APPENDIX 5

Suffolk County Council Pension Fund

Review of Investment Managers' Performance for the Fourth Quarter of 2015

Prepared By:

Matt Woodman - Senior Investment Consultant
David Millar - Senior Investment Analyst

For and on behalf of Hymans Robertson LLP
February 2016

Contents

Managers	Page
Legal & General (Passive Multi-Asset)	3
BlackRock - UK Equity	4
Newton - Global Equity	5
Schroder - Property Fund of Funds	6
Pyrford - Absolute Return	7
Winton - Futures Fund	8
BlueCrest - AllBlue Mandate	9
M&G Alpha Opportunities	10
BlackRock Fixed Interest Global Opportunities	11

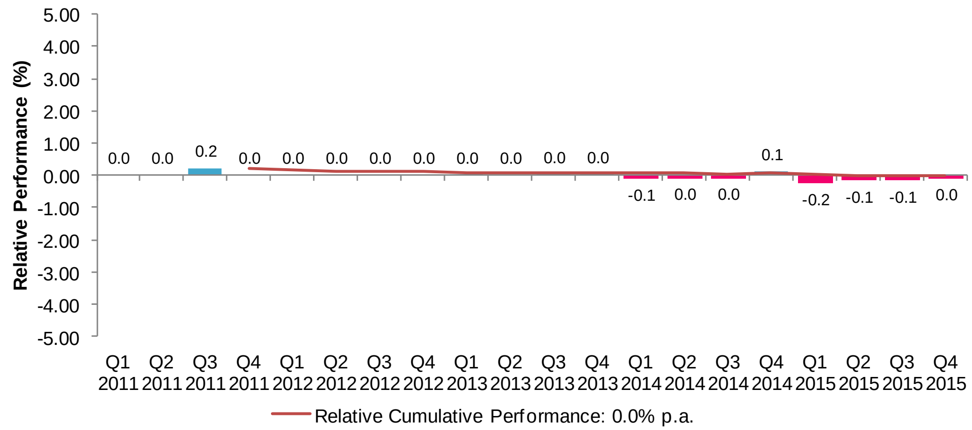
Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investment in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Legal & General (Passive Multi-Asset)

HR View Comment & Rating

There have been no further significant changes affecting the management of the Fund’s assets and we continue to rate L&G as one of the top passive managers in the market.

Relative Quarterly and Relative Cumulative Performance [i]



Recent News Comment

Both the component funds and overall portfolio continue to track their benchmarks within the expected tolerances.

Performance Summary - Table

	3 Months (%)	12 Months (%)	3 Years (% p.a.)	Since Inception* (% p.a.)
Fund	5.1	-0.1	6.9	7.7
Benchmark	5.1	0.3	7.0	7.7
Relative	-0.0	-0.4	-0.1	0.0

* Inception date 31 Mar 2004.

Source: [i] DataStream, Fund Manager, Hymans Robertson, WM/State Street

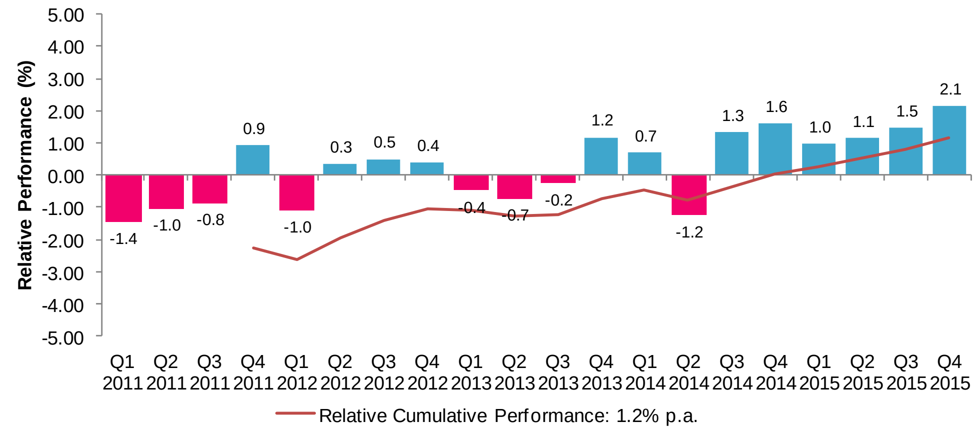
BlackRock - UK Equity

Recent News & Rating

We rate BlackRock's main UK Equity +2% strategy at '5 - Preferred strategy'. Although assets under management have fallen, this remains a well resourced team under the joint leadership of James Macpherson and Luke Chappell. Relatively concentrated portfolios are seeing a gradual shift from style neutral to moderate quality/growth bias. Following a period of significant reorganisation we are now seeing a more settled team and a material improvement in performance across the portfolios.

There were no relevant business issues reported over the period.

Relative Quarterly and Relative Cumulative Performance [i]



Comment

The Fund produced a strong absolute and relative return over the quarter. This continued BlackRock's strong run of relative performance; the fund has outperformed its benchmark by 5.8% over 12 months and by 2.7% p.a. over 3 years.

Strong results by consumer led stocks such as Carnival, Betfair, AutoTrader and Dixons Carphone to outperform, whilst Cable & Wireless, which was purchased last quarter agreed to a takeover from US telecoms group Liberty Global. Merlin’s share price recovered following strong performance from Legoland despite the prolonged impact from the accident at Alton Towers earlier in the year. Detractors included Wolseley and Hays following disappointing results and miner Rio Tinto, which suffered due to the weak iron ore price.

Within portfolios BlackRock maintain exposure to companies able to deliver sustainable earnings growth by virtue of strong market positions and pricing power where management is focused on cash return. They have selective exposure to European exposed cyclicals as these companies should benefit from lower energy prices and quantitative easing in Europe. They continue to seek those companies able to positively impact earnings irrespective of the specific macro-economic outcome.

Performance Summary - Table[ii]

	3 Months (%)	12 Months (%)	3 Years (% p.a.)	5 Years (% p.a.)
Fund	6.2	6.9	10.1	7.2
Benchmark	4.0	1.0	7.3	6.0
Relative	2.1	5.8	2.7	1.2

3 Year Relative Return

Actual % p.a.	Target % p.a.
2.7	2.0

3 Year Tracking Error

Actual % p.a.	Target % p.a.
2.1	-

Source: [i] DataStream, Fund Manager, Hymans Robertson, [ii] DataStream, Fund Manager, Hymans Robertson

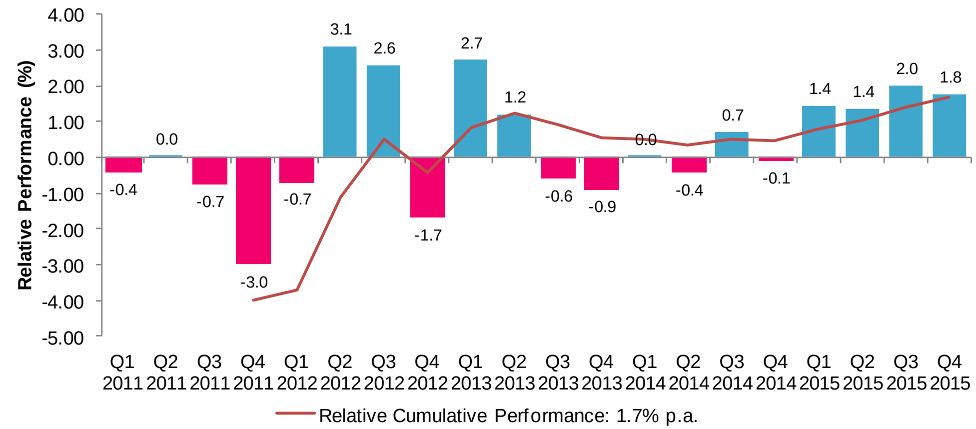
Newton - Global Equity

Recent News & Rating

We rate Newton's Global Equity strategy at '5 – Preferred manager'. Since Jeff Munroe took over as lead manager at the end of 2011, portfolio rationalisation, a subtle shift in emphasis towards stable growth businesses and a greater weight on analyst recommendations has been rewarded with a consistent improvement in performance, especially in 2015 through the strategy's low exposure to energy, materials and emerging markets stocks.

There were no relevant business issues reported over the period.

Relative Quarterly and Relative Cumulative Performance [i]



Comment

The Fund outperformed a strong return from its benchmark. Technology holdings were a key contributor to performance. Microsoft was the best performing stock and other technology stocks SAP and Trimble also contributed positively. Healthcare holdings were also beneficial. At a regional level, stock selection in Japan and North America was beneficial, as was the underweight in emerging markets (which underperformed the wider index).

Newton believe that an environment of low returns and high volatility lies ahead with weak investor sentiment but with central bank policy inflating asset prices. They believe stock selection will be vital and continue to focus on identifying companies with pricing power and the flexibility to cope in a depressed pricing environment.

Performance Summary - Table[ii]

	3 Months (%)	12 Months (%)	3 Years (% p.a.)	5 Years (% p.a.)
Fund	9.9	10.2	14.7	9.2
Benchmark	7.9	3.3	11.3	7.4
Relative	1.8	6.7	3.1	1.7

3 Year Relative Return

Actual % p.a.	Target % p.a.
3.1	2.5

3 Year Tracking Error

Actual % p.a.	Target % p.a.
2.3	5-7

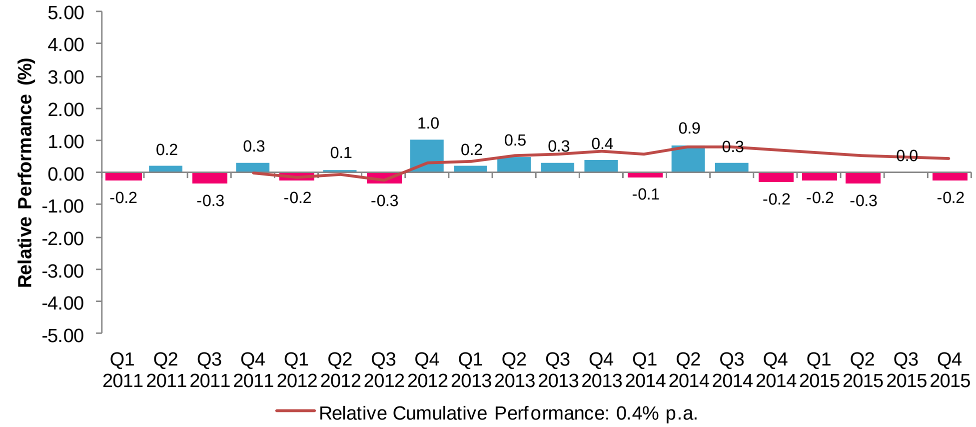
Source: [i] DataStream, Fund Manager, Hymans Robertson, [ii] DataStream, Fund Manager, Hymans Robertson

Schroder - Property Fund of Funds

Recent News & Rating

Schroders has been on a recruitment drive following the significant departures from the RECaP (Real Estate Capital Partners) team in the second half of 2015. Neil Turner moved into the team fairly quickly and 2 junior hires have joined. However Gianlorenzo Polella who had just been promoted to fund manager left the business. With Turner still spending time on his other responsibilities (Heading Indirect strategies and chairing Investment Committees) the team continues to lack adequate senior resource. An offer has been made to an experienced fund manager but until we are made aware of who this final recruit will be, we will continue to rate the Schroder RECaP business as '3 - on watch'.

Relative Quarterly and Relative Cumulative Performance [i]



Comment

The Schroder property portfolio continued to produce a positive absolute return over the quarter (2.6%), although just below its benchmark (2.8%). 12 month returns remain strong although modestly below benchmark. Longer term, over 3 and 5 years, performance is ahead of benchmark and is strongly positive in absolute terms.

The modest underperformance over the quarter was attributable to transaction costs (with cash of circa 6% invested). Over the quarter, both the core and value add holdings performed broadly in-line with the benchmark. The 12 month underperformance was due, in the main, to the drag on returns from the cash holding (property significantly outperformed cash). The effect of the cash drag over 12 months was -0.6%.   Aside from this, value add holdings added +0.2% over the year, core holdings modestly underperformed (-0.3% relative to benchmark).

Over the quarter £14.1m of cash was invested. Much of this was in-line with Schroders strategy of investing in business space assets in higher yielding regional markets. At quarter end, cash held was £5.0m (2% of portfolio), down from £16.4m (6.7% of portfolio) at the start of the quarter.

Performance Summary - Table[ii]

	3 Months (%)	12 Months (%)	3 Years (% p.a.)	5 Years (% p.a.)
Fund	2.6	11.7	13.4	9.4
Benchmark	2.8	12.4	12.9	9.0
Relative	-0.2	-0.7	0.5	0.4

3 Year Relative Return

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

3 Year Tracking Error

Actual % p.a.	Target % p.a.
0.7	-

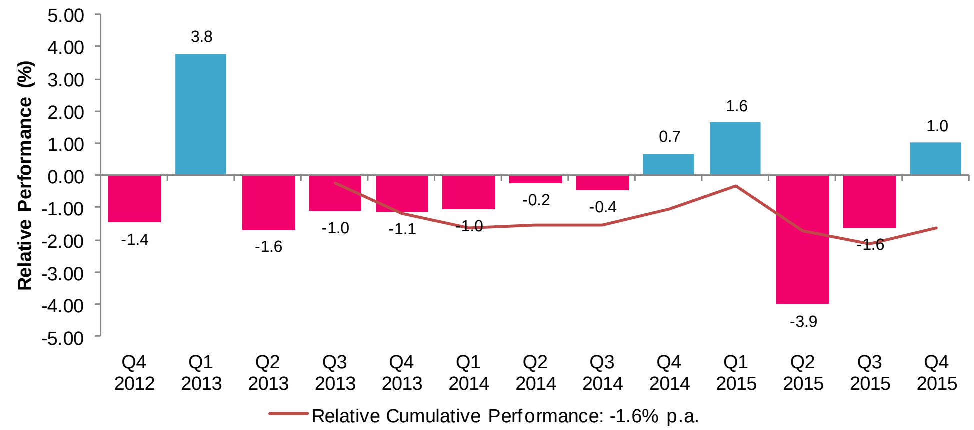
Source: [i] Fund Manager, Hymans Robertson, Investment Property Databank Limited, [ii] DataStream, Fund Manager, Hymans Robertson

Pyrford - Absolute Return

Recent News & Rating

In Q2 2015 we downgraded the Global Absolute Return Strategy from 4 – “Retain” to 3 -“On-Watch”. We are generally supportive of Pyrford’s relatively straightforward approach to absolute return multi-asset investing. The fund has produced a consistent absolute return since its inception and has been particularly successful in protecting capital during periods of market stress, such as the financial crisis in 2008. However with low return expectations for equities and government bonds we are concerned that the fund will struggle to meet its target return of LIBOR +5% and we therefore believe it prudent to put the fund “On-Watch”. We are monitoring the situation closely and met with the manager during Q3 as part of this process. We continue to keep the fund on-watch. There were no further significant updates during the fourth quarter to end of 2015.

Relative Quarterly and Relative Cumulative Performance [1]



Comment

The fund generated a net return of 2.4% in the fourth quarter to bring the performance for 2015 to 2.6%.

After a year where expectations for the first US interest rate hike in nearly a decade was a source of great uncertainty leading to volatility and sharp reversals in fixed income markets, the Fed finally acted in December to raise the rate to 0.5%. The fourth quarter was therefore dominated by central banks’ actions, with both the European Central Bank (ECB) and the Federal Reserve holding meetings during the month of December. While the Fed meeting was viewed by some as arguably more critical with risk assets rallying on the expectation that the fed might delay the rate rise, it was the ECB that disappointed market expectations, resulting in a considerable drop off in risk assets across the board.

Most of the fund’s gains in the fourth quarter came from the equity exposure, which is currently around 30% of the total portfolio. Within this allocation, exposure to the UK is the largest holding at 16%. Pharmaceuticals added strongly over the quarter offsetting losses from the fund’s energy exposure which suffered as the oil price continued to decline.

Performance Summary - Table [i]

	3 Months (%)	12 Months (%)	Since Inception* (% p.a.)
Fund	2.4	2.6	3.9
Benchmark	1.4	5.7	5.6
Relative	1.0	-2.9	-1.7

* Inception date 31 Aug 2012.

[1] Excludes initial part quarter (1 month to 30/9/12)

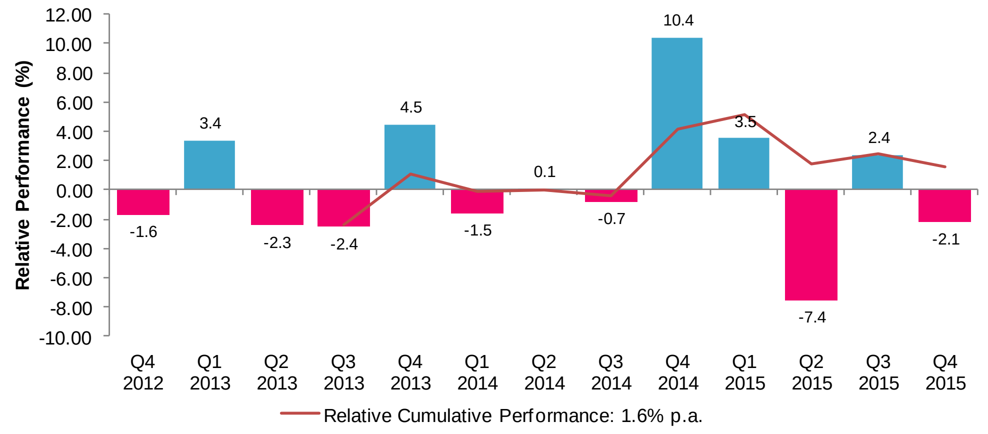
Source: [i] DataStream, Fund Manager, Hymans Robertson

Winton - Futures Fund

Recent News & Rating

We rate Winton a 5-preferred manager. This is one of the most established and long-running managed futures funds, with the firm being founded by David Harding in 1997. Winton Capital remains an independent firm with Harding still owning a 57% equity stake. The strategy is essentially trend-following but Winton has set out to build systems that aim to yield positive returns in all market environments whether trending or volatile. Winton continues to expand the organisation with a vision to become an institutional asset manager with a much broader offering than it flagship managed futures programme. The firm now has 400 employees globally, although most are based either in the Oxford research centre or in the firm's new London office. The long-only quantitative equity programme has begun gaining traction with now just over £1bn assets under management and the managed futures programme remains stable at £20bn. The firm continues to review capacity but at this stage does not believe this is an issue due to the depth of the markets and the instruments it uses to trade. There were no significant changes over the fourth quarter of 2015.

Relative Quarterly and Relative Cumulative Performance [i]



Comment

The fund was down over the quarter but finished the year in positive territory (+1.6%). 2015 started as if we were going to see a continuation of the same trends of 2014 which drove double digit performance for trend followers and the strategy as a whole, with a strong dollar continuing into the New Year driving the managed futures index to gain more than 5% in January. However, reversals in some markets ate away at the gains made from many of these positons.

Of particular note was the short-lived recovery in the oil price. In fact crude oil finished the year down a further 37% but it wasn't a continued downward trend and actually it was up on the year as late as July. Nonetheless the fund's short oil position was a major positive contributor for both the quarter and the year. In soft commodities, Corn was down a further 16% this year, however it had a 24% rally in the middle of its year-long decline, successfully wiping out shorts and even causing some trend following programs to initiate longs which were quickly reversed. In addition, expectations for the timing of the first US interest rate hike in nearly a decade was a source of great uncertainty for most of the year leading to volatility and sharp reversals in fixed income markets.

The fund's slower trend following strategies were caught out by the August equity market falls and subsequent October rebounds.

Performance Summary - Table [ii]

	3 Months (%)	12 Months (%)	Since Inception* (% p.a.)
Fund	-0.7	1.6	7.3
Benchmark	1.4	5.7	5.7
Relative	-2.1	-3.9	1.6

* Inception date 30 Sep 2012.

Source: [i] DataStream, Fund Manager, Hymans Robertson, [ii] DataStream, Fund Manager, Hymans Robertson

BlueCrest - AllBlue Mandate

Recent News & Rating

Rating

Replace | On Watch | Retain

BlueCrest announced on 1st December its intention to return the capital managed across all of its funds to investors from all its funds. The firm's intention is to manage capital solely on behalf of the firm's partners and employees with no third-party money. As a result investors in AllBlue were effectively redeemed from the fund as of 4th January 2016.

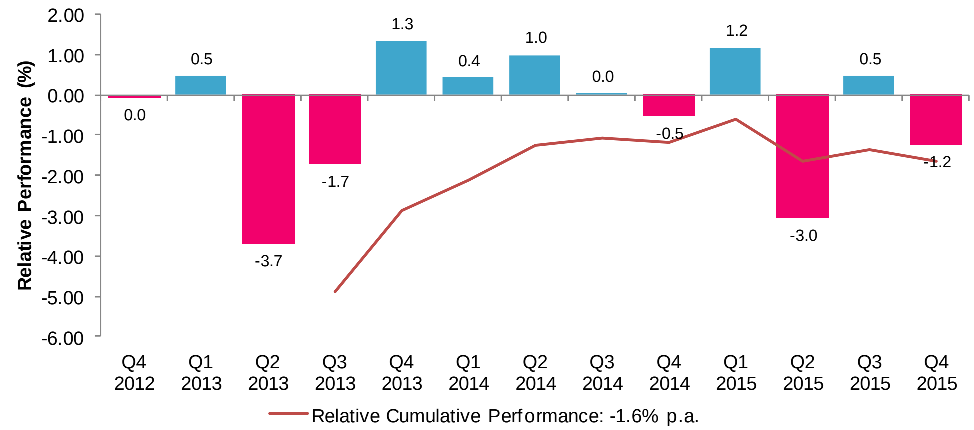
In October we had formally reviewed our rating for BlueCrest's AllBlue fund as a result of several changes made to the fees on the underlying funds in which All Blue invests. It was our view that the fees for the BlueCrest Equity Strategies Fund were too high, and in particular BlueCrest were receiving a disproportionate share of any investment return. As a result we downgraded our manager rating on BlueCrest's AllBlue Fund from '5'-preferred manager to '2'-sell – review options.

Given the redemption terms of the fund it would not have been possible to redeem any earlier than the 4th January which was the next available redemption date.

Comment

The BlueCrest redemption and reinvestment of monies is addressed in a separate paper.

Relative Quarterly and Relative Cumulative Performance [i]



Performance Summary - Table [ii]

	3 Months (%)	12 Months (%)	Since Inception* (% p.a.)
Fund	0.2	2.9	3.9
Benchmark	1.4	5.7	5.7
Relative	-1.2	-2.6	-1.6

* Inception date 30 Sep 2012.

Source: [i] DataStream, Fund Manager, Hymans Robertson, [ii] DataStream, Fund Manager, Hymans Robertson

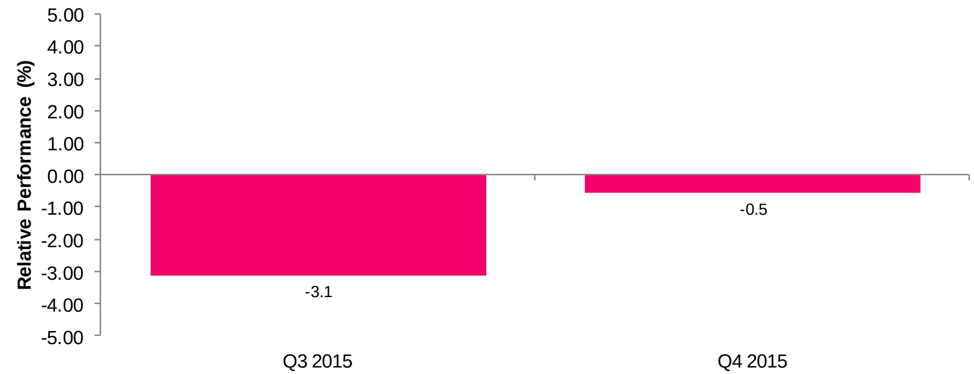
M&G Alpha Opportunities

HR View Comment & Rating

M&G is rated "5 - preferred provider" for global bonds.

No significant changes to report over the quarter to end December 2015.

Relative Quarterly and Relative Cumulative Performance [1] [i]



Recent News Comment

The M&G Alpha Opportunities Fund returned 0.9% over the quarter. Credit markets remained volatile during the quarter, due to rate rises in the US, an extension of the ECB's QE policy, low risk appetites and falling commodity prices. The further falls in oil prices lead to weakness in energy exposed credit markets, such as US high yield debt. Asset allocation in financial and industrial corporate bonds were the key contributors to the positive return of the fund during the quarter. The fund's allocation to leveraged loans also contributed positively to the quarterly return. The manager continued to add exposure to the subordinated debt of insurance companies, hoping to take advantage of attractive pricing as insurers' have had to raise additional capital to comply with new regulation (Solvency II). Once again, the manager increased the fund's exposure to US dollar securities, due to perceived attractive valuations. The manager believes that the current environment will continue in 2016, and will continue to seek value at a security level rather than through wider sector allocation.

Performance Summary - Table [ii]

	3 Months (%)	12 Months (%)	3 Years (% p.a.)	Since Inception* (% p.a.)
Fund	0.9	N/A	N/A	-2.0
Benchmark	1.4	N/A	N/A	3.7
Relative	-0.5	N/A	N/A	-5.6

* Inception date 28 Apr 2015.

[1] Excludes part quarter to 30 Jun 2015

Source: [i] DataStream, Fund Manager, WM/State Street, [ii] DataStream, Fund Manager, WM/State Street

Hymans Robertson LLP

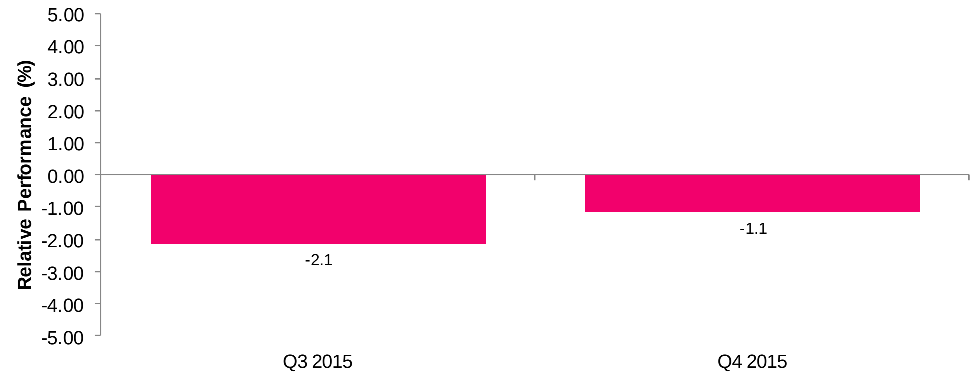
BlackRock Fixed Interest Global Opportunities

HR View Comment & Rating

BlackRock is rated "5”- preferred provider" for global bonds.

No significant changes to report over the quarter to end December 2015.

Relative Quarterly and Relative Cumulative Performance [1] [i]



Recent News Comment

The fund produced a modest absolute return of 0.3% over the quarter.

Lower-quality spread assets came under notable pressure over the quarter, driven by ongoing energy and cyclical commodity price declines as well as various idiosyncratic corporate events. Over the period, Asian rates and credit strategies, as well as BlackRock’s short-duration exposure in the UK, contributed to performance. US investment-grade credit strategies, structured products and exposure to longer-dated US municipal bonds were also positive. US duration positioning, high-yield exposure and absolute-return strategies were negative in the fourth quarter. Active foreign-exchange strategies also detracted from performance over the review period.

BlackRock have taken advantage of market dislocations over the quarter to deliberately increase their high-yield and emerging-market exposure (primarily through foreign exchange) and the overall risk of the Fund. They also added several hedges to help protect the Fund against the increase in riskier assets as well as further oil price declines. On balance, however, they retain an overall cautious approach, focusing on high diversification and effective hedges. They believe tail and idiosyncratic risks remain elevated, and are mindful of concerns about commodity prices, global growth and monetary policy actions.

Performance Summary - Table [ii]

	3 Months (%)	12 Months (%)	3 Years (% p.a.)	Since Inception* (% p.a.)
Fund	0.3	N/A	N/A	-0.7
Benchmark	1.4	N/A	N/A	3.2
Relative	-1.1	N/A	N/A	-3.8

* Inception date 04 Jun 2015.

[1] Excludes part quarter to 30 Jun 2015

Source: [i] DataStream, Fund Manager, WM/State Street, [ii] DataStream, Fund Manager, WM/State Street