HEALTH WEALTH CAREER

LONDON BOROUGH OF HARINGEY PENSION FUND

INVESTMENT STRATEGY REVIEW

August 2015

Steve Turner
Partner

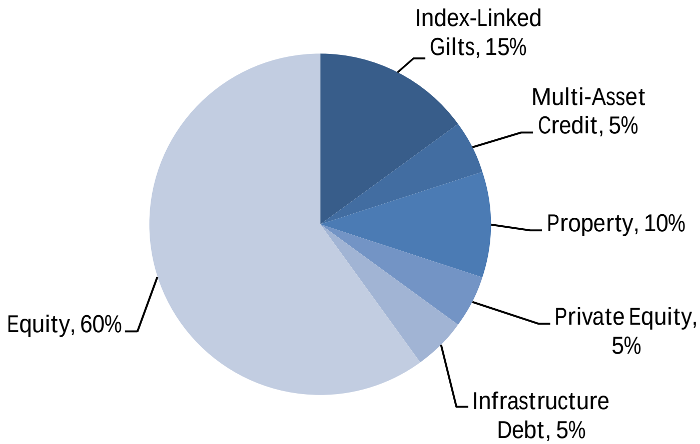
AGENDA

- Introduction and objectives
- Current Investment Policy
- Results of strategic modelling
- Implementation Considerations
- Asset Class Summaries
- Conclusion and Next Steps

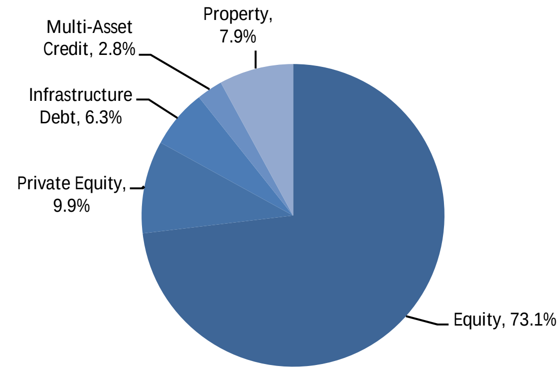
INTRODUCTION AND OBJECTIVES

CURRENT INVESTMENT STRATEGY

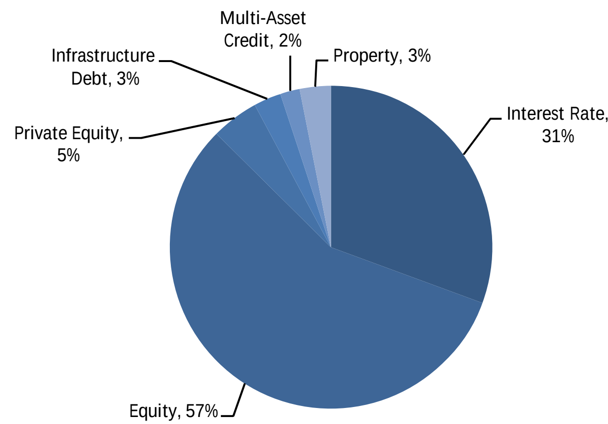
Asset Portfolio (Benchmark Weights)



Contribution to Expected Return vs liabilities of 3.6%



Contribution to Expected Risk vs liabilities of 12.8%



	Current Investment Strategy
Expected Return vs liabilities*	3.6
Expected Risk (volatility) vs liabilities*	12.8
Risk/Return Ratio	0.28
Hedge Ratio	19% of assets

* Where liabilities are assessed on a least risk gilts basis. Figures may not sum due to rounding

The Fund is currently heavily reliant on the equity risk premium to generate investment return.

EQUITY PORTFOLIO

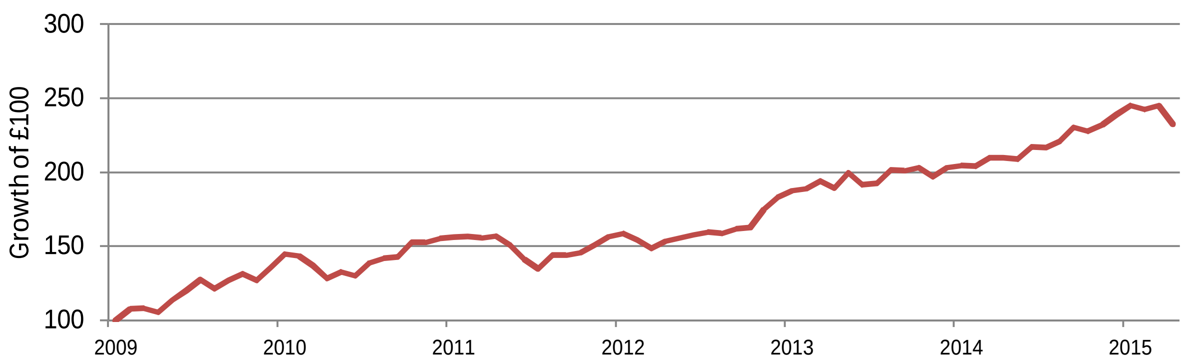
Current position & role

- Equities account for c. 60% of total invested assets
- **Return seeking role**: contributes c. 70% of the Fund's total excess expected return
- **Significant proportion of Fund's risk:** contributes c. 60% of the Fund's total expected risk

Market background

Mercer Dynamic Asset Allocation view = "Neutral", having been downgraded from "Attractive" in Q2 2015

Equity markets have returned over 130% since the end of March 2009



Source: Databank. MSCI World.

Strategic rationale for change

- In our view, developed market equities are now more fully priced, and forward looking returns from equity market 'beta' are expected to be lower than experienced over recent years.
- The Fund is highly reliant on the equity risk premium to generate return.
- We believe the Fund should consider a switch of up to 10% of assets from equities, with the proceeds to be invested in a number of possible asset classes to provide further diversification and more stable expected returns.

PARAMETERS OF THIS REVIEW

We have agreed with Officers of the Fund and the Independent Advisor to consider the impact on the Fund's expected risk and return of disinvesting either 5% or 10% of the Fund's equity portfolio, with the proceeds being invested into a number of possible asset classes:

Asset Class	Role in the Portfolio
Unleveraged Index-Linked Gilts	• Help reduce risk relative to the liabilities (liability matching asset) • However, this will also reduce expected return. Is this acceptable?
Idiosyncratic Diversified Growth Fund	• Less reliant on traditional market returns • Exposure to dynamic asset allocation and specific trade ideas, hence diversification
Multi-Asset Credit	• To generate returns using a diversified and dynamic approach in growth fixed income markets
High Lease to Value ("HLV") Property	• Diversify sources of return, with relatively secure long term income • Long leases that can provide some inflation protection
Residential Property	• Alternative risk/return characteristics to core property mandate managed by CBRE
Private Debt	• Harvest illiquidity premium and credit risk premium

RESULTS

RESULTS – 5% ALLOCATION

5% switch from equities to:	Overall expected return over liabilities* (%)	Overall expected risk relative to liabilities* (%)	Expected return/risk ratio
Index-Linked Gilts	3.4	11.9	0.29
Idiosyncratic DGF	3.6	12.3	0.30
Multi-Asset Credit	3.5	12.3	0.29
HLV Property	3.5	12.1	0.29
Residential Property	3.5	12.3	0.29
Private Debt	3.6	12.2	0.30
Current	**3.6**	**12.8**	**0.28**

Figures may not sum due to rounding. *Risk (volatility) and Return figures are for the total portfolio, relative to the Fund's liabilities assessed on a least risk gilts flat basis, including a 5% switch from equities into the stated asset class.

- A 5% transition from equities to any of the asset classes under consideration is expected to result in an improvement in the risk-adjusted return of the Fund.
- Index-linked gilts are the best match for the Fund's liabilities, and result in the biggest reduction in risk. However, this comes at the expense of expected return.
- Higher risk-adjusted returns can be achieved by investing in illiquid assets (particularly private debt) to capture the 'illiquidity premium'.
- However, it takes time to deploy capital in most illiquid assets. We believe the initial focus should be reducing equity risk and on diversifying the investment policy within the next few months.
- A 5% switch into an idiosyncratic DGF would provide an attractive expected risk-adjusted return, and the assets could be deployed relatively quickly compared with less liquid alternatives.

The expected returns under each of these potential investment policies are consistently higher than the actuarial assumption of gilts + 1.6%

RESULTS – 10% ALLOCATION

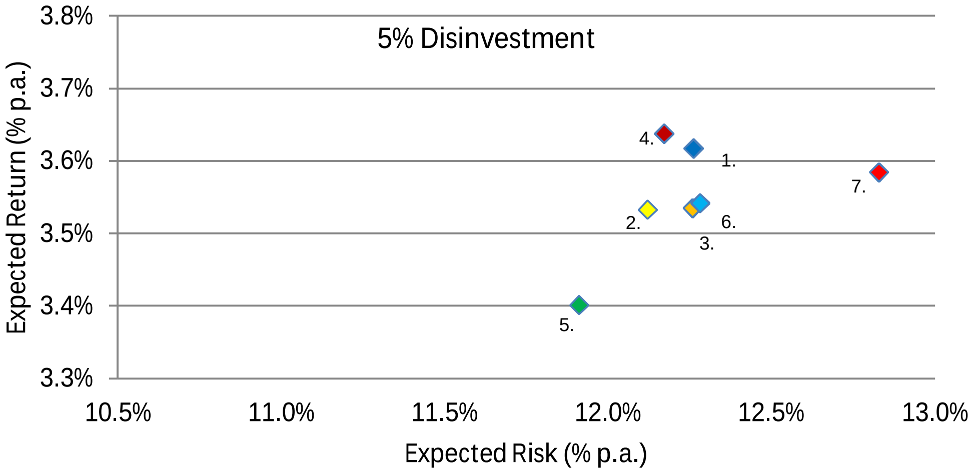
10% switch from equities to:	Expected Return (%)*	Expected Risk (%)*	Return/Risk Ratio
Idiosyncratic DGF	3.6	11.7	0.31
Index-Linked Gilts	3.2	11.0	0.29
HLV Property	3.4	11.4	0.30
Private Debt	3.7	11.6	0.32
Multi-Asset Credit	3.5	11.7	0.30
Residential Property	3.5	11.8	0.30
5% Index-Linked Gilts, 5% Idiosyncratic DGF	3.4	11.3	0.30
5% HLV Property, 5% Idiosyncratic DGF	3.5	11.6	0.31
5% Private Debt, 5% Idiosyncratic DGF	3.6	11.6	0.31
5% Multi-Asset Credit, 5% Idiosyncratic DGF	3.5	11.7	0.30
5% Residential Property, 5% Idiosyncratic DGF	3.6	11.7	0.30
Current	**3.6**	**12.8**	**0.28**

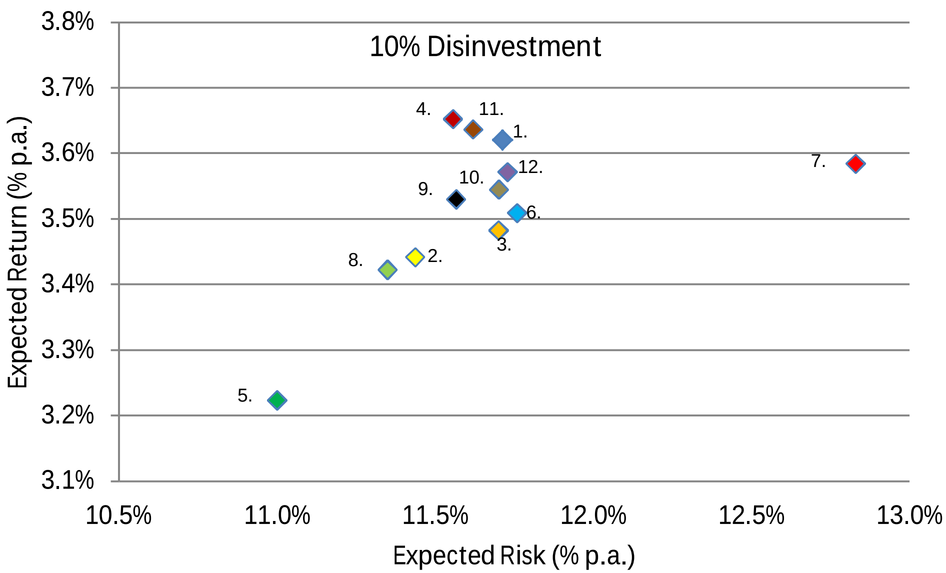
Figures may not sum due to rounding. *Risk (volatility) and Return figures are for the total portfolio, relative to the Fund's liabilities assessed on a least risk gilts flat basis, including a 10% switch from equities into the stated asset class(es)

- A 10% transition from equities to any of the asset classes under consideration results in an improvement in the expected risk-adjusted return of the Fund. Again, a switch to index-linked gilts results in the greatest risk reduction.
- As with a 5% allocation, the higher risk-adjusted returns can be achieved by investing in illiquid assets (particularly private debt). However, we believe the initial focus should be reducing equity risk and diversifying the investment policy within the next few months.
- We propose a 10% disinvestment from equities is considered, as this offers greater potential to improve diversification and the expected risk-adjusted return of the Fund compared with a 5% switch. The growth portfolio will still retain a strong bias towards equities, even after a 10% disinvestment.
- An allocation to idiosyncratic DGF would result in an attractive expected risk-adjusted return, and would allow capital to be deployed more quickly than less liquid asset classes, achieving the objective of “banking” equity gains. .

The expected returns of these potential investment policies are consistently higher than the actuarial assumption of gilts + 1.6%

RESULTS





Generally, a 10% switch from equities offers superior strategic benefits in terms of expected risk-adjusted return.

Index-linked gilts offer the greatest level of risk reduction, but this comes at the expense of expected return.

There are strong qualitative and quantitative reasons to support consideration of an allocation to idiosyncratic DGFs.

We set out implementation considerations for each asset class in the next section.

Key:

1. Idiosyncratic DGF
2. HLV Property
3. Multi-Asset Credit
4. Private Debt
5. Index Linked Gilts
6. Residential Property
7. Current
8. Idiosyncratic DGF/Index-Linked Gilts
9. Idiosyncratic DGF/HLV Property
10. Idiosyncratic DGF/Multi-Asset Credit
11. Idiosyncratic DGF/Private Debt
12. Idiosyncratic DGF/Residential Property

IMPLEMENTATION CONSIDERATIONS

IMPLEMENTATION CONSIDERATIONS

Asset Class	Timescale and liquidity	Cost of Investment	Estimated Fees (% p.a.)	Other
Unleveraged Index-Linked Gilts	No liquidity constraints; L&G funds are weekly dealt	Small spread may be incurred on investment	3bps	Real yields are near historic lows. We prefer leveraged index-linked gilts to hedge interest rate risk.
Idiosyncratic Diversified Growth Fund	No liquidity constraints; most funds are daily dealt	Most funds are single priced, and hence no explicit cost of investment	50-75bps	No ‘timing’ concerns; not wholly reliant on equity or other markets to generate returns
Multi-Asset Credit	CQS (and most managers) are monthly dealt	Potential for Anti-Dilution Levy based on fund flows	60-75bps	Low duration, so timing concerns less than other fixed income mandates. Use CQS or complementary manager?
High Lease to Value (“HLV”) Property	Funds are typically drawn down over a period of 6-12 months	Initial charge of c. 5% of assets levied to cover transaction costs (e.g. Stamp Duty)	40-75bps	Little or no crossover with the current core property mandate managed by CBRE.
Residential Property	Can take a number of years for income to flow back	Initial charge of c. 5% of assets levied to cover transaction costs (e.g. Stamp Duty)	>100bps	Currently no crossover with the current core property mandate managed by CBRE.
Private Debt	Funds are typically drawn down over a period of 12-24 months	No initial cost of investment as funds are drawn down over time	50-150bps	‘Reinvestment risk’ as capital is returned throughout the investment period. Consider type of private debt and manager availability.

IMPLEMENTATION CONSIDERATIONS

Priority One: Diversify investment policy to reduce reliance on equity risk premium by making immediate changes (within 6 months) via liquid and immediately available asset classes

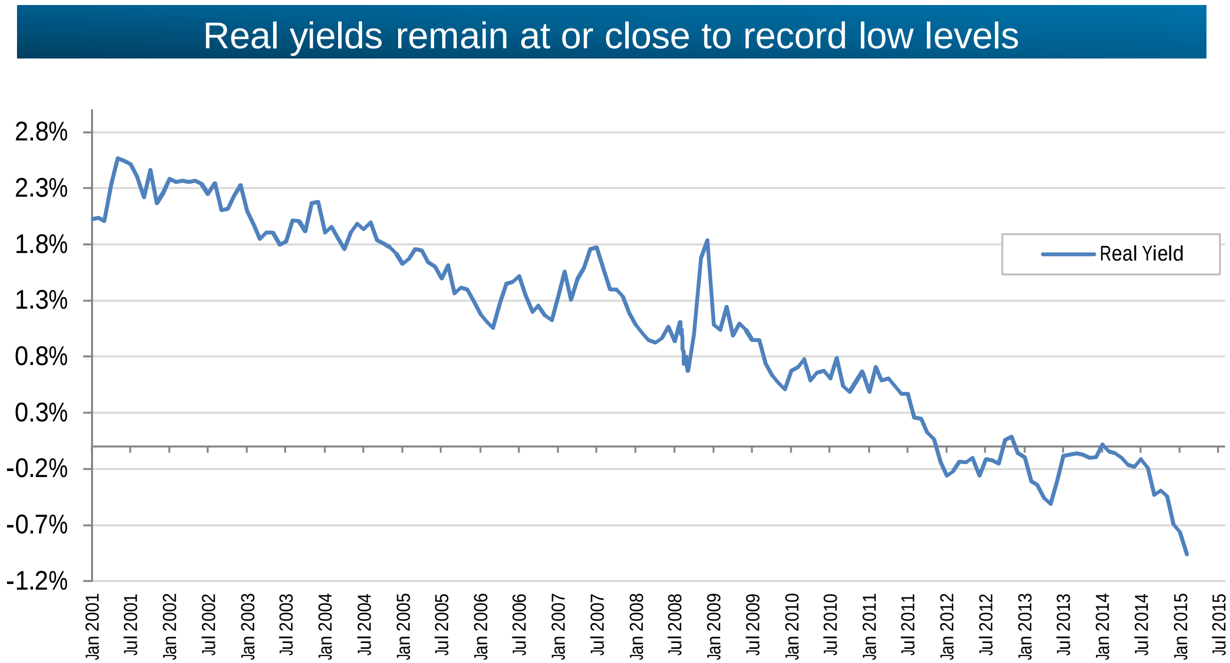
Asset Class	Comments
Unleveraged Index-Linked Gilts	• Although we believe leveraged index-linked gilts are more attractive for hedging interest rate risk, consideration of increasing liability hedging should be a priority for the Fund
Idiosyncratic Diversified Growth Fund	• Strong diversification benefits as less reliance on traditional market returns (i.e. beta) • Can be implemented quickly – most funds are daily dealt – and no timing concerns
Multi-Asset Credit	• No particular timing concerns, and can be implemented relatively quickly • Would suggest considering a manager selection exercise to select a complementary manager to the current CQS mandate

Priority Two: Once the reliance on the equity risk premium has been addressed, assess longer-term opportunities to capture ‘illiquidity premium’. Assets could be “parked” in a liquid asset class (e.g. idiosyncratic DGF) and drawn down over time.

Asset Class	Comments
High Lease to Value (“HLV”) Property	• Provides relatively secure long-term income, with some inflation linkage
Residential Property	• Alternative risk/return characteristics to core property mandate managed by CBRE
Private Debt	• Offers attractive expected risk-adjusted returns due to illiquidity premium, but also an element of reinvestment risk

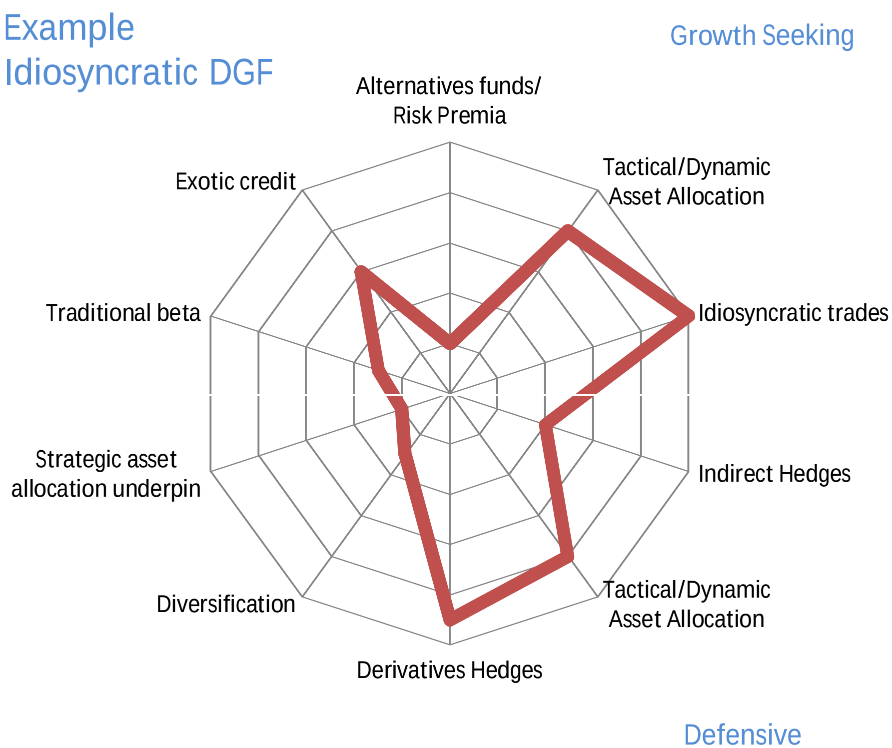
ASSET CLASS OVERVIEWS

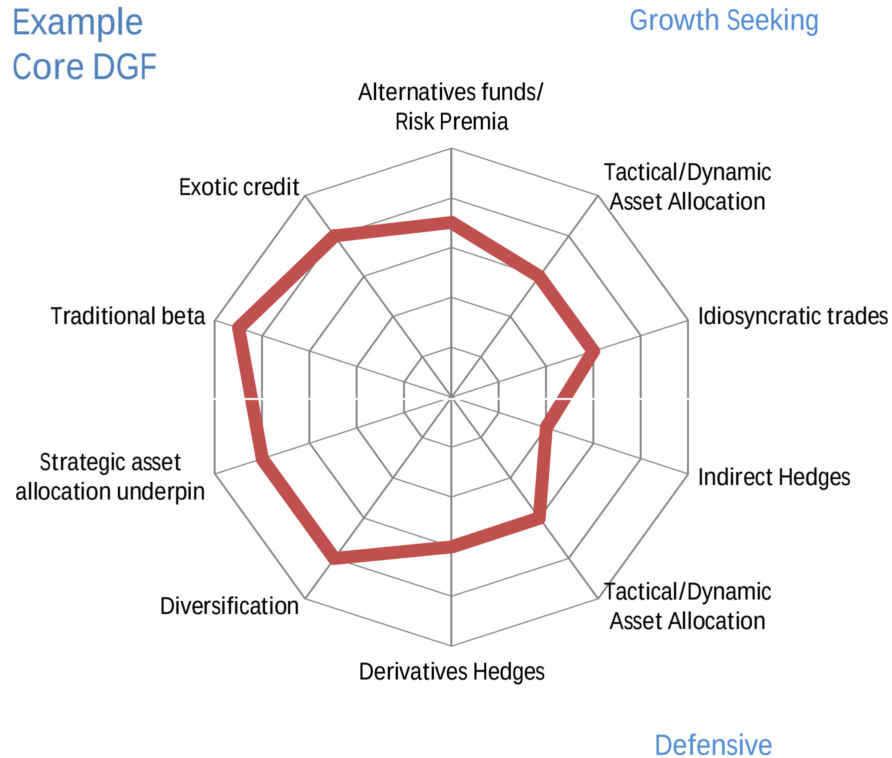
INDEX-LINKED GILTS



- We have a relative preference for index-linked bonds over fixed interest bonds given the nature of the liabilities is predominantly inflation-linked, and the macroeconomic backdrop which could see medium-term inflation pressures.
- However, physical index-linked gilts are not as capital efficient in terms of liability hedging/risk reduction. Leveraged index-linked gilts are more capital efficient, and we continue to believe the Fund would benefit from an allocation.

IDIOSYNCRATIC DGF – TYPICAL CHARACTERISTICS





DGFs typically target equity-like returns but with lower risk (often between 1/3 to 2/3 of equity risk).

Idiosyncratic DGFs have stronger biases to the right hand side of the "spider webs". They are multi-asset strategies with a predominantly long bias, with emphasis on dynamic asset allocation and idiosyncratic trade ideas. Should provide more downside protection and lower volatility compared with 'core' diversified growth funds.

MULTI-ASSET CREDIT

Multi-Asset Credit

Returns driven by **beta** allocation **plus alpha** from bond selection & beta rotation

Target Return: cash + 4 – 6%
Expected volatility: 5 – 10%

Sub-investment grade focus

Low interest rate sensitivity

Monthly or weekly liquidity

Flexibility to move to cash and/or implemented hedges and in some cases shorting

Broad opportunity set
high yield debt, bank loans, securitised debt, distressed debt, emerging markets bonds & convertible bonds

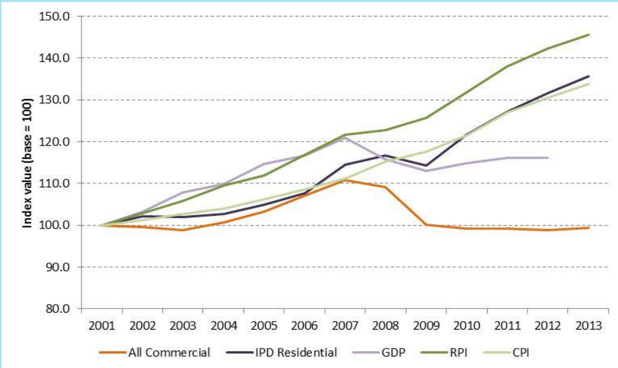
Utilisation of less liquid assets

HIGH LEASE TO VALUE (HLV) PROPERTY

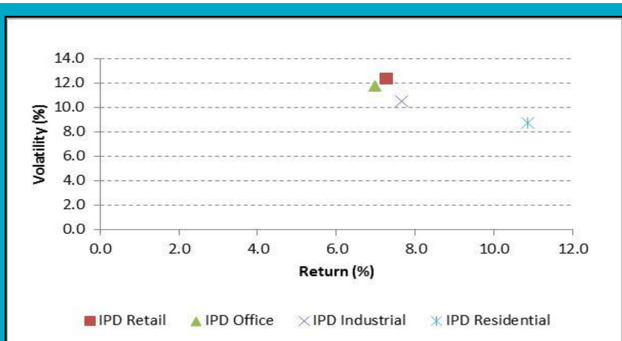
- Focus on income, not refurbishment potential or capital gains
- Long leases with upward, often inflation-linked, rental growth
  - Ideally over 20 years of the lease outstanding
  - unusual to have leases under 15 years outstanding
- High tenant quality
  - Government
  - High quality corporates (e.g. large supermarkets)

- Secure, long-term, predictable cashflows
  - Long leases and high tenant quality mean most of the return comes from income
  - Less exposure to property market capital fluctuations than in other sectors of the property market
- Not as secure as gilts, but still a defensive/lower risk investment if held to “maturity” (for at least the term of the lease)
- Funds should have sensible limits on single corporate tenant exposures and geographical exposures

RESIDENTIAL PROPERTY



- Rental growth for Residential Property has shown inflation-hedging characteristics
- More resilient than commercial sectors (despite shorter leases)
- Inflation linkage is inherently driven by market dynamics, not by lease structure

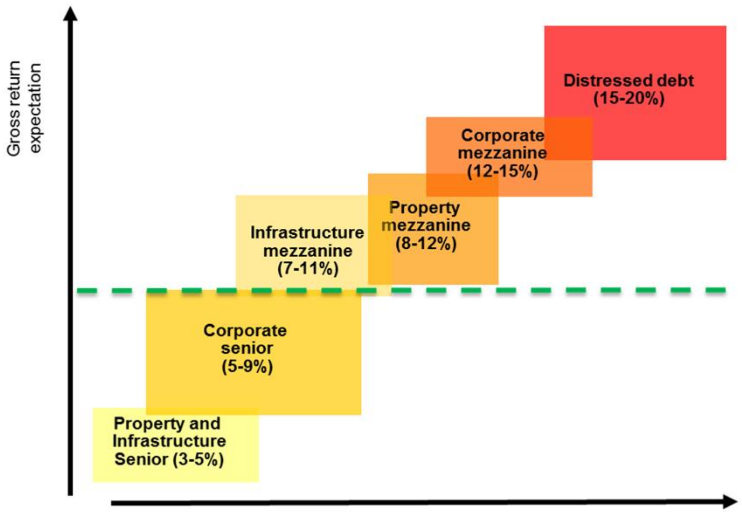


- Lower yielding but provides stable income
- Short leases offset by strong supply/demand imbalance
- Weak correlation to other sectors as less linked to economic activity
- Superior risk-adjusted returns over the past ten years than other property sub-sectors

Summary:

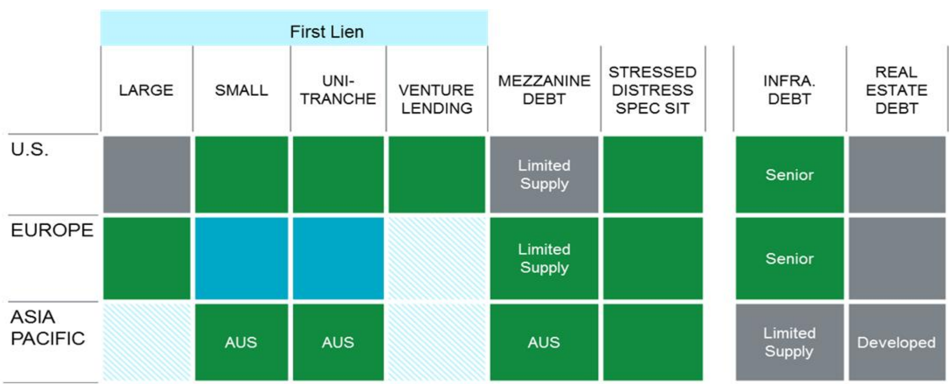
- Strong underlying fundamentals should ensure that despite the short leases, occupancy should remain high (for the right assets) and rental increases should be steady as well as having an inherent link to inflation.
- Residential property has seen prolonged rental growth and more stable income than commercial sectors, and we feel that yield levels are relatively attractive at present.

PRIVATE DEBT



Source: Mercer

Figures in brackets are return expectations



Very Unattractive Unattractive Neutral Attractive Very Attractive

Return Profile

- Return potential can vary significantly from 3% - 15+% depending on risk characteristics
- Strategies usually have absolute return targets

Other Key Information

- Key risks: illiquidity, credit risk, sourcing (adequate access to deal flow), due diligence and high level of research required
- The Fund currently has exposure to Private Debt through the Infrastructure Debt mandate managed by Allianz. The Fund would need to determine which area of Private Debt would be most suitable for an investment.
- The chart on the left shows our latest ‘private markets heatmap’ as at 30 June 2015, noting which areas of private debt we believe are most attractive.

CONCLUSION AND NEXT STEPS

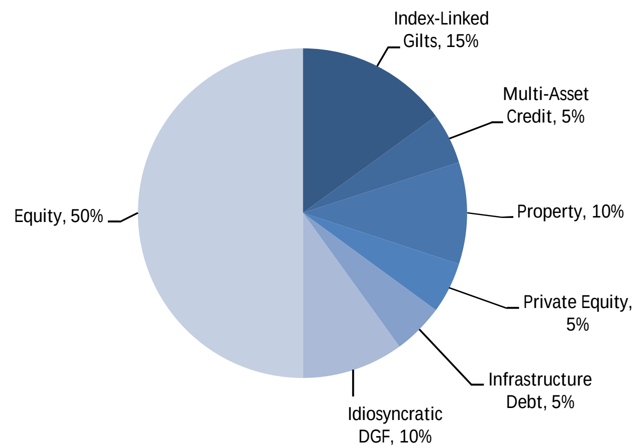
STRAWMAN PROPOSALS – PROPOSAL ONE

Proposal One: 10% Idiosyncratic DGF

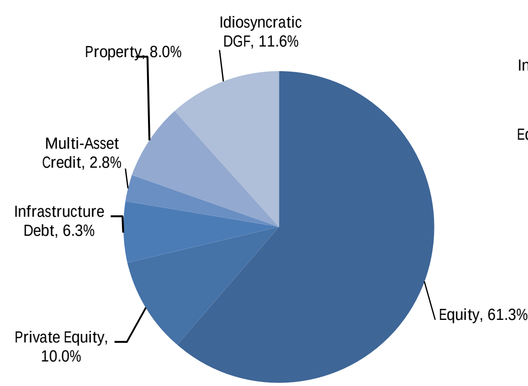
Rationale:
- Sources of return are differentiated from traditional ‘beta’
- Should provide an element of downside protection in a period of market stress
- Additive to current investment strategy, and can be implemented quickly
- Expected to improve Return/Risk ratio from 0.28 to 0.31 (c.11% improvement).

Implementation Considerations:
- No timing considerations as not reliant on performance of equity or other markets to generate returns
- Importance of manager selection; individual manager risk may be higher than ‘core’ diversified growth.

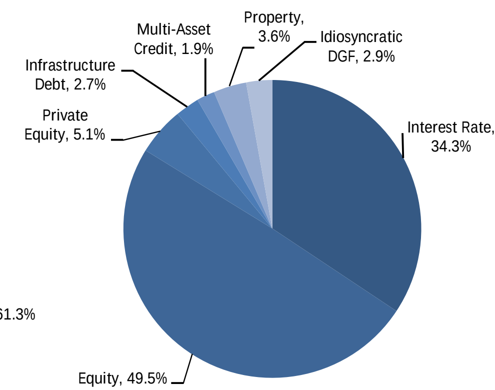
Asset Portfolio (Benchmark Weights)



Contribution to Expected Return vs liabilities of 3.6%

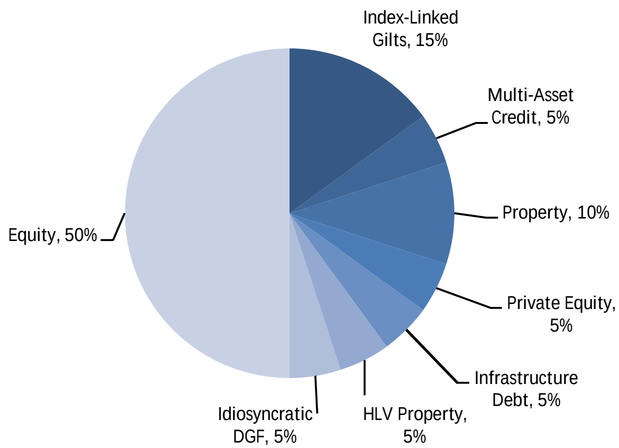


Contribution to Expected Risk vs liabilities of 11.7%

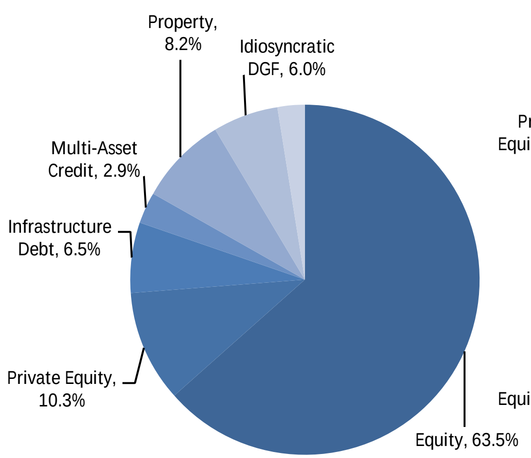


STRAWMAN PROPOSALS – PROPOSAL TWO

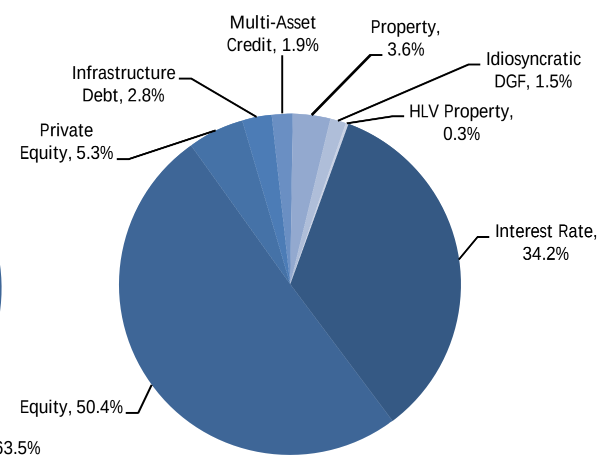
Asset Portfolio (Benchmark Weights)



Contribution to Expected Return vs liabilities of 3.5%



Contribution to Expected Risk vs liabilities of 11.6%



Proposal Two: 5% Idiosyncratic DGF, 5% HLV Property

Rationale:

- HLV generates attractive yield but also provides secure long-term income
- Some inflation protection is possible
- Strong diversification benefits when combined with Idiosyncratic DGF
- Expected to improve Return/Risk ratio from 0.28 to 0.31 (a c.9% improvement).

Implementation Considerations:

- Funds can be put to work with an Idiosyncratic DGF manager immediately, but will be ‘called down’ by the HLV manager
- Assets allocated to an HLV mandate could be ‘parked’ with the Idiosyncratic DGF manager until they are called.

CONCLUSION AND NEXT STEPS

- We believe that making a 10% disinvestment from equities would be strategically beneficial for the Fund; we believe equity markets appear close to fully priced and prospective returns from equity ‘beta’ will be lower than experienced in recent years. The proceeds could be invested in a number of different assets classes (or combination of asset classes).

- The more attractive expected risk-adjusted returns can be achieved by locking up capital for a long period of time, therefore capturing the ‘illiquidity premium’. Opportunities exist in asset classes such as private debt and residential property.

- We believe the key areas of consideration are the timescale for implementation and to invest the disinvestment proceeds, the cost of investment and ongoing investment management costs, and the positive strategic impact on the Fund’s investment policy.

- Therefore, we believe the first priority for the Fund should be to reduce the reliance on the equity risk premium as soon as practically possible, and we would be supportive of a 10% investment in an idiosyncratic DGF fund.

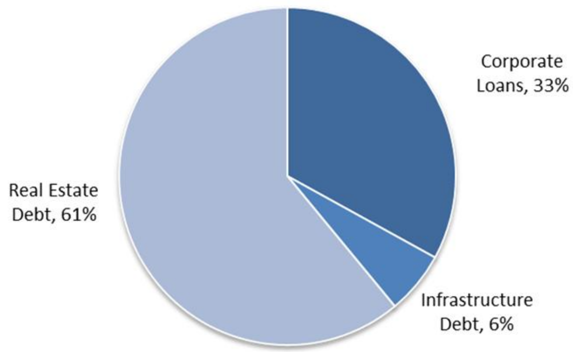
- Alternatively, the Fund could make a 5% investment in an idiosyncratic DGF and a 5% allocation to HLV Property, which we believe offers attractive strategic characteristics (e.g. long term secure income with some inflation linkage). Any proposed investment in HLV property could be ‘parked’ in an idiosyncratic growth fund whilst being called for investment.

- We would be happy to undertake further training on any of the asset classes included in this presentation.

APPENDIX

PRIVATE DEBT
A DIVERSE ASSET CLASS

Market structure



Source: Mercer

Credit Profile

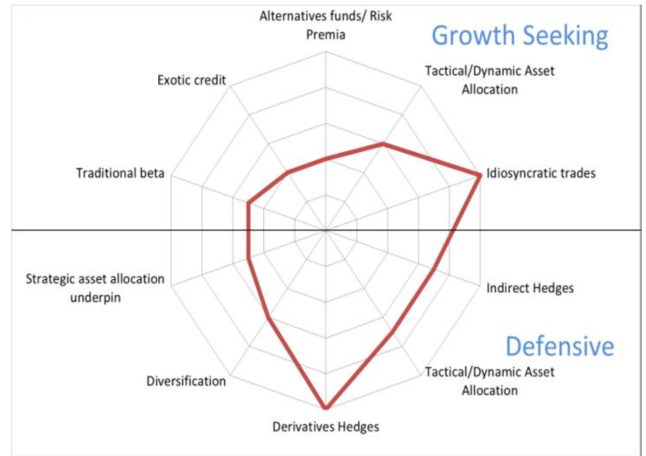
- Credit ratings will vary depending on the class and issuer of debt
- Issuers may be investment grade but on the whole the private debt market is sub-investment grade and on par with high yield but with higher expected returns given the illiquidity

Private Debt	
Return Expectation	Cash plus 8% (net of fees)
Primary Focus	Junior/Mezzanine

Senior Private Debt	
Return Expectation	Cash plus 1 - 3% (net of fees)
Primary Focus	Senior

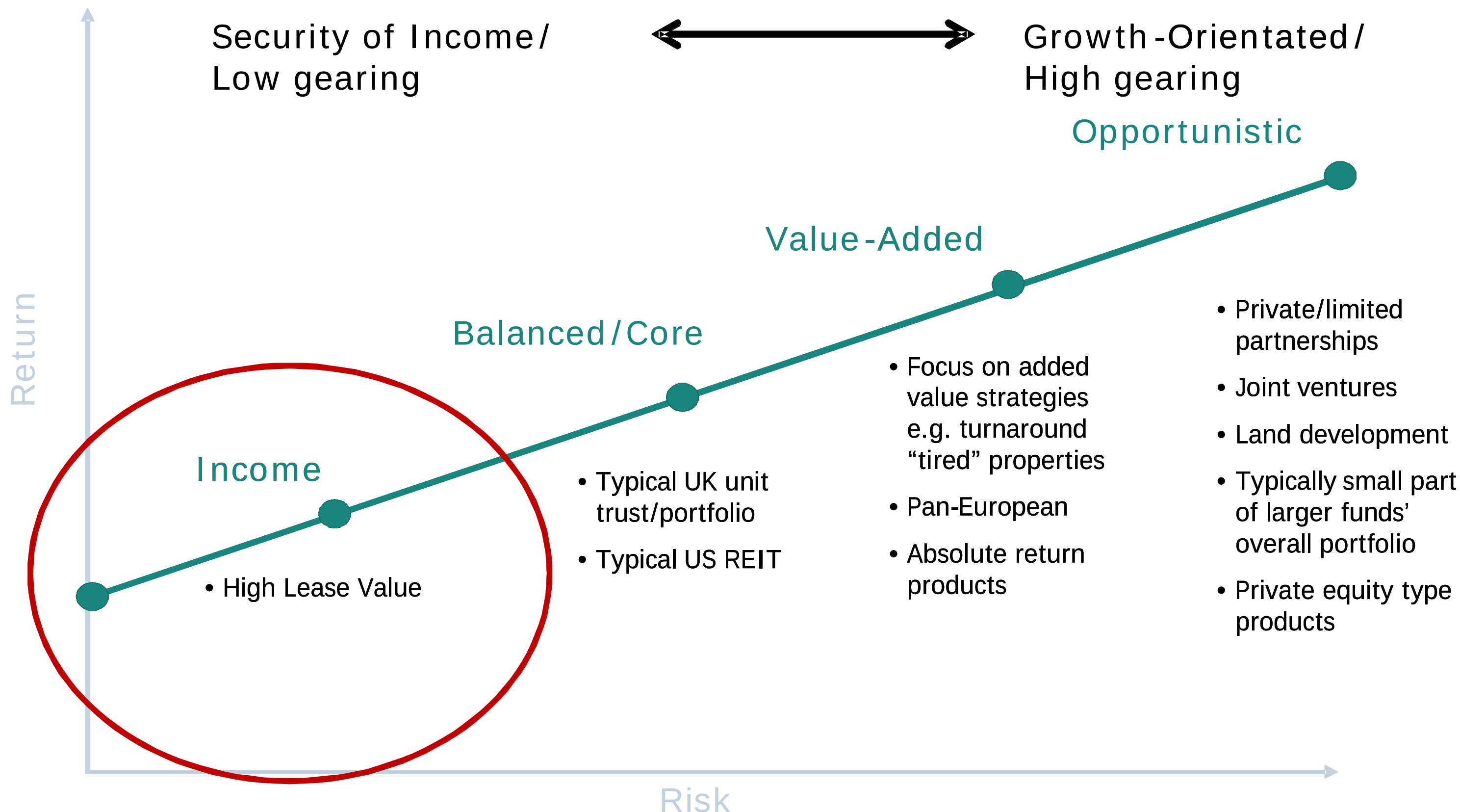
IDIOSYNCRATIC DIVERSIFIED GROWTH FUND
SAMPLE CHARACTERISTICS

Investment thesis	The strategy consists of 20-30 individual trade ideas each with a 2-3 year investment horizon. The portfolio is structured using in-house funds, direct stock and bond investments, and significant use of derivatives. Trades can be in any asset class (and some ideas will span asset classes), with frequent use of derivatives to enable them to isolate specific opportunities.
Expected return	3 month Sterling LIBOR plus 5% on a rolling 3-year annualised basis (gross of fees)
Expected volatility	Less than half global equity volatility (measured by MSCI World) over a rolling 3-year period
Standard fee rate	0.7% p.a.
Liquidity	Daily dealing
Use of derivatives and leverage	Significant use of derivatives to achieve the preferred risk reward profile for each trade and to enable them to isolate specific opportunities. The fund's own measure of economic leverage (please note that this is not financial leverage and is different to the regulatory definition of leverage) will generally be somewhere between 100% and 350%.



HLV PROPERTY
LOW RISK, INCOME ORIENTED

- Lower end of property risk/return spectrum.
- Focus on properties with stable income component, long contracted lease agreements and high quality tenant.



MULTI-ASSET CREDIT
IMPORTANCE OF ASSET ALLOCATION

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EM HC Sov 10.25	US HY CCC (Distressed) 18.60	EM LC Sov 18.11	EM LC Sov -5.22	US HY CCC (Distressed) 96.79	US HY CCC (Distressed) 18.42	EM HC Sov 7.35	European HY 27.45	Global CB 18.18	EM HC Sov 7.43
European HY 6.80	Global CB 17.94	Global CB 11.26	Global Corporates -8.63	European HY 76.35	EM LC Sov 15.68	ABS 6.95	US HY CCC (Distressed) 20.27	US HY CCC (Distressed) 12.96	European HY 5.35
EM LC Sov 6.27	EM LC Sov 15.22	Global Corporates 6.73	EM HC Sov -12.03	Loans 51.62	European HY 14.72	US HY BB-B 5.43	EM HC Sov 17.44	European HY 10.05	US HY BB-B 3.47
Loans 5.06	US HY BB-B 10.68	ABS 6.43	ABS -14.78	Multi-Asset 46.79	US HY BB-B 14.50	Global Corporates 4.32	EM LC Sov 16.76	US HY BB-B 6.31	Global Corporates 3.15
Multi-Asset 3.91	Multi-Asset 9.98	EM HC Sov 6.16	US HY BB-B -23.71	US HY BB-B 46.14	EM HC Sov 12.24	Multi-Asset 2.18	US HY BB-B 14.71	Multi-Asset 5.65	ABS 2.19
US HY BB-B 3.33	EM HC Sov 9.86	Multi-Asset 3.71	Multi-Asset -23.81	Global CB 41.37	Multi-Asset 12.00	Loans 1.51	Multi-Asset 13.84	Loans 5.34	Multi-Asset 1.93
Global CB 0.06	ABS 9.50	US HY BB-B 2.72	Loans -29.05	EM HC Sov 29.82	Global CB 11.76	US HY CCC (Distressed) -1.40	Global CB 13.30	ABS 1.37	Global CB 1.71
US HY CCC (Distressed) -0.56	European HY 8.90	Loans 2.08	Global CB -31.67	EM LC Sov 21.98	Loans 10.13	EM LC Sov -1.75	Global Corporates 11.18	Global Corporates 0.35	Loans 1.60
ABS -1.51	Global Corporates 7.23	US HY CCC (Distressed) 0.42	European HY -33.53	ABS 21.27	ABS 6.35	European HY -2.55	Loans 9.60	EM HC Sov -5.25	US HY CCC (Distressed) -2.57
Global Corporates -3.56	Loans 6.74	European HY -2.09	US HY CCC (Distressed) -38.30	Global Corporates 19.18	Global Corporates 5.83	Global CB -7.03	ABS 8.58	EM LC Sov -8.98	EM LC Sov -5.72

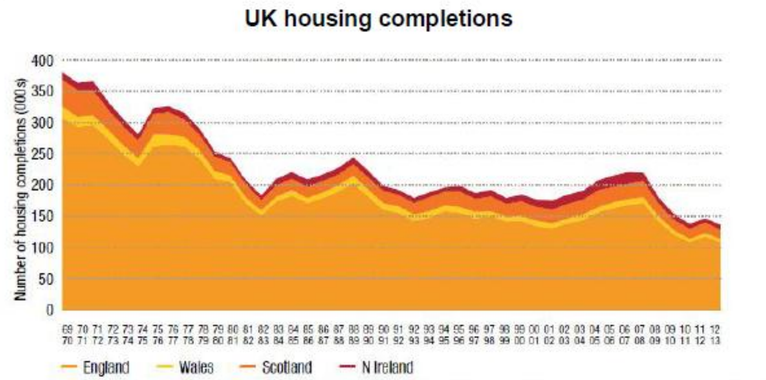
EM LC Sov: JP Morgan GBI EM GD, EM HC Sov: JP Morgan EMBI GD, European HY: BofA Merrill Lynch European High Yield, US HY BB-B:BofA Merrill Lynch US High Yield BB-B, US HY CCC (Distressed):BofA Merrill Lynch US High Yield CCC, Global Corporates:Barclays Global Aggregate Corporate, ABS:Barclays Global Aggregate Securitized Asset Backed, Loans:S&P Leverage Loans, Global CB:UBS Global Convertibles

Multi-Asset Credit: static allocations comprising: JP Morgan GBI EM GD 5%, JP Morgan EMBI GD 5%, BoA Merrill Lynch US High Yield BB-B 30%, BoA Merrill Lynch European High Yield 10%, BoA Merrill Lynch US High Yield CCC 5%, , Barclays Global Aggregate Securitized Asset Backed 7.5%, S&P Leverage Loans 27.5%, Citigroup US 6 month T-Bill 5%, UBS Global Convertibles 5%

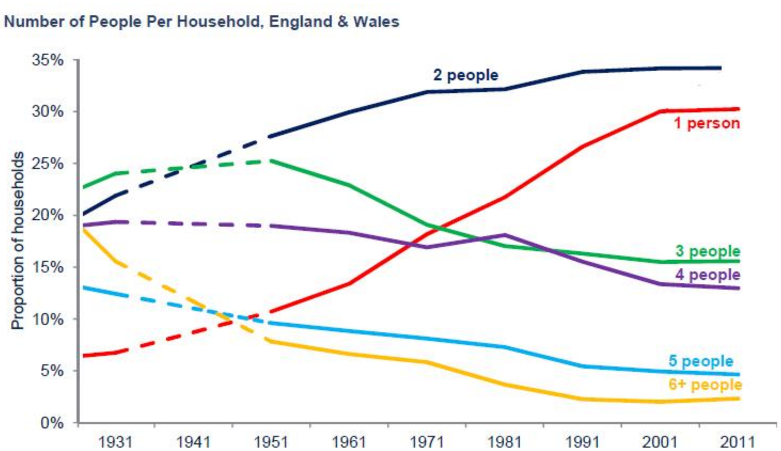
A diversified approach to sub-investment grade credit investing produces better risk-adjusted returns over the medium to long term than an allocation to any individual 'sleeve'

RESIDENTIAL PROPERTY
SUPPLY AND DEMAND DYNAMICS

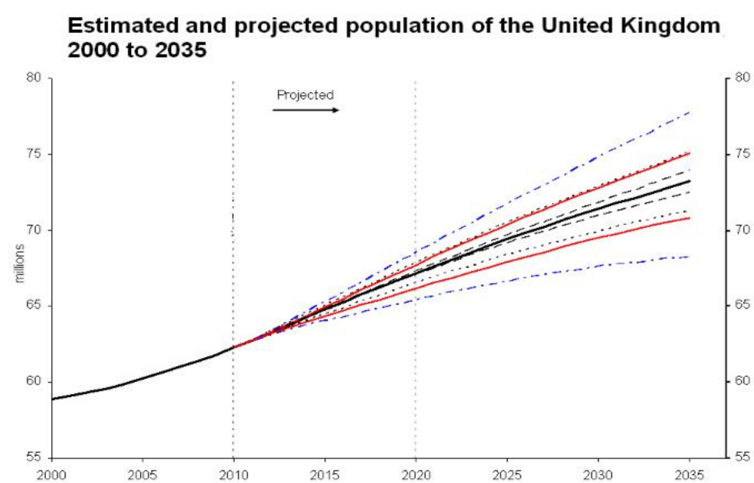
- Housing completions have been falling since the 1960’s
- The population has been growing (third fastest in Europe)
- People are living in different ways



Source: DCLG



Source: Savills



Source: ONS

CAPITAL MARKET ASSUMPTIONS

The table shows our central capital market assumptions for a 10 year period beginning 30 June 2015 (31 March values are shown for comparison).
It should be noted that:

- Asset class returns in the model are not normally distributed. So the 'mean variance' statistics in this paper do not fully define the return distribution.
- Expected returns and volatilities over time horizons other than 10 years will differ.
- Returns are shown relative to cash. In our model expected (Arithmetic Mean) cash returns will be equal to fixed interest gilt returns over any given holding period. The 10 year gilt spot yield at 30 June 2015 was 2.2% p.a. (1.7% p.a. at 31 March).

Changes over the quarter

This quarter, the gilt and sterling corporate bond volatilities have increased slightly, reflecting the increase in UK interest rate volatility over the course of the year. Expected returns for sterling corporate bonds have increased slightly due to credit spread widening over the quarter.

Asset Class	30/06/2015			31/03/2015		
	Excess return over cash		Absolute	Excess return over cash		Absolute
	Arithmetic Mean (% p.a.)	Median (% p.a.)	Standard deviation (% p.a.)	Arithmetic Mean (% p.a.)	Median (% p.a.)	Standard deviation (% p.a.)
Fixed interest gilts (all stocks)	-	-0.3	3.9	-	-0.2	3.8
Fixed interest gilts (>15 years)	-	-0.8	9.2	-	-0.6	8.6
Index-linked gilts (> 5 years)	-0.3	-0.8	8.7	-0.3	-0.8	8.4
Sterling non-gilts (all stocks)	0.9	0.8	3.8	0.8	0.7	3.6
Sterling non-gilts (>10 years)	0.9	0.4	6.3	0.7	0.4	6.0
Dev'd Global Equity (Hedged)	4.5	3.4	17.4	4.5	3.4	17.2
Emerging Market Equity	6.1	2.8	29.4	6.1	2.8	29.4
Small Cap Equity (Unhedged)	5.8	3.6	22.8	5.8	3.6	22.8
Defensive Equity (Hedged)	3.9	3.2	14.0	3.8	3.2	13.9
Conventional Property	3.0	2.0	14.8	3.0	1.9	14.6
High Lease-to-Value Property	1.8	1.5	8.2	1.8	1.5	8.1
Hedge Funds	2.3	2.1	8.2	2.3	2.1	8.1
High Yield Debt (Hedged)	2.6	2.3	9.3	2.6	2.3	9.3
Emerging Market Debt (LC)	3.4	2.2	13.7	3.3	2.1	13.5
Infrastructure Unlisted Equity	4.2	3.1	15.5	4.2	3.1	15.6
Private Debt	4.1	4.2	11.6	4.0	4.2	11.7
Private Equity	6.8	3.6	24.4	6.7	3.7	24.3

MAKE
TOMORROW,
TODAY

MERCER