Suffolk County Council Pension Fund

REVIEW OF PERFORMANCE
FIRST QUARTER OF CALENDAR YEAR 2013

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For and on behalf of Hymans Robertson LLP

May 2013

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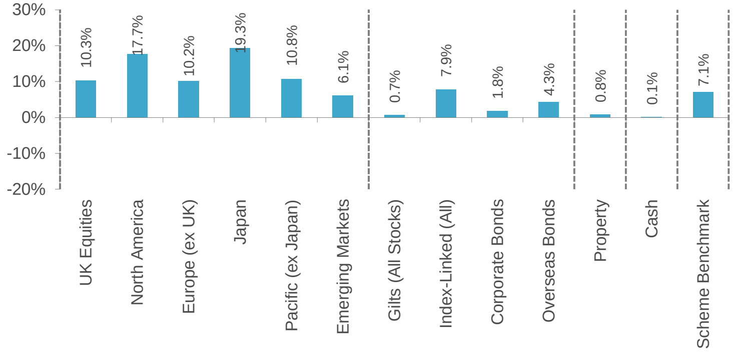
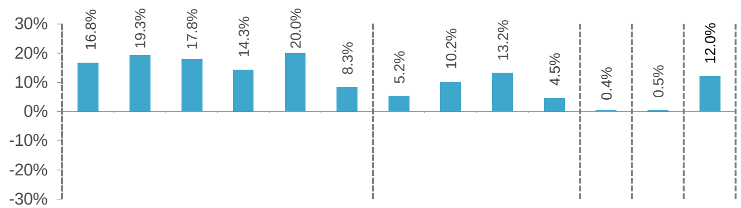
Markets - Historic Returns for World Markets to 31 March 2013

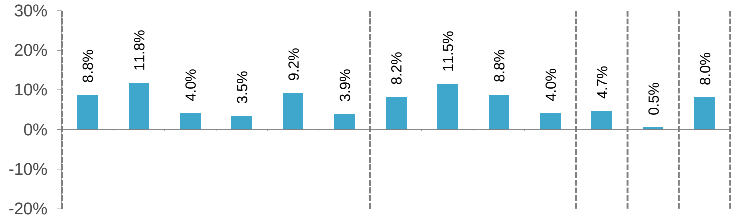
3 Months



12 Months



3 Years



Equity markets performed strongly over the first quarter of 2013. Towards the end of March, the main equity indices in the US were approaching all-time highs. The positive tone in equity markets belied concerns about the global economic outlook. In the UK and Eurozone, economic activity contracted during the final quarter of 2012, the most recent period for which figures are available. Although the US economy showed signs of relative strength, policy makers remained cautious and were in no mood to reverse earlier stimulatory measures.

As economic activity in the UK and Eurozone faltered, the effectiveness of quantitative easing and other stimulatory measures was widely questioned by a sceptical public. In the UK, there was even discussion of negative interest rates as a means of persuading banks to lend more. Sterling fell 4.2% in trade-weighted terms.

The Chancellor of the Exchequer presented his March budget against a background of downward revisions to economic growth forecasts and a cut in the country's credit rating. With rising debt, austerity remains the order of the day. The budget incorporated further unpopular cuts in public spending.

Key events during the quarter were:

Global Economy
The UK's credit rating was cut by Moody's, on concerns over continuing economic weakness;
The UK reported a fall in economic activity in Q4 2012, raising concerns of a return to recession;
Short-term interest rates in UK, US, Eurozone and Japan were held at record lows;
Unemployment in Eurozone reached 12%, with wide variations (Germany 5.4%, Spain 26.3%);
Japan announced a new package of measures (£72bn) to stimulate its 'moribund' economy.
The Japanese Yen continued to fall sharply;
The Eurozone reported a third consecutive quarter of economic contraction.

Equities
Rio Tinto wrote off $14bn in its aluminium and coal businesses;
The strongest sectors relative to the 'All World' Index were Health Care (+7.5%) and Consumer Services (+3.8%); the weakest were Basic Materials (-11.7%) and Oil & Gas (-2.7%).

Bonds
The US announced the continuation of the bond purchase programme ($85bn per month);
Index linked gilts (+7.9%) outperformed fixed interest gilts (+0.7%); this followed the decision of the UK Statistical Authority to retain the current RPI calculation methodology.

Market Conditions to 31 March 2013

General

The positive tone at the end of 2012 continued through the first quarter of 2013, although the major part of the advance in equity markets occurred early in the quarter. In the US, the year began with a compromise on the US fiscal cliff; there was also growing confidence from housing activity and employment. Japan continued to benefit from reflationary measures and the prospects of stronger exports as a result of sharp depreciation of the yen. Although Chinese growth remains strong, the pace has been moderating. The new administration has the challenge of re-directing policy away from exports towards internal consumption, a longer-term project. Part of the plan will involve taking some heat out of speculative activity. The slowing pace of growth has continued to hang over equities in emerging markets and Asia Pacific. Europe (including the UK) continues to suffer from weak growth with austerity still a keyword. Continuing lacklustre growth in the UK resulted in sterling weakness. Banking problems in Cyprus, though modest in scale on a global context, added to concerns.

Global Equities

In sterling terms, global equities returned 14.0% over Q1 (as measured by the FTSE All World index). The strongest returns came from Japan (19.3% in sterling terms) and North America (17.7% in sterling terms). The weakest regions were Emerging Markets (6.1% in sterling terms) and Asia Pacific ex Japan (10.8% in sterling terms but only 3.8% when denominated in local curencies). Europe (ex UK) returned 10% in sterling terms with UK equities returning 10.3%. Sterling declined by 4.2% on a trade weighted basis; the yen was the only major currency depreciating against sterling over the quarter. Over the 12 months ending March 2013, the strongest returns (sterling denominated) came from Asia Pacific ex Japan, North America and Europe (all in the range 18-20%), UK equities returned 16.8%, Japan 14.3% with Emerging Markets a significant laggard at 8.3%.

Over Q1, the strongest relative sector return came from Healthcare (+7.5% relative). The weakest relative returns came from Basic Materials (-11.7% relative). Over 12 months, the same pattern emerged with Healthcare strongest (+13.1%) followed by Consumer Services (+8.8%) and Basic Materials weakest (-15.7%) with Technology also underperforming significantly (-11.5%). Growth stocks and value stocks performed broadly in line over the first quarter. The style variation over the 12 month period was not particularly strong; value stocks outpaced growth stocks by 2%.

UK Equities

Large cap stocks (FTSE 100) returned 9.8% over the quarter, with FTSE 250 (mid cap stocks) returning 13% and Small Cap returning 11.8%. Over the 12 months ending March 2013, the FTSE 100 returned 15.8% significantly underperforming the FTSE 250 (+24.3%) and Small Cap (24.5%). Value stocks underperformed growth stocks significantly over the quarter (7% versus 12.5%) although value was ahead over 12 months. At a sector level, the strongest sector was Telecoms (+9.3% relative). The weakest sector was Basic Materials (-16.1%), principally the Mining sector. Over 12 months, the weakest sectors were Basic Materials (-21% relative) and Oil & Gas (-16% relative). The strongest sector over 12 months was Technology (+15.9% relative) but this makes up only 1.6% of index weight. Other sectors with strong returns were Consumer Goods (+9.6% relative), Consumer Services (+9.3% relative) and Industrials (+8.1% relative).

The strongest performing stock in the FTSE 100 over Q1 was Easyjet (+30.7% relative); the second best was International Consolidated Airlines Group, formed from the merger of BA with Iberia (+24.2% relative). A large number of weakest performers were Mining stocks, led by Fresnillo. Aviva underperformed (-26% relative) after cutting its dividend by more than a quarter. Royal Bank of Scotland was also very weak (-23% relative).

Market Conditions to 31 March 2013 (continued)

Bonds

Prices of conventional government gilts were stable over the first quarter. By contrast, index-linked gilts performed very strongly returning 7.9%; this was partly due to the unexpected decision to make no change to the RPI calculation methodology and partly due to a continuation of modestly higher than expected inflation in the UK. Corporate bond prices rose modestly, with UK investment grade credit returning 1.8% over the quarter. The strongest area yet again was the BBB issues (+2.4%). Overseas bonds returned 4.3% (in sterling terms); this was largely due to sterling weakness over the quarter. Over the calendar year, gilt returns were respectable at 5.3%, index-linked gilts delivered 10.2%. Corporate bonds returned 13.2%; with BBB-rated issues produced the strongest returns (+15.8%).

Property

The IPD Monthly index return for Q1 of 2013 was +1.1% (this represents the return on directly held property). The sector returns were +1.5% for Industrial, +1.2% for Offices and 0.8% for Retail. The income component of returns is positive but capital growth is negative in all three market segments. For pooled funds, the weighted average return (net of manager fees) of All Balanced Pooled Property Funds was 0.8%, with a distribution yield (after fees) of 2.7%. Performance remains polarised between primary property, particularly in London and the South East, which continues to perform adequately, and secondary property. There is some evidence of recognition of value in some elements of secondary property with secure leases and higher rental yields.

Generic Commentary on Active Managers

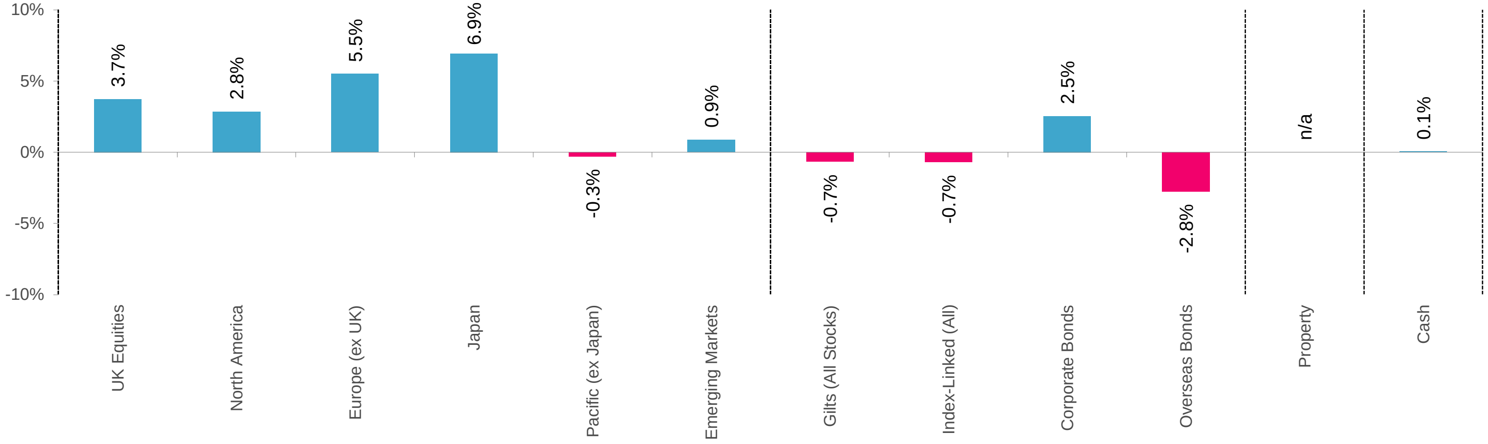
Among 60 global equity managers we follow, the median return over the first quarter of 2013 was +0.1% relative to benchmark. There was no strong style bias distinguishing managers with strong or weak relative performance. Over the 12 month period ending 31 March 2013, the median return was flat relative to benchmark; the interquartile range of outcomes, i.e. excluding the top and bottom quartile, was from +2.8% to -1.3% relative to benchmark. The best performing funds over 12 months had a defensive bias; the poorest performing funds adopted a variety of higher risk approaches (including style biases to both growth and value. Over the 3 year period ending 31 March 2013, the median return was flat relative to benchmark. The interquartile range was from +1.8% p.a. to -1.3% p.a. The strongest managers outperformed by at least 3% p.a. while the weakest underperformed by at least 2% p.a. Managers with a value style bias continue to dominate the bottom quartile of performance over 3 years.

Among 27 UK equity managers' funds we follow, the median return over the first quarter of 2013 was 1.3% ahead of benchmark. Over the 12 months ending 31 March 2013, the median return was +2.8% relative to benchmark; the interquartile range of outcomes was from +3.7% to +0.8% relative to benchmark. There was no particularly strong style or process differentiating the most successful from the least successful managers over either the first quarter or the 12 month period. Over 3 years, the median return was +1.2% p.a. relative to benchmark. The interquartile range was from +1.9% p.a. to +0.4% p.a. The strongest managers outperformed by at least 4% p.a. while only the weakest decile underperformed the benchmark. Managers with strong 3-year performance had a growth bias; those with a value style bias remain anchored at the foot of the performance table over this period.

Among 67 bond managers' funds we follow, the median return over the first quarter of 2013 was +0.2% relative to benchmark. Over the 12 months ending March 2013, the median return was +1.0% relative to benchmark; the interquartile range of outcomes was from +2.1% to +0.3% relative to benchmark over this period. The strong level of outperformance is not surprising in a 12 month period when government bond yields were very low and credit performed very strongly (most managers were overweight credit relative to benchmark). Over 3 years, the median return was +0.6% p.a. relative to benchmark. The interquartile range was from +1.2% p.a. to +0.2% p.a. The strongest managers outperformed by at least 1.7% p.a. relative while the weakest typically delivered returns of at least -0.4% p.a. behind benchmark.

Markets - Historic Returns for World Markets Update

Period from 31/3/13 to 10/05/13



Equity markets have, in the main, continued to move positively since quarter end with only the Pacific ex Japan region falling back. Bond performance has been more mixed with only corporate bonds producing positive returns.

Managers

The Suffolk Fund returned 8.1% over Q1 of 2013 outperforming its estimated benchmark by 0.9%. It is 0.9% ahead of benchmark over the last 12 months returning 13.1% versus a benchmark return of 12.1%. Longer term numbers lag the total fund benchmark. Relative returns are 0.8% p.a. behind benchmark over 3 years and 1.4% p.a. behind over 5 years.

Alliance Bernstein: Alliance Bernstein outperformed their benchmark over Q1 of 2013 by 1.3%. They are 0.3% ahead of the benchmark over 12 months but 3.4% p.a. behind benchmark since inception on 10 June 2005.

BlackRock: BlackRock underperformed their benchmark by 0.4% over Q1. Their portfolio is 0.8% ahead of benchmark over 12 months and 1.9% p.a. ahead of benchmark over 5 years.

Newton: Newton outperformed their benchmark over Q1 of 2013 by 2.7%. They are 6.8% ahead of benchmark over 12 months and 0.4% p.a. ahead of benchmark since inception (on 27 July 2007).

Schroder (Property): Schroder’s portfolio returned 1.0% (net of fees) over Q1. This was 0.2% ahead Schroder's benchmark (IPD All balanced Property index) which returned 0.8%. Over 12 months, Schroder's net return was 1.5%, 1.1% ahead of their benchmark. Over 3 years, Schroder returned 5.1% p.a. (net) which was 0.4% p.a. ahead of their benchmark return of 4.7% p.a.

Pyrford: Pyrford returned 4.5 % over Q1. Over the same period, the cash +5% p.a. provisional benchmark returned 1.4%. Pyrford have returned 4.7% over the 6 months to 31 March 2013 compared to the cash +5% p.a. return of 2.8% over that period.

Winton: Winton returned 4.8% over Q1. Over the same period, the cash +5% p.a. provisional benchmark returned 1.4%. Winton have returned 4.5% since inception (30 September 2012) compared to the cash +5% p.a. return of 2.8% over that period.

BlueCrest: BlueCrest returned 1.9% over Q1. Over the same period, the cash +5% p.a. provisional benchmark returned 1.4%. BlueCrest have returned 3.2% since inception (30 September 2012) compared to the cash +5% p.a. return of 2.8% over that period.

Millennium: The Trustees agreed to reduce the Millennium portfolio to zero; this takes a short while to accomplish.

MANAGER SUMMARY

Mandate	Manager	Value £M 31-Dec-12	Value £M 31-Mar-13	Actual Allocation 31-Mar-13
Multi Asset Passive	Legal & General	698.2	747.4	42.5%
UK Equities	AllianceBernstein	122.0	136.3	7.8%
UK Equities	BlackRock	152.2	167.1	9.5%
Global Equities	Newton	217.7	254.4	14.5%
Property	Schroder	156.8	158.4	9.0%
Currency Active	Millennium	34.3	36.0	2.0%
Private Equity	Private Equity	85.2	91.6	5.2%
Absolute Return	Pyrford	95.1	99.5	5.7%
Momentum	Winton	31.8	33.3	1.9%
Credit	BlueCrest	32.3	32.9	1.9%
Total Invested Assets		**1,625.5**	**1,757.0**	**100.0%**

ASSET ALLOCATION

Asset Class	Fund (£m)		Benchmark (%)	Fund (%)	Fund (%)	Relative to Strategic Benchmark (%)	
	31/12/2012	31/03/2013		31/12/2012	31/03/2013	31/12/2012	31/03/2013
UK Equities	**290.3**	**316.9**	**17.8**	**17.9**	**18.0**	0.1	0.2
Overseas Equities	**554.2**	**615.1**	**33.4**	**34.1**	**35.0**	0.7	1.6
North America	210.5	241.9	13.5	12.9	13.8	-0.6	0.3
Europe ex UK	158.3	174.5	8.8	9.7	9.9	0.9	1.1
Japan	52.6	60.8	2.8	3.2	3.5	0.4	0.7
Pacific ex Japan	60.4	62.2	3.4	3.7	3.5	0.3	0.1
Other	72.4	75.8	4.9	4.5	4.3	-0.4	-0.6
British Govt Bonds	**32.9**	**36.8**	**2.1**	**2.0**	**2.1**	-0.1	0.0
Corporate Bonds	**203.2**	**213.1**	**12.5**	**12.5**	**12.1**	0.0	-0.4
Index-Linked	**67.8**	**75.1**	**4.3**	**4.2**	**4.3**	-0.1	0.0
EM Govt Bonds	**34.5**	**36.9**	**2.1**	**2.1**	**2.1**	0.0	0.0
Alternatives	**278.8**	**293.3**	**17.2**	**17.1**	**16.7**	-0.1	-0.5
Private Equity	85.2	91.6	4.6	5.2	5.2	0.6	0.6
Active Currency	34.3	36.0	2.6	2.1	2.0	-0.5	-0.6
Absolute Return	159.3	165.7	10.0	9.8	9.4	-0.2	-0.6
Property	**156.5**	**158.2**	**10.6**	**9.6**	**9.0**	-1.0	-1.6
Cash	**7.5**	**11.6**	**0.0**	**0.5**	**0.7**	0.5	0.7
Total Invested Assets	**1,625.5**	**1,757.0**	**100.0**	**100.0**	**100.0**		

Alliance Bernstein - UK Equity Mandate

Overview

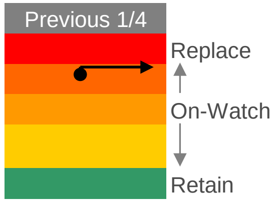
Comments

The portfolio outperformed the FTSE All-Share Index by 1.3% over the quarter. Stock selection in the technology sector drove returns. In particular, its non-UK stocks added to returns, with Hewlett-Packard the top performing stock as it beat its sales and earnings estimate. Bernstein acknowledge that Hewlett Packard is still struggling to restore investor confidence but they are impressed by management's ability to manage cash flow. The fund is allowed up to 20% non-UK stocks and currently holds c. 8% non-UK stocks.

Another area of positive performance was stock selection among industrial commodity stocks. In particular, not owning several mining companies which were hit by lower commodity prices reflecting uncertainty over Chinese demand was beneficial. The underweight to BHP Billiton (a large (2.2%) component of the benchmark) had a significant positive impact on performance. Bernstein did have exposure to Rio Tinto and this was the biggest detractor from performance (it was particularly exposed to weak iron ore prices). Another mining company, Anglo American, detracted.

Bernstein believe that the portfolio is well positioned to perform well in a rising bond yield environment as their "deep value" stocks are less correlated with bold yields than other stable, low beta, stocks which are traditionally seen as safer investments.

Hymans Robertson View



Recent News

No significant news to report this quarter.

Bernstein is attempting to grow its fixed-income business and to diversify its business across investment disciplines. Large cap equities continue to see further redemptions, although market movements offset this over the quarter.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	11.7	17.0	5.8	3.8
Benchmark	10.3	16.7	8.8	7.5
Relative	1.3	0.3	-2.7	-3.4

3 Year Relative Return

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

3 Year Tracking Error

Actual	Target
3.5	3-5%

BlackRock - UK Equity Mandate

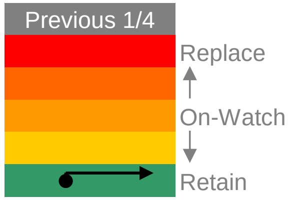
Overview

Comments

The portfolio underperformed over the quarter despite a strong absolute return. Mining companies were the main detractor from performance. The share prices in companies such as Rio Tinto, Antofagasta and Xstrata were impacted by weak commodity prices and rising costs. The disappointing performance of these stocks was partly offset by not holding other underperforming stocks in the mining sector. Another significant negative contributor over the quarter was UBM, an events and media group, which was hit by squeezed margins and a lower than expected price for the sale of its data services division.

BlackRock have reduced their holding in Rio Tinto and disinvested completely from BHP Billiton and Antofagasta. They have become concerned over the outlook for mining stocks due to continuing cost inflation, increase in supply and ongoing capital expenditure requirements. Although they have reduced mining exposure overall, they acquired a holding in Xstrata as they expect improved performance following its acquisition of Glencore. They added to HSBC and Barclays, moving overweight the Banking sector. BlackRock believe the environment for UK banks is now much clearer particularly regarding capital and funding levels and also that the competitive environment is more favourable as capacity has been withdrawn.

Hymans Robertson View



Recent News

A BlackRock UK equity fund manager who left the company in March has been arrested in connection with insider dealing (the fund manager in question had no direct impact on the Suffolk portfolio). Within the team, his main role was managing largely retail funds (UK Absolute Alpha Fund and UK Dynamic Fund). BlackRock has stated that any unlawful activity for personal gain took place outside BlackRock's premises and there is no suggestion whatsoever that clients' interests were compromised in any way by his actions. The FCA has confirmed that neither BlackRock itself nor any existing BlackRock employees are under investigation. Clearly this is not good for BlackRock's reputation but it does appear to be an isolated incident relating to activities outside the firm. On the assumption that no further related information comes to light, we are happy to confirm that there will be no change to our ratings for BlackRock.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	5 Years % p.a.
Fund	9.9	17.7	9.0	8.8
Benchmark	10.3	16.8	8.8	6.7
Relative	-0.4	0.8	0.2	1.9

3 Year Relative Return

Actual % p.a.	Target % p.a.
0.2	1.5

3 Year Tracking Error

Actual	Target
2.4	

Newton - Global Equity Mandate

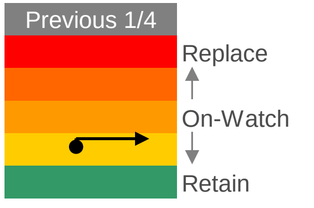
Overview

Comments

Newton significantly outperformed the benchmark over the quarter. Stock selection in the financials sectors was a key driver of performance. Thematic drivers had led the portfolio to holdings in the US and growth markets in Asia (Bangkok Bank). The overweight to the Healthcare sector was also a key driver of positive performance. Stock specific positives were Roche and Novartis. Again, thematic ideas (including population dynamics and health demand) mean Newton remain overweight this sector. A significant contribution to performance came from the holding of HJ Heinz which benefitted from stock price appreciation after the takeover offer from Warren Buffet's Berkshire Hathaway.

Newton believe that there are still considerable price distortions in markets and aim to be selective, focussing on the least distorted assets and securities. They are willing to tolerate some higher valuations in exchange for reliable and sustainable cashflows in a range of scenarios that a volatile world might produce.

Hymans Robertson View



Recent News

Newton announced the sale of its Edinburgh and Leeds based private client business to Standard Life during the quarter. The sale covers some 7% of Newton's c. £52bn assets under management. This is the latest development in what is turning out to be a wide ranging review by Newton aimed at bringing more focus to its business in terms of scope and implementation. This would appear to have no direct impact on the other parts of Newton's business. We propose no change to Newton's rating as this time.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	17.1	24.2	8.5	5.8
Benchmark	14.0	16.3	7.7	5.3
Relative	2.7	6.8	0.7	0.5

3 Year Relative Return

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

3 Year Tracking Error

Actual	Target
4.1	5-7%

Newton's Asset Allocation

Asset Class	Newton Relative %	Target %
UK Equities	-0.1	8.0
Overseas Equities	-1.8	92.0
North America	-5.7	*51.2*
Europe	6.6	*15.4*
Japan	1.6	*7.8*
Asia Pacific	0.7	*5.2*
Emerging Markets	-5.1	*12.4*
Total Equities	-1.9	100.0
Property	-	-
Total Fixed Interest		-
Cash & Alternatives	1.9	-
Total		**100.0**

Comments

Newton's regional positioning remains broadly similar to last quarter (driven by their thematic views) although they have moved from a modest overweight to a modest underweight position in UK and increased their overweight position to European equities. In the past, they have typically taken more aggressive asset allocation positions than shown above. Their most significant current position remains the underweighting of North America, the largest geographical component of the index, and a corresponding overweight to Europe ex UK.

Newton's Sector Allocation

Sector	Target %	Newton Relative %
Energy	10.3	-2.8
Materials	6.8	-0.2
Industrials	10.5	-0.5
Consumer Discretionary	10.9	-2.8
Consumer Staples	10.8	4.6
Healthcare	9.9	8.0
Financials	21.3	-6.6
Information Technology	12.0	-0.4
Telecommunication	4.2	0.9
Utilities	3.5	-2.2
Cash & Others	-	1.9
Total	**100.0**	

Comments

Newton's themes remain similar to last quarter and sector positions also remain similar. They have been overweight more defensive areas of the market such as healthcare and consumer staples (sectors which have greater certainty of earnings and steady growth as opposed to more cyclical sectors), Both sectors made a positive contribution to performance over the quarter and remain the biggest overweight sector positions.

Schroder - Property Fund of Funds

Overview

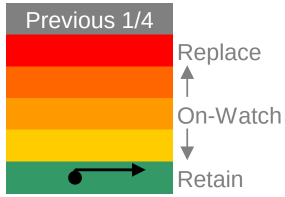
Comments

The portfolio outperformed the benchmark modestly over the quarter and also has outperformed over 12 months and 3 years against the IPD UK pooled property funds benchmark. Core funds have continued to outperform benefitting from a bias towards the South East and Central London offices. "Value added" funds have also performed well, again predominantly funds invested in central London offices such as the West End London Property Unit Trust. Funds with strong income yields have also done well (e.g. Schroder Real Income Fund and Standard Life UK Shopping Centre Trust).

The Gresham II and Ashtenne Industrial Funds have detracted from performance and Schroders expect this to persist until the high void rates in the portfolios are addressed. The Hercules PUT (shopping centres) has been impacted by retailer administrations but Schroders are confident of strong future returns following a refinancing of the Fund's debt.

Activity over the quarter included the purchase of further units in the BlackRock Fund (UK core) which Schroder like due to its London bias and exposure to alternative segments of the market. Additional investment was made to the Schroder Real Income Fund which seeks income driven returns in the less traditional areas of the property market.

Hymans Robertson View



Recent News

There have been no significant changes to Schroders' property team or process over the quarter.

Performance Summary

	Current 1/4 %	1 Year %	3 Years % p.a.	5 Years % p.a.
Fund (net)	1.0	1.5	5.1	-2.3
Benchmark	0.8	0.4	4.7	-1.4
Relative	0.2	1.1	0.4	-0.9

3 Year Relative Return

Actual % p.a.	Target % p.a.
0.4	1.5

3 Year Tracking Error

Actual	Target
1.0	n/a

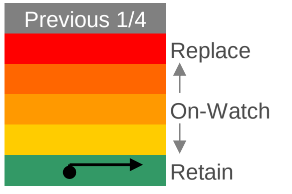
Pyrford - Absolute Return Mandate

Overview

Comments

The portfolio generated a return of 4.5% in the first quarter of 2013. The main asset class contributors to the portfolio's performance were UK equities, US bonds and Swiss equities. The lowest-contributing asset classes were currency hedging, Hong Kong equities and Taiwan equities. The asset allocation of the portfolio remained unchanged: equities 35%, fixed income 62%, cash 3%. During the quarter there was no change to the regional allocation of the equity exposure. The equity portfolio remains defensively positioned with a zero weighting in UK and European banks and limited exposure to more cyclical sectors such as capital goods and materials. The focus of the portfolio is on balance sheet strength, profitability, earnings visibility and value. In line with Pyrford's purchasing power parity analysis, the Australian Dollar, Canadian Dollar and Swiss Franc exposures within the portfolio remain fully hedged. Pyrford believe these currencies are highly overvalued versus Sterling and the hedging position insulates the portfolio against any fall in the value of the currencies. Pyrford continues to adopt a defensive stance by owning short duration securities in order to protect the capital value of the portfolio from rises in yields. There were no changes to the geographical allocation of the fixed income portion of the portfolio during the quarter.

Hymans Robertson View



Recent News

No significant news to report

Performance Summary

(provisional benchmark LIBOR+5%)

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	4.5			
Benchmark	1.4			
Relative	3.1			

3 Year Relative Return

Actual % p.a.	Target % p.a.

3 Year Tracking Error

Actual	Target

Winton - Futures Fund

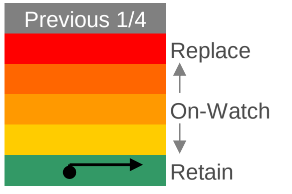
Overview

Comments

The fund delivered a positive return of 4.8% over the quarter. The equity portfolio made a strong contribution to returns over the quarter (particularly in January and March although falling back in February). European equity holdings in particular fell back in February around the time of the Cyprus bank uncertainty. At that time the negative equity return was offset by higher moves in bond and fixed income prices. In March, with the US equity market pushed to an all-time high on the back of promising employment data and a sanguine market mood, the fund's equity index and cash positions produced strong returns. Japanese yen and equity index positions made gains following the governor of the Bank of Japan reiterating deflationary intentions. The energy sector also made gains as a reduction in natural gas storage levels pushed prices higher.

Winton have expanded the universe of stocks for their portfolio. The main focus had previously been on the top 500 US large cap stocks – this has now been expanded by a further 400 US companies. They plan to further expand this universe later this year,

Hymans Robertson View



Recent News

No significant news to report

Performance Summary

(provisional benchmark LIBOR+5%)

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	4.8			
Benchmark	1.4			
Relative	3.4			

3 Year Relative Return

Actual % p.a.	Target % p.a.

3 Year Tracking Error

Actual	Target

BlueCrest - AllBlue Mandate

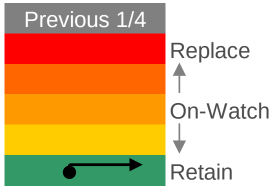
Overview

Comments

The portfolio gains exposure to a number of different BlueCrest strategies. Over Q1, all six strategies produced positive returns with the greatest contribution from the Multi Strategy Credit and Blue Trend Alignment strategies. The former produced a return of 3.1% with US portfolios performing well from a high yield trading strategy. Tactical trading and positions in sectors such as housing, retail and financials helped. The Blue Trend Alignment strategy returned 4.3%. Within the strategy performance was volatile and mixed but the largest contribution came from the equity sector benefitting from the strong rally. FX and bond sectors also delivered positive returns but negative contributions came from the short term interest sector and from the crop, energy and metal sectors.

BlueCrest have increased the allocation to the BlueTrend Alignment Strategy (from 12% to 16%) due to an anticipated favourable environment for a trend-following approach and also due to enhancements to their model. BlueCrest also increased their allocations to Emerging Markets and Multi Strategy Credit by 1.5% to 18% and 22%. Changes were funded by a reduction to the BlueCrest Capital International Strategy (35% to 28%) close to its historical average allocation.

Hymans Robertson View



Recent News

No significant news to report

Performance Summary

(provisional benchmark LIBOR+5%)

	Current 1/4 %	1 Year %	3 Years % p.a.	Inception % p.a.
Fund	1.9			
Benchmark	1.4			
Relative	0.5			

3 Year Relative Return

Actual % p.a.	Target % p.a.

3 Year Tracking Error

Actual	Target