Suffolk County Council Pension Fund

REVIEW OF PERFORMANCE
FIRST QUARTER OF CALENDAR YEAR 2011

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For and on behalf of Hymans Robertson LLP
June 2011

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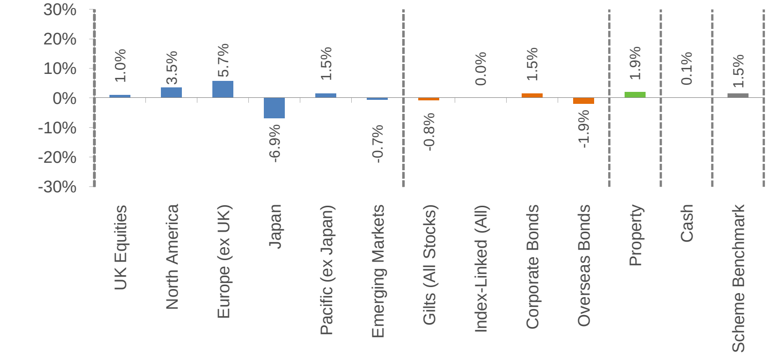
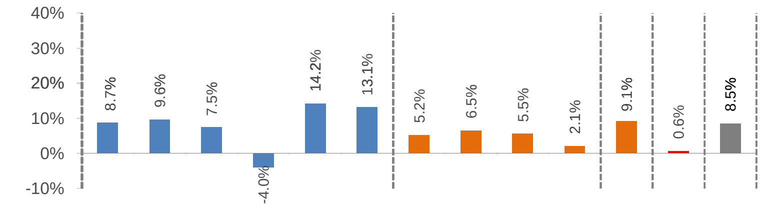
Markets - Historic Returns for World Markets to 31 March 2011

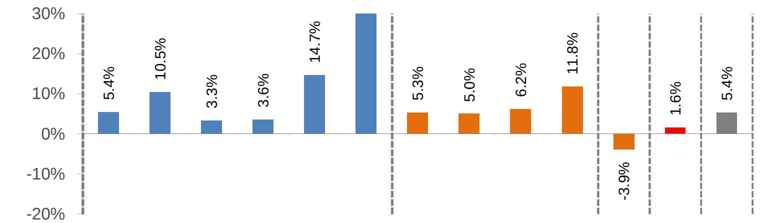
3 Months



12 Months



3 Years



Equity markets proved remarkably resilient to the seemingly endless flow of bad news during the first quarter of 2011. Widespread political tension in Arab countries and the implications of events in Japan were accepted with equanimity by investors.

One of the major influences on markets during the quarter was increasing inflationary pressure, particularly in emerging markets. The main contributors were sharp rises in food and oil prices. In response, a number of central banks in Asia tightened policy, either by increasing short-term interest rates or raising the reserve requirements of commercial banks.

In developed markets, economic 'healing' continues. This has been most evident in the corporate sector, supported by strong earnings growth and the re-building of balance sheets. Manufacturing activity was strong in a number of areas and, for the UK, provides welcome diversification to the economy. As in Asian markets, inflationary pressures present a challenge to Central Banks. No change in policy was announced during the quarter, but expectations of an increase in short-term interest rates by the year end increased and, in Europe, crystallised in early April.
Key events during the quarter:-

Global Economy
IMF upgrades global economic growth forecast for 2011
Japanese authorities provide support to markets after earthquake and nuclear 'incident'
Ireland seeks emergency funding aid to support debt laden economy
US continues asset purchase programme to support economy
Sovereign debt problems in Ireland and Portugal threaten cohesion within Euro-zone

Currencies
Sterling appreciates against the US$ and Japanese Yen but falls against the Euro
Euro appreciates ahead of increase in short-term interest rates (announced 7 April)

Bonds
Index linked gilts outperform fixed interest issues on concerns over inflation
Corporate bonds outperform government issues, reflecting strong corporate results and demand for higher yielding assets
Yield differentials between highly indebted Euro countries and Germany widen to very significant levels

Although there are grounds to take a more optimistic view of economic prospects, a number of factors have the potential to deliver a 'shock', not least the scale of the US deficit and the implications of continuing political instability in Arab countries. In the UK, the full impact of spending cuts and higher taxes has yet to be revealed. Households face the worst 'squeeze' on income since the 1920s.

Market Conditions to 31 March 2011

General

Investors' enthusiasm for risk assets was sorely challenged over the first quarter of 2011 with a combination of inflation (particularly food inflation in emerging markets), unrest in the Middle East and North Africa (MENA) and Japan's earthquake, tsunami and radioactive leakage problems. A significant financial feature was the pair trade between the oil price (up) and US$ (down). Considering this backdrop, financial markets were surprisingly resilient with investors relatively sanguine about prospects. Nevertheless, financial shocks were identifiable in the periodic setbacks and spurts of market volatility over the quarter.

Global Equities

Equity market returns measured in local currency were generally respectable, led by the US and Europe. US$ weakness reduced the US equity return and modest Euro strength increased the European equity return to sterling-based investors. Japanese equity returns (-6.9% in local terms) reflected the impact of the earthquake. Returns from Pacific markets were more modest at +1.5% while UK equities delivered 1%. Emerging market equities returned -0.7% having been considerably weaker over the quarter; investors felt the markets had become over-extended and became concerned about tightening bank policy in China, due to high inflation. At a sector level, the main feature was the strength in the Oil & Gas sector (+9.1% relative), driven by increases in the oil price. Industrials and Telecommunications stocks had modest rises. All other sectors experienced negative relative returns with Consumer sectors underperforming the global index by approximately 3% relative and Technology -2.7% relative.

UK Equities

Large cap stocks (FTSE 100) returned 1.1%, outpacing the FTSE 250 (mid cap stocks) which returned 0.7% and Small Cap returning 0.2%. On a 12 month view, large cap (+7.4%) remains well behind mid cap (+16.7%) and small cap (+14.5%). At a sector level, the strongest sector was Technology (+6.9% relative), but this was largely due to the strong performance of ARM holdings. Oil & Gas returned +5.2% relative. Telecoms returned 3.7% relative, largely due to Vodafone. The weakest sectors was Consumer Services (-5.6% relative) with Retailers and Travel and Leisure the worst affected areas. Basic Materials also performed poorly (-4.3% relative) with Chemicals and Mining the worst of the sub-sectors.

The star performer among FTSE 100 stocks was chip-designer ARM Holdings, up 34.5% relative. Three insurance stocks, Resolution (+25.1% relative), Legal & General (+17.9% relative) and Aviva (+13% relative) performed strongly. Oil & Gas related shares performed well, led by BG Group (+18.5% relative). Mining stocks gave back much of their relative outperformance over Q4, on concerns about slackening growth in emerging markets; the smaller FTSE 100 miners (Antofagasta, Kazakhmys and Lonmin) underperformed by between 14 and 16.4% while the larger companies (Anglo American, BHP Billiton, Rio Tinto and Xstrata) underperformed by between 2.5% and 4.2%. Other poorly performing stocks included Lloyds Banking Group (-12.5% relative), and the grocers Sainsbury (-11.8% relative) and Tesco (-11.3% relative).

Market Conditions to 31 March 2011 (continued)

Bonds

Gilts experienced a sell-off as investors became concerned with the persistence of UK inflation. Long-dated gilts returned -1.5%, while All Stocks Gilts returned -0.8%. Index-linked gilts were flat over the quarter. Corporate bonds performed rather more strongly, with AA-rated issues returning 1.1%, and A- and BBB- rated issues returning 1.7%. The debate about the risks to gilts from rising yields continued over much of the quarter.

Property

The IPD Monthly index return for Q1 was +2.3%. The net return from All Balanced pooled funds was +1.9%. Central London offices are still seeing rental growth due to strong demand. The outlook for most other areas is lukewarm at best. Retail is likely to be under continuing pressure due to store closures in less than prime outlets.

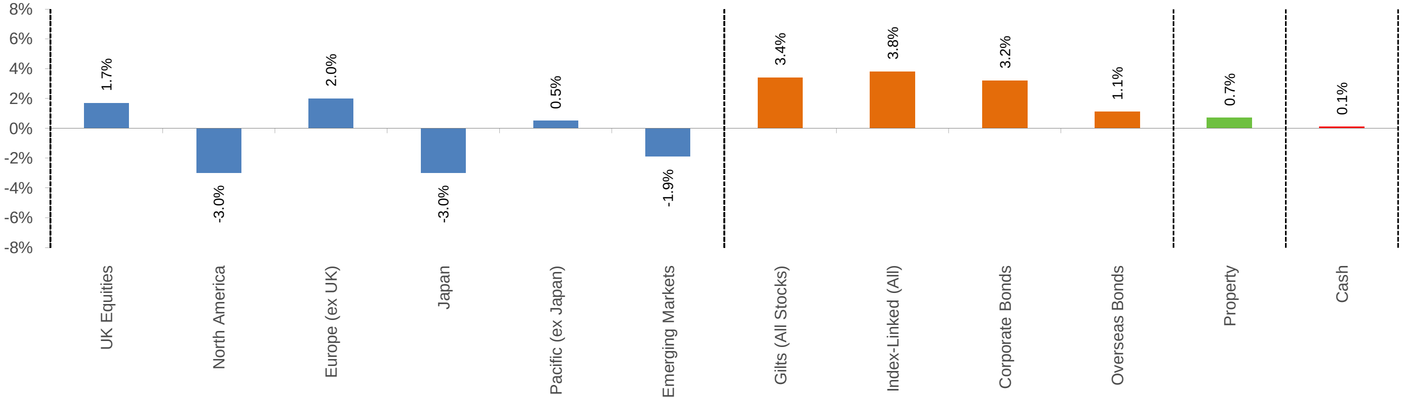
Generic Commentary on Active Managers

Within global equities, there was a bias to underperformance with only 1/3rd of managers outperforming over the quarter. The median active return was 0.3% against benchmark. Funds which had a bias to income performed reasonably well; by contrast, thematic funds generally performed poorly. There was no particularly strong style bias to either growth or value. Within UK equities, there was also a bias to underperformance with the median manager returning -0.2% against the FTSE All-Share index. Managers who had been performing poorly generally continued to do so over Q1 of 2011.

Within bonds, the median return over Q1 of 2011 was +0.4% against benchmark (although the median return over 12 months is only +0.6%). Over Q1, the majority of managers continued to favour corporate bonds over gilts, and gilts had a weak quarter relative to other bond categories; nevertheless, this has reversed in Q2 to date. Indeed, there have been swings between investors favouring gilts or credit over the last 12 months which explains why the median outperformance over 12 months is little better than over 3 months.

Markets - Historic Returns for World Markets Update

Period from 31/3/11 to 1/6/11



Over Q2 of 2011 to date (close of business on 1 June), equity markets have posted variable returns in Sterling terms with gains in the UK, Europe and Asia Pacific offset by falls in North America, Japan and Emerging Markets. Overall, in aggregate, global equities fell over the period by 1.5% in Sterling terms (and by -0.8% in local currencies). US labour data released at the end of April and PMI indices released at the start of May hinted at flagging economic momentum. Equities stuttered, but commodity markets plunged. Sterling appreciation has also detracted from the returns from overseas markets in general. In contrast, bonds have made gains although again sterling appreciation has held back the returns from overseas bonds. Property has also continued to produce a positive return.

Managers

The Suffolk Fund returned 1.3% over Q1 of 2011, underperforming its benchmark by 0.2%. It is 1.2% behind benchmark over the last 12 months (+7.2% versus a benchmark return of +8.5%). Longer term numbers lag the total fund benchmark with relative returns of -1.7% p.a. over 3 years and -0.7% p.a. over 5 years.

Aberdeen: Aberdeen outperformed by 0.4% over Q1 of 2011 They are 0.7% ahead of benchmark over 12 months and 0.5% p.a. ahead of benchmark over 3 years.

Alliance Bernstein: Alliance Bernstein outperformed by 0.1% over Q1 of 2011. They are 5.2% behind the benchmark over 12 months and 4.1% p.a. behind benchmark since inception on 10 June 2005.

BlackRock: BlackRock underperformed their benchmark by 1.4% over Q1. Their portfolio is 1.7% ahead of benchmark over 12 months. They are 4.4% p.a. ahead of benchmark over the period since inception (on 19 July 2007).

JP Morgan: JP Morgan outperformed by 0.4% over Q1 of 2011. They are ahead of benchmark over the last 12 months by 2.3% but trail the benchmark by 0.1% p.a. since inception (on 20 July 2007).

Newton: Newton underperformed by 0.4% over Q1 of 2011. They are 0.1% behind benchmark over the last 12 months but are 0.2% p.a. ahead of benchmark since inception (on 27 July 2007).

Millennium: Millennium underperformed their LIBOR cash benchmark by 1.3% (net of fees) over Q1. They are 1.2% p.a. ahead of benchmark (net of fees) over 12 months and -4.4% p.a. behind since the mandate commenced on 1 April 2008.

Schroder (Property): Schroder’s No 1 portfolio returned 1.7% (net of fees) over Q1. This was 0.3% behind Schroder's own benchmark (IPD UK Pooled Property Balanced PUT weighted average index) which returned 2.0%; the All-Balanced Funds index which we consider more representative had a similar return (1.9%). Over 12 months, Schroder's net return of 8.7% was 0.4% behind their benchmark (IPD Balanced PUT) and also 0.4% behind the All Balanced Fund index. Over 3 years, Schroder returned -5.9% p.a. (net) which was 0.6% p.a. behind the IPD Balanced PUT index return of -5.3% p.a. and a more significant 1.5% p.a. behind the IPD All Balanced Funds index return of -3.9% p.a. (although the longer term underperformance is diminishing).

MANAGER SUMMARY

Mandate	Manager	Value £M 31-Dec-10	Value £M 31-Mar-11	Actual Allocation 31-Mar-11
Multi Asset Passive	Legal & General	424.1	430.8	28.4%
UK Equities	Alliance Bernstein	169.0	171.0	11.3%
UK Equities	BlackRock	138.5	143.0	9.4%
Global Equities	JP Morgan	209.2	214.2	14.1%
Global Equities	Newton	211.7	214.6	14.1%
Bonds	Aberdeen	100.0	100.6	6.6%
Property	Schroder	145.4	147.8	9.7%
Currency Active	Millennium	35.2	34.8	2.3%
Private Equity	Private Equity	58.2	60.4	4.0%
Total Invested Assets		**1,491.3**	**1,517.2**	**100.0%**

ASSET ALLOCATION

Asset Class	Fund (£m)		Strategic Benchmark (%)	Fund (%)		Relative to Strategic Benchmark (%)	
	31/12/2010	31/03/2011		31/12/2010	31/03/2011	31/12/2010	31/03/2011
UK Equities	**349.2**	**353.0**	**22.8**	**23.4**	**23.3**	0.6	0.5
Overseas Equities	**608.0**	**631.0**	**38.2**	**40.8**	**41.6**	2.6	3.4
North America	*253.8*	*261.0*	*15.1*	*17.0*	*17.2*	1.9	2.1
Europe ex UK	*142.2*	*150.3*	*10.5*	*9.5*	*9.9*	-1.0	-0.6
Japan	*54.3*	*55.5*	*6.2*	*3.6*	*3.7*	-2.6	-2.5
Pacific ex Japan	*58.4*	*60.0*	*3.6*	*3.9*	*4.0*	0.3	0.4
Other	*99.4*	*104.1*	*2.8*	*6.7*	*6.9*	3.9	4.1
British Govt Bonds	**52.1**	**51.5**	**4.0**	**3.5**	**3.4**	-0.5	-0.6
Corporate Bonds	**165.6**	**167.2**	**10.4**	**11.1**	**11.0**	0.7	0.6
Index-Linked	**63.4**	**63.3**	**4.3**	**4.3**	**4.2**	0.0	-0.1
Alternatives	**93.4**	**95.2**	**8.2**	**6.3**	**6.3**	-1.9	-1.9
Private Equity	*58.2*	*60.4*	*5.0*	*3.9*	*4.0*	-1.1	-1.0
Active Currency	*35.2*	*34.8*	*3.2*	*2.4*	*2.3*	-0.8	-0.9
Property	**143.6**	**144.5**	**12.0**	**9.6**	**9.5**	-2.4	-2.5
Cash	**16.0**	**11.4**	**0.0**	**1.1**	**0.8**	1.1	0.8
Total Invested Assets	**1,491.3**	**1,517.2**	**100.0**	**100.0**	**100.0**		

Manager Allocation - Global Equity Benchmarks

Asset Class	Target %	JP Morgan Relative %	Target %	Newton Relative %
UK Equities	8.2	3.3	8.2	0.9
Overseas Equities	91.8	-3.8	91.8	-0.9
North America	*47.5*	-2.2	*47.5*	-11.8
Europe	*17.2*	0.1	*17.2*	1.3
Japan	*7.9*	-2.0	*7.9*	2.4
Asia Pacific	*5.2*	-1.5	*5.2*	4.9
Emerging Markets	*14.0*	1.8	*14.0*	2.4
Total Equities	100.0	-0.5	100.0	-0.0
Property	-	-	-	-
Total Fixed Interest	-		-	
Cash & Alternatives	-	0.4	-	-
Total	**100.0**		**100.0**	

Comments

Newton's regional positioning remains broadly similar to last quarter (driven by their thematic views). They have typically taken more aggressive asset allocation positions than shown above. Their most significant position remains the underweighting of North America, the largest geographical component of the index. Overall JP Morgan's regional tilts have remained broadly unchanged. They remain overweight the emerging markets and the United Kingdom and underweight Japan and North America. Their positioning is slightly more aggressive than normal for them but their deviations from benchmark are modest by comparison with many managers (their largest divergence from benchmark is the 2.8% underweighting of Japan).

Sector Allocation - Global Equity Benchmarks

Sector	Target %	JP Morgan Relative %	Newton Relative %
Energy	12.5	-0.9	0.0
Materials	9.1	-1.6	1.7
Industrials	11.0	3.0	-3.2
Consumer Discretionary	9.7	6.3	1.7
Consumer Staples	9.0	-2.8	0.2
Healthcare	8.1	-0.4	3.5
Financials	20.8	-1.9	-2.6
Information Technology	11.6	1.4	-1.1
Telecommunication	4.6	0.6	2.2
Utilities	3.8	-3.6	-3.2
Cash & Others	-	-	0.8
Total	**100.0**		

Comments

JP Morgan's sector positions remain similar to last quarter. They are underweight Utilities and Consumer Staples and overweight Consumer Discretionary and Industrials; otherwise they are broadly sector neutral. The portfolio is overweight in economically sensitive companies and in small and mid-cap stocks, retaining a positive beta.
Newton's positioning is broadly similar in direction to the previous quarter although they are now neutral Energy, having bought shares in the Russian oil company Lukoil. In general, Newton have tempered the extent of their relative positioning over recent quarters. Sector allocation had a broadly neutral impact on performance over the quarter.

Alliance Bernstein - UK Equity Mandate

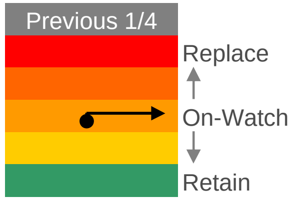
Overview

Comments

Alliance Bernstein performed broadly in line with benchmark. They lag the benchmark over the longer term. Stock selection was additive over the quarter whilst sector allocation detracted modestly. The portfolio's biggest contributor to performance was Premier Foods, which saw a rise in its share price as investors welcomed asset sales and debt restructuring. This stock added 0.3% to performance as did Regus Plc, the serviced office group which produced strong full year results. In terms of sector allocation, Transportation was the biggest detractor (-0.4%) with a number of airlines holdings underperforming due to high oil prices. In contrast energy stocks did well for the same reason, but an underweight to the sector detracted from performance.

Alliance Bernstein indicate that spreads between the cheapest and most expensive stocks remain well above long term average suggesting that the value recovery still has long way to go. They believe that risk aversion is subsiding and that stocks performance variation will expand allowing their stock specific research and value picks to be rewarded.

Hymans Robertson View



Recent News

We recently met Sharon Fay (CIO of Alliance Bernstein). Sharon continues to play a significant role in portfolio construction of Alliance Bernstein's value portfolios. Sharon explained that value portfolios have significant active positioning within sectors. Their portfolios display higher conviction than they have ever done, using metrics such as price to book value, price to sales and price to free cash flow. In comparison with other "value" managers, Alliance portfolios display stronger value tilts. We discussed the factors driving markets. Sharon said that global macro themes have been the dominant factor affecting market prices. For as long as the these factors (rather than security fundamentals) are driving prices, the returns of stock driven portfolios and indices could be divergent. In recent years, their focus on relative cheapness has resulted in underperformance.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	1.2	3.0	-2.6	2.7
Benchmark	1.0	8.7	5.4	7.1
Relative	0.1	-5.2	-7.6	-4.1

3 Year Relative Return

Actual % p.a.	Target % p.a.
-7.6	1.5

3 Year Tracking Error

Actual	Target
4.3	3-5%

BlackRock - UK Equity Mandate

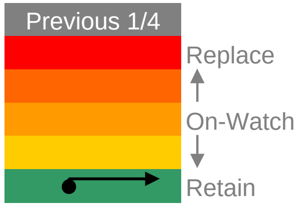
Overview

Comments

Despite underperformance in quarter 1, BlackRock's performance remains well ahead of benchmark over the longer term. Over the quarter, performance was hurt by the holding of Whitbread (sales growth affected by poor weather at the end of 2010). Other detractors were United Business Media which announced higher investment costs) and British Airways where higher oil prices hurt profits.

BlackRock took profits in the copper miner Antofagasta and invested in Anglo American and Rio Tinto - they believe Anglo American has overcome project overrun and delay problems and that Rio Tinto is well placed to benefit from iron ore demand. They have taken a new position in Imperial Tobacco which has strong cashflow generation and a high dividend. ITV is another new position, BlackRock indicate that advertising demand is high and product placement regulation removal should also boost advertising prices. They have reduced their bank exposure (Barclays) with regulatory changes likely to hamper operations and return on equity despite modest valuations.

Hymans Robertson View



Recent News

No significant news on the equity side of the business.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	-0.4	10.6	9.2	5.0
Benchmark	1.0	8.7	5.4	0.6
Relative	-1.4	1.7	3.6	4.4

3 Year Relative Return

Actual % p.a.	Target % p.a.
3.6	1.5

3 Year Tracking Error

Actual	Target
4.0	

JP Morgan - Global Equity Mandate

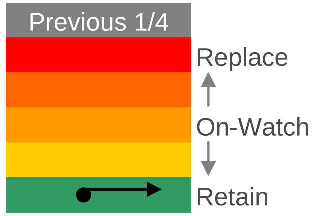
Overview

Comments

JP Morgan outperformed by 0.4% over the quarter, and have maintained a strongly positive absolute and relative return over the period of twelve months to end March. Performance over Q1 and over the most recent 12 month period has come from stock selection. Over Q1, positive attributions came from IT, materials and healthcare. Selection in Financials and Industrials detracted. At the regional level, positive contributions to returns came from stock selection in Japan, with Europe ex UK detracting from performance. Both growth and value styles showed strong performance this quarter, with value styles outperforming growth. In contrast with earlier periods, small cap companies were the worst performing style and underperformed in every region other than Japan.

The portfolio remains largely unchanged from the previous quarter. The portfolio maintains its overweight exposure to growth/momentum and value stocks, with a greater tilt towards growth/momentum. The portfolio's size bias continues to reflect an underweight in large cap stocks and an overweight in small and mid cap stocks. Overall, their regional and sector tilts have remained broadly unchanged. They remain overweight emerging markets and the UK.

Hymans Robertson View



Recent News

There have been some enhancements / changes to the Emerging Markets Research structure. Mark Ferguson joined the Emerging Markets Equity Team as the Head of GEM Research in September last year and has introduced changes, creating sector analysts and product-focussed analysts (moving from regional analysts). The transition in coverage will be rolled out over 2011 and they expect it to last one year with no expected loss of coverage in the interim.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	2.4	10.5	8.5	3.7
Benchmark	2.0	8.0	7.8	3.8
Relative	0.4	2.3	0.7	-0.1

3 Year Relative Return

Actual % p.a.	Target % p.a.
0.7	1.5

3 Year Tracking Error

Actual	Target
2.1	

Newton - Global Equity Mandate

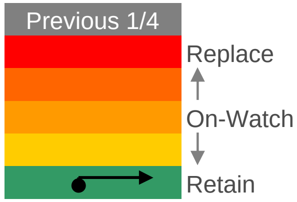
Overview

Comments

Newton underperformed over the quarter with stock selection in financials and healthcare detracting most and the strongest positive attributions coming from IT and Consumer discretionary. Concerns of further monetary tightening and inflation in Brazil hurt Banco Santander Brasil, and another financial holding, Greenhill & Co fell due to a decline in revenues. Within healthcare Medco struggled due to reputational concerns regarding payments to an executive of the California public pension scheme and a cancelled contract with that body. Newton believe the risks have been overly discounted and the company retains a sound business model.

Looking forward, Newton believe that the developing world's underperformance since October will reverse as potential weaknesses in western markets emerge. The portfolio is positioned to be overweight emerging markets.

Hymans Robertson View



Recent News

No significant news on the global equity side but Newton recently announced some changes to their UK teams to reflect the significant shift in institutional mandates from UK equities to multi-asset and total return investment solutions. Overall we are not unduly concerned by these changes. The trend away from UK focussed mandates is well established and some restructuring of resource for a multi-asset manager like Newton is to be expected.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	1.6	7.8	4.8	4.2
Benchmark	2.0	8.0	7.7	4.0
Relative	-0.4	-0.1	-2.7	0.2

3 Year Relative Return

Actual % p.a.	Target % p.a.
-2.7	1.5

3 Year Tracking Error

Actual	Target
7.3	5-7%

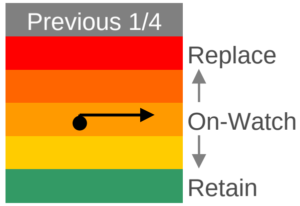
Aberdeen - Bond Mandate

Overview

Comments

Aberdeen outperformed the benchmark by 0.4% over the quarter. Credit selection was the main driver of performance over the quarter whilst interest rate strategies (they are short of duration) and the allocation to High Yield and Emerging Debt also contributed positively. The portfolio has a short duration position (lower interest rate sensitivity than the benchmark) and this is implemented through an underweighting of medium dated gilts. Aberdeen are overweight credit risk based on their positive fundamental long term view. They are overweight financials. Aberdeen retain an exposure to Emerging debt as they believe the fundamentals remain sound given that the Federal Reserve is unlikely to raise interest rates and although they recognise the dangers of a hard landing for the Chinese economy they do not foresee this as the likeliest outcome. Aberdeen expect to sell out of their Global High Yield holding in quarter 2 as valuations have become stretched.

Hymans Robertson View



Recent News

No recent news to report.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	0.7	6.5	6.7	5.2
Benchmark	0.3	5.8	6.2	4.7
Relative	0.4	0.7	0.5	0.4

3 Year Relative Return

Actual* % p.a.	Target** % p.a.
0.5	0.75

* gross of fees   ** net of fees

3 Year Tracking Error

Actual	Target
2.9	1.5

Schroder - Property Fund of Funds

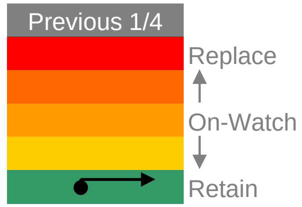
Overview

Comments

The portfolio underperformed over the quarter and is behind of benchmark over 12 months. The main reason for this has been the impact of cash holdings and transaction costs. Schroders expect a large proportion of the cash to be drawn down over 2011 and the overweight position to cash should reduce in the shorter term. Sector focussed funds such as Hercules (Shopping Centre) and West end of London PUT have added value over 3 and 12 months but opportunity funds have detracted - the latter funds tend to have development exposure, high void rates and shorter leases.

Over the quarter a total of £3.2m in cash was drawn down by funds with outstanding commitments although a redemption of the entire holding of the UBS Triton Fund added to the cash holding. Following the quarter end, a commitment was made to the Real Income Fund following the transfer in-specie of the holdings in the UNITE Student Accommodation fund (see below). Going forward, Schroders expect the “income” return from funds to be more important than capital appreciation and are looking to favour sectors outside the mainstream with attractive initial yields. They believe "near prime" assets offer the greatest value.

Hymans Robertson View



Recent News

Schroders property multi manager team has set up the Schroders Real Income Fund, a “thematic fund of funds” in an attempt to capture real income growth most notably from attractive niche sectors of the property market. The fund is targeting a 5% real return, with an income distribution of 5% and a focus on capital protection over the life of the fund. The fund is being launched to take advantage of opportunities arising from demographic trends, government austerity, bank de-leveraging and sustainability. The prerequisite of any investment this fund makes is that it must have capacity for real income growth.

Performance Summary (No 1 Fund)

	Current 1/4 %	1 Year %	3 Years % p.a.	5 Years % p.a.
Fund	1.7	8.7	-5.9	-2.1
Benchmark	2.0	9.1	-5.3	-2.4
Relative	-0.3	-0.4	-0.6	0.3

3 Year Relative Return

Actual % p.a.	Target % p.a.
-0.6	1.5

3 Year Tracking Error

Actual	Target
1.5	n/a

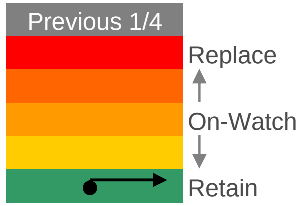
Millennium - Active Currency

Overview

Comments

Despite positive economic news in January the USD weakened which detracted from performance as the fund held a number of long USD pairs. In February the fund was positioned short EUR against the USD which was the most significant detractor from performance as the EUR strengthened driven by expectations concerning monetary policy. This also affected short EUR positions against JPY and GBP. However as the Euro continued to appreciate towards the end of the quarter the fund was positioned long EUR vs GBP and CHF which significantly added to performance. Following the earthquake in Japan in March, co-ordinated G7 intervention and BoJ monetary policy caused the JPY to depreciate, benefiting short JPY vs KRW, USD and EUR positions in the fund.

Hymans Robertson View



Recent News

No significant changes, although the firm continues to grow its quant team following the launch of dynamic hedging product which takes a quantitative systematic approach rather than the discretionary fundamental approach characteristic of Millennium.

Performance Summary (absolute return)

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	-1.1	2.0	-2.3	-2.3

* Inception - 1 April 2008, performance shown is absolute return net of fees

Inception Return

Actual % p.a.	Target % p.a.
n/a	n/a

Inception Tracking Error

Actual	Target
n/a	n/a