HEALTH WEALTH CAREER

AVON PENSION FUND

ANNUAL INVESTMENT REVIEW TO 31 MARCH 2016

JUNE 2016

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- The value of investments can go down as well as up and you may not get back the amount you have invested. In addition investments denominated in a foreign currency will fluctuate with the value of the currency.
- The valuation of investments in property based portfolios, including forestry, is generally a matter of a valuer's opinion, rather than fact.
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- Where the investment is via a fund of funds the investment manager typically has to rely on the underlying managers for valuations of the interests in their funds.
- Care should be taken when comparing private equity / infrastructure performance (which is generally a money-weighted performance) with quoted investment performance (which is generally a time-weighted performance). Direct comparisons are not always possible.

CONTENTS

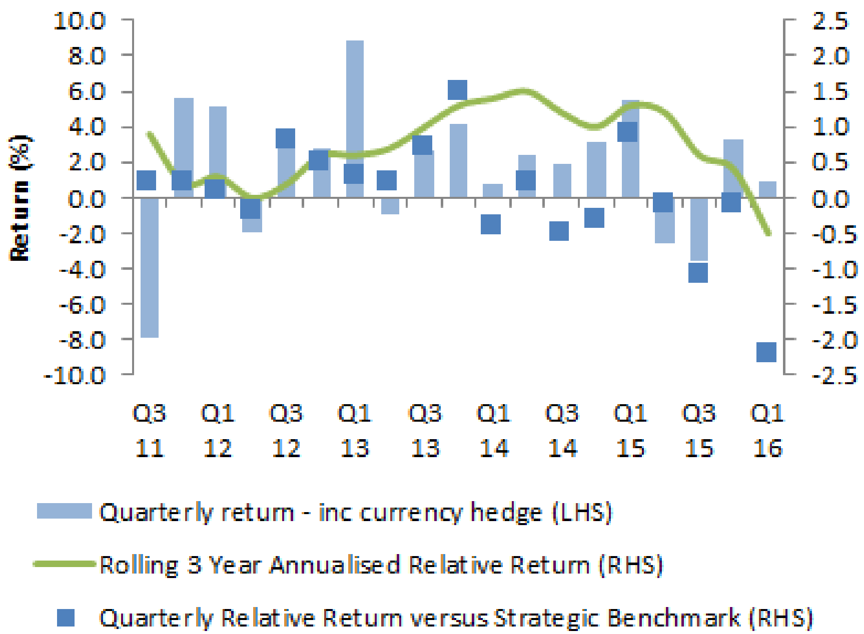
SECTION 1

EXECUTIVE SUMMARY

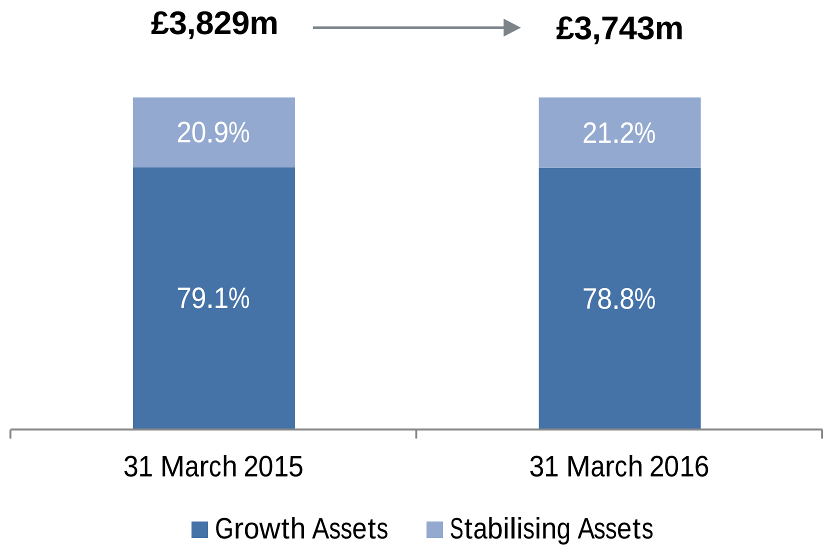
EXECUTIVE SUMMARY

	3 months (%)	1 year (%)	3 years (% p.a.)
Total Fund (inc currency hedge)	0.9	-2.1	5.8
Total Fund (ex currency hedge)	1.9	-0.2	6.1
Strategic Benchmark (no currency hedge)	3.1	1.5	6.3
Relative (inc currency hedge)	**-2.2**	**-3.6**	**-0.5**

Excess Return Chart



Asset Allocation



Commentary

Over the year total Fund assets (including currency hedging) decreased from £3,829m (31 March 2015) to £3,743m.

This decrease was primarily due to the negative performance from most growth asset classes (particularly equities).

At a strategic level, the Fund was within the tolerance ranges in the Statement of Investment Principles for all asset classes at the end of the year. On 24 March £146m was disinvested from developed market equities to fund the infrastructure mandate (held as cash at 31 March 2016).

The Fund underperformed the unhedged strategic benchmark return (which excludes currency hedging) over the year. Approximately half of this underperformance has come from the currency hedge (as sterling depreciated over the year, while the other half is largely as a result of the relative underperformance when compared to their strategic benchmark returns of the Standard Life GARS, property and overseas equity mandates.

Underperformance of the Fund return when the currency hedge with Record is included is higher than when the currency hedging is excluded due to the significant depreciation of sterling over the year.

EXECUTIVE SUMMARY

This report has been prepared for the Avon Pension Fund ("the Fund"), to assess the performance and risks of the Fund's investments.

Funding level

- The Actuary has estimated that the funding level as at 31 March 2016 has risen to 83% from 78% at 31 March 2015 based on the preliminary financial assumptions proposed for the 2016 valuation. Investment returns contributed negatively to the funding position but this was offset by the reduction in the value of the liabilities. Preliminary discussions with the Scheme Actuary about the 2016 valuation indicate a discount rate based on CPI and a real investment return of 2.2% better reflects the prudent expected return from the long term investment strategy than using the unadjusted gilts basis below.

- The funding level using the gilts basis fell to 72% on a consistent basis with the 2013 valuation. This reduction has come mainly from the fall in gilt yields which increased the present value of the liabilities over the period, together with the negative return on assets.

Fund performance

- The value of the Fund's assets decreased by £86m over the year, to £3,743m at 31 March 2016. The Fund's assets returned -2.1% over the year (-0.1% excluding the Record currency hedging mandate, given the depreciation of sterling over the year). This underperformance of the Strategic Benchmark return of 3.6% was due to the depreciation of sterling, and the underperformance of the Fund's equity, DGF and property funds.

EXECUTIVE SUMMARY

Strategy

- Global (developed) equity returns over the last three years at 9.3% p.a. have been ahead of the assumed strategic return of 8.25% p.a. from the strategic review in March 2013. We remain neutral in our medium term outlook for developed market equities (over the next one to three years).
- The three year return from emerging market equities was -1.8% p.a. The three year return remains well below the assumed strategic return (of 8.75% p.a.) as returns have been affected by the general emerging markets weakness in recent years, although performance in Q1 was strong compared to developed markets, largely due to the weakening US dollar and increasing commodities prices. As with developed markets, we are neutral in our medium term outlook for emerging market equities over the next one to three years.
- UK government bond returns over the three years to 31 March 2016 remain above the long term strategic assumed returns (with fixed interest gilts returning 8.6% p.a. against an assumed return of 4.5% p.a., and index-linked gilts returning 5.6% p.a. versus an assumed return of 4.25% p.a.) as investor demand for gilts remains high.
- UK corporate bonds returned 5.0% p.a. over the three year period, falling behind their assumed return of 5.5% p.a., while property returns of 14.6% continue to be substantially above the assumed strategic return of 7% p.a.
- Hedge fund returns remain below long term averages and the strategic return of 6% p.a., as they are affected by low cash rates, and as active managers in general have struggled to generate meaningful returns.

Strategy (continued)

- With most listed assets looking close to fully valued, if not fully valued, we would continue to expect ‘alpha’ driven investments such as hedge funds and dynamic multi-asset strategies to play an increasingly important role in return generation over the coming three years, particularly if ‘beta’ (i.e. market-driven) returns are lower looking forward. We also see opportunities for more dynamic and active strategies to add value, and continue to believe that there are likely to be opportunities arising in distressed debt given the maturing credit cycle. Asset classes that can provide a reliable source of income such as Long Lease Property, Private Debt and Infrastructure also offer relatively attractive sources of return, in our view, given the current market outlook.
- Brexit concerns and market expectations of a slower economic recovery and deferral of expected rate increase contributed to a weakening of sterling versus other major currencies; as a result, the currency hedging overlay detracted value over the quarter. In the event of a strengthening pound, for example possibly following a vote to ‘remain’ in June, it will be expected to add value.

Managers

- With the exception of property, returns over the year to 31 March 2016 were generally muted. The equity mandates (with the exception of TT) delivered negative absolute returns despite a strong Q1. Emerging market returns for the year were disappointing, with Genesis and Unigestion returning -6.5% and -7.1% respectively (although both still met their outperformance target despite the negative returns).
- Over three years, all mandates with a three year track record produced positive absolute returns (with the exception of Genesis), with only Schroder global equity and Partners failing to beat their benchmarks (although see comments on the measurement of Partners’ performance later). In addition, Schroder property failed to achieve the three-year performance objective, despite beating the benchmarks. The remainder of the active managers achieved their objectives.

EXECUTIVE SUMMARY

Key points for consideration

- Starting in Q3 2015, the Fund disinvested from the Fund of Hedge Funds mandates held with Signet, Stenham and Gottex, and the proceeds were transferred into the new JP Morgan Fund of Hedge Funds managed account.

- Initial funding has begun for the infrastructure mandate, which has a 5% strategic benchmark allocation. On 24 March, £146m of passive developed market equities were sold to fund the investment of $195m in infrastructure. This was held as cash by IFM and invested on 1 April. A currency hedging overlay has been put in place with Record to hedge the underlying currency exposures.

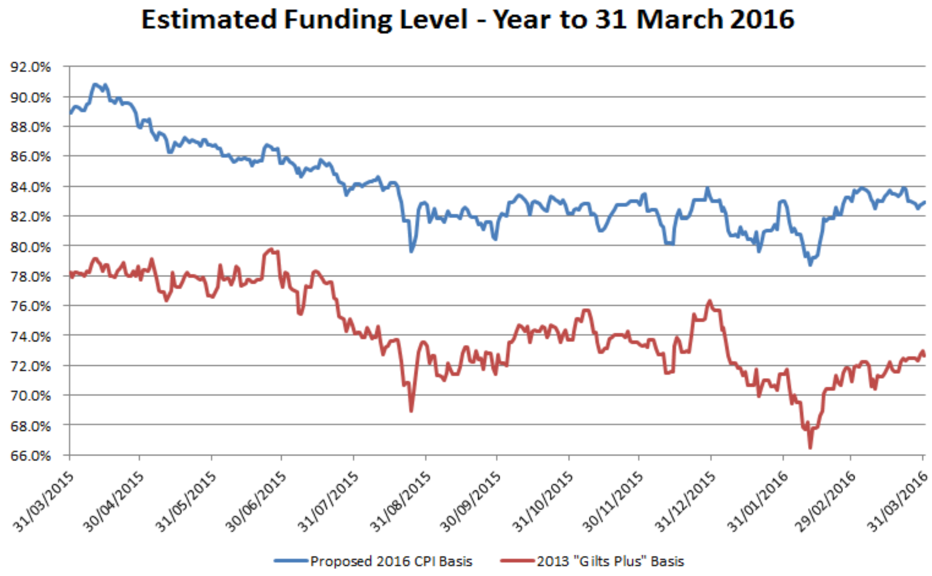
- Over the year, changes took place in the Stabilising Asset portfolio as fixed interest gilts and overseas government bonds were fully transitioned to index-linked gilts to better match the Fund's liability profile. Current holdings in index-linked gilts are approximately £436m, or 11.7% of the Fund.

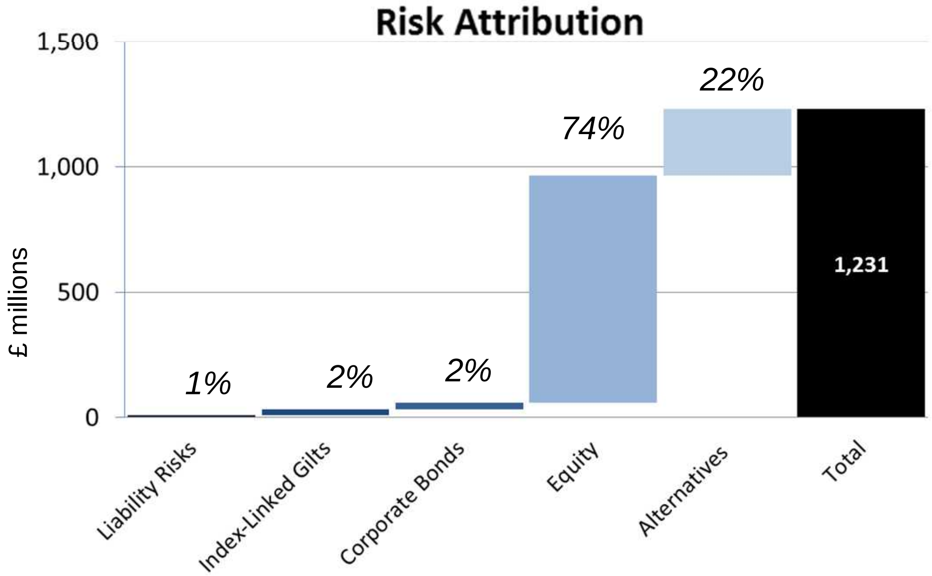
- The funding level on the 2013 actuarial valuation basis decreased over the year from 78% to 72%, due to a negative total Fund return and a fall in the valuation discount rate (increasing liabilities).

- The funding level on the proposed 2016 actuarial valuation basis was c. 83% as at 31 March 2016.

SECTION 2
CONSIDERATION OF FUNDING LEVEL

CONSIDERATION OF FUNDING LEVEL YEAR TO 31 MARCH 2016





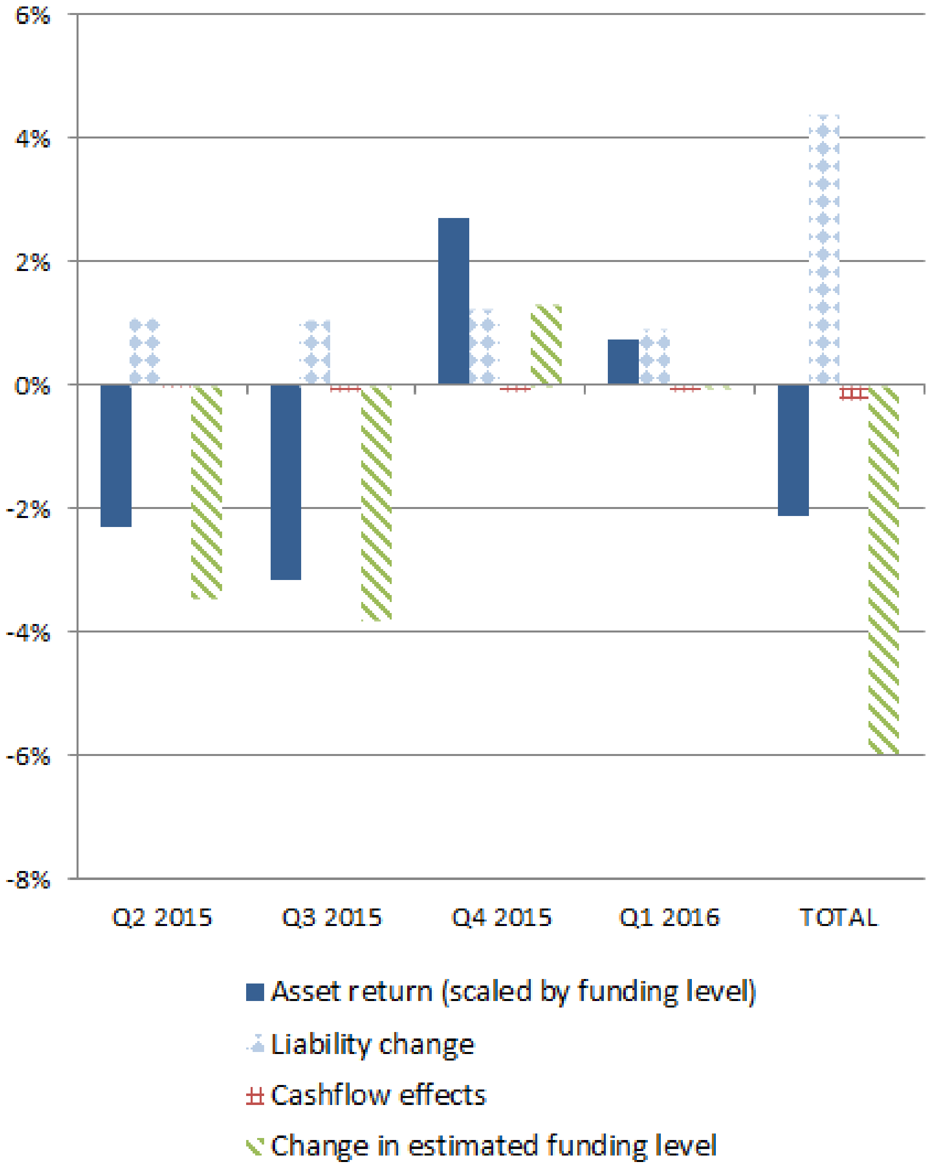
The charts above illustrate the estimated progression of the funding level (on both the 2013 actuarial valuation basis, and the proposed 2016 funding basis) over the year to 31 March 2016 on the left hand side, and on the right the main risks the Fund is exposed to on the proposed 2016 funding basis (which is why the funding position is volatile) and also the size of these risks in the context of the deficit position. The purpose of showing this chart is to provide an awareness of the risks faced and how they change over time and to initiate debate on an ongoing basis, around how to best manage these risks, so as not to lose sight of the "big picture".

The black column on the right hand side of this chart shows the estimated 95th percentile Value at Risk figure over a three-year period. In other words, if we consider the worst case outcome which has a 1 in 20 chance of occurring, this is the impact on the deficit relative to our "best estimate" of what the deficit would be in three years' time. As at 31 March 2016, the chart shows that if a 1 in 20 "downside event" occurred, we would expect that in three years' time, the deficit would increase by an additional **£1,231m** on top of the expected deficit at that time.

Each bar to the left of the black bar represents the contribution to this total risk from the primary underlying risk exposures (interest rates and inflation, changes in credit spreads, and volatility of equity markets and alternative assets). **It should be noted that while these figures indicate levels of volatility on the downside, there is also a potential upside benefit from taking these risks.**

The VaR figures shown are based on approximate liability data rather than actual Fund cashflows, and are based on the strategic asset allocation. They are therefore illustrative only and should not be used as a basis for taking any strategic decisions.

CONSIDERATION OF FUNDING LEVEL
FUND PERFORMANCE RELATIVE TO ESTIMATED LIABILITIES



- Over the 12 month period to 31 March 2016, the funding level on the proposed 2016 funding basis has fallen by c6%, as returns on assets failed to match the "CPI+" growth in the liabilities, returning -2.1%,
- The other (less significant) contribution to the fall in the funding level was the "cashflow effect", whereby contributions were lower than the cost of benefits accrued over the year.

SECTION 3
FUND VALUATIONS

FUND VALUATIONS
VALUATION BY ASSET CLASS

Asset Allocation							
Asset Class	**31/03/2015 (£'000)**	**31/03/2016 (£'000)**	**31/03/2015 (%)**	**31/03/2016 (%)**	**Target Strategic Benchmark (%)**	**Ranges (%)**	**Difference (%)**
Developed Market Equities	1,769,396	1,545,029	46.2	41.3	40.0	35 - 45	+1.3
Emerging Market Equities	351,961	327,299	9.2	8.7	10.0	5 - 15	-1.3
Diversified Growth Funds	368,177	360,928	9.6	9.6	10.0	5 - 15	-0.4
Fund of Hedge Funds	162,792	192,715	4.3	5.1	5.0	0 - 7.5	+0.1
Property	306,177	366,896	8.0	9.8	10.0	5 - 15	-0.2
Infrastructure	-	-	-	-	5.0	0 - 7.5	-5.0
Bonds	798,547	792,149	20.9	21.2	20.0	15 - 35	+1.2
Cash (including currency instruments)	71,606	157,675	1.9	4.2	-	0 - 5	+4.2
Total	**3,828,656**	**3,742,691**	**100.0**	**100.0**	**100.0**		**0.0**

Source: WM Performance Services, Mercer. Green numbers indicate the allocation is within tolerance ranges, whilst red numbers indicate the allocation is outside of tolerance ranges.

Invested assets decreased over the year by £86m due to negative returns from most growth asset classes (particularly equities). At the start of the year, developed equities were overweight relative to benchmark (and outside the range in the SIP) awaiting the funding of the infrastructure mandate. At 31 March 2016 they remained overweight but within the agreed tolerance ranges. £146m was disinvested from developed market equities to fund the infrastructure mandate (held as cash at 31 March 2016).

FUND VALUATIONS
VALUATION BY MANAGER

Manager Allocation					
Manager	**Asset Class**	**31/03/2015 (£'000)**	**31/03/2016 (£'000)**	**31/03/2015 (%)**	**31/03/2016 (%)**
BlackRock	Passive Multi-Asset	1,216,557	1,025,565	31.8	27.4
Jupiter	UK Equities	175,562	173,896	4.6	4.6
TT International	UK Equities	194,929	201,993	5.1	5.4
Schroder	Global Equities	256,314	253,764	6.7	6.8
Genesis	Emerging Market Equities	160,236	149,181	4.2	4.0
Unigestion	Emerging Market Equities	191,725	178,118	5.0	4.8
Invesco	Global ex-UK Equities	291,423	289,696	7.6	7.7
SSgA	Europe ex-UK & Pacific inc. Japan Equities	124,517	119,803	3.3	3.2
Pyrford	DGF	124,700	126,947	3.3	3.4
Standard Life	DGF	243,477	233,981	6.4	6.3

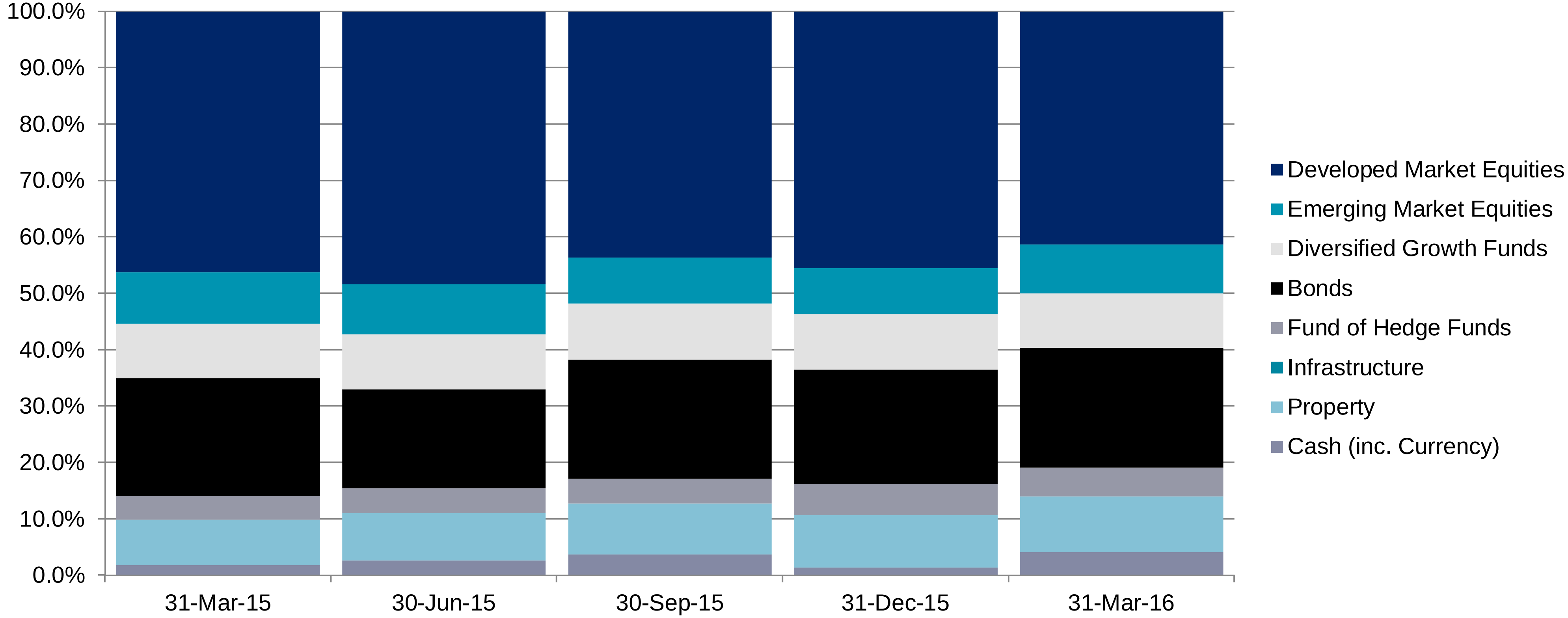
Source: WM Services, Avon. Totals may not sum due to rounding.

FUND VALUATIONS
VALUATION BY MANAGER

Manager Allocation					
Manager	**Asset Class**	**31/03/2015 (£'000)**	**31/03/2016 (£'000)**	**31/03/2015 (%)**	**31/03/2016 (%)**
MAN	Fund of Hedge Funds	549	422	0.0	0.0
Signet	Fund of Hedge Funds	63,441	1,056*	1.7	0.0
Stenham	Fund of Hedge Funds	39,661	-	1.0	-
Gottex	Fund of Hedge Funds	59,141	3,542	1.5	0.1
JP Morgan	Fund of Hedge Funds	-	187,695	-	5.0
Schroder	UK Property	177,723	195,868	4.6	5.2
Partners	Property	136,985	171,811	3.6	4.6
RLAM	Bonds	308,883	289,662	8.1	7.7
Record Currency Management	Currency Hedging	20,608	-29,293	0.5	-0.8
Internal Cash	Cash	42,224	169,023**	1.1	4.5
Total		**3,828,656**	**3,742,691**	**100.0**	**100.0**

Source: WM Services, Avon. Totals may not sum due to rounding.
* Change in valuation methodology from using Net Asset Value to listed price.
** Includes £136m to be transferred into the IFM infrastructure fund on 1 April.

COMMENTARY ON CHANGE IN ASSET ALLOCATION OVER THE YEAR



There were a number of changes made to the Fund's asset allocation over the year. Starting in Q3 2015, the Fund disinvested from the Fund of Hedge Funds mandates held with Signet, Stenham and Gottex, and the proceeds were transferred into the JP Morgan Fund of Hedge Funds. A new IFM Infrastructure fund, whose proceeds were sourced from BlackRock developed market equities end March 2016, was funded on 1st April 2016. Changes also took place in the Stabilising Asset portfolio as fixed interest gilts and overseas government bonds were fully transitioned to index-linked gilts over Q1 2016.

Cash allocations were higher in Q3 2015 and Q1 2016 as they include monies kept as cash to be transferred to the JP Morgan fund and to IFM Infrastructure fund respectively.

SECTION 4

MARKET BACKGROUND

MARKET BACKGROUND INDEX PERFORMANCE OVER THE YEAR TO 31 MARCH 2016

Equity Market Review

Financial markets suffered from volatility over the period, with sharp sell offs in summer 2015 and the beginning of 2016 due to concerns over slow global economic growth of US monetary policy tightening. Over the 12 months to 31 March 2016, global equities generally posted disappointing returns over the year, with the FTSE All World returning -0.5% in sterling terms and -4.2% in local currency terms (as sterling depreciated).

At a regional level, most major equity markets recorded negative returns in sterling terms. European markets returned -4.2%. UK stocks returned -3.9% while the FTSE Japan index returned -3.3%. The FTSE USA index was the main exception to this trend, delivering a positive return of 4.2% due to the strengthening of the US Dollar relative to sterling. Emerging markets performed disappointingly with the strength of the dollar and falling oil prices, returning -8.9%.

Bond Market Review

UK Government Bonds as measured by the FTSE Gilts All Stocks Index, returned 3.3%, while long dated issues as measured by the corresponding Over 15 Year Index generated a return of 4.0% over the year. The yield on the FTSE Gilts All Stocks index fell over the year from 2.0% to 1.9% p.a.

Real yields also fell marginally over the year, with the FTSE All Stocks Index Linked Gilts index returning 1.7% with the corresponding over 15 year index delivering a return of 2.4%.

In a broad risk-off environment, credit spreads widened over the year resulted in a total return of 0.4% for UK corporate bonds. Gilt yields saw a slightly decrease over the period.

Currency Market Review

Over the 12 month period to 31 March 2016, Sterling fell 3.2% against the US Dollar from $1.49 to $1.44. Sterling depreciated 9.3% against the Yen from ¥178.03 to ¥161.55. Sterling depreciated against the Euro by 8.8% from €1.38 to €1.26 over the same period.

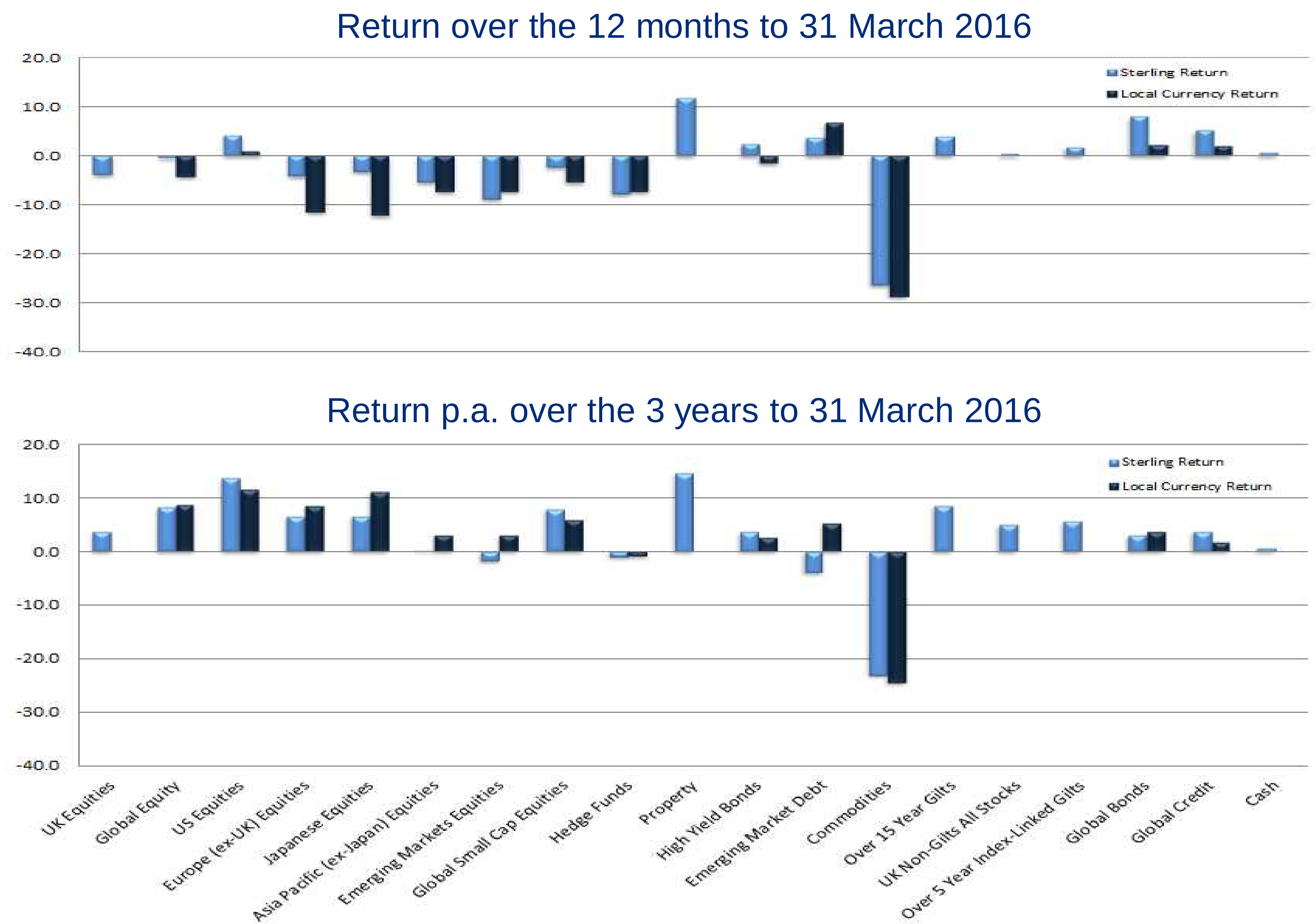
Commodity Market Review

The price of Brent Crude fell by 26.8% from $54.56 to $39.95 per barrel over the one year period to 31 March 2016. Over the same period, the price of Gold rose by 3.9% from $1,187.60 per troy ounce to $1,234.34.

The S&P GSCI Commodity Spot Index fell by 15.8% over the one year period to 31 March 2016 in sterling terms.

Source: Thomson Reuters Datastream.

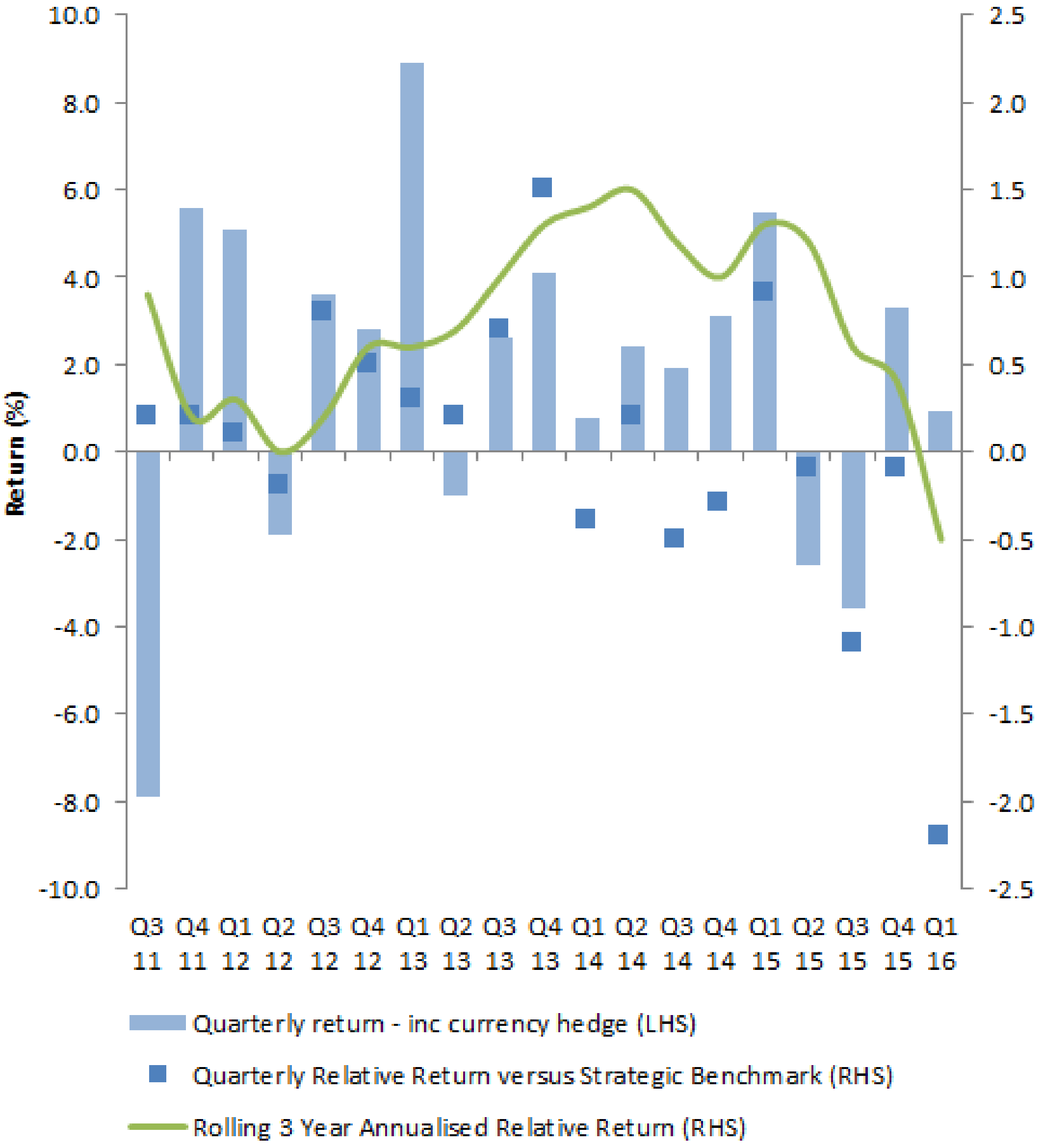
MARKET BACKGROUND
INDEX PERFORMANCE



Source: Thomson Reuters Datastream.

SECTION 5
PERFORMANCE SUMMARY

PERFORMANCE SUMMARY
TOTAL FUND PERFORMANCE



	3 months (%)	1 year (%)	3 years (% p.a.)
Total Fund (inc currency hedge)	0.9	-2.1	5.8
Total Fund (ex currency hedge)	1.9	-0.2	6.1
Strategic Benchmark (no currency hedge)	3.1	1.5	6.3
Relative (inc currency hedge)	**-2.2**	**-3.6**	**-0.5**

- Over the year, the Fund underperformed its Strategic Benchmark by 3.6% when including the currency hedge and by 1.7% excluding the currency hedge.
- The latest quarter's underperformance and the outperformance of Q1 2013 falling out of the 3-year period meant the rolling three year outperformance of 0.4% p.a. (at the end of 2015) is now an underperformance of 0.5% p.a.
- The Fund underperformed the unhedged strategic benchmark return (which excludes currency hedging) over the year. Approximately half of this underperformance has come from the currency hedge (as sterling depreciated over the year, while the other half is largely as a result of the relative underperformance when compared to their strategic benchmark returns of the Standard Life GARS, property and overseas equity mandates.
- Underperformance of the Fund return when the currency hedge with Record is included is higher than when the currency hedging is excluded due to the significant depreciation of sterling over the year.

PERFORMANCE SUMMARY
INDEX PERFORMANCE VS. ASSUMED STRATEGIC RETURN

Asset Class	Strategy Assumed Return % p.a.	3 year Index Return % p.a.	Comment
Developed Equities (Global) (FTSE All-World Developed)	8.25	9.3	*Remains ahead of the assumed strategic return.* *This has decreased from 13.6% p.a. last quarter as the latest quarter's return of 2.4% was considerably lower than the 15.1% return of Q1 2013, which fell out of the 3 year return.*
Emerging Market Equities (FTSE AW Emerging)	8.75	-1.8	*The three year return from emerging market equities has increased from -2.9% p.a. last quarter, as the return of 8.8% experienced last quarter was higher than the quarter that fell out of the period (5.4%). The three year return remains considerably below the assumed strategic return.*
Diversified Growth	Libor + 4% / RPI + 5%	4.6 / 6.6	*DGFs are expected to produce an equity like return over the long term but with lower volatility – this is the basis for the Libor and RPI based benchmarks. Low cash rates and low inflation means that both benchmarks have significantly underperformed the long term expected return from equity. During periods of strong equity returns, such as the last three year period, we would expect DGF to underperform equities.*
UK Gilts (FTSE Actuaries Over 15 Year Gilts)	4.5	8.6	*UK gilt returns remain above the long term strategic assumed return as yields remain low relative to historic averages. Returns have decreased compared to the previous quarter as the quarter that fell out of the 3-year return offset the fall in yields (and hence positive total returns) experienced in the last quarter. Corporate bond returns have increased this quarter, but over three years continue to be below the strategic assumed return.*
Index Linked Gilts (FTSE Actuaries Over 5 Year Index-Linked Gilts)	4.25	5.6	
UK Corporate Bonds (BofAML Sterling Non Gilts)	5.5	5.0	
Overseas Fixed Interest (JP Morgan Global Government Bonds ex UK)	5.5	2.6	*Although still lagging the strategic assumed return, the 3 year performance from overseas fixed interest increased over the quarter due to a strong quarterly return of 9.8%.*
Fund of Hedge Funds (HFRX Global Hedge Fund Index)	6.0	-1.0	*Hedge fund returns remain below long term averages and the strategic return, as they are affected by low cash rates. It should be noted that the index includes a wide variety of strategies that may have had very divergent returns.*
Property (IPD UK Monthly)	7.0	14.6	*Property returns continue to be above the expected returns, driven by the economic recovery in the US and the UK.*

Source: Thomson Reuters Datastream.

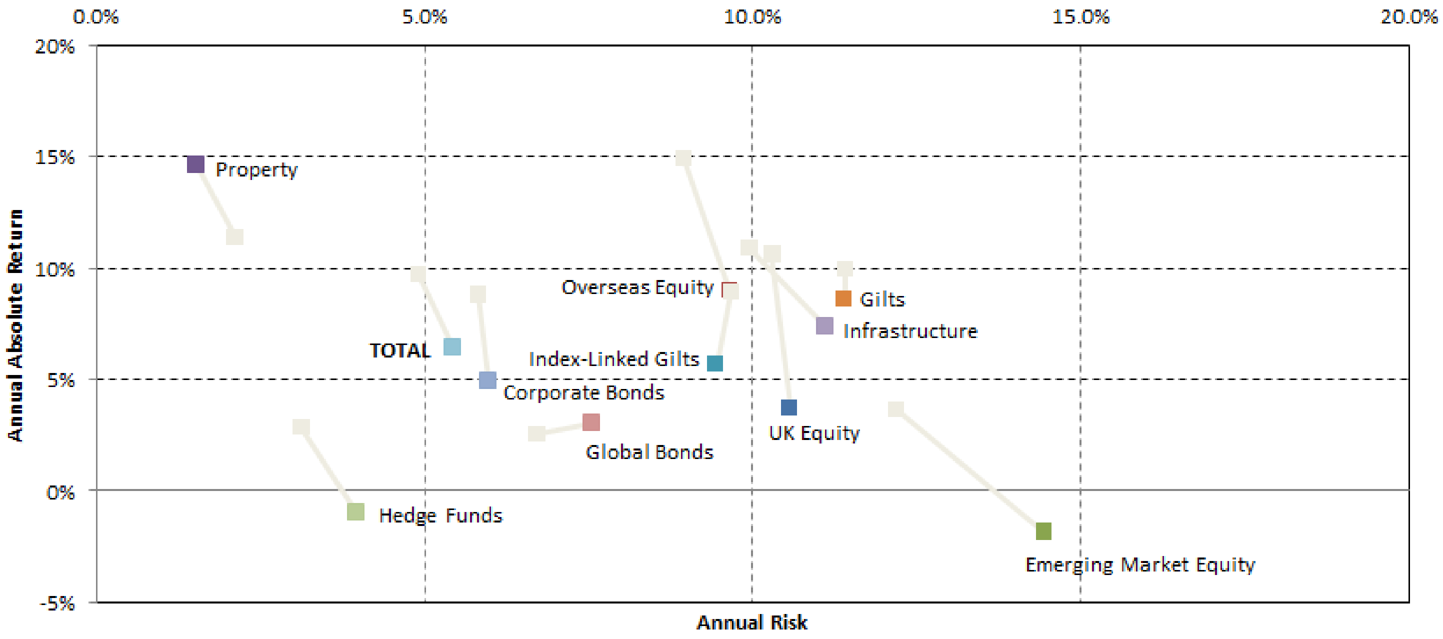
PERFORMANCE SUMMARY
INDEX PERFORMANCE VS. ASSUMED STRATEGIC RETURN

Asset Class	Weight in Strategic Benchmark (From October 2013)[1] (%)	Index returns 1 year (%)	Contribution to total benchmark 1 year (%)	Index returns 3 years (% p.a.)	Contribution to total benchmark 3 years (% p.a.)	Assumed strategic return Return (% p.a.)	Assumed strategic return Contribution[2] (% p.a.)
UK Equities	**15.0**	-3.9	-0.6	**3.7**	0.6	**8.25**	-0.7
Overseas Equities	**25.0**	0.2	0.0	**10.1**	2.8	**8.25**	0.5
Emerging Market Equities	**10.0**	-9.1	-0.9	**-2.4**	-0.1	**8.75**	-0.9
Diversified Growth Funds	**10.0**	4.6	0.5	**4.6**	0.2	**4.6**	-0.2
UK Government Bonds	**3.0**	4.0	0.1	**8.6**	0.2	**4.5**	0.1
UK Corporate Bonds	**8.0**	0.4	0.0	**5.0**	0.4	**5.5**	0.0
Index Linked Gilts	**6.0**	1.8	0.1	**5.6**	0.4	**4.25**	0.1
Overseas Fixed Interest	**3.0**	9.8	0.3	**2.6**	0.1	**5.5**	-0.1
Fund of Hedge Funds	**10.0**	4.6	0.5	**4.6**	0.2	**6.0**	-0.4
Property	**10.0**	15.1	1.5	**13.0**	1.4	**7.0**	0.7
Total Fund	**100.0**		**1.5**		**6.3**	**6.9**	**-0.7**

Source: WM and Mercer estimates. May not sum due to rounding.
1. Allocations used by WM to calculate the total strategic benchmark return BEFORE the agreed investment in infrastructure.
2. Contribution to total difference between strategic benchmark return over last three years (6.3% p.a.) and overall assumed strategic return (6.9% p.a.) – weighted by strategic benchmark.

MANAGER MONITORING
RISK RETURN ANALYSIS

3 Year Risk v 3 Year Return to 31 March 2016 (31 March 2015 in grey)



This chart shows the 3 year absolute returns against three year volatility (based on monthly data in sterling terms), to the end of March 2016, for each of the broad underlying asset benchmarks (using the indices set out in the Appendix), along with the total Fund strategic benchmark (using the benchmark indices and allocations from WM Services). We also show the positions as at 31 March 2015, in grey.

Comments

- *The most significant shifts in observed returns and volatilities over the year were in equities, in particular emerging markets equities which saw returns decreasing and volatility increasing considerably.*
- *Observed returns from hedge funds and index-linked gilts also decreased significantly.*
- *Property saw its return increasing with a slight decrease in volatility.*

ACTIVE INVESTMENT MANAGER CONTRIBUTION YEAR TO 31 MARCH 2016

Asset Class	Weight in Strategic Benchmark Start (%)	Weight in Strategic Benchmark End (%)	Average overweight position (%)	Fund return (%)	Index return (Strategic Benchmark) (%)	Asset allocation impact (%)	Active management's impact (%)
UK Equities	15.0	15.0	-1.3	-1.0	-3.9	-	+0.5
Overseas Equities	25.0	25.0	4.2	-0.9	0.2	-0.1	-0.3
Emerging Market Equities	10.0	10.0	-1.1	-6.8	-9.1	+0.1	+0.2
Diversified Growth Funds	10.0	10.0	-0.4	-2.0	4.6	-	-0.6
UK Government Bonds	3.0	3.0	-1.5	2.4	4.0	-	-
UK Corporate Bonds	8.0	8.0	1.0	0.5	0.4	-	-
Index Linked Gilts	6.0	6.0	2.2	1.9	1.8	-0.1	-
Overseas Fixed Interest	3.0	3.0	-1.5	7.4	9.8	-	-
Fund of Hedge Funds	10.0	10.0	-5.4	0.5	3.2	-0.1	-0.1
Property	10.0	10.0	-1.2	8.3	15.1	-0.2	-0.5
Total Fund	**100.0**	**100.0**		**-0.2**	**1.5**	**-0.6**	**-1.0**

The table above compares the actual returns experienced by the Fund versus the returns under the strategic benchmark (rather than each mandate's specific benchmark) in order to analyse the difference between the Fund's total return of -0.2% over the year versus the Strategic Benchmark return of +1.5% (both excluding the impact of currency hedging).

Of the total underperformance of 1.7% over the year, c. 1.0% was as a result of individual returns being lower on average than the index returns in the strategic benchmark. This has varied among mandates, with strong relative performance from the two UK equity managers and the emerging market mandates, but underperformance versus the strategic benchmark in particular for diversified growth funds (which are compared to a long-term target of LIBOR + 4% p.a.) and property.

Asset allocation also detracted from returns (with the Fund on average 1.2% underweight in property, which experienced strong returns over the year, and overweight to overseas equities, which underperformed the total benchmark return.

Source: WM and Mercer estimates. May not sum due to rounding. Numbers exclude cash.
Average overweight position taken as the average of the beginning and end of year weights.

MANAGER MONITORING
MANAGER PERFORMANCE TO 31 MARCH 2016

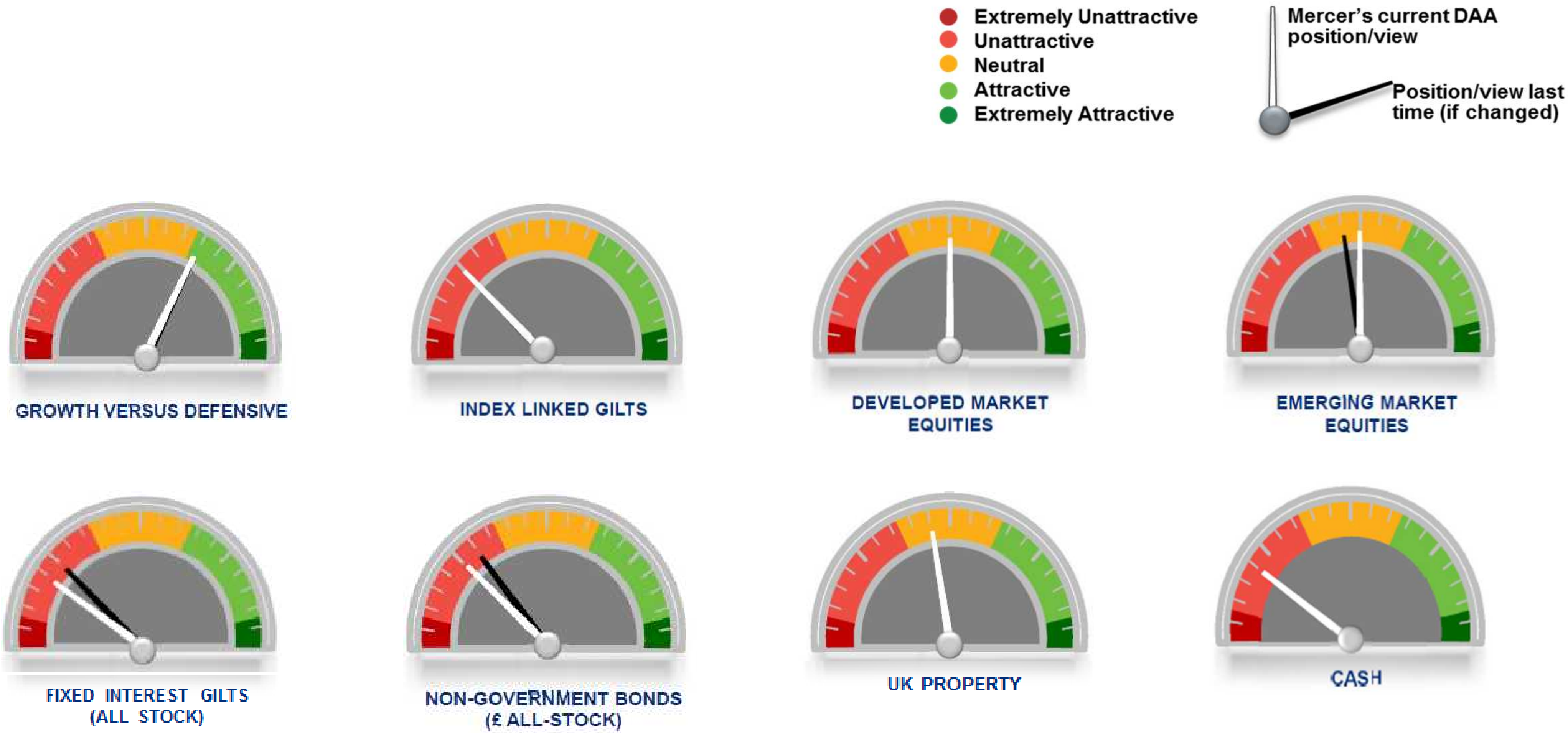
Manager / fund	3 months (%)			1 year (%)			3 year (% p.a.)			3 year outperformance target (% p.a.)	3 year performance versus target
	Fund	B'mark	Relative	Fund	B'mark	Relative	Fund	B'mark	Relative		
BlackRock Multi-Asset	3.5	3.7	-0.1	0.6	0.5	+0.1	7.1	6.9	+0.2	-	Target met
Jupiter	-1.3	-0.4	-0.9	-1.4	-3.9	+2.6	7.2	3.7	+3.4	+2	Target met
TT International	-2.0	-0.4	-1.6	3.4	-3.9	+7.6	7.3	3.7	+3.5	+3-4	Target met
Schroder Equity	0.1	2.9	-2.7	-1.5	-0.6	-0.9	7.9	8.0	-0.1	+4	Target not met
Genesis	9.3	8.4	+0.8	-6.5	-8.8	+2.5	-1.9	-2.4	+0.5	-	Target met
Unigestion	7.1	8.4	-1.2	-7.1	-9.1	+2.2	N/A	N/A	N/A	+2-4	N/A
Invesco	1.9	2.3	-0.4	-0.6	0.2	-0.8	9.9	9.4	+0.5	+0.5	Target met
SSgA Europe	0.1	0.0	+0.1	-4.0	-5.0	+1.1	7.2	5.9	+1.2	+0.5	Target met
SSgA Pacific	-0.3	-0.5	+0.2	-4.1	-4.4	+0.3	3.8	3.1	+0.7	+0.5	Target met
Pyrford	2.6	1.4	+1.1	1.8	6.6	-4.5	N/A	N/A	N/A	-	N/A
Standard Life	-3.3	1.4	-4.6	-4.5	5.6	-9.6	N/A	N/A	N/A	-	N/A
JP Morgan	0.6	0.9	-0.3	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A
Schroder Property	1.2	1.1	+0.1	10.5	10.6	-0.1	13.5	13.0	+0.5	+1	Target not met
Partners Property	2.9	1.1	+1.8	4.5	8.6	-3.8	6.5	11.6	-4.5	+2	Target not met
RLAM	2.7	3.2	-0.5	0.4	0.4	0.0	5.8	4.9	+0.9	+0.8	Target met
Internal Cash	0.1	0.1	0.0	0.3	0.3	0.0	0.4	0.3	+0.1	-	N/A

Source: WM Services, Avon, Mercer estimates.
In the relative performance columns, returns in blue text exceeded their respective benchmarks, those in red underperformed, and black text shows performance in line with benchmark.
In the table above, and throughout this report, relative returns have been calculated geometrically (i.e. the portfolio return is divided by the benchmark return) rather than arithmetically (where the benchmark return is subtracted from the portfolio return).
A summary of the benchmarks for each of the mandates is given in Appendix 1.

Note that the benchmark of the DGFs includes their outperformance target above cash. Growth asset returns over the year have been subdued, meaning opportunities to hit the high performance targets has been limited; it should be remembered that these are longer-term targets and should be considered over a full market cycle.

The benchmark for the Partners mandate changed over the year; up to 30 September 2015 the funds returned were reported versus the UK IPD Pooled Property Funds All Balanced Funds Index (consistent with the benchmark for the Schroder UK property mandate); from 30 September 2015 the benchmark used is 6m LIBOR + 4% p.a.

FORWARD LOOKING RETURN EXPECTATIONS
31 MARCH 2016



The charts above summarise Mercer's views on the medium term (1-3 years) outlook for returns from the key asset classes. These views are relevant for reflecting medium term market views in determining appropriate asset allocation. We do not expect the Fund to make frequent tactical changes to their asset allocation based upon these views.

FORWARD LOOKING RETURN EXPECTATIONS CHANGES OVER THE LAST YEAR

Asset Class	Apr 2015	July 2015	Oct 2015	Jan 2016	Apr 2016
Fixed Interest Gilts	Unattractive	Unattractive	Unattractive	Unattractive	Unattractive
Index-Linked Gilts	Unattractive	Unattractive	Unattractive	Unattractive	Unattractive
Non-Government Bonds (£ All-Stocks)	Unattractive	Unattractive	Unattractive	Unattractive	Unattractive
Global Equities	Neutral	Neutral	Neutral	Neutral	Neutral
Emerging Market Equities	Neutral	Neutral	Neutral	Neutral	Neutral
Small Cap Equities	Neutral	Neutral	Neutral	Neutral	Neutral
Low Volatility Equities	Neutral	Neutral	Neutral	Neutral	Neutral
UK Property	Neutral	Neutral	Neutral	Neutral	Neutral
High yield bonds	Neutral	Neutral	Neutral	Neutral	Neutral
Local currency emerging market debt	Neutral	Neutral	Unattractive	Unattractive	Unattractive

APPENDIX 1
MANAGER MONITORING

MANAGER MONITORING
UK EQUITIES

Manager / fund	1 Year (%)				3 years (% p.a.)				
	Fund	B'mark	Relative	Contribution to outperformance *	Fund	B'mark	Relative	Target	Contribution to outperformance *
Jupiter	-1.4	-3.9	+2.6	+0.12	7.2	3.7	+3.4	+2	+0.16
TT International	3.4	-3.9	+7.6	+0.38	7.3	3.7	+3.5	+3-4	+0.18

Source: WM Services / Mercer estimates.
* "Contribution to outperformance" is the annualised impact on total return of the individual managers' performance relative to their benchmark over the periods measured, and provides an indication of the relative impact of manager out- or under-performance.

Market Commentary

- UK Equities fell over the year, returning -3.9%, driven by investor concerns over a slowing global economy and the looming EU referendum. This lagged global markets which returned -0.5% in sterling terms.

Performance Commentary

- Jupiter have outperformed the benchmark and target over the one and three year periods. Tracking error has stayed between c3.5% and 3.6% over the year. The fund performed in line with the median UK active manager in Mercer's universe over the year.
- Jupiter's holdings remain noticeably different from the benchmark, due in large part to its Socially Responsible Investment objectives – having a significant underweight to large cap stocks and overweight to midcap stocks.
- TT's unconstrained mandate significantly outperformed over the year by 7.6% and over the three year period by 3.5% p.a., meeting the target, with strong stock selection being a significant driver of returns. Over the year, the portfolio has held underweight positions in the Oil & Gas and Basic Materials (which includes mining companies). Both of these sectors saw negative returns over the year as commodity prices fell significantly.

MANAGER MONITORING
DEVELOPED GLOBAL EQUITIES

Manager / fund	1 Year (%)				3 years (% p.a.)				
	Fund	B'mark	Relative	Contribution to outperformance	Fund	B'mark	Relative	Target	Contribution to outperformance
Invesco	-0.6	0.2	-0.8	-0.05	9.9	9.4	+0.5	+0.5	+0.04
SSgA Europe	-4.0	-5.0	+1.1	+0.01	7.2	5.9	+1.2	+0.5	+0.01
SSgA Pacific	-4.1	-4.4	+0.4	+0.01	3.8	3.1	+0.7	+0.5	+0.02
Schroder	-1.5	-0.6	-0.9	-0.08	7.9	8.0	-0.1	-	-0.01

Source: WM Services / Mercer estimates.

Market Commentary

- Performance of global equities was broadly muted over the year, with a -0.5% return in sterling terms, however performance across regions varied significantly. US equities delivered a positive return (+4.2%), whilst Europe (-4.2%), Japan (-3.3%) and the UK (-3.9%) all delivered negative returns (again, in sterling terms)

Performance Commentary

- Invesco underperformed over the year but outperformed over the three year period, matching the target. Invesco's tracking error remains small at 1.5% p.a. since inception, while sector and country allocations remain relatively close to benchmark weightings (as would be expected for an enhanced indexation product), with all within +/- 1.0% at 31 March 2016.
- Both SSgA funds outperformed over the year and three year periods.
- Schroder underperformed over the year and three year periods, with a three year tracking error of 2.7%.

MANAGER MONITORING EMERGING MARKET EQUITIES

Manager / fund	1 Year (%)				3 years (% p.a.)				
	Fund	B'mark	Relative	Contribution to outperformance	Fund	B'mark	Relative	Target	Contribution to outperformance
Genesis	-6.5	-8.8	+2.5	+0.09	-1.9	-2.4	+0.5	-	+0.02
Unigestion	-7.1	-9.1	+2.2	+0.08	N/A	N/A	N/A	+2-4	+0.06

Source: WM Services / Mercer estimates.

Market Commentary

- Emerging market equities, measured by FTSE All World Emerging, fell by 8.9% over the year, underperforming their developed market counterparts (FTSE All World Developed) which returned 0.3%, as falling commodity prices and concerns over slowing economic growth affected a number of countries in this region significantly.

Performance Commentary

- Genesis outperformed by 2.5% over the year. This was largely due to outperformance in Q3 2015 and Q1 2016, when the portfolio benefitted from its underweight position in China, although this remains as the largest regional weighting of the portfolio. The fund also outperformed over the three years, by 0.5%.
- Unigestion outperformed by 2.2% over the year. Over the period since inception (in January 2014), they have returned 3.3% p.a. against a benchmark return of 1.8% p.a. They have achieved this with lower volatility than the benchmark (16.3% p.a. vs 18.9% p.a.). The largest regional weighting of the portfolio is in South Korea (22%) and the vast majority of holdings (82.1%) are in mega- or large-cap stocks.

MANAGER MONITORING
FUND OF HEDGE FUNDS

Manager / fund	1 Year (%) *				3 years (% p.a.)				
	Fund	B'mark	Relative	Contribution to outperformance	Fund	B'mark	Relative	Target	Contribution to outperformance
JP Morgan	4.2 (-4.0)	2.4	+1.8	+0.02	N/A	N/A	N/A	-	N/A

Source: WM Services / JP Morgan / Mercer estimates. US dollar return in brackets.
* Returns since inception on 1 August 2015 shown as fund has not been invested for the whole period.

Market Commentary

- Fund of Hedge Funds have generally lagged equity markets over the year and three years; over the year to 31 March 2016 the HFRI index fell 5.5%, the HFRX index returned -7.4% and the Dow Jones Credit Suisse Hedge Fund Index returned -5.2% (USD returns).
- Looking at specific sectors, relative value strategies produced modest negative returns with fixed income and convertible arbitrage strategies returning -0.5% and 0.0% over the year.
- Long/short equity strategies performed poorly given the modestly positive backdrop from directional exposure returning -2.2%, while market neutral strategies benefited from volatility, returning 3.9% over the year. Event driven strategies continued to struggle in light of the lack of deal progress and reduced credit market liquidity, returning -11.9%,although merger arbitrage strategies held up better on the back of robust global M&A activity, with a record-setting $5.7 trillion in announced deals during 2015.
- The broad global macro universe also produced negative returns (of -6.2%) in volatile markets.
- We continued to see dispersion in manager results across strategies.
- Returns are in USD; source: Credit Suisse Hedge Index LLC.

Performance Commentary

- JP Morgan returned 4.2% over the period since inception on 1 August 2015 (in sterling terms), against a benchmark of 2.4%. This however masks the underlying USD returns, which were -4.0% over the same period. Relative value strategies were the biggest contributors to performance over the period while long/short equity strategies were the biggest detractor.

MANAGER MONITORING
MULTI-ASSET AND DGF

Manager / fund	1 Year (%)				3 years (% p.a.)				
	Fund	B'mark	Relative	Contribution to outperformance	Fund	B'mark	Relative	Target	Contribution to outperformance
BlackRock	0.6	0.5	+0.1	-0.03	7.1	6.9	+0.2	-	+0.04
Pyrford	1.8	6.6	-4.5	-0.14	N/A	N/A	N/A	-	N/A
Standard Life	-4.5	5.6	-9.6	-0.65	N/A	N/A	N/A	-	N/A

Source: WM Services / Mercer estimates.

Performance Commentary

- The passive multi-asset mandate managed by BlackRock continues to perform broadly in line with underlying indices (as expected).
- Over the last year, equity and bond markets provided low returns, affecting the returns of the multi-asset funds. Both Pyrford and Standard Life significantly underperformed their benchmarks over the year, by 4.5% and 9.6% respectively.
- The benchmark used for the DGFs includes their outperformance target above cash. Growth asset returns over the year have been subdued, meaning opportunities to hit the high performance targets has been limited. These targets are set over the longer term, however and conclusions cannot be drawn over a 12 month period.
- Pyrford has increased its portfolio allocation to equities over the year (from 29% to 37%). This decision was made by Pyrford's Investment Strategy Committee in Q1 2016 in light of sharp falls in equity markets. The target allocation is now 35% in equities, 62% in fixed income and 3% in cash.
- It has been a difficult period for Standard Life since the Fund's investment was made. Three out of four quarters have seen negative performance, with Q1 2016 being the most challenging quarter as performance suffered from the Fund being overweight equities and underweight duration.

MANAGER MONITORING
CORPORATE BONDS

Manager / fund	1 Year (%)				3 years (% p.a.)				
	Fund	B'mark	Relative	Contribution to outperformance	Fund	B'mark	Relative	Target	Contribution to outperformance
RLAM	0.4	0.4	0.0	-0.01	5.8	4.9	+0.9	+0.8	+0.06

Source: WM Services / Mercer estimates.

Market Commentary

- In a broad risk-off environment, credit spreads widened over the year resulted in a total return of 0.4% for UK corporate bonds. Gilt yields saw a slightly decrease over the period.

Performance Commentary

- RLAM have performed in line with the benchmark over the year and outperformed over three year period by 0.9%, meaning they met the performance target.
- Relative to the benchmark the portfolio has a shorter duration (7.5 years vs 7.8), a higher weighted average gross redemption yield (3.7% vs 2.8%) and a significantly more concentrated portfolio of stocks (at 301 vs 1,019).
- This reflects the positioning of the strategy, which has been consistently overweight BBB and BB bonds at the expense of AAA and AA, and with a sizable allocation to unrated bond (reflecting their longstanding view that higher yielding, lower rated bonds will outperform investment grade credit).

MANAGER MONITORING
PROPERTY

Manager / fund	1 Year (%)				3 years (% p.a.)				
	Fund	B'mark	Relative	Contribution to outperformance	Fund	B'mark	Relative	Target	Contribution to outperformance
Schroder	10.5	10.6	-0.1	0.00	13.5	13.0	+0.5	+1	+0.03
Partners	4.5	8.6	-3.8	-0.13	6.5	11.6	-4.5	+2	-0.17

Source: WM Services / Mercer estimates.

Market Commentary

- The UK property market was strong over the year, returning 10.6% (measured by the UK IPD PPF All Balanced Funds Index – the benchmark for the Schroder mandate. This comes with an improving UK economy as rental rates in commercial property increased, boosting property valuations.
- The benchmark for the Partners mandate changed over the year; up to 30 September 2015 the funds returned were reported versus the same benchmark as the Schroder UK property mandate; from 30 September 2015 the benchmark used is 6m LIBOR + 4% p.a.

Performance Commentary

- Schroder slightly underperformed the benchmark over the year and failed to meet the target over the three year period (albeit they outperformed the benchmark over the period). Partners underperformed the benchmark over the year and three year periods.
- Schroder's outperformance over the three year period was largely due to strong performance from Value Add strategies, with holdings in central London offices and the industrial sector being the main positive drivers of returns.
- Partners' drawdowns are made gradually over time, and the Fund is not yet fully invested. As a result of the volatile timing of cash flows for such investments, for example the initial costs of purchasing and developing properties, focus should be on longer term performance. Their IRR from inception to 31 March 2016 at 8.4% p.a. (in local currency) is below their target of 10% p.a.

MANAGER MONITORING CURRENCY

Market Commentary

- Over the 12 month period to 31 March 2016, Sterling fell 3.2% against the US Dollar from $1.49 to $1.44. Sterling depreciated 9.3% against the Yen from ¥178.03 to ¥161.55. Sterling depreciated against the Euro by 8.8% from €1.38 to €1.26 over the same period.
- More recently, over the last quarter, sterling depreciated significantly against its major counterparts as Brexit fears sparked investor concerns.

Performance Commentary

- On 30 October 2015, the dynamic hedging mandate was closed and a new passive mandate was initiated to hedge 50% of the currency exposure on developed global equities (dollar, euro and yen), and 100% on the hedge fund and global property mandates; in practice, as the change to the hedging policy for equities was agreed earlier in the month, Record effectively “froze” their dynamic hedging ratios in mid October when the dynamic hedge was near 50%.
- Over the period since inception, the three initiated hedging mandates have all slightly outperformed their informal benchmark returns.

Currency Hedging 12 Month Performance (£ terms)

Dynamic Hedge *- terminated on 30 October 2015*

Currency	Start Exposure (£)	End Exposure (£)	Currency Return (%)	50% Hedge Return (%)	Record Hedge Return (%)	Net Return (%)
USD	559,047,385	0	(3.88%)	1.95%	(2.02%)	(5.71%)
EUR	207,358,854	0	(1.13%)	0.69%	(1.33%)	(2.30%)
JPY	147,838,770	0	(4.48%)	2.33%	1.39%	(2.83%)
Total	**914,245,009**	**0**	**(3.34%)**	**1.74%**	**(1.28%)**	**(4.46%)**

Passive Developed Equity Hedge *- started on 30 October 2015*

Currency	Start Exposure (£)	End Exposure (£)	Currency Return (%)	50% Benchmark Return (%)	Record Hedge Return (%)	Net Return (%)
USD	519,385,896	572,761,642	7.45%	(3.42%)	(3.37%)	4.03%
EUR	202,510,453	188,644,012	10.84%	(4.81%)	(4.82%)	5.75%
JPY	130,307,306	130,089,526	15.37%	(6.78%)	(6.76%)	8.21%
Total	**852,203,655**	**891,495,180**	**9.33%**	**(4.17%)**	**(4.14%)**	**4.99%**

Passive Hedge Fund Hedge *- started on 30 October 2015*

Currency	Start Exposure (£)	End Exposure (£)	Currency Return (%)	100% Benchmark Return (%)	Record Hedge Return (%)	Net Return (%)
USD	59,388,255	194,312,572	7.45%	(6.85%)	(6.83%)	0.39%
Total	**59,388,255**	**194,312,572**	**7.45%**	**(6.85%)**	**(6.83%)**	**0.39%**

Passive Property Hedge *- started on 30 October 2015*

Currency	Start Exposure (£)	End Exposure (£)	Currency Return (%)	100% Benchmark Return (%)	Record Hedge Return (%)	Net Return (%)
USD	31,856,476	36,421,737	7.45%	(6.91%)	(6.74%)	0.57%
EUR	118,279,395	134,164,968	10.84%	(9.65%)	(9.61%)	0.52%
Total	**150,135,871**	**170,586,705**	**10.11%**	**(9.00%)**	**(8.93%)**	**0.53%**

APPENDIX 2

SUMMARY OF MANDATES

SUMMARY OF MANDATES

Manager	Mandate	Benchmark	Outperformance target (p.a.)
BlackRock	Passive Multi-Asset	In line with customised benchmarks using monthly mean fund weights	-
Jupiter Asset Management	UK Equities (Socially Responsible Investing)	FTSE All Share	+2%
TT International	UK Equities (Unconstrained)	FTSE All Share	+3-4%
Schroder	Global Equities (Unconstrained)	MSCI AC World Index Free	+4%
Genesis	Emerging Market Equities	MSCI EM IMI TR	-
Unigestion	Emerging Market Equities	MSCI EM NET TR	+2-4%
Invesco	Global ex-UK Equities (Enhanced Indexation)	MSCI World ex UK NDR	+0.5%
SSgA	Europe ex-UK Equities (Enhanced Indexation)	FTSE AW Europe ex UK	+0.5%
SSgA	Pacific inc. Japan Equities (Enhanced Indexation)	FTSE AW Dev Asia Pacific	+0.5%
Pyrford	Diversified Growth Fund	RPI +5% p.a.	-
Standard Life	Diversified Growth Fund	6 Month LIBOR +5% p.a.	-
JP Morgan	Fund of Hedge Funds	3 Month LIBOR +3% p.a.	-
Schroder	UK Property	IPD UK Pooled	+1%
Partners	Overseas Property	3 Month LIBOR +4% p.a.	-
Royal London Asset Management	UK Corporate Bonds	iBoxx £ Non-Gilts All Maturities	+0.8%
Record	Passive Currency Hedging	N/A	-
Cash	Internally Managed	7 Day LIBID	-

APPENDIX 3
MARKET STATISTICS INDICES

MARKET STATISTICS INDICES

Asset Class	Index
UK Equities	FTSE All-Share
Global Equity	FTSE All-World
Overseas Equities	FTSE World ex UK
US Equities	FTSE USA
Europe (ex-UK) Equities	FTSE W Europe ex UK
Japanese Equities	FTSE Japan
Asia Pacific (ex-Japan) Equities	FTSE W Asia Pacific ex Japan
Emerging Markets Equities	FTSE AW Emerging
Global Small Cap Equities	FTSE World Small Cap
Hedge Funds	HFRX Global Hedge Fund
High Yield Bonds	BofA Merrill Lynch Global High Yield
Emerging Market Debt	JP Morgan GBI EM Diversified Composite
Property	IPD UK Monthly Total Return: All Property
Commodities	S&P GSCI
Over 15 Year Gilts	FTA UK Gilts 15+ year
Sterling Non Gilts	BofA Merrill Lynch Sterling Non Gilts All Stocks
Over 5 Year Index-Linked Gilts	FTA UK Index Linked Gilts 5+ year
Global Bonds	BofA Merrill Lynch Global Broad Market
Global Credit	Barclays Capital Global Credit
Eurozone Government Bonds	BofA Merrill Lynch EMU Direct Government
Cash	BofA Merrill Lynch United Kingdom Sterling LIBOR 3 month constant maturity

These are the indices used in this report for market commentary; individual strategy returns are shown against their specific benchmarks.

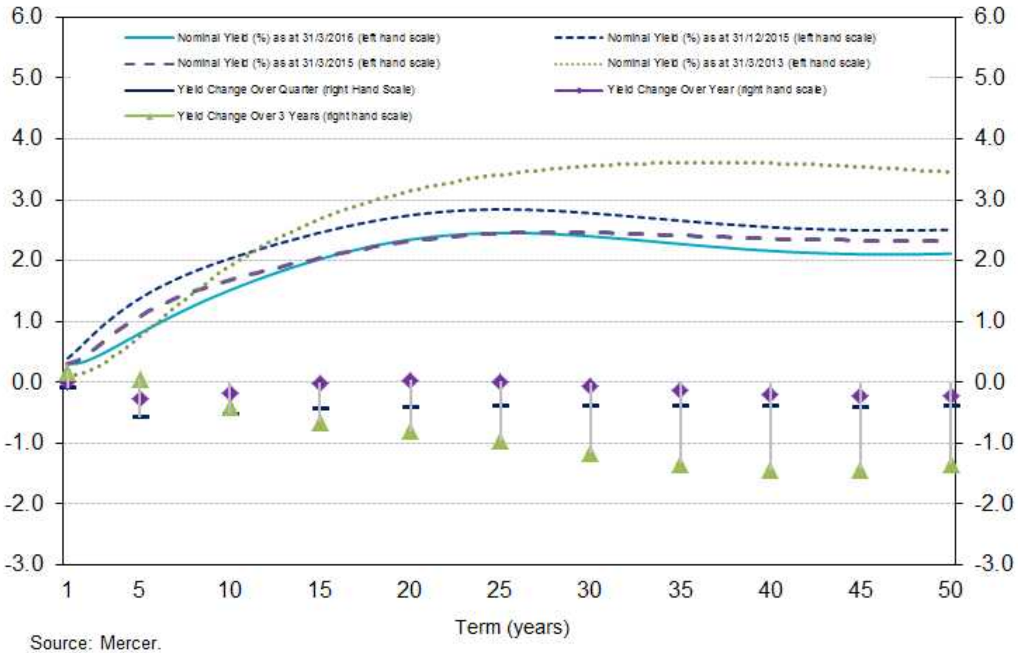
APPENDIX 4
CHANGES IN YIELDS

CHANGES IN YIELDS

Asset Class Yields (% p.a.)	31 March 2016	31 December 2015	31 March 2015	31 March 2013
UK Equities	3.77	3.70	3.33	3.35
Over 15 Year Gilts	2.17	2.57	2.23	3.02
Over 5 Year Index-Linked Gilts	-0.97	-0.70	-0.91	-0.41
Sterling Non Gilts	2.90	3.23	2.65	3.28

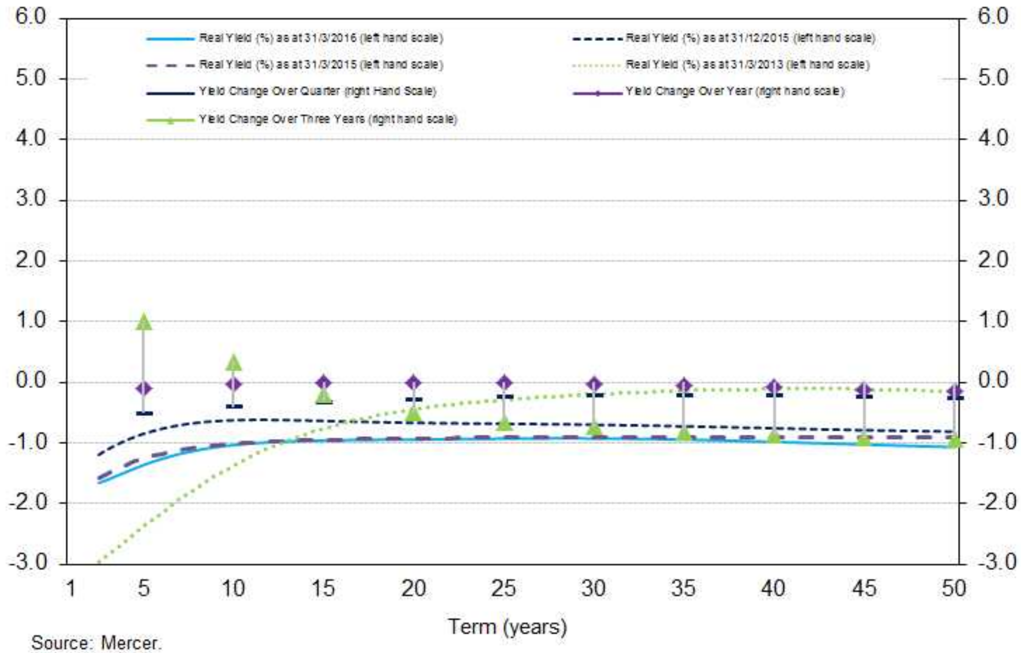
- UK Government Bonds as measured by the FTSE Gilts All Stocks Index, returned 3.3%, while long dated issues as measured by the corresponding Over 15 Year Index generated a return of 4.0% over the year. The yield for the FTSE Gilts All Stocks index fell over the year from 2.0% to 1.9%.
- The FTSE All Stocks Index Linked Gilts index returned 1.7% with the corresponding over 15 year index delivering a return of 2.4%.
- Corporate debt as measured by the Bank of America Merrill Lynch Sterling Non-Gilts index returned 0.4%.
- In a broad risk-off environment, credit spreads widened over the year resulted in a total return of 0.4% for UK corporate bonds. Gilt yields saw a slightly decrease over the period.

Nominal yield curves



Source: Mercer.

Real yield curves



Source: Mercer.

APPENDIX 5
HEDGE FUND INDICES

HEDGE FUND INDICES

HFRI Diversified Fund of Fund Index

- The Diversified Fund of Fund Index is an equally-weighted index comprising fund of fund managers that satisfy the following criteria: Invest in a variety of strategies across multiple managers, exhibit standard deviation and returns correlation similar to the HFR Fund of Funds composite index. The trailing four months' performance figures are left as estimates and are subject to change; performance beyond four months is locked and not subject to change. If a fund liquidates or closes, that fund's performance will be included in the index as of the fund's last reported performance. There is no minimum asset size or minimum track record length requirement for inclusion in the index. Both domestic and offshore funds are included

HFRX Global Hedge Fund Index

- The HFRX Global Hedge Fund Index is an "investible" index designed to be representative of the overall composition of the hedge fund universe (it is termed "investible" because investors are able to access all of the underlying funds and as such generate a return in line with the index). It is comprised of eight strategies: convertible arbitrage, merger arbitrage, equity hedge, equity market neutral, relative value arbitrage, event driven, distressed securities, and global macro. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

Credit Suisse Hedge Fund Index

- The Credit Suisse Hedge Fund Index (formerly the Dow Jones Credit Suisse/Tremont Hedge Fund Index) is an asset weighted index of hedge funds. Funds in the Dow Jones Credit Suisse Hedge Fund universe must have a minimum of US $10 million assets under management ("AUM"), a minimum one-year track record and current audited financial statements

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