018



	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford	Standard Life Divers	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle	Cash Account	Veritas	Dodge & Cox	Bluebay	Permira Credit
Portfolio	7.14	17.34	16.24	36.22	-1.69	-0.99	3.03	8.04	11.09	10.26	-3.16	3.63	4.37	8.10	14.75
Benchmark	7.04	10.14	9.39	9.39	0.41	0.41	2.63	9.67	10.23	9.67	0.27	9.51	9.51	8.38	6.00

Fund Performance - Contribution Analysis

Source of Contribution - Quarter to 30 June 2018



	UK Equities	Overseas Equities	Global Equity Units	Bonds	Property	Cash	Alternatives
Portfolio	0.49	0.66	4.73	-0.32	0.14	0.00	0.06
Benchmark	1.01	0.54	2.64	-0.23	0.10		0.02

Top 5 Manager Contribution - Quarter to 30 June 2018



	Total Consolidation	Baillie Gifford LTGG	Baillie Gifford GA	Standard Life	Veritas	Fidelity	Remaining Managers
Portfolio	5.75	2.48	1.48	0.65	0.51	0.49	0.14

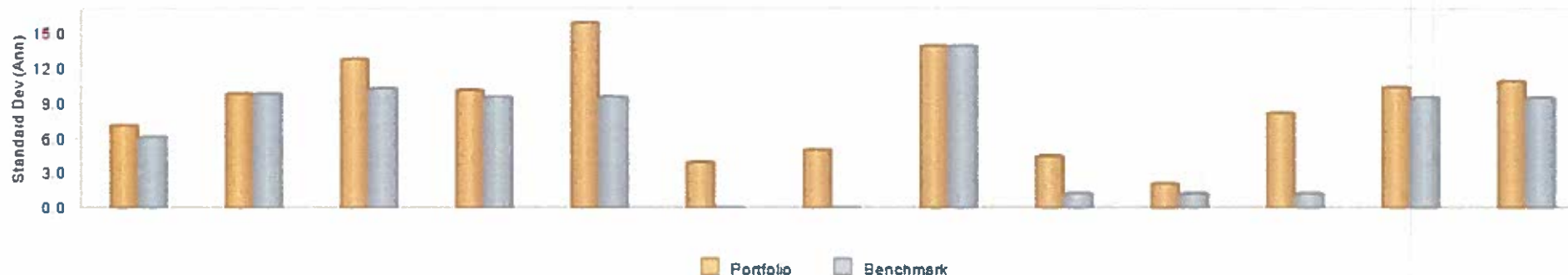
*Risk Profile*





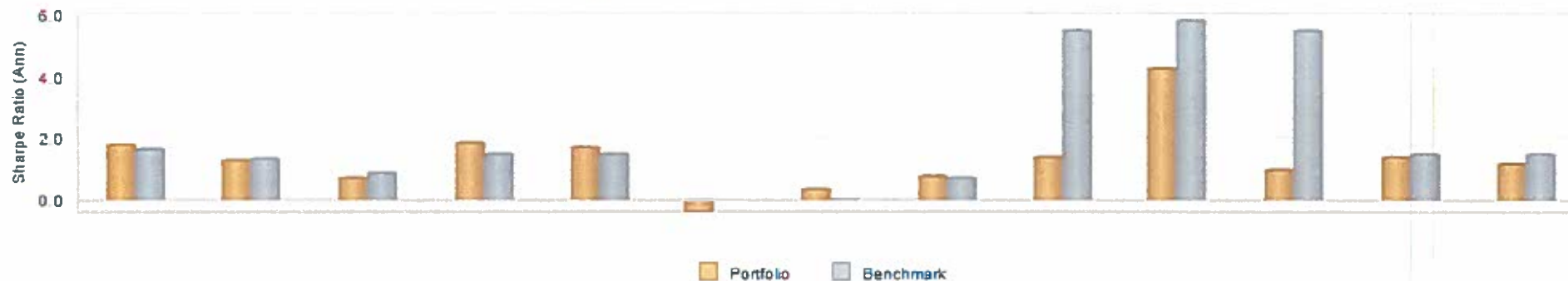
Risk Profile - Historic Risk

Standard Deviation - 3 Years (Ann) to 30 June 2018



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle	Veritas	Dodge & Cox
Portfolio	7.01	9.76	12.80	10.04	16.03	3.89	5.00	13.97	4.48	2.13	8.13	10.34	10.93
Benchmark	6.14	9.75	10.16	9.50	9.50	0.03	0.03	14.00	1.26	1.29	1.26	9.50	9.50

Sharpe Ratio - 3 Years (Ann) to 30 June 2018



	Total Consolidation	Fidelity	Standard Life	Baillie Gifford GA	Baillie Gifford LTGG	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle	Veritas	Dodge & Cox
Portfolio	1.81	1.27	0.73	1.84	1.67	-0.38	0.34	0.76	1.38	4.29	0.95	1.40	1.19
Benchmark	1.64	1.34	0.89	1.51	1.51	0.00	0.00	0.71	5.52	5.87	5.52	1.51	1.51

Ann = Annualised

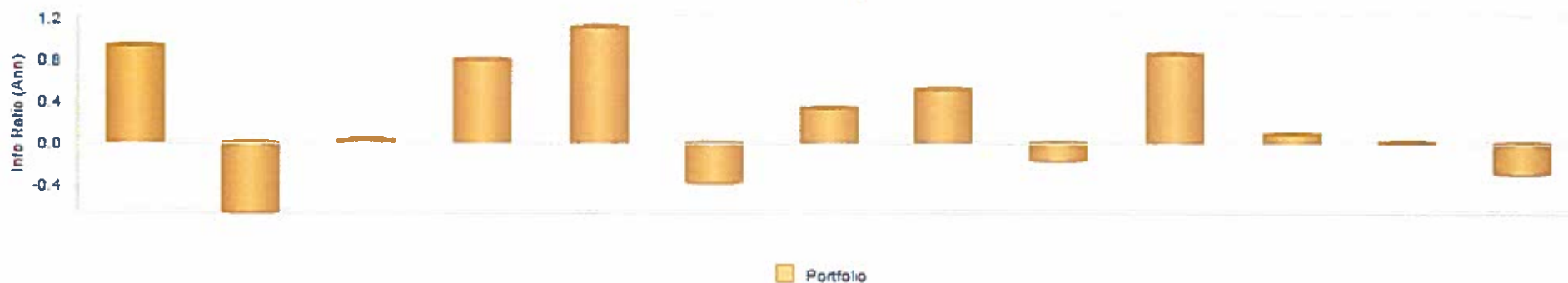
Risk Profile - Historic Risk

Tracking Error - 3 Years (Ann) to 30 June 2018



	Total Consolidation	Fidelity	Standard Life	Ballie Gifford GA	Ballie Gifford LTGG	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle	Veritas	Dodge & Cox
Portfolio	2.79	0.94	6.05	5.09	11.13	3.90	5.00	1.41	4.39	1.85	8.10	5.09	4.92

Information Ratio - 3 Years (Ann) to 30 June 2018



	Total Consolidation	Fidelity	Standard Life	Ballie Gifford GA	Ballie Gifford LTGG	Standard Life Divers Growth	Newton Diversified	M&G	LGIM Property	Hermes	Threadneedle	Veritas	Dodge & Cox
Portfolio	0.94	-0.67	0.04	0.80	1.12	-0.38	0.34	0.52	-0.17	0.87	0.09	0.02	-0.28

Ann = Annualised

Risk Profile - Consistency Analysis

Manager	Active Number of Months	Number of Positive Months	Consistency Rate (%)	Benchmark Consistency (%)	Outperformance (%)
<b>Total Consolidation</b>	<b>198</b>	<b>130</b>	<b>66</b>	<b>67</b>	<b>56</b>
Fidelity	116	75	65	53	53
Standard Life	141	81	57	43	56
Baillie Gifford GA	141	90	64	48	57
Amundi	125	73	58		
Baillie Gifford LTGG	142	89	63	48	56
Standard Life Divers Growth	64	38	59	100	58
Newton Diversified Growth	64	35	55	100	53
M&G	79	44	56	59	57
LGIM Property	67	60	90	87	52
Hermes	76	63	83	84	58
Threadneedle	73	66	90	86	64
Veritas	39	25	64	69	41
Dodge & Cox	39	26	67	69	44
Bluebay	19	8	42	89	47
Permira Credit	16	6	38	100	38

*Fund Profile*



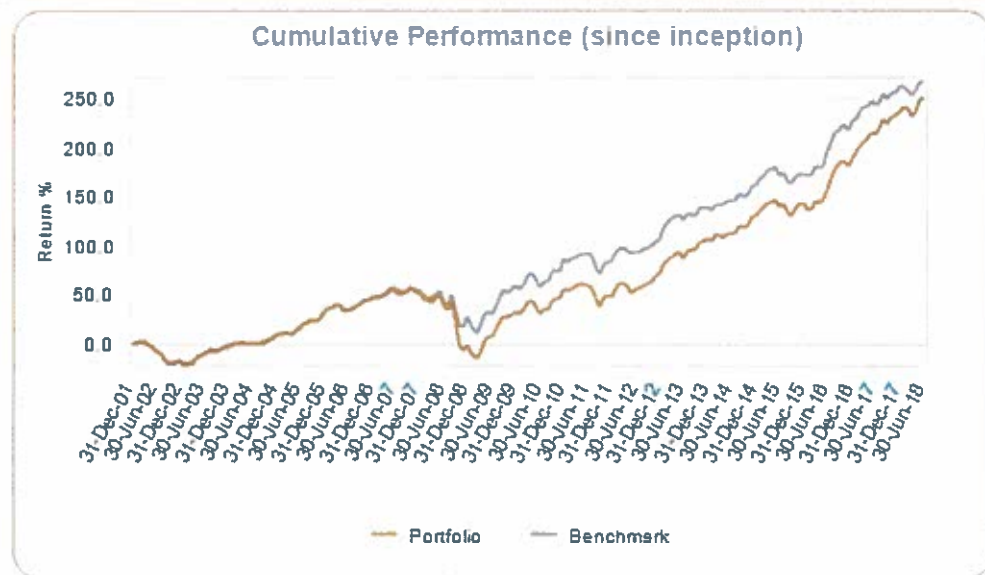
Fund Profile - Movement of Funds

Manager Name	Market Value 31-Mar-2018 (000's)	Net Contributions (000's)	Income (000's)	Gain/Loss (000's)	Market Value 30-Jun-2018 (000's)	% Change
<b>Total Consolidation</b>	<b>3,331,354.50</b>	<b>-340.04</b>	<b>11,921.14</b>	<b>179,533.89</b>	<b>3,522,469.48</b>	<b>5.74</b>
Total Consolidation	3,331,354.50	-340.04	11,921.14	179,533.89	3,522,469.48	5.74
Fidelity	323,115.68	0.00	3,104.23	13,051.89	339,271.81	5.00
Standard Life	338,416.28	-166,000.00	6,335.30	14,636.67	193,388.26	-42.85
Baillie Gifford GA	658,308.45	0.00	0.00	49,390.53	707,698.98	7.50
Baillie Gifford LTGG	475,900.63	0.00	0.00	82,905.77	558,806.40	17.42
Standard Life Divers Growth	173,477.00	75,009.01	0.00	-3,672.83	244,813.18	41.12
Newton Diversified Growth	136,467.16	0.00	0.00	3,166.82	139,633.98	2.32
M&G	585,246.12	-253.53	664.24	-10,686.44	574,970.39	-1.76
LGIM Property	67,571.80	0.00	0.00	869.71	68,441.51	1.29
Hermes	35,303.65	-329.44	329.44	518.45	35,822.10	1.47
Threadneedle	174,545.15	0.00	0.00	2,943.67	177,488.82	1.69
Cash Account	20,122.84	-7,961.49	16.15	0.91	12,178.40	-39.48
Veritas	151,619.58	110.70	0.00	17,039.93	168,770.22	11.31
Dodge & Cox	149,843.83	0.00	0.00	8,294.82	158,138.65	5.54
Bluebay	8,015.51	10,894.71	561.75	137.33	19,609.31	144.64
Permira Credit	33,346.17	8,190.00	910.00	716.91	43,163.08	29.44
Leadenhall RE		26,660.00	0.00	-5.39	26,654.61	
Leadenhall NA		26,670.00	0.00	164.86	26,834.86	
Leadenhall DI		26,670.00	0.00	114.95	26,784.95	

*Manager Analysis*



Manager Analysis - Total Consolidation



Inception Date: 31 Jan 2002

Portfolio Size and Mandate

Portfolio Size (GBP)

3,522,469,479

Portfolio Mandate

Total Plan

Allocation - 30 June 2018

	UK Equities	Overseas Equities	Global Equity	Bonds	Property	Cash	Alternative
Portfolio	9.36	9.98	45.24	15.55	8.00	1.32	10.57
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	5.8	5.8	12.0	13.6	13.3	7.9
Benchmark	4.1	4.1	6.9	10.8	10.2	8.2

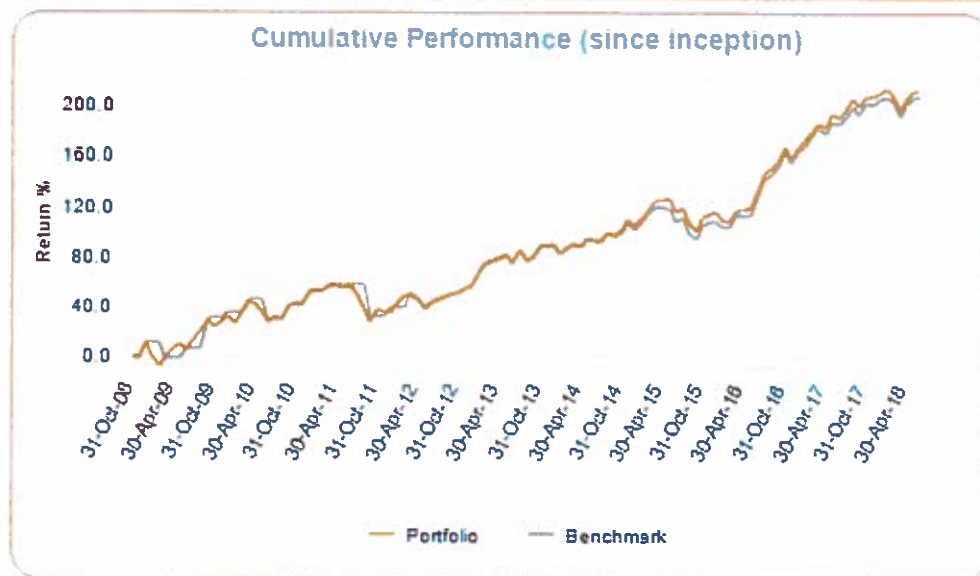
Summary - 3 Months Ending 30 June 2018

The fund's relative performance of the Quarter and 1 Year was 1.6% and 5.1% respectively.

Risk Profile - 3 Years (Ann) to 30 June 2018

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	7.0	1.8	2.8	0.9
Benchmark	6.1	1.6		

Manager Analysis - Fidelity



Inception Date: 30 Nov 2008

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

339,271,810

**Portfolio Mandate**

Global Equities

**Allocation - 30 June 2018**

	UK Equities	Overseas Equities	Cash
Portfolio	0.34	98.49	1.17
Benchmark		100.00	

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	5.0	5.0	7.1	13.1	12.2	12.5
Benchmark	5.0	5.0	7.0	13.8	11.7	12.3

**Summary - 3 Months Ending 30 June 2018**

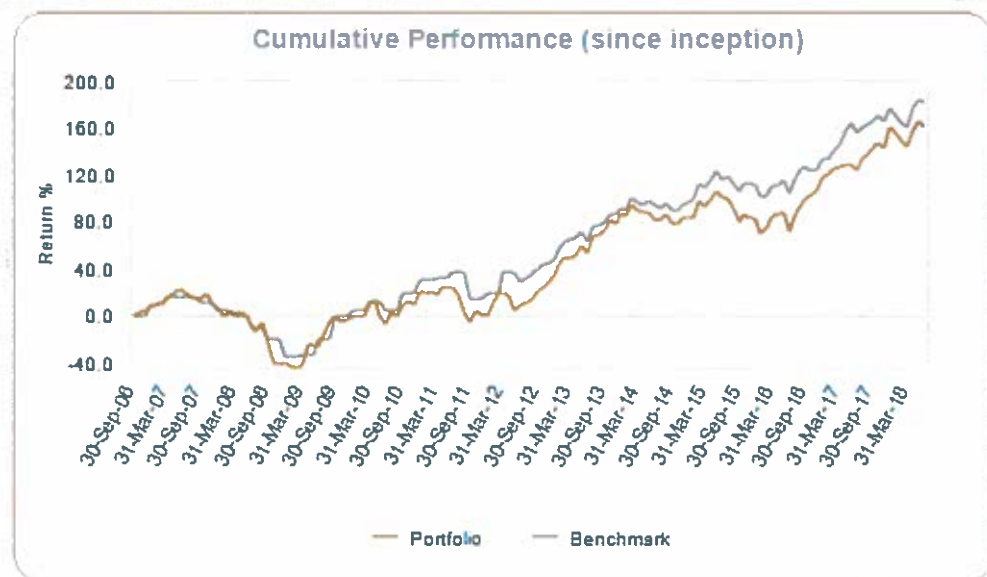
The manager's relative performance of the Quarter and 1 Year was 0.0% and 0.1% respectively.

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	9.8	1.3	0.9	-0.7
Benchmark	9.7	1.3		



Manager Analysis - Standard Life



Inception Date: 31 Oct 2006

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	6.7	6.7	17.3	9.3	11.3	8.6
Benchmark	8.0	8.0	10.1	9.3	11.5	9.3

Risk Profile - 3 Years (Ann) to 30 June 2018

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	12.8	0.7	6.1	0.0
Benchmark	10.2	0.9		

Portfolio Size and Mandate

Portfolio Size (GBP)

193,388,261

Portfolio Mandate

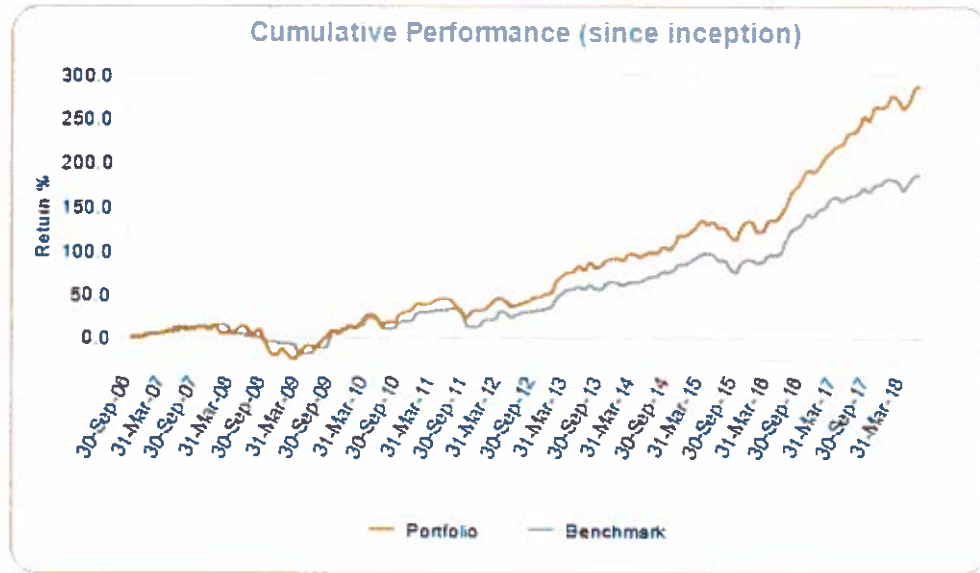
UK Equities

Allocation - 30 June 2018

	UK Equities	Overseas Equities	Cash
Portfolio	89.59	8.93	1.48
Benchmark	100.00		

Summary - 3 Months Ending 30 June 2018

The manager's relative performance of the Quarter and 1 Year was -1.32% and 7.2% respectively



Inception Date: 31 Oct 2006

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	7.5	7.5	16.2	20.0	16.8	12.2
Benchmark	6.9	6.9	9.4	15.3	13.1	9.4

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	10.0	1.8	5.1	0.8
Benchmark	9.5	1.5		

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

707,698,977

**Portfolio Mandate**

Global Equities

**Allocation - 30 June 2018**

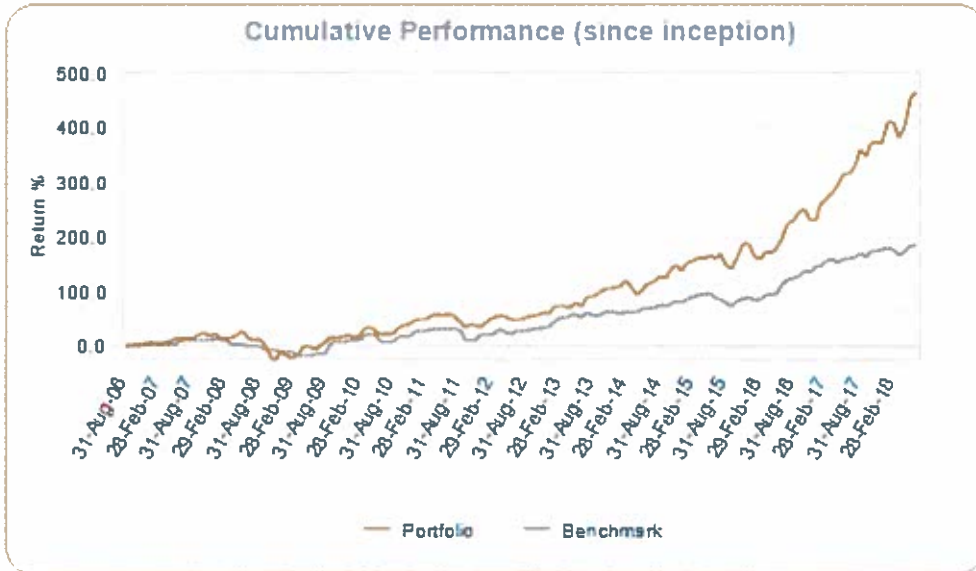
**Global Equity Units**

Portfolio	100.00
Benchmark	100.00

**Summary - 3 Months Ending 30 June 2018**

The manager's relative performance of the Quarter and 1 Year was 0.7% and 6.9% 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	17.4	17.4	36.2	29.3	26.4	15.8
Benchmark	6.9	6.9	9.4	15.3	13.1	

Risk Profile - 3 Years (Ann) to 30 June 2018

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	16.0	1.7	11.1	1.1
Benchmark	9.5	1.5		

Portfolio Size and Mandate

Portfolio Size (GBP)

558,806,395

Portfolio Mandate

Global Equities

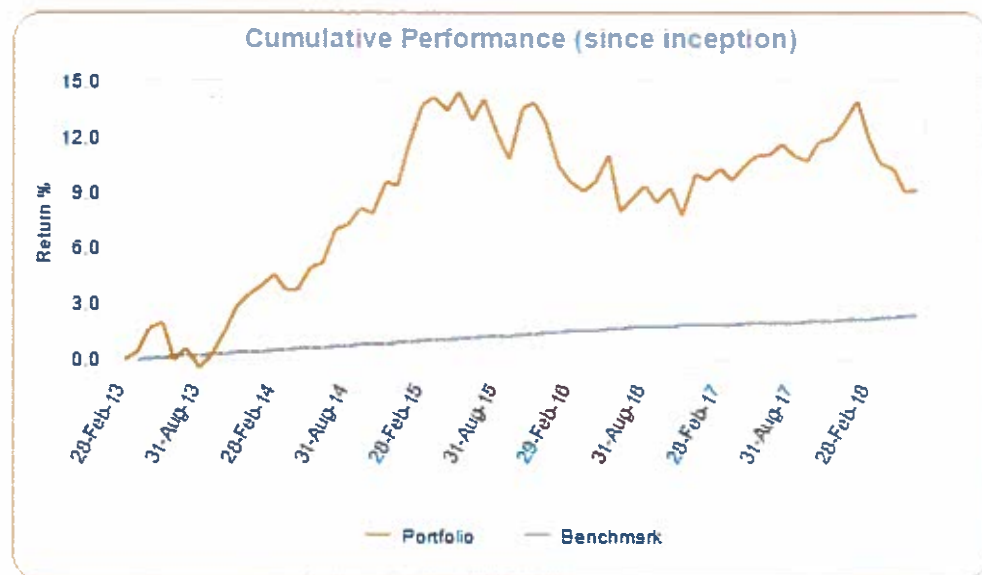
Allocation - 30 June 2018

	Global Equity Units
Portfolio	100.00
Benchmark	100.00

Summary - 3 Months Ending 30 June 2018

The manager's relative performance of the Quarter and 1 Year was 10.6% and 26.8% respectively.

Manager Analysis - Standard Life Divers Growth



Inception Date: 31 Mar 2013

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

244,813,183

**Portfolio Mandate**

Diversified Growth

**Allocation - 30 June 2018**

	UK Equities	Cash	Alternatives
Portfolio	30.66	0.00	69.34
Benchmark			100.00

**Summary - 3 Months Ending 30 June 2018**

The manager's relative performance of the Quarter and 1 Year was and -1.5% and -2.1% respectively.

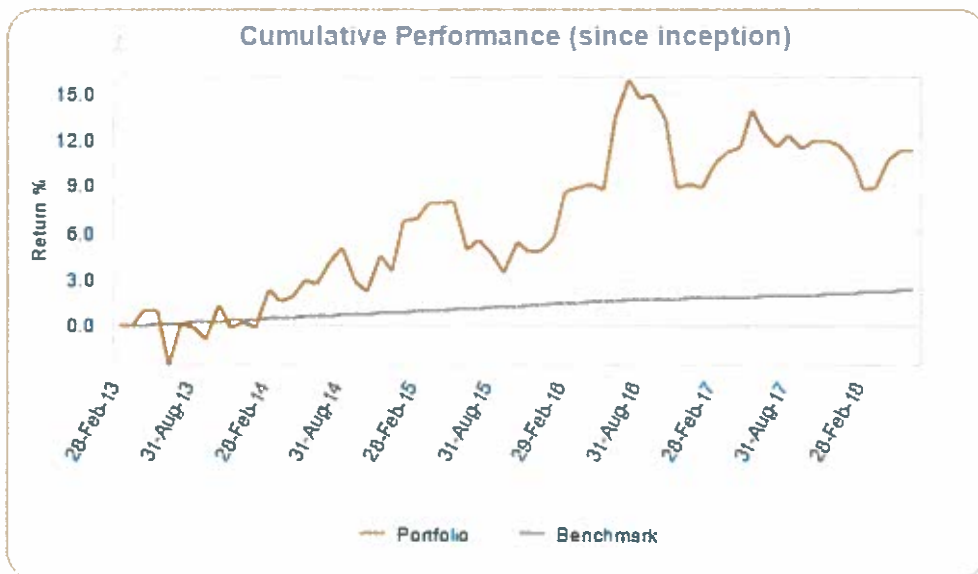
**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	-1.4	-1.4	-1.7	-1.1	1.8	1.7
Benchmark	0.1	0.1	0.4	0.4	0.4	0.4

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	3.9	-0.4	3.9	-0.4
Benchmark	0.0	0.0		

**Manager Analysis - Newton Diversified Growth**



Inception Date: 31 Mar 2013

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

139,633,975

**Portfolio Mandate**

Diversified Growth

**Allocation - 30 June 2018**

	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	2.3	2.3	-1.0	2.0	2.7	2.0
Benchmark	0.1	0.1	0.4	0.4	0.4	0.4

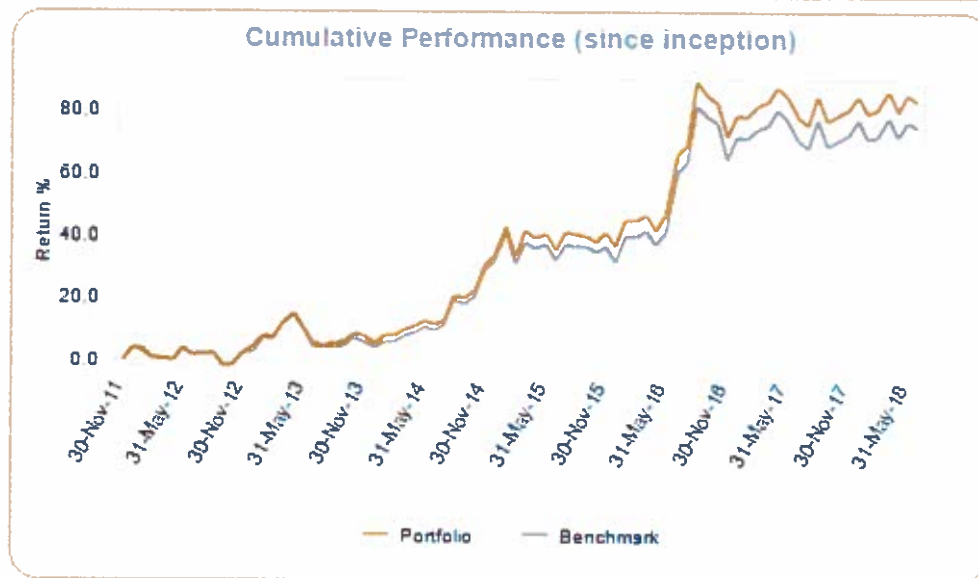
**Summary - 3 Months Ending 30 June 2018**

The manager's relative performance of the Quarter and 1 Year was 2.2% and -1.4% respectively

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	5.0	0.3	5.0	0.3
Benchmark	0.0	0.0		

Manager Analysis - M&G



Inception Date: 31 Dec 2011

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

574,970,387

**Portfolio Mandate**

Global Bonds

**Allocation - 30 June 2018**

	Bonds	Cash
Portfolio	95.24	4.76
Benchmark	100.00	

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	-1.7	-1.7	3.0	10.6	11.8	9.7
Benchmark	-1.6	-1.6	2.6	9.8	10.9	8.9

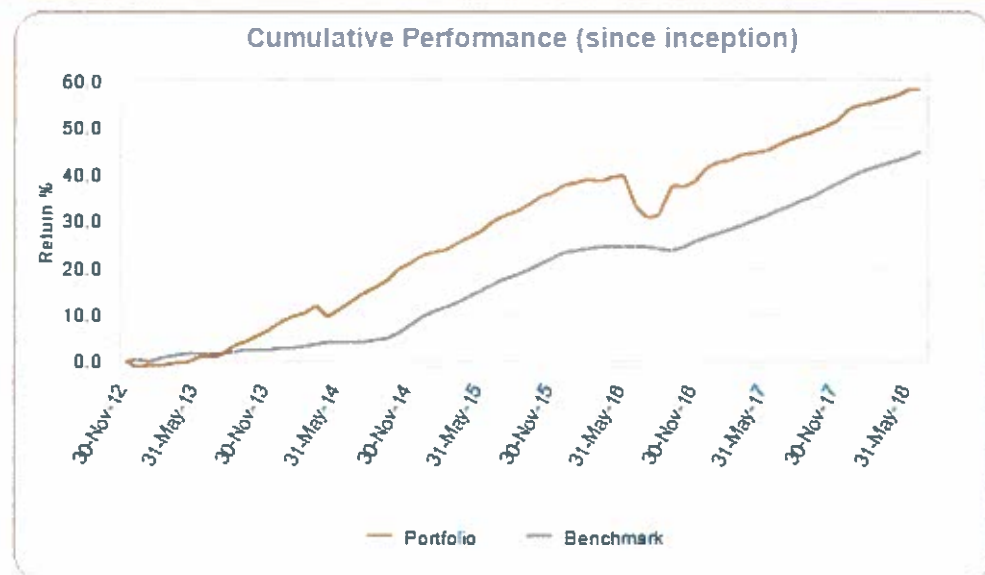
**Summary - 3 Months Ending 30 June 2018**

The manager's relative performance of the Quarter and 1 Year was -0.1% and 0.4% respectively.

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	14.0	0.8	1.4	0.5
Benchmark	14.0	0.7		

Manager Analysis - LGIM Property



Inception Date: 31 Dec 2012

Portfolio Size and Mandate	
Portfolio Size (GBP)	68,441,507
Portfolio Mandate	Property

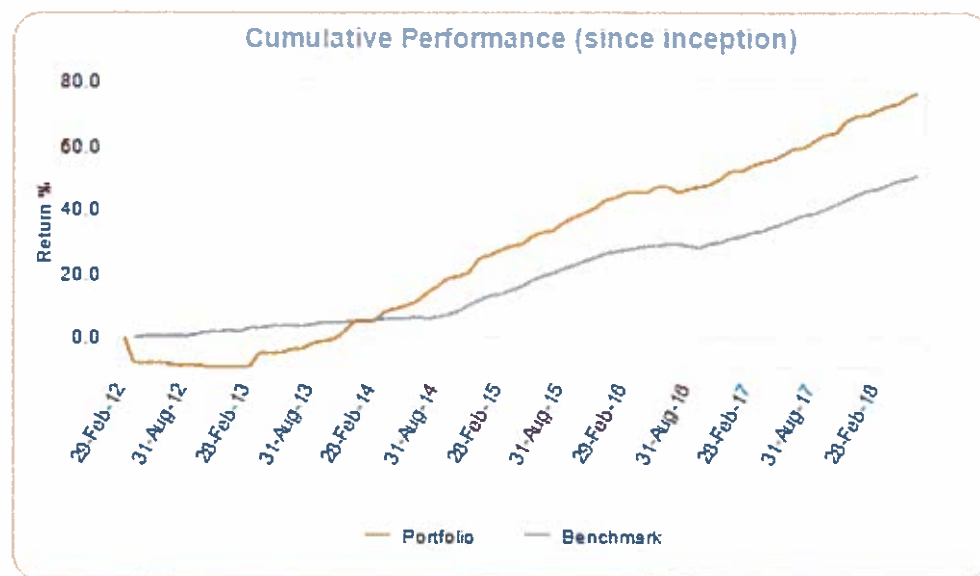
Allocation - 30 June 2018	
Portfolio	100.00
Benchmark	100.00

Periodic Performance						
	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	1.3	1.3	8.0	6.7	9.4	8.6
Benchmark	2.0	2.0	9.7	7.6	7.4	6.9

**Summary - 3 Months Ending 30 June 2018**  
 The manager's relative performance of the Quarter and 1 year was -0.7% and -1.6% respectively.

Risk Profile - 3 Years (Ann) to 30 June 2018				
	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	4.5	1.4	4.4	-0.2
Benchmark	1.3	5.5		

Manager Analysis - Hermes



Inception Date: 31 Mar 2012

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

35,822,095

**Portfolio Mandate**

Property

**Allocation - 30 June 2018**

	Property
Portfolio	100.00
Benchmark	100.00

**Summary - 3 Months Ending 30 June 2018**

The manager's relative performance of the Quarter and 1 Year was 0.2% and 0.9% respectively.

**Periodic Performance**

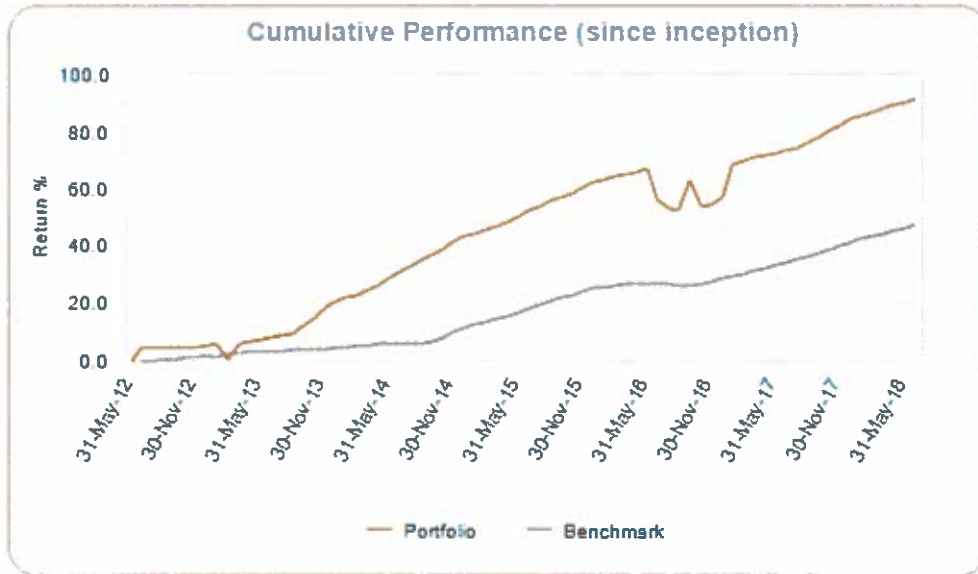
	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	2.4	2.4	11.1	10.0	12.8	9.4
Benchmark	2.2	2.2	10.2	8.2	7.8	6.8

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	2.1	4.3	1.8	0.9
Benchmark	1.3	5.9		



Manager Analysis - Threadneedle



Inception Date: 30 Jun 2012

Portfolio Size and Mandate

Portfolio Size (GBP)

177,488,821

Portfolio Mandate

Property

Allocation - 30 June 2018

	Property
Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	5 Years (Ann)	Since Inception
Portfolio	1.7	1.7	10.3	8.1	12.2	11.3
Benchmark	2.0	2.0	9.7	7.6	7.4	6.7

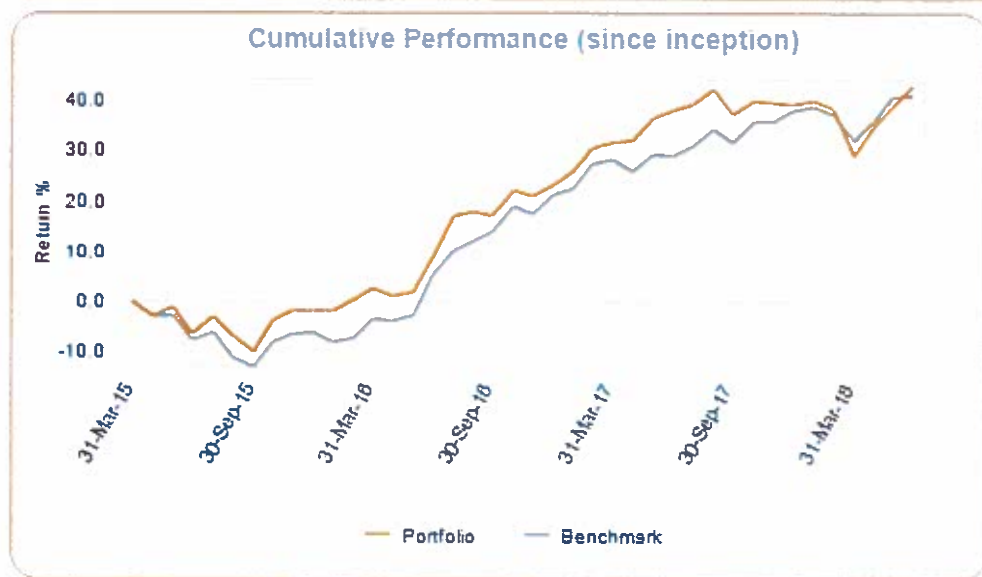
Summary - 3 Months Ending 30 June 2018

The manager's relative performance of the Quarter and 1 Year was -0.3% and 0.6% respectively.

Risk Profile - 3 Years (Ann) to 30 June 2018

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	8.1	0.9	8.1	0.1
Benchmark	1.3	5.5		

Manager Analysis - Veritas



Inception Date: 30 Apr 2015

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

168,770,215

**Portfolio Mandate**

Global Equities

**Allocation - 30 June 2018**

**Global Equity Units**

Portfolio	100.00
Benchmark	100.00

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	11.2	11.2	3.6	15.3	11.7
Benchmark	7.0	7.0	9.5	15.3	11.2

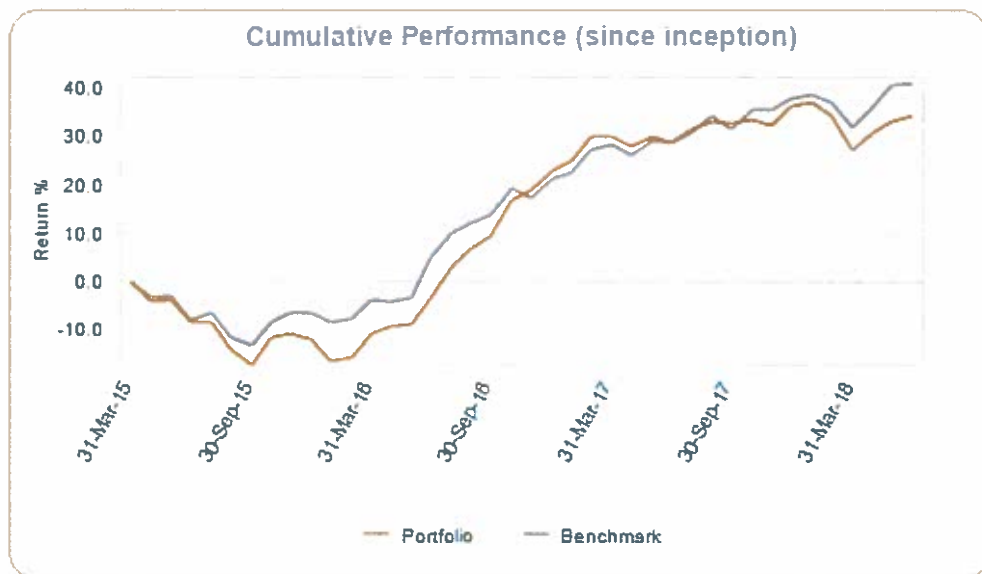
**Summary - 3 Months Ending 30 June 2018**

The manager's relative performance of the Quarter and 1 Year was 4.2% and -5.9% respectively.

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	10.3	1.4	5.1	0.0
Benchmark	9.5	1.5		

Manager Analysis - Dodge & Cox



Inception Date: 30 Apr 2015

Portfolio Size and Mandate

Portfolio Size (GBP)

158,138,649

Portfolio Mandate

Global Equities

Allocation - 30 June 2018

Global Equity Units

Portfolio	100.00
Benchmark	100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	3 Years (Ann)	Since Inception (Ann)
Portfolio	5.5	5.5	4.4	13.6	9.6
Benchmark	7.0	7.0	9.5	15.3	11.2

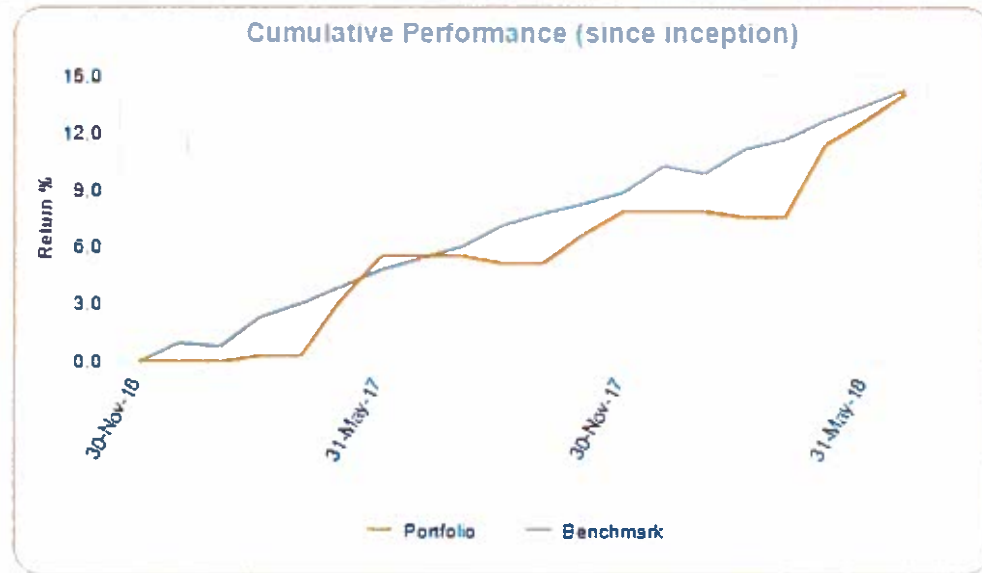
Summary - 3 Months Ending 30 June 2018

The manager's relative performance of the Quarter and 1 Year was -1.5% and -5.1% respectively.

Risk Profile - 3 Years (Ann) to 30 June 2018

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio	10.9	1.2	4.9	-0.3
Benchmark	9.5	1.5		

Manager Analysis - Bluebay



Inception Date: 31 Dec 2016

**Periodic Performance**

	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	6.0	6.0	8.1	8.7
Benchmark	2.3	2.3	8.4	8.8

**Risk Profile - 3 Years (Ann) to 30 June 2018**

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

**Portfolio Size and Mandate**

**Portfolio Size (GBP)**

19,609,305

**Portfolio Mandate**

Alternatives

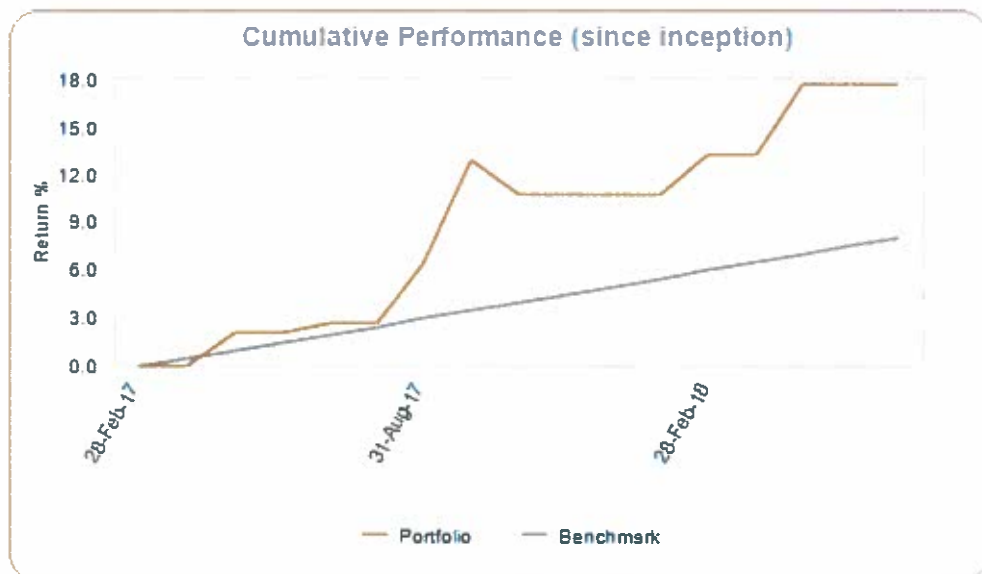
**Allocation - 30 June 2018**

	Cash	Alternatives
Portfolio	0.00	100.00
Benchmark		100.00

**Summary - 3 Months Ending 30 June 2018**

The manager's relative performance of the Quarter and 1 Year was 3.7% and -0.3% respectively.

Manager Analysis - Permira Credit



Inception Date: 31 Mar 2017

Portfolio Size and Mandate

Portfolio Size (GBP)

43,163,084

Portfolio Mandate

Alternatives

Allocation - 30 June 2018

Alternatives

Portfolio  
Benchmark

100.00  
100.00

Periodic Performance

	Quarter	Fiscal Year To Date	1 Year	Since Inception (Ann)
Portfolio	4.0	4.0	14.8	13.1
Benchmark	1.5	1.5	6.0	6.0

Summary - 3 Months Ending 30 June 2018

The manager's relative performance of the Quarter and 1 Year was 2.5% and 8.8% respectively.

Risk Profile - 3 Years (Ann) to 30 June 2018

	Standard Deviation	Sharpe Ratio	Tracking Error	Information Ratio
Portfolio				
Benchmark				

*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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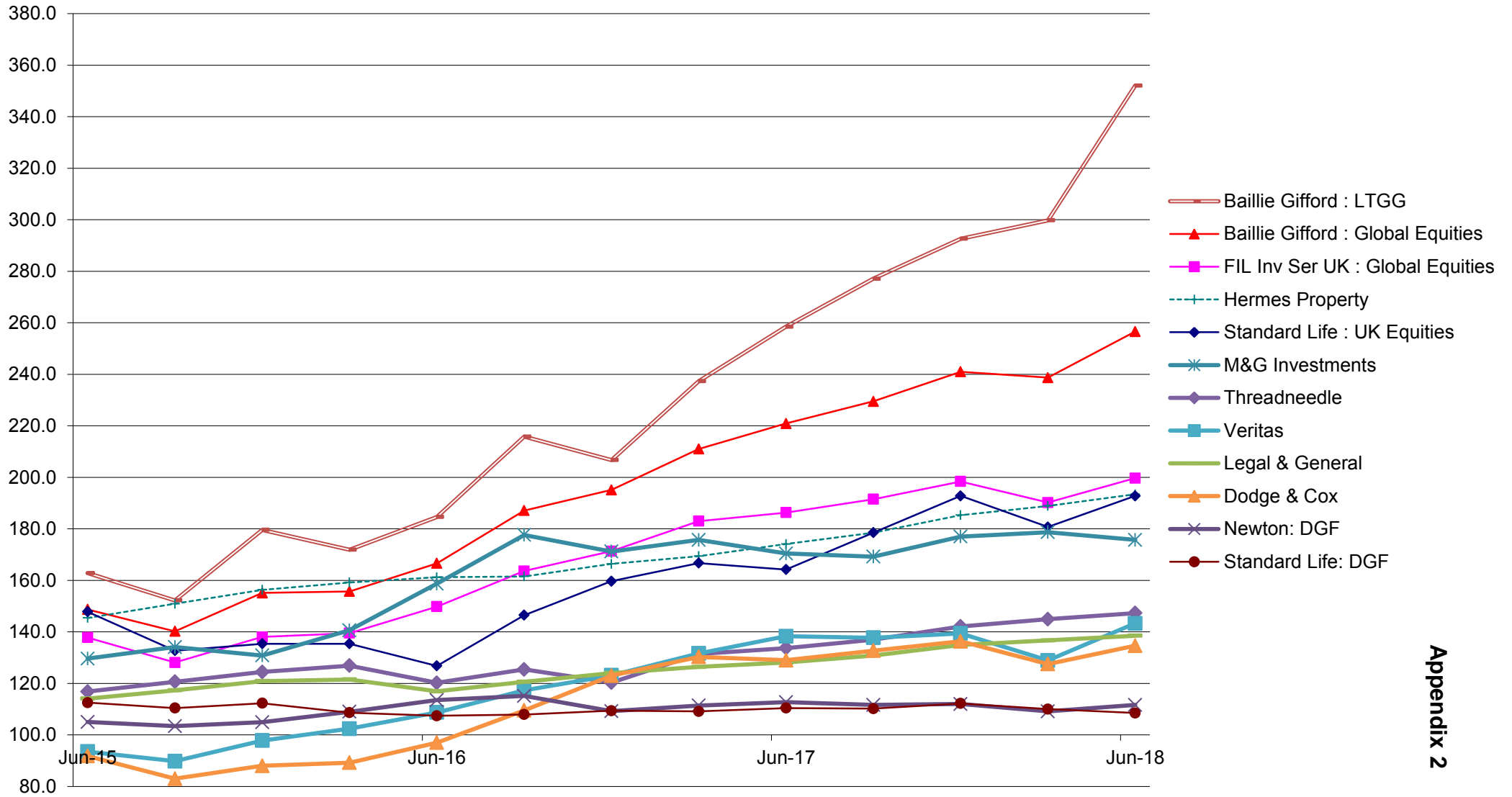
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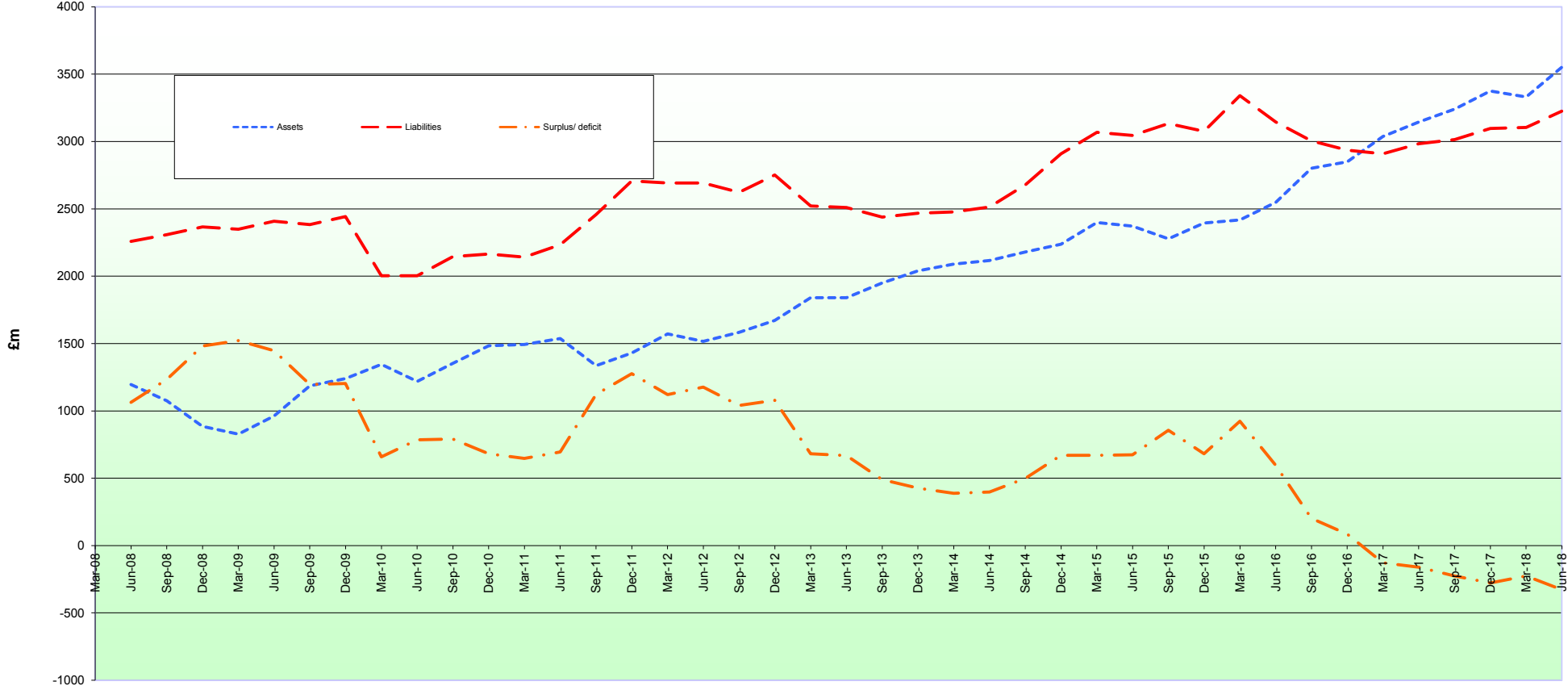
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## Investment Manager Performance - Cumulative Absolute Performance 3 years to June 2018



# 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	4,894
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	5,680
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	1849	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	6,175
June 30, 2016	81%	596	2549	6,504
September 30, 2016	93%	203	2801	6,899
December 31, 2016	97%	86	2649	7,143
March 31, 2017	104%	-127.2	3036	7,323
June 30, 2017	105%	-160.2	3144	7,313
September 30, 2017	108%	-225.6	3241	7,373
December 31, 2017	109%	-277.7	3375	7,686
March 31, 2018	107%	-226.2	3331	7,057
June 30, 2018	110%	-327	3522	7,637

Triennial valuation results highlighted in grey

**Movement in Assets and Liabilities**

