Mercer

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Avon Pension Fund

Committee Investment Report
Quarter to 30 September 2023

December 2023

Steve Turner

A business of Marsh McLennan

Contents

Executive Summary

1

Executive Summary

Market background	• Over the quarter equities were broadly negative and came under pressure amid some hawkish central bank announcements, particularly by the US Federal Reserve. • UK nominal and real yields rose at medium to longer tenors, and realised inflation remains considerably above target.
Mercer market views	• Our medium term outlook (as at October 2023) is mixed. • We remain cautious on equities due to expectations for flat or negative corporate profit growth in 2023. • We continue to a have a modestly positive view on growth fixed income markets (e.g. Multi Asset Credit) due to relatively attractive credit spreads and yields.
Funding level and risk	*Liability and risk values are currently unavailable as changes to the actuarial basis as part of the monitoring framework are taking place.*
Performance	• The negative return over the quarter was driven by the LDI portfolio and Equity assets. Overseas Property and Secured Income also detracted, whilst the rest of the portfolios delivered positive returns. • The Currency Hedge detracted from returns over the period due to a relative weakening of Sterling.

- Underperformance relative to the strategic benchmark over the one year period to 30 September 2023 is mainly due to the underperformance of the Overseas Property and Secured Income mandates against their cash/inflation-plus benchmarks, as well as the Sustainable Equity mandate.
- These mandates, in conjunction with the Equity Protection strategy, also explain the underperformance over three years.

	3 Months (%)	1 Year (%)	3 Years (% p.a.)
Total Fund **(1)**	-2.9	-2.1	1.5
Strategic Benchmark **(2)** (ex currency hedge)	-0.1	4.8	7.0
Relative **(1 - 2)**	**-2.8**	**-6.9**	**-5.5**

- The Currency Hedge overlay had positive returns over the one year period, but has detracted over three years. It should be noted that the benchmark does not make an allowance for the currency hedge.

- Absolute returns compared to the strategic returns modelled at the strategy review in 2023 have been mostly positive for the Equity and the Liquid Growth assets, whilst they have been generally negative within the Illiquid Growth assets.
- A key point underpinning these is that it is comparing only a nine-month period of returns, which is relatively short, so we would caution against making any meaningful conclusions at this stage, on actual performance versus the assumptions used.

Executive Summary

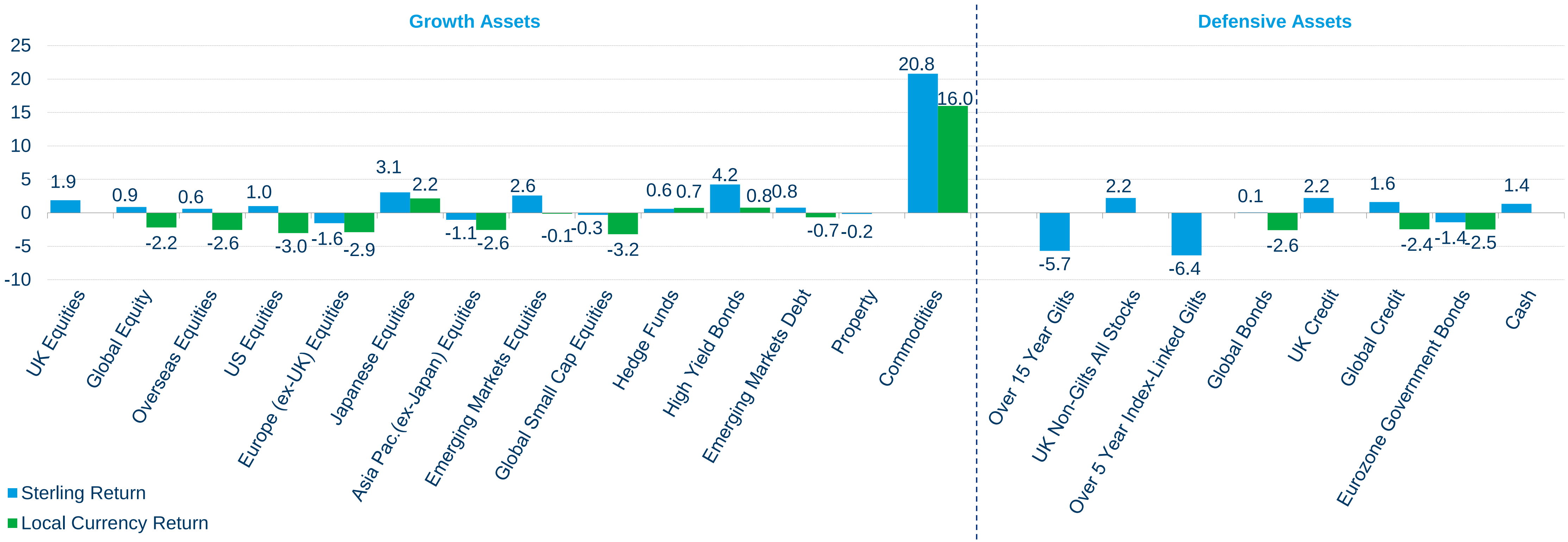
Asset allocation and strategy	• A net amount of c. £31m was drawn down to the Brunel private market portfolios during the quarter. • Action was taken at the end of Q3 to begin to allocate to the new 3% target allocation to the Local/Social Impact portfolio, with a £55m commitment to the Schroders Greencoat Wessex Gardens strategy, which aims to invest in renewable infrastructure assets and adjacent technologies in the South West region.
Equity option mandate	• Over the quarter to 30 September 2023, given the fall in equity markets, the strategy exhibited positive performance of c. 0.2%. • The minimum premium condition on the upside in place with each of the counterparty banks is currently being met across all markets. • A review of the strategy is underway, which was discussed at the December 2023 Investment Panel meeting.
Liability hedging mandate	• BlackRock was in compliance with the investment guidelines over the quarter. • Following a sharp rise in gilt yields over September/October 2022, a number of interest rate triggers were achieved, and the trigger framework temporarily suspended. The framework was revised and reinstated in October 2023. • Following the reinstatement of the interest and inflation trigger framework, several interest rate triggers were hit leading BlackRock to trade up to the cap (39% as a % of assets) on the aggregate interest rate hedge ratio. The inflation hedge ratio was c. 22% as a % of assets at the same date.
Collateral position	• Following the gilt market volatility experienced in October 2022, the collateral adequacy monitoring and notification thresholds for the Fund were updated. • In February 2023, c. £212m of equities were synthesised to bring collateral headroom within the target range, and in May 2023, the remaining pooled equities within the BlackRock portfolio were sold (c. £148m) with the exposure replaced with the synthetic positions in the MSCI Paris Aligned Index. • Inclusive of assets within the collateral waterfall and physical equity that could be synthesised, there was a total interest rate buffer of 4.7% as at 30 September 2023. • Post quarter-end, the Fund sold and synthesised £200m of Brunel equities referencing the MSCI PAB benchmark in anticipation of reinstating the trigger framework. Following the trigger activity in October, collateral remains at a healthy level of c. 4.4% as at end October, which is expected to have improved following the fall in gilt yields over November.

Market Background

2

Market Background

Return over 3 months to 30 September 2023 (%)

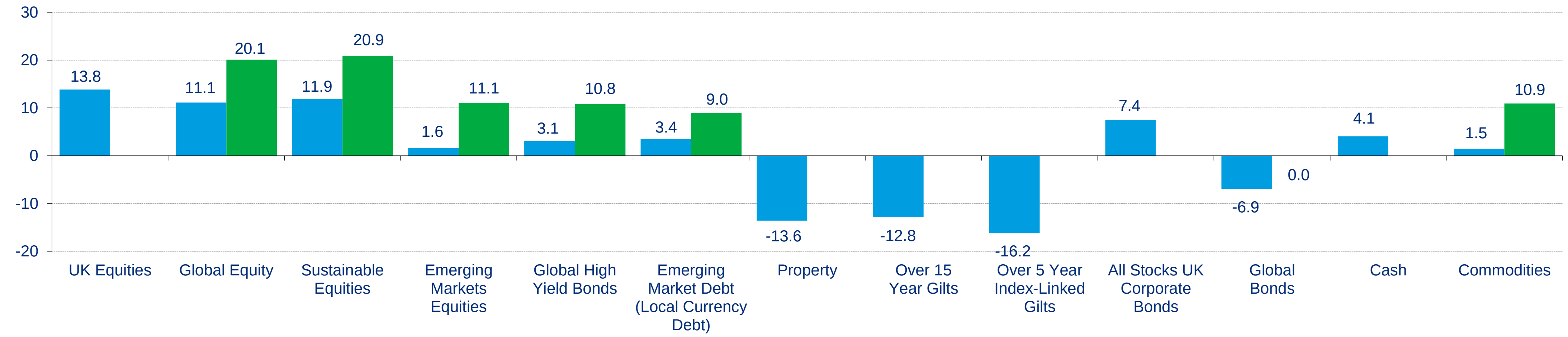


Developed market central bank actions were mixed over the quarter, with some deciding to pause hiking interest rates, and others continuing to increase policy rates. Headline inflation continued to slow and core inflation fell in most regions. Inflation expectations also continued to decline over the quarter. During the quarter, equities were broadly negative and came under pressure amid some hawkish central bank announcements especially by the US Federal Reserve.

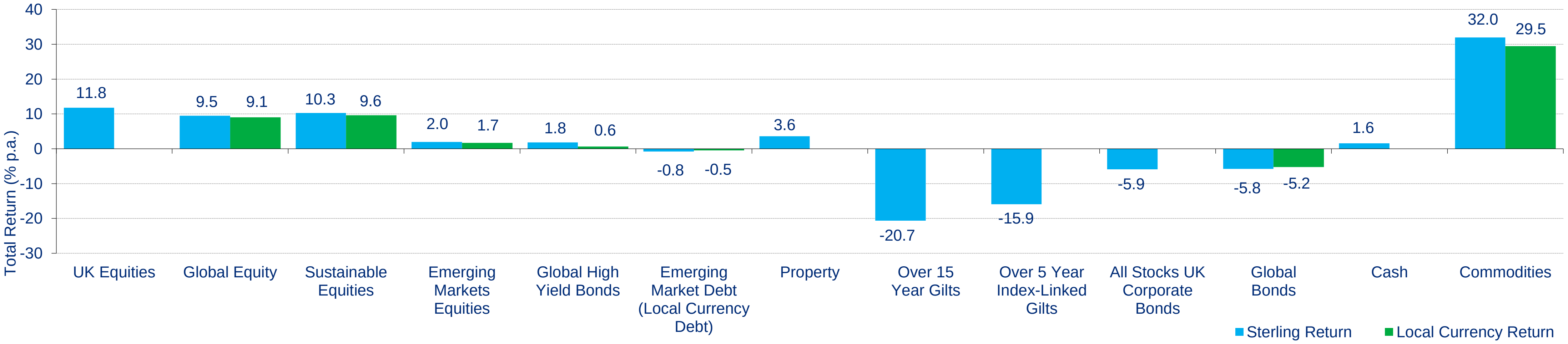
Source: Refinitiv

Market Background – 1 & 3 Years

Return over 12 months to 30 September 2023 (%)



Return over 3 years to 30 September 2023 (% p.a.)



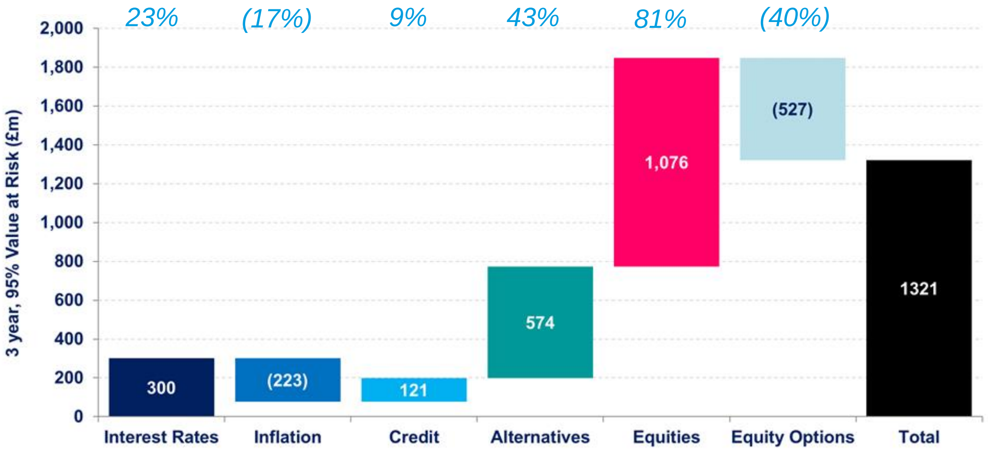
Funding Level and Risk

3

Risk Decomposition – 3 Year Value at Risk

- The two charts below illustrate the main risks that the Fund is exposed to, and the size of these risks in the context of the change in the deficit position.
- The purpose of showing these is to ensure there is 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 final columns show the estimated 95th percentile Value-at-Risk (VaR) over a one-year period. In other words, if we consider a downside scenario which has a 1-in-20 chance of occurring, what would be the impact on the deficit relative to our 'best estimate' of what the deficit would be in three years' time.

30 June 2023



- As at 30 June 2023, if a 1-in-20 'downside event' occurred over the next three years, the funding position could deteriorate by at least an additional **£1.3bn**.
- Each bar to the left of the total represents the contribution to this total risk from the primary underlying risk exposures (interest rates and inflation, changes in credit spreads, volatility of alternative assets and equity markets, and the benefit from equity options).

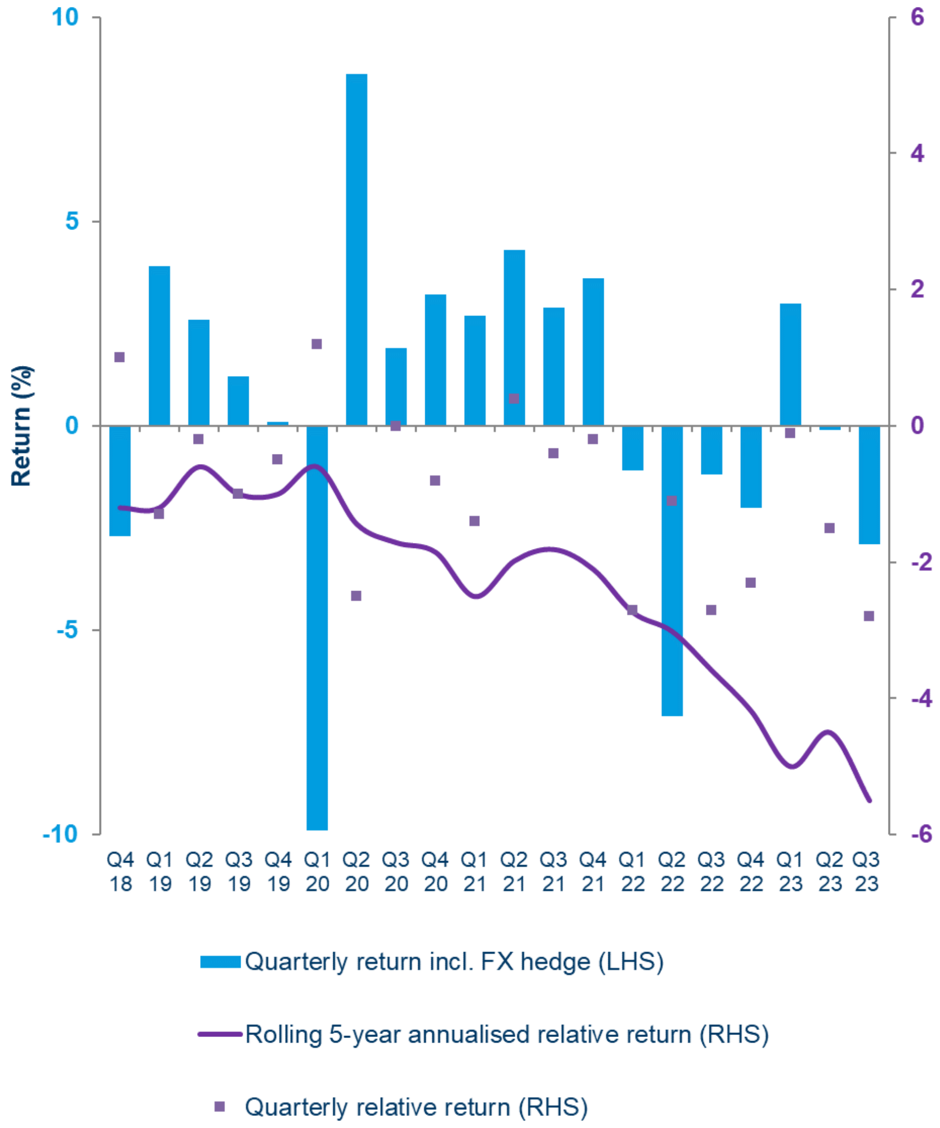
Analysis as at 30 September 2023 is currently unavailable, as changes to the actuarial basis as part of the monitoring framework are taking place.

VaR figures shown are based on approximate liability data rather than actual Fund cashflows, and are based on the strategic asset allocation at the time.
They are therefore illustrative only and should not be used as a basis for taking any strategic decisions.
They use cashflows from the 2022 valuation.

Performance Summary

4

Total Fund Performance



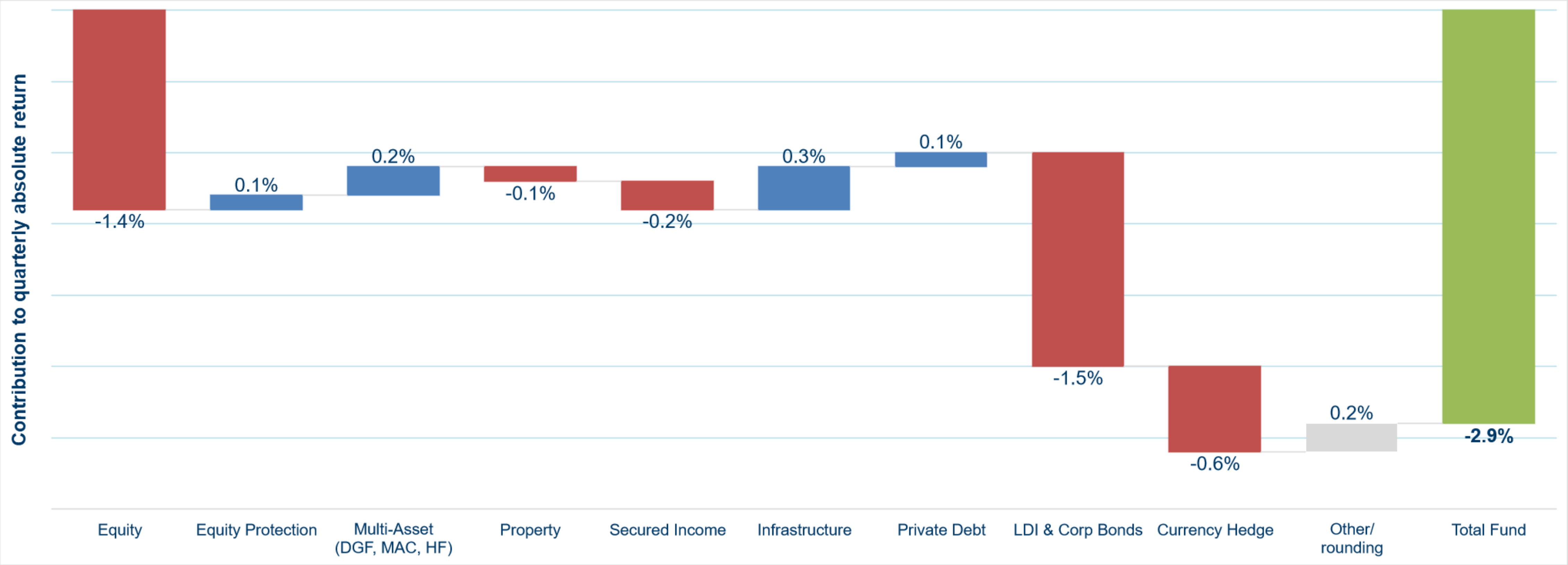
	3 Months (%)	1 Year (%)	3 Years (% p.a.)
Total Fund **(1)**	-2.9	-2.1	1.5
Total Fund (ex currency hedge)	-2.3	-3.8	1.7
Strategic Benchmark **(2)** (ex currency hedge)	-0.1	4.8	7.0
Relative (1 - 2)	**-2.8**	**-6.9**	**-5.5**

Source: Custodian, Mercer estimates. Returns are net of fees.

Commentary

- As illustrated on the next slide, the negative return of Fund assets over the quarter was driven by the LDI portfolio and Equity assets.
- Relative performance was mixed. UK Property, Infrastructure and Private Debt fared well, but total underperformance was ultimately driven by below-benchmark returns for the active equity mandates (which make up around a fifth of the portfolio), and Overseas Property and Secured Income have continued to underperform their cash/inflation-plus benchmarks in the current environment.
- These asset classes also drove underperformance over three years, and the Equity Protection strategy also detracted over this period (as we would expect given the positive performance from the physical equity holdings).
- The Currency Hedge detracted from returns over the quarter and three years due to a relative weakening of Sterling.

Total Fund Performance Attribution – Quarter

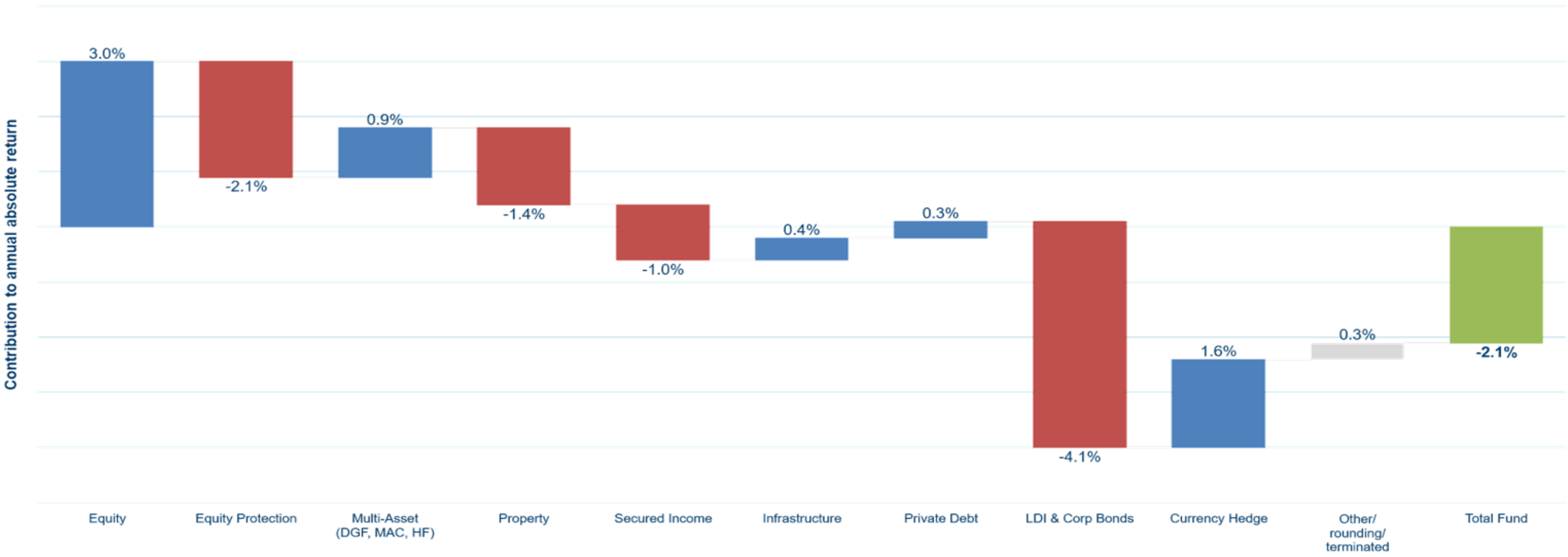


Source: Custodian and Mercer estimates
'Other' contributions to the total can include the relatively small holdings in the ETF, cash, the impact of cashflows and terminated mandates, as well as rounding.

The negative return on the Fund assets over the quarter was driven mainly by the decline in value of the LDI portfolio as nominal yields and inflation expectations rose, and negative performance from the Equity portfolio. The Equity Protection dampened losses somewhat, though proportionally this was only marginal, as the majority of the negative performance in Equities was due to active management (i.e. the underlying benchmark index returns were slightly positive).

The other broad Growth asset categories were mixed. The Currency Hedge contribution was negative due to the weakening of Sterling.

Total Fund Performance Attribution – 1 Year



Source: Custodian and Mercer estimates
'Other' contributions to the total can include the relatively small holdings in the ETF, cash, the impact of cashflows and terminated mandates, as well as rounding.

The negative returns from LDI and the Equity Protection were the main detractors over the 1 year period.

Property and Secured Income have also had a difficult year, though all other Growth asset categories contributed positively, especially Equity.

The Currency Hedge contribution was positive due to the strengthening of Sterling.

Mandate Performance to 30 September 2023

Manager / Asset Class	3 Months Fund (%)	3 Months B'mark (%)	3 Months Relative (%)	1 Year Fund (%)	1 Year B'mark (%)	1 Year Relative (%)	3 Year Fund (% p.a.)	3 Year B'mark (% p.a.)	3 Year Relative (% p.a.)	3 Year Performance Target (% p.a.)**	3 Year Performance vs Target
Brunel Global High Alpha Equity	-0.6	0.7	-1.3	13.6	12.1	+1.3	8.3	10.7	-2.2	+2-3	Target not met
Brunel Global Sustainable Equity	-4.1	0.7	-4.8	3.6	11.0	-6.7	3.9	9.5	-5.1	+2	Target not met
Brunel Passive Global Equity Paris-Aligned	0.2	0.2	0.0	14.9	15.0	-0.1	N/A	N/A	N/A	-	N/A (p)
MSCI World Paris-Aligned (Synthetic)	-0.7	-0.7	0.0	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A (p)
Brunel Diversified Returns Fund	2.1	2.0	+0.1	4.2	7.1	-2.7	3.0	4.6	-1.5	-	Target not met
Brunel Multi-Asset Credit	1.9	2.3	-0.4	10.6	8.2	+2.2	N/A	N/A	N/A	-	N/A
Brunel UK Property	0.5	-0.7	+1.2	-15.6	-13.9	-2.0	N/A	N/A	N/A	-	N/A
Partners Overseas Property*	-4.9	2.5	-7.2	-13.9	10.0	-21.8	-2.2	10.0	-11.1	-	Target not met
Brunel Secured Income - Cycle 1	-2.6	0.4	-3.0	-13.2	6.6	-18.6	-0.1	6.6	-6.3	+2	Target not met
Brunel Secured Income - Cycle 2	-1.5	0.4	-1.9	-11.7	6.6	-17.2	N/A	N/A	N/A	+2	N/A
IFM Core Infrastructure	3.3	2.5	+0.8	11.4	9.2	+2.0	11.9	6.7	+4.9	-	Target met
Brunel Renewable Infrastructure - Cycle 1	3.8	0.4	+3.4	1.3	6.6	-5.0	6.4	6.6	-0.2	+4	Target not met
Brunel Renewable Infrastructure - Cycle 2	1.1	0.4	+0.7	9.6	6.6	+2.8	N/A	N/A	N/A	+4	N/A
Brunel Private Debt - Cycle 2	4.6	2.3	+2.2	10.3	8.2	+1.9	N/A	N/A	N/A	-	N/A
BlackRock Corporate Bonds	1.1	1.1	0.0	7.2	7.2	0.0	-11.5	-11.5	0.0	-	N/A (p)
BlackRock LDI	-7.5	-7.5	0.0	-22.7	-22.7	0.0	-1.0	-1.0	0.0	-	N/A (p)
Equity Protection Strategy	0.2	N/A	N/A	-7.3	N/A	N/A	-5.0	N/A	N/A	-	N/A

Source: Investment Managers, Custodian, Mercer estimates. Returns are net of fees. Returns are in GBP terms
Relative returns have been calculated geometrically (i.e. the portfolio return is divided by the benchmark return) rather than arithmetically.
A summary of the benchmarks for each of the mandates is given in the Appendix.
Green = mandate exceeded target. Red = mandate underperformed target. Black = mandate performed in line with target (mainly reflecting passive mandates).

Performance for Partners in IRR terms. Performance for IFM is in TWR terms.
Performance of the Equity Protection Strategy is estimated by Mercer based on the change in market value of the options over time, accounting for realised profit/loss upon rolling of the strategy.
*Partners performance is to 30 June 2023, as this is the latest data available.
**Where the outperformance target has not already been incorporated into the benchmark returns shown. See Appendix for further details.
Performance is not yet illustrated for Private Market Cycle 3 investments, which will become more meaningful with the passage of time.

Asset Allocation

5

Valuation by Asset Class

Asset Class	Start of Quarter (£'000)	End of Quarter (£'000)	Start of Quarter (%)	End of Quarter (%)	Benchmark (%)	Ranges (%)			Relative (%)
Global High Alpha Equity	635,125	652,442	11.6	12.4	10.5	5.5	-	15.5	+1.9
Global Sustainable Equity	589,576	565,170	10.8	10.7	10.5	5.5	-	15.5	+0.2
Paris-Aligned Equity*	1,346,330	1,342,923	24.7	25.5	20.5	12.5	-	28.5	+5.0
Diversified Returns Fund	339,865	346,912	6.2	6.6	6.0	3	-	9	+0.6
Fund of Hedge Funds**	22,335	24,174	0.4	0.5	-	No set range			+0.5
Multi-Asset Credit	310,208	316,209	5.7	6.0	6.0	3	-	9	+0.0
Property	332,948	328,138	6.1	6.2	7.0	No set range			-0.8
Secured Income	543,334	546,652	10.0	10.4	9.0	No set range			+1.4
Core Infrastructure	314,803	325,290	5.8	6.2	4.0	No set range			+2.2
Renewable Infrastructure	168,655	175,333	3.1	3.3	5.0	No set range			-1.7
Private Debt	158,685	180,756	2.9	3.4	4.5	No set range			-1.1
Local / Social Impact	-	-	-	-	3.0	No set range			-3.0
Corporate Bonds	163,667	165,443	3.0	3.1	2.0	No set range			+1.1
LDI & Equity Protection	1,023,496	900,673	18.8	17.1	12.0	No set range			+5.1
*Synthetic Equity Offset**	-733,621	-728,850	*-13.4*	*-13.8*	-	-			-
Other***	239,340	127,087	4.4	2.4	-	0	-	5	+2.4
Total	**5,454,760**	**5,268,365**	**100.0**	**100.0**	**100.0**				

Source: Custodian, Investment Managers, Mercer. Red numbers indicate the allocation is outside of tolerance ranges.
Totals may not sum due to rounding.
*Paris-Aligned includes synthetic exposure via the BlackRock QIF; Synthetic Equity Offset reflects an offsetting value to account for the difference between the exposure to equity markets and the actual mark to market value of the holding.
**Mandate due to be terminated.
***Valuation includes internal cash, the ETF and currency instruments.

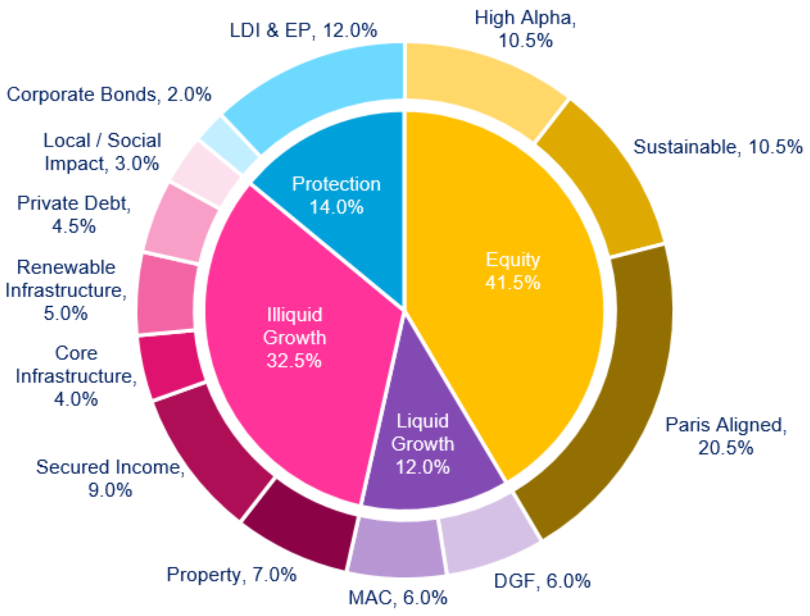
Valuation by Manager

Manager	Asset Class	Start of Quarter (£'000)	Cashflows (£'000)	End of Quarter (£'000)	Start of Quarter (%)	End of Quarter (%)
Brunel	Global High Alpha Equity	621,442		617,895	11.4	11.7
Brunel	Global Sustainable Equity	589,576		565,170	10.8	10.7
Brunel	Passive Global Equity Paris Aligned	612,709	-12	614,073	11.2	11.7
BlackRock	MSCI Paris-Aligned (Synthetic)*	733,621		728,850	13.4	13.8
Brunel	Diversified Returns Fund	339,865		346,912	6.2	6.6
JP Morgan	Fund of Hedge Funds	22,335		24,174	0.4	0.5
Brunel	Multi-Asset Credit	310,208		316,209	5.7	6.0
Brunel	UK Property	181,693	-45	182,581	3.3	3.5
Schroders	UK Property	12,750	-34	12,738	0.2	0.2
Partners	Overseas Property	138,506	-367	132,819	2.5	2.5
Brunel	Secured Income – Cycle 1	319,833	-2,923	308,645	5.9	5.9
Brunel	Secured Income – Cycle 2	109,972	-2,690	105,805	2.0	2.0
Brunel	Secured Income – Cycle 3	113,528	19,802	132,202	2.1	2.5
IFM	Core Infrastructure	314,803		325,290	5.8	6.2
Brunel	Renewable Infrastructure – Cycle 1	102,773	758	107,496	1.9	2.0
Brunel	Renewable Infrastructure – Cycle 2	58,427	816	60,038	1.1	1.1
Brunel	Renewable Infrastructure – Cycle 3	7,456	407	7,799	0.1	0.1
Brunel	Private Debt – Cycle 2	138,568	9,030	154,272	2.5	2.9
Brunel	Private Debt – Cycle 3	20,117	5,483	26,485	0.4	0.5
BlackRock	Corporate Bonds	163,667		165,443	3.0	3.1
BlackRock	LDI & Equity Protection	1,023,496		900,673	18.8	17.1
BlackRock	*Synthetic Equity Offset**	-733,621		-728,850	-13.4	-13.8
Record	Currency Hedging (incl. collateral)	70,650		36,142	1.3	0.7
BlackRock	ETF	125,687	-65,000	59,927	2.3	1.1
Internal Cash	Cash	55,925	7,586	64,792	1.0	1.2
Total		**5,454,760**	**-27,190**	**5,268,365**	100.0	100.0

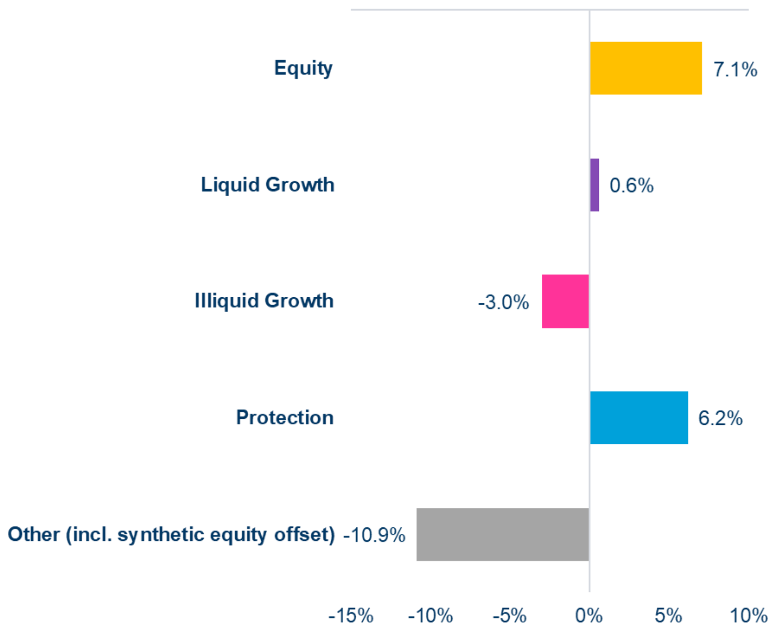
Source: Investment Managers, Mercer. Totals may not sum due to rounding.
The cashflow column shows only the cash movements within the asset portfolio. It does not include non-investment cash movements such as employer contributions or pension payments made, however these amounts are included in the 'Internal Cash' start and end balance to reflect the asset value position of the total Fund. * MSCI Paris-Aligned synthetic exposure is via the BlackRock QIF; Synthetic Equity Offset reflects an offsetting value to account for the difference between the exposure to equity markets and the actual mark to market value of the holding.

Positioning relative to target

Strategic Asset Allocation (“SAA”)



Relative positioning



Commentary

- The Plan last updated its Strategic Asset Allocation as part of the 2023 Investment Strategy Review.
  - Action was taken at the end of Q3 to begin to allocate to the new 3% target allocation to the Local/Social Impact portfolio, with a £55m commitment to the Schroders Greencoat Wessex Gardens strategy, which aims to invest in renewable infrastructure assets and adjacent technologies in the South West region.
- The right hand side chart displays the actual relative weights of the key portfolio building blocks compared to the SAA:
  - The overweight to Equity reflects relative outperformance to other parts of the portfolio over the past year.
  - The underweight to Illiquid Growth reflects the fact that capital is yet to be drawn down to the new allocation to a Local / Social Impact portfolio. The other parts of this sub portfolio are in line with the target in aggregate.
  - The overweight to Protection reflects the collateral boost provided by the synthesising of some of the Equity allocation; meaning that in practice an overweight to this building block is likely persist and is unlikely to trigger any consideration for action, which would continue to be driven more specifically by collateral adequacy requirements.

Appendix

Q3 2023 Equity Market Review

In the US, equities were broadly negative, the rally in the so-called magnificent seven (e.g. Nvidia & Microsoft) slowed. The hawkish US Fed announcement had an adverse impact on US equities. Within equities, emerging markets outperformed developed markets but still generated negative returns on an absolute basis. Energy was the best-performing sector last quarter.

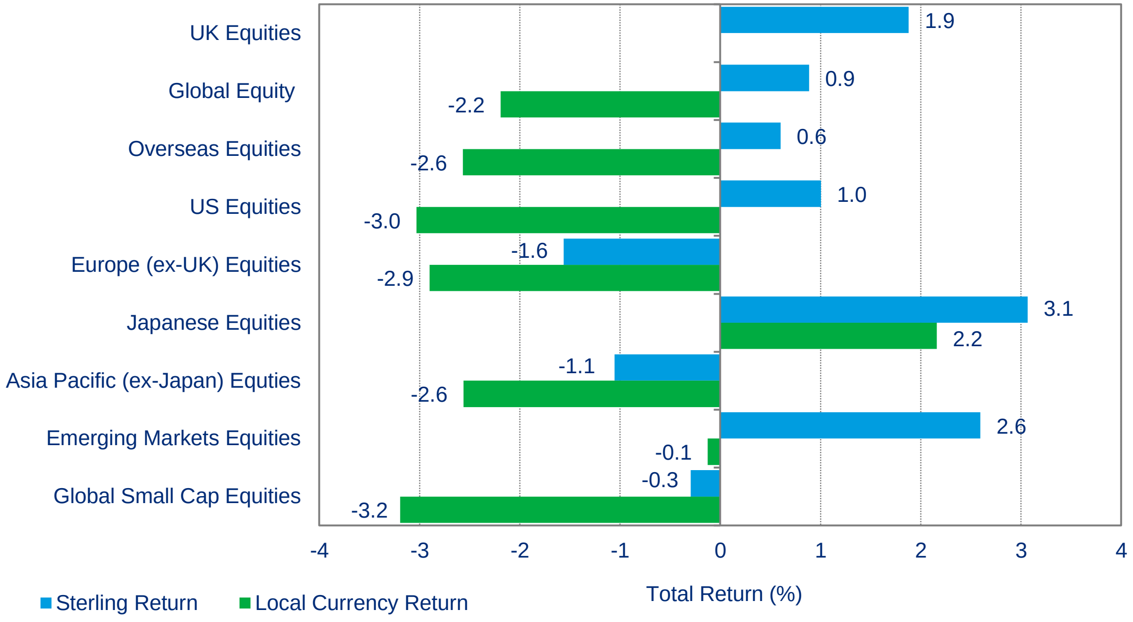
Global equities returned 0.9% in sterling terms and -2.2% in local currency terms as the dollar appreciated versus sterling.

US equities returned -3.0% in local currency terms, whilst European (ex-UK) equities returns -2.9%, and Japanese equities returned 2.2%.

Emerging markets ('EM') equities returned -0.1% in local terms.

Global small cap stocks returned -3.2% in local terms. Small-cap equities were negative as more cyclical assets underperformed during the quarter.

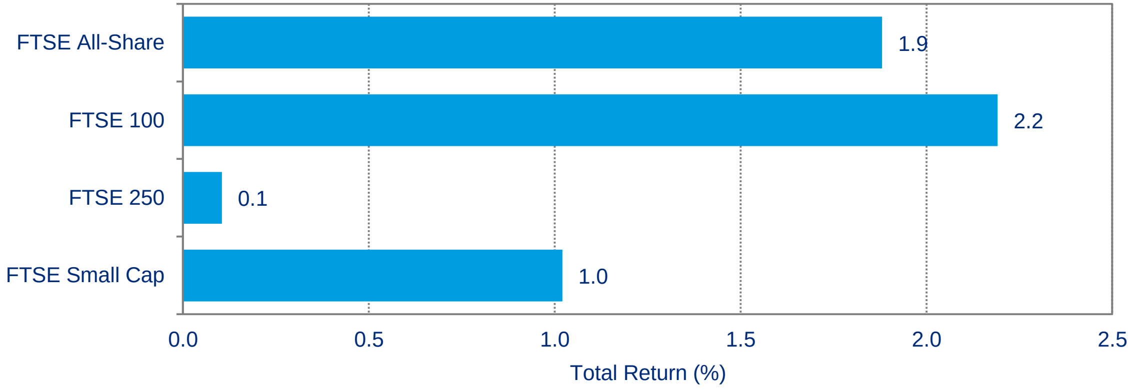
Equity Performance



The **FTSE All Share** index returned 1.9% over the quarter with the large cap **FTSE 100** index returning 2.2%. More domestically focused, equities (**FTSE 250**) produced positive returns. The **small cap** index produced a positive 1.0% return.

Strong performance in the basic materials and energy sectors supported the UK performance relative to global equities.

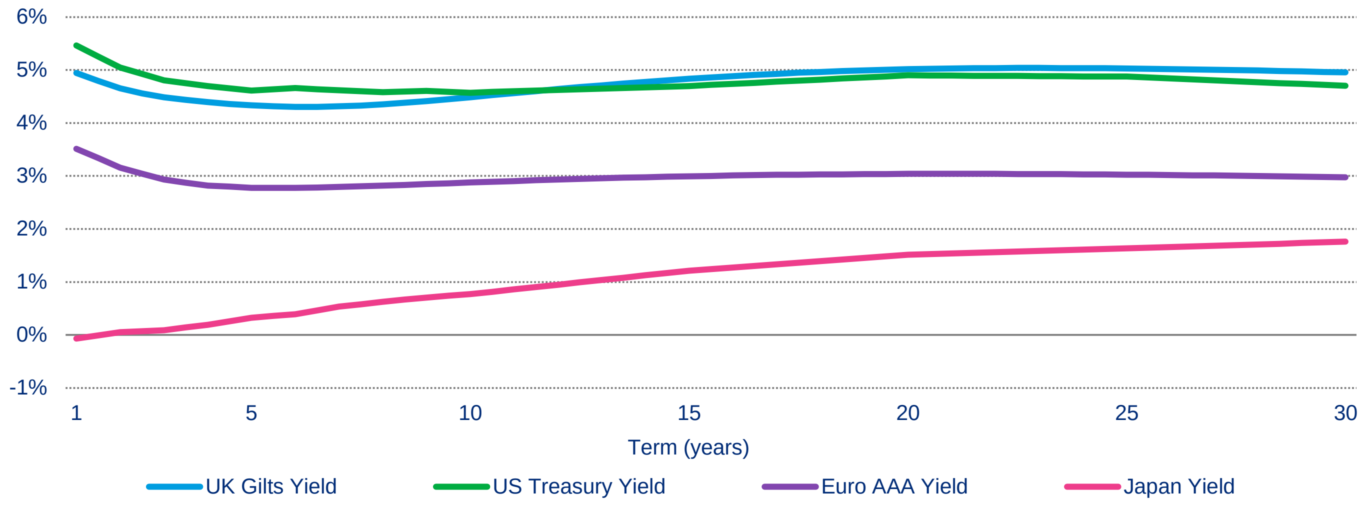
FTSE Performance by Market Cap



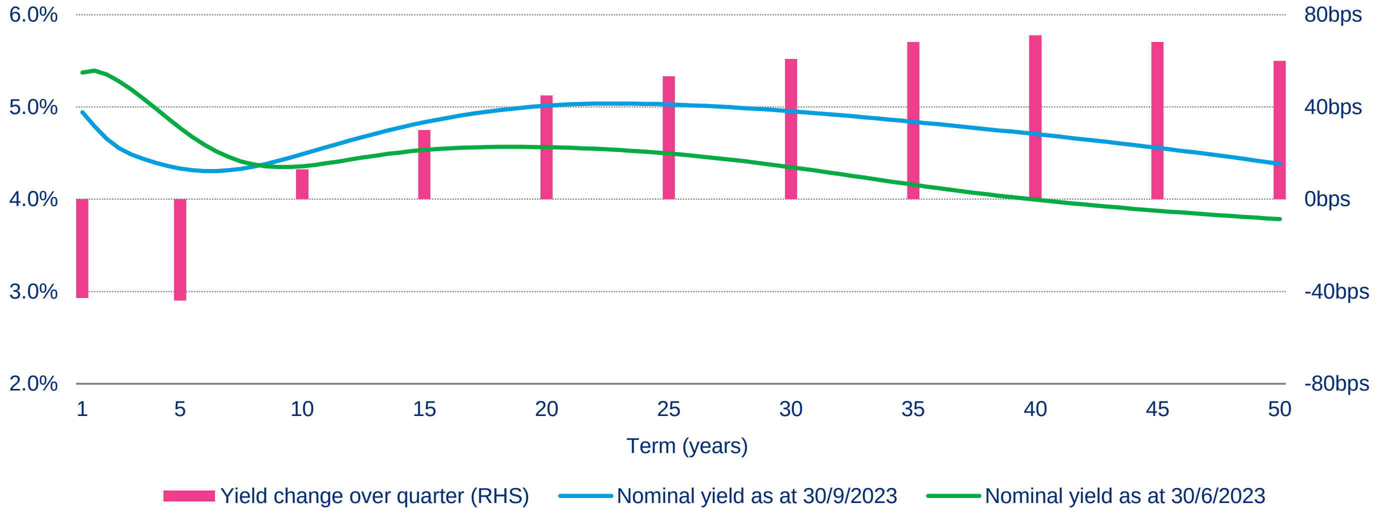
Mercer

Source: Refinitiv

Q3 2023 Bond Market Review



Source: Mercer and Bloomberg



Source: Mercer

Government Bond Yields

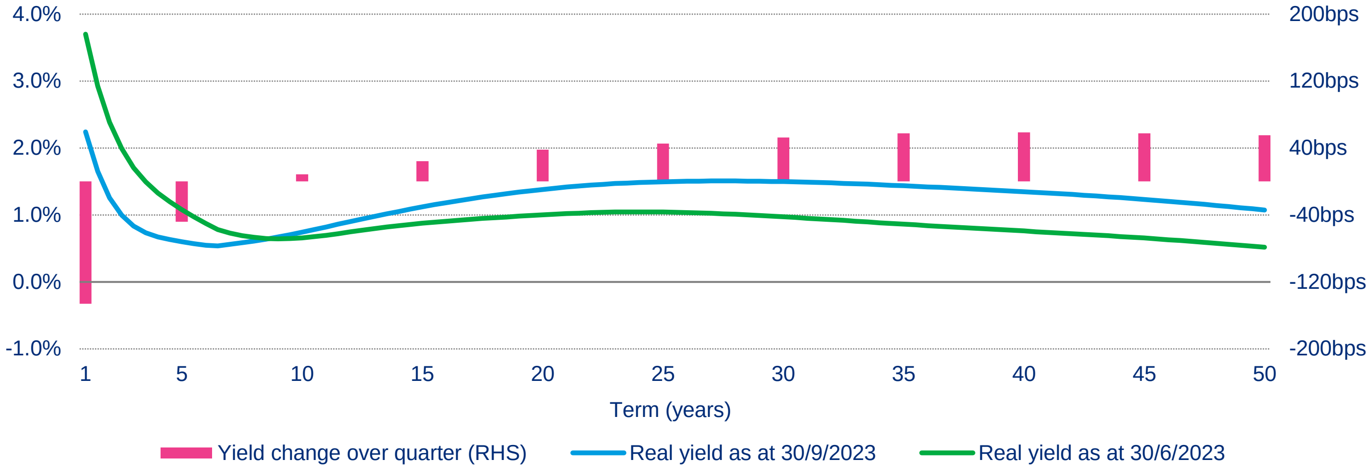
10-year global government bond yields rose sharply over the quarter. Across developed markets, curves steepened after prolonged flattening since the start of the central banks' policy tightening. In the UK, short-dated gilts were volatile and fell sharply post lower than expected inflation numbers and the BoE's dovish hikes. Intra quarter UK yields surpassed the levels witnessed during the gilt crisis in September 2022 but finished the quarter around 4.5%.

Unlike the UK, in the US most of the steepening was driven by the long end of the curve. 2-year yields in the UK fell by 30bps while in the US it rose by 25bps. 20-year yields rose by around 50bps in the UK and 100bps in the US.

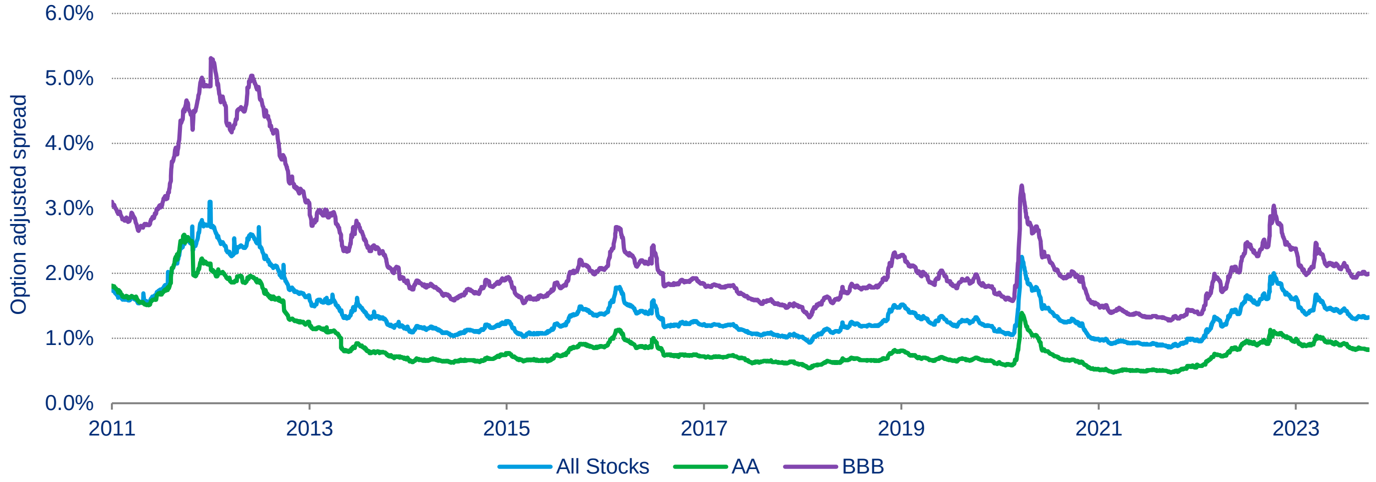
Both the Federal Reserve and the Bank of England raised interest rates just once over the quarter.

The German 10-year yield rose by c.50bps. The European Central Bank raised rates twice over the quarter and signaled that it is close to the peak of rate hike cycle and now leaning more towards leaving rates on hold for a long period to bring inflation back to target rather than continuing to hike rates further. Most of the rise in yields took place in September due to spill over from the US.

Q3 2023 Bond Market Review



Source: Mercer



Source: Refinitv

UK Index-Linked Gilt Yields

UK real yields rose most in the long end of the curve, led by spillover effect from the US real yields move. UK inflation remains considerably above target. Real yields, for all maturities remain in positive territory. Market based measures of inflation expectations, in the form of breakeven inflation were flat over the quarter. The UK 10-year breakeven rate finished the quarter at ~3.85%. Market based measures of inflation expectations for the US rose over the quarter.

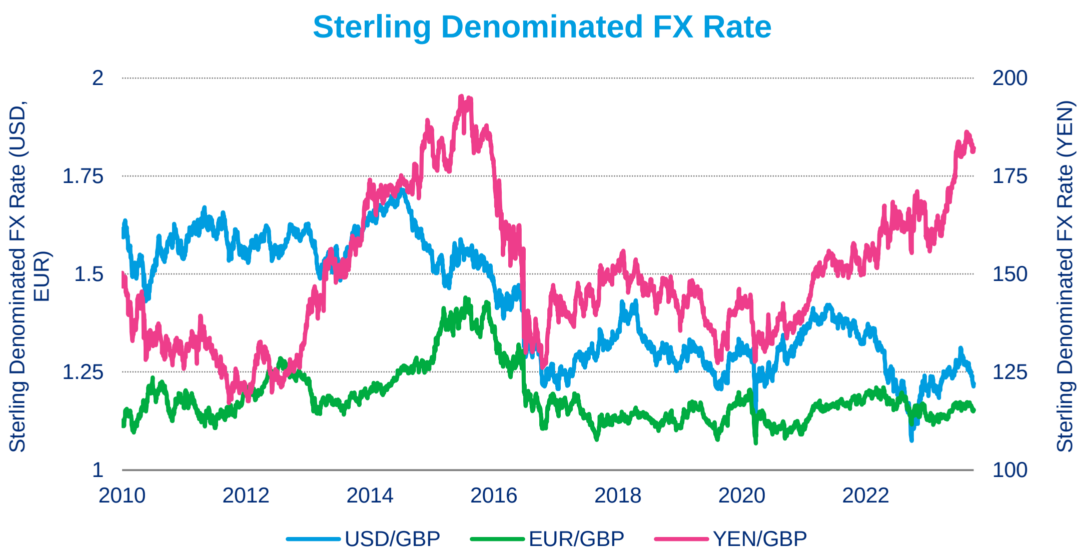
Corporate bonds

Spreads on UK investment grade credit tightened marginally over the quarter, with spreads on lower rated credit tightening more than for higher rated credit. UK credit outperformed equivalent duration government bonds.

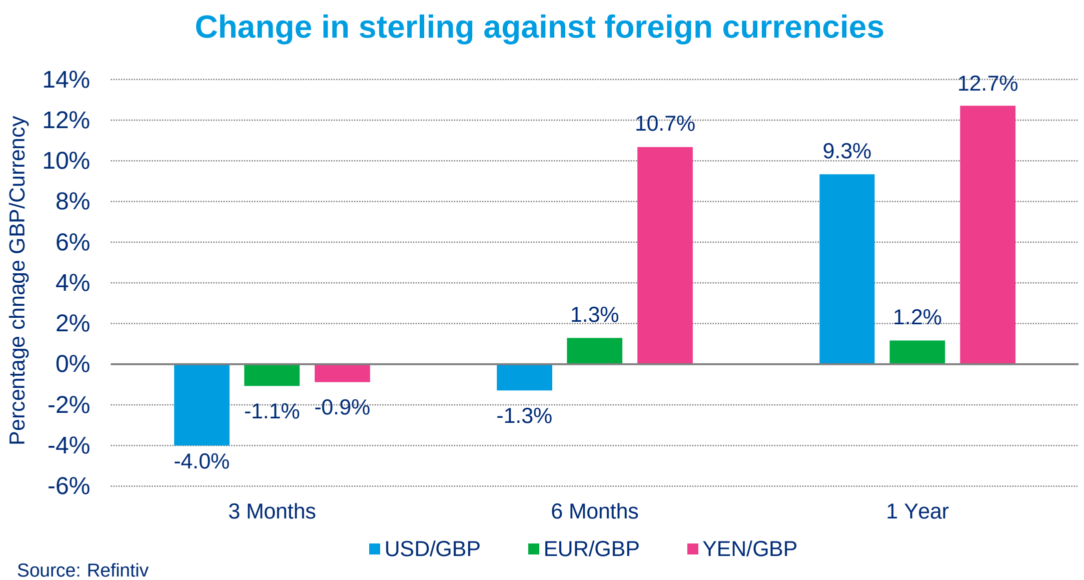
Q3 2023 Currency Market Review

Sterling's performance over the quarter was negative, depreciating versus the US dollar, euro and against yen. While the weakness was more prominent against the dollar and euro versus yen, Sterling weakness against the dollar was driven by a combination of a strong US dollar, stagflation risks in the UK, a surprise hold by the BoE in September and lower than expected hawkishness in the August meeting.

On a 12-months basis, sterling has appreciated considerably versus US dollar and yen but marginally versus euro.



Source: Refinitiv



Source: Refintiv

Q3 2023 Property

UK property as measured by the MSCI Index decreased by 0.2% over the quarter.

Summary of Mandates

Manager	Mandate	Benchmark/Target	Outperformance Target (p.a.)	Inception Date
BlackRock	Passive Paris-Aligned Equity (Synthetic Exposure)	MSCI Paris-Aligned Benchmark	-	May 2023
Brunel	Global High Alpha Equity	MSCI World	+2-3%	November 2019
Brunel	Global Sustainable Equity	MSCI AC World	+2%	September 2020
Brunel	Passive Global Equity Paris Aligned	FTSE Developed World PAB Index	-	October 2021
Brunel	Diversified Returns Fund	SONIA +3-5% p.a.	-	July 2020
Brunel	Multi-Asset Credit	SONIA +4-5% p.a.	-	June 2021
Brunel	UK Property	MSCI/AREF UK Quarterly Property Fund Index	-	January 2021
Partners	Overseas Property	Net IRR of 10% p.a. (local currency)	-	September 2009
Brunel	Secured Income (Cycles 1-3)	CPI	+2%	January 2019
IFM	Core Infrastructure	SONIA +5% p.a.	-	April 2016
Brunel	Renewable Infrastructure (Cycles 1-3)*	CPI	+4%	January 2019
Brunel	Private Debt (Cycles 2-3)	SONIA + 4% p.a.	-	September 2021
BlackRock	Buy-and-Maintain Corporate Bonds	Return on bonds held	-	February 2016
BlackRock	Matching (Liability Driven Investing)	Return on liabilities being hedged	-	February 2016
Record	Passive Currency Hedging	N/A	-	March 2016
BlackRock	Exchange-Traded Fund (ETF)	Bespoke benchmark to reflect total Fund allocation	-	March 2019
Cash	Internally Managed	-	-	-

* The primary performance objective of this mandate is a Net IRR of 8% p.a. (GBP). Its inflation-plus benchmark is used by the custodian due to a greater ability to incorporate and the objective has value over the relative short-term, however, over time, comparison against the IRR objective will become more relevant.

Market Background Indices

Asset Class	Index
UK Equity	FTSE All-Share
Global Equity	FTSE All-World
Overseas Equity	FTSE World ex-UK
US Equity	FTSE USA
Europe (ex-UK) Equity	FTSE World Europe ex-UK
Japanese Equity	FTSE Japan
Asia Pacific (ex-Japan) Equity	FTSE World Asia Pacific ex-Japan
Emerging Markets Equity	FTSE Emerging
Global Small Cap Equity	MSCI World Small Cap
Hedge Funds	HFRX Global Hedge Fund
High Yield Bonds	ICE BofAML Global High Yield
Emerging Market Debt	JP Morgan GBI EM Diversified Composite
Property	MSCI UK Monthly Total Return: All Property
Commodities	S&P GSCI
Over 15 Year Gilts	FTA UK Gilts 15+ year
Sterling Non Gilts	ICE BofAML Sterling Non Gilts
Over 5 Year Index-Linked Gilts	FTA UK Index Linked Gilts 5+ year
Global Bonds	ICE BofAML Global Broad Market
Global Credit	Bloomberg Capital Global Credit
Eurozone Government Bonds	ICE BofAML EMU Direct Government
Cash	SONIA

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