

**WM PERFORMANCE SERVICES**  
A State Street Business

# **Performance Analysis Service**

**LONDON BOROUGH OF HARROW -  
TOTAL COMBINED  
ANNUAL PERFORMANCE REVIEW**

PERIODS TO END MARCH 2016

Produced 01 June 2016

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LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - L B Harrow Combined Unhedged Benchmark

Pound Sterling

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# UK Local Authority Fund Industry Results 2015/2016

PERFORMANCE SERVICES | MARKET ENVIRONMENT

## Local Authority Performance Overview

The average local authority pension fund return was just positive in 2015/16, the return being less than the income generated.

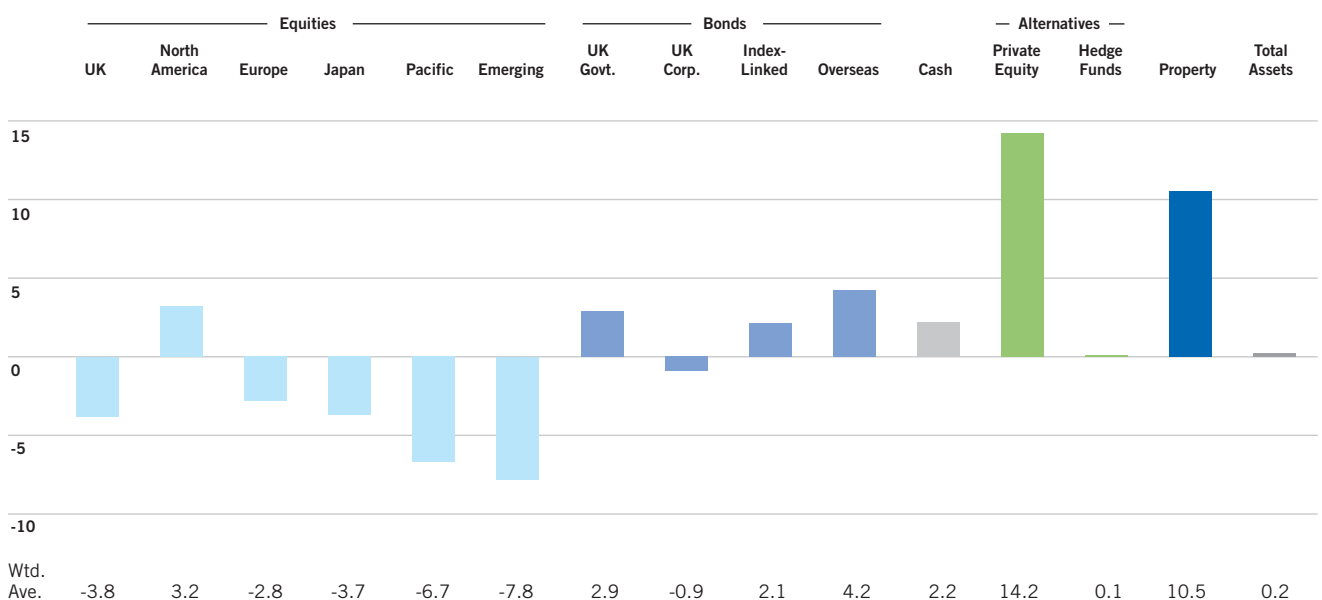
All equity markets, with the exception of North America, produced negative returns over the year. In spite of a surprise outright majority being returned in May's general election, domestic equities lost ground in the early part of the period. After rebounding to some extent in the December quarter, they ended the period down 4%, reflecting the high exposure to oil majors and commodities, which continued to suffer as oil prices fell.

In sterling terms, North America was the strongest performing of the major overseas markets returning 3%. In contrast, the poorest performing areas were the emerging and lesser Asia Pacific markets which gave up between 7 and 8%. Elsewhere, Europe lost 3% and Japan 4%. Currency had a major influence on international equity returns with the weakness of sterling insulating UK investors against much lower base currency returns.

After the double-digit returns of the previous year, bond performance was much more subdued with an aggregate return in low single figures. Yields fell at the outset of the year and by Christmas, returns were looking quite negative. Central government comments and risk version generally in the closing quarter however saw yields pick up. Long dated bonds produced the best of the returns whilst corporate issues were marginally down over the period. Index-Linked gilts returned 2% and overseas bonds 4%.

Alternative investments in aggregate enjoyed a good year, however fortune was mixed. Private equity returned 14%, whilst hedge fund performance was flat. Pooled multi-asset (diversified growth) investments had a disappointing year, returning -3%. Property continued its strong run, returning 11%.

### 2015/2016 Returns (%)



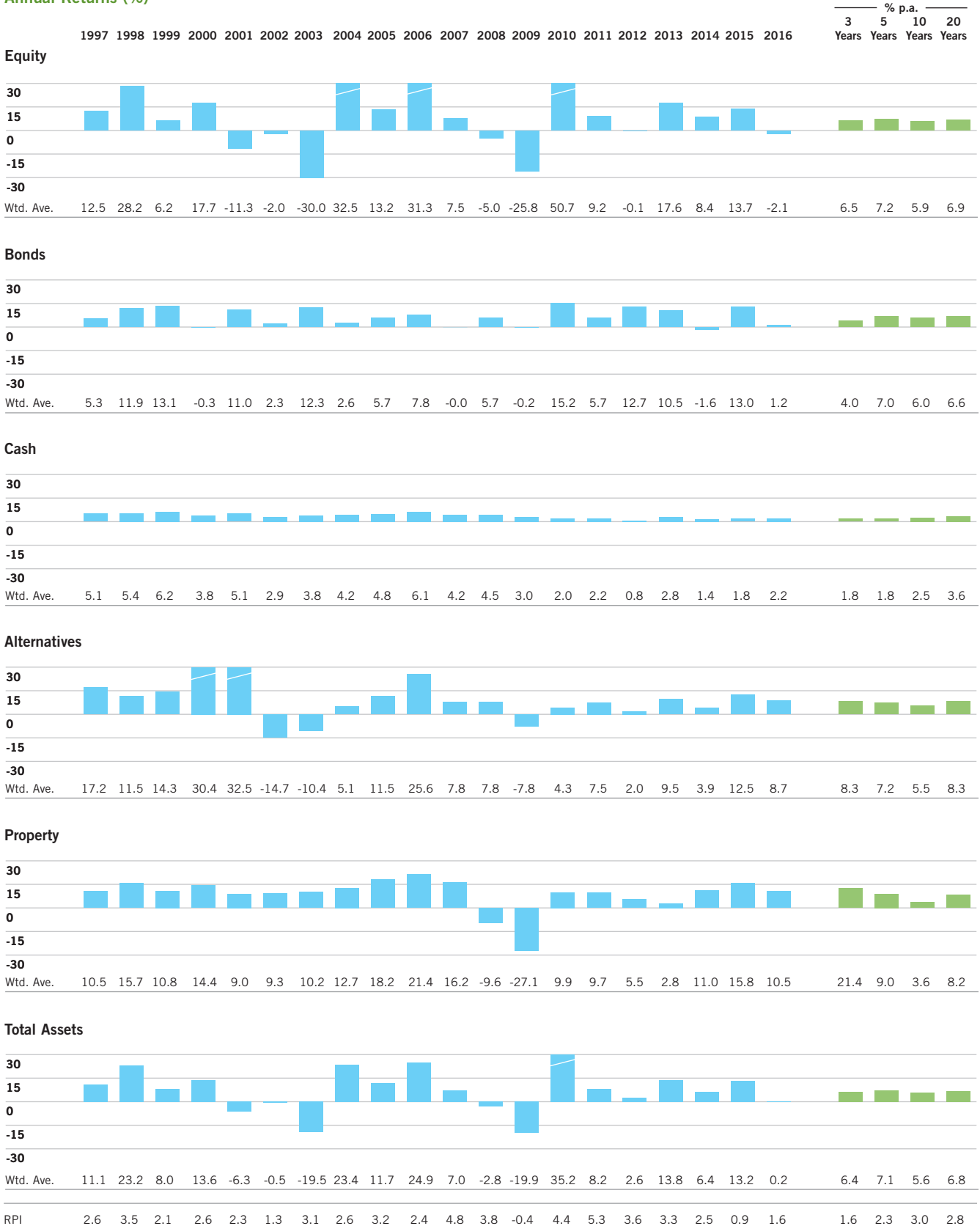
Source: State Street Global Services Performance Services, 2016.

Past performance is not a reliable indicator of future results.

**LONGER TERM PERFORMANCE**

The flat return in the latest year subdues the medium term returns; 6% p.a. over three years and 7% p.a. over five years. The ten- and twenty-year returns remain well ahead of inflation.

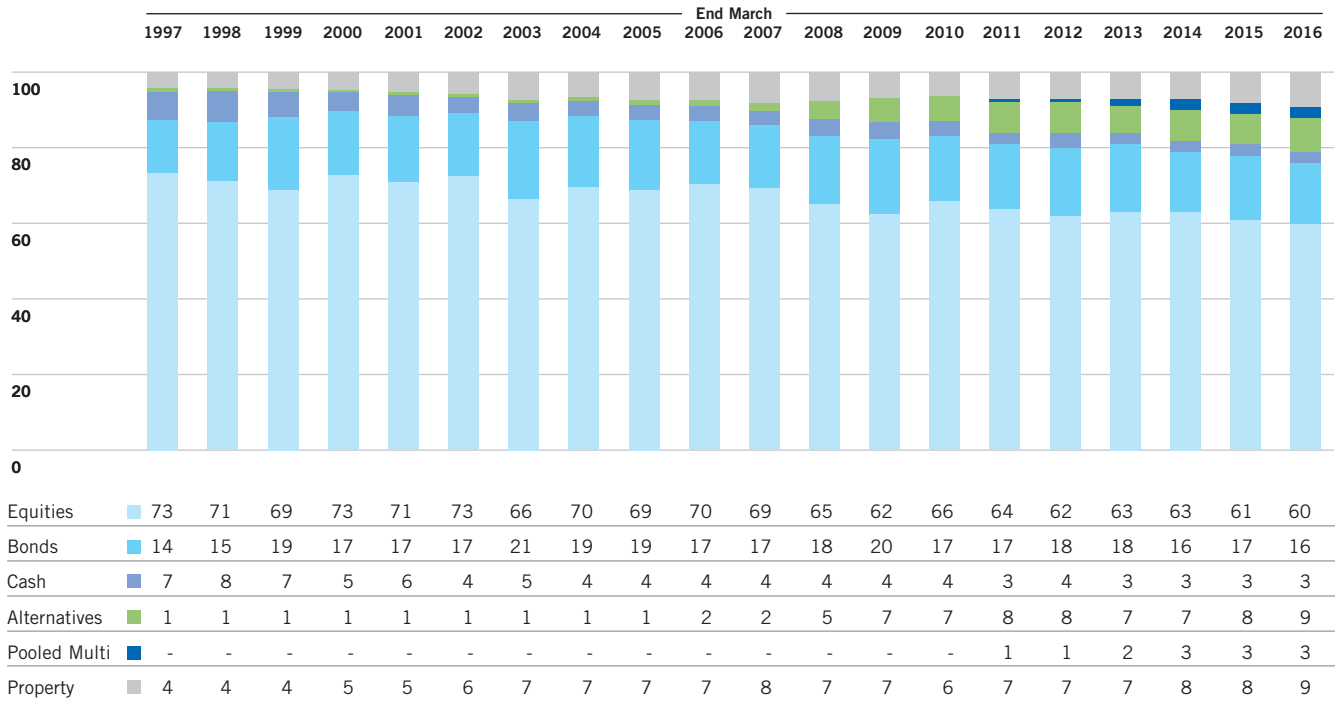
**Annual Returns (%)\***



\* Source: State Street Global Services Performance Services, 2016.

Past performance is not a reliable indicator of future results.

Longer Term Asset Allocation (%)\*



LONG-TERM ASSET ALLOCATION

The average asset allocation looks broadly unchanged over the last five years. Within the asset categories however, there has been some more significant shifts — the UK equity weighting is now less than 40% of the total equity weighting and many funds are now investing through global pooled vehicles. Within bonds, the average fund now has most of the UK exposure within corporate rather than government issues whilst within alternatives, we have seen investments in active currency and GTAA almost disappear whilst pooled multi-asset (diversified growth) now commands 3% of the total Universe.

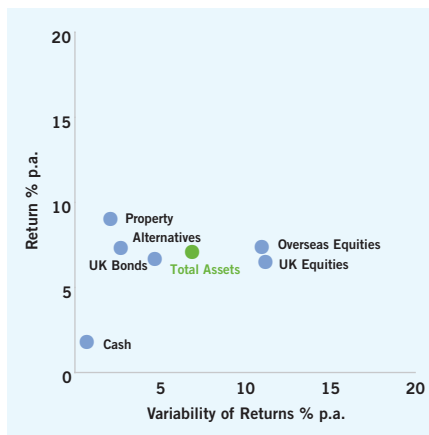
RISK AND RETURN

The charts below show the relationship between the absolute level of return achieved and the risk taken in obtaining that return for the main asset classes. In theory, the more risk that is taken the more return could be expected to be delivered.

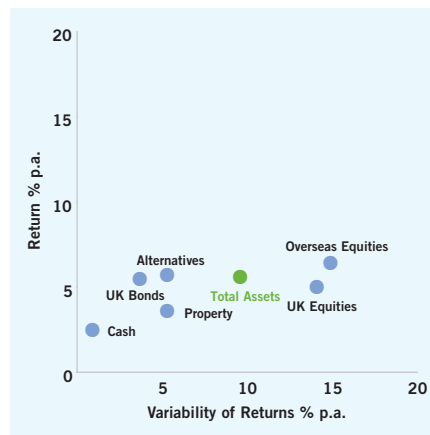
Over all periods, returns for the pattern looks quite distorted with broadly similar returns from all major asset classes.

Long Term Risk and Return\*

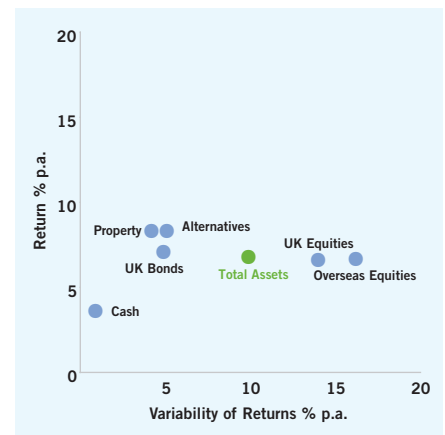
Last 5 Years



Last 10 Years



Last 20 Years



\* Source: State Street Global Services Performance Services, 2016.

Past performance is not a reliable indicator of future results.

## Asset Class Performance\*

	% of Asset Class		% p.a. Return			
	At end 2014/15	At end 2015/16	3 Yrs	5 Yrs	10 Yrs	20 Yrs
<b>Equities</b>	<b>100</b>	<b>100</b>				
UK Equities	34.5	33.3	4.4	6.5	5.0	6.6
Overseas Equities	54.1	54.1	7.4	7.4	6.4	6.7
North America	13.3	13.4	12.9	12.6	7.9	7.5
Continental Europe	10.3	9.6	6.7	5.9	5.3	7.8
Japan	4.7	4.2	7.2	7.6	2.1	2.1
Pacific ex Japan	4.5	4.1	0.2	3.0	8.4	6.3
Emerging Markets	6.1	5.9	-0.2	0.2	5.5	-
Global ex UK	15.2	16.8	9.8	9.4	-	-
Global inc UK	11.4	12.6	8.1	8.0	-	-
<b>Bonds</b>	<b>100</b>	<b>100</b>				
UK	54.1	52.3	4.0	6.7	5.7	7.1
Index-Linked	24.4	25.2	5.5	9.3	7.7	7.9
Overseas Bonds	13.6	13.3	2.0	4.6	5.3	5.1
Pooled	7.8	9.1	2.6	4.5	-	-
<b>Alternatives</b>	<b>100</b>	<b>100</b>				
Private Equity	54.5	53.8	11.7	10.4	9.5	-
Hedge Funds	27.4	25.1	4.0	3.8	3.1	-
Other Alternatives	18.1	21.1	4.8	3.6	0.7	-

\* Source: State Street Global Services Performance Services, 2016.

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## Fund Structure and Benchmarks

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Pe

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

### Structure

The London Borough of Harrow Pension Fund is externally managed as detailed in the table below: From 1/4/14 returns include management fees.

Manager	Mandate	Benchmark
SSGA	Global Equities	MSCI All World Index
Oldfield Partners	Global Equities	MSCI World NDR
Longview	Global Equities	MSCI World (Local) TR Net
GMO	Emergng Markets	MSCI Emerging Market Index
BlackRock	Bonds	Customised
Aviva	Property	IPD UK PPF All Balanced Funds
Insight	Pooled Multi Asset	3 Month LIBID + 4%
Standard Life	Pooled Multi Asset	3 Month LIBOR + 4%
Pantheon	Private Equity	FTSE All World Index
Record	Passive Currency	

### Benchmark

The Fund is measured relative to a customised benchmark as detailed in the table below:

Asset Class	Weight %	Index
Global Passive Equity	31.0	MSCI All World 50% Hedged
Global Active Equity	21.0	MSCI World NDR 50% Hedged
Emerging Markets	10.0	MSCI Emerging Markets
Bonds	13.0	80% BAML Eurosterling over 10 Years 20% FTSE Index Linked Gilts Over 5 Years
Property	10.0	IPD UK PPF All Balanced Funds
Pooled Multi Asset	10.0	3 Month LIBOR +4%
Private Equity	5.0	FTSE All World Index

### Target

The individual manager objectives are detailed below.

Outperformance of Benchmark Measured over three year periods % pa	
Blackrock Bonds	0.5% pa over rolling 3 years
State Street	Match benchmark
Oldfield Partners	TBA
GMO	TBA
Longview	2% p.a. gross of fees over a 3 year rolling period.

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**LONDON BOROUGH OF HARROW**  
**FUND VERSUS BENCHMARK**  
**TOTAL COMBINED**



## Performance Summary

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

Pound Sterling

Category - TOTAL ASSETS

This page summarises the overall value and performance of the Fund.

### Fund Value

Values (GBP)'000	Mandate	Value at 31/03/2015	Transactions	Capital Gain / loss	Income	Value at 31/03/2016	% Fund
SSGA	Eq Gbl	220,705	0	-1,177	-137	219,528	33
BLACKROCK	Fixed Int	87,111	2,687	-2,690	2,545	87,108	13
LONGVIEW	Eq Gbl	75,561	0	-62	0	75,499	11
GMO GLOBAL	Eq Emer Mkt	76,541	0	-5,078	0	71,464	11
OLDFIELD	Eq Gbl	77,276	110	-6,685	0	70,701	11
AVIVA	Prop UK	50,562	0	2,920	1,708	53,481	8
ST LIFE	Structured	30,679	0	-1,463	0	29,216	4
INSIGHT	Structured	28,857	0	-1,785	0	27,071	4
PANTHEON	Private Eq	22,955	-6,031	3,647	0	20,571	3
INT FUND	Cash	6,633	5,175	0	0	11,808	2
BLACKROCK	Cash	43	0	0	0	43	0
RECORD	Curr Overlay	-2,649	463	-4,151	-28	-6,338	-1
<b>Total Fund</b>		<b>674,272</b>	<b>2,404</b>	<b>-16,525</b>	<b>4,088</b>	<b>660,152</b>	<b>100</b>

The table shows the value of each Portfolio at the start and end of the period.

The change in value over the period is a combination of the net money flows into or out of each Portfolio and any gain or loss on the capital value of the investments.

# Performance Summary

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

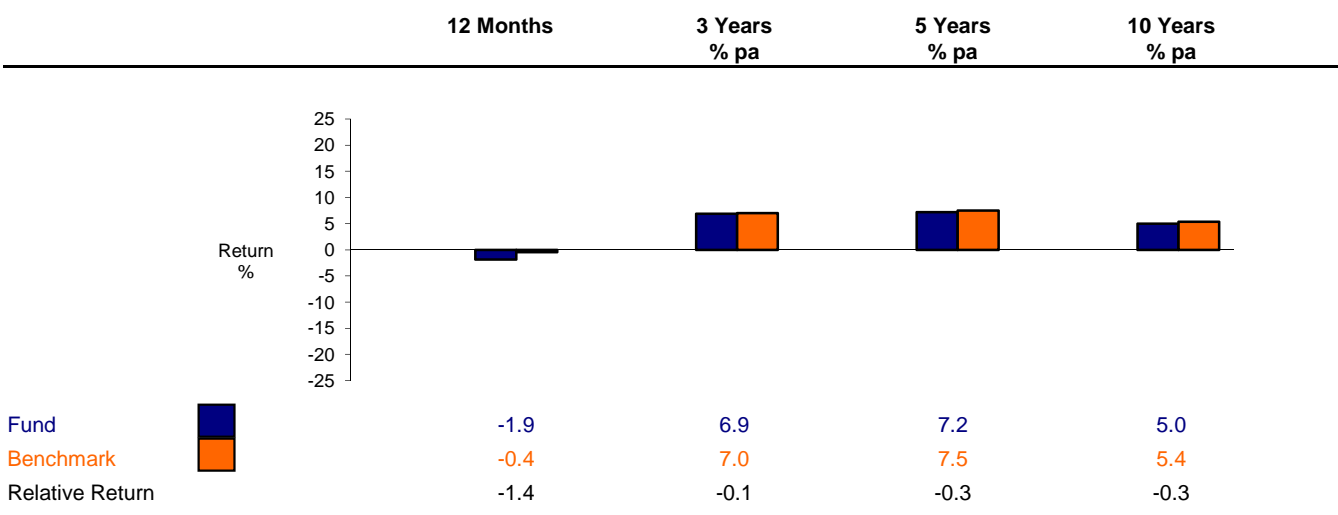
Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

Pound Sterling

Category - TOTAL ASSETS

This page summarises the overall value and performance of the Fund.

## Fund Returns



The graphs show the performance of the Fund and Benchmark over the latest period and longer term.

The relative return is the degree by which the Fund has out or underperformed the Benchmark over these periods

# = Data not available for the full period

# Detailed Analysis of the Latest Period Performance

LONDON BOROUGH OF HARROW - TOTAL COMBINED

31/03/2015 to 31/03/2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

Pound Sterling

Category - TOTAL ASSETS

This page analyses in detail the Fund performance over the latest period.

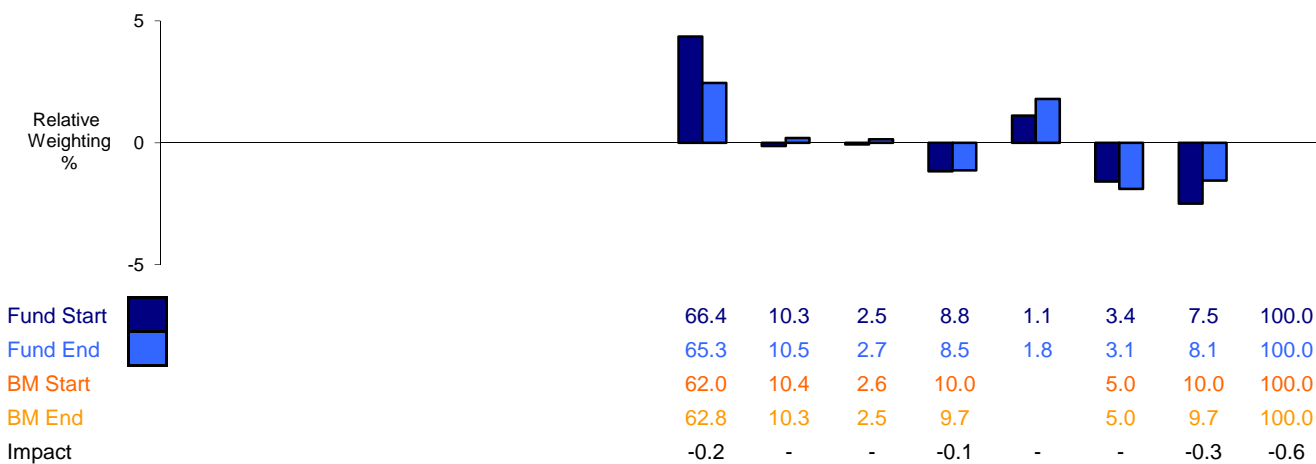
## Summary

Fund Return	-1.9
Benchmark Return	-0.4
Relative Performance	-1.4
<b>attributable to:</b>	
Asset Allocation	-0.6
Stock Selection	-0.8

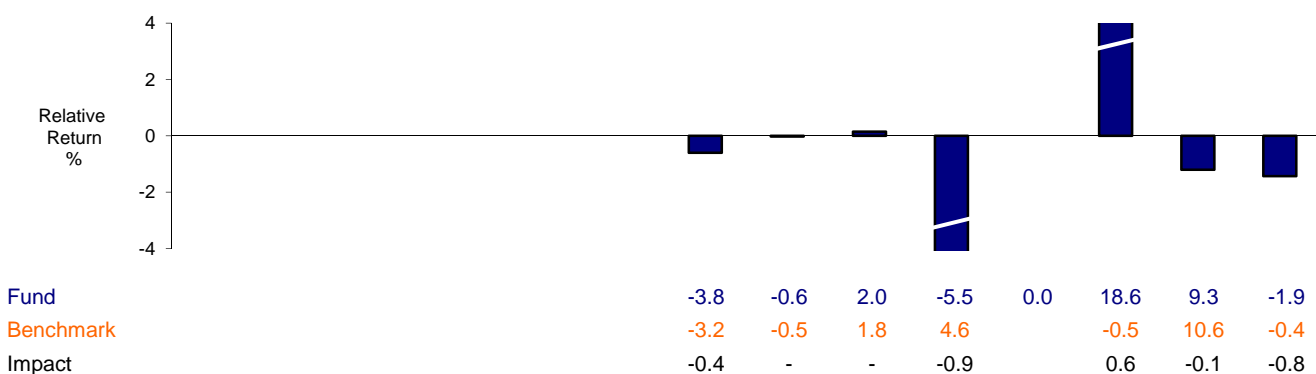
The relative performance can be attributed to the effects of stock selection and asset allocation as detailed below:

	Total Equity	UK Bonds	UK IL	Multi Asset	Cash	Private Eq	Property	Total Fund
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## Asset Allocation



## Stock Selection



An asset allocation decision will have a positive impact if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely, a positive benefit would be derived from having a relatively low exposure to an area that has performed poorly.

Stock selection will have a positive impact if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

# Long Term Performance Analysis

LONDON BOROUGH OF HARROW - TOTAL COMBINED

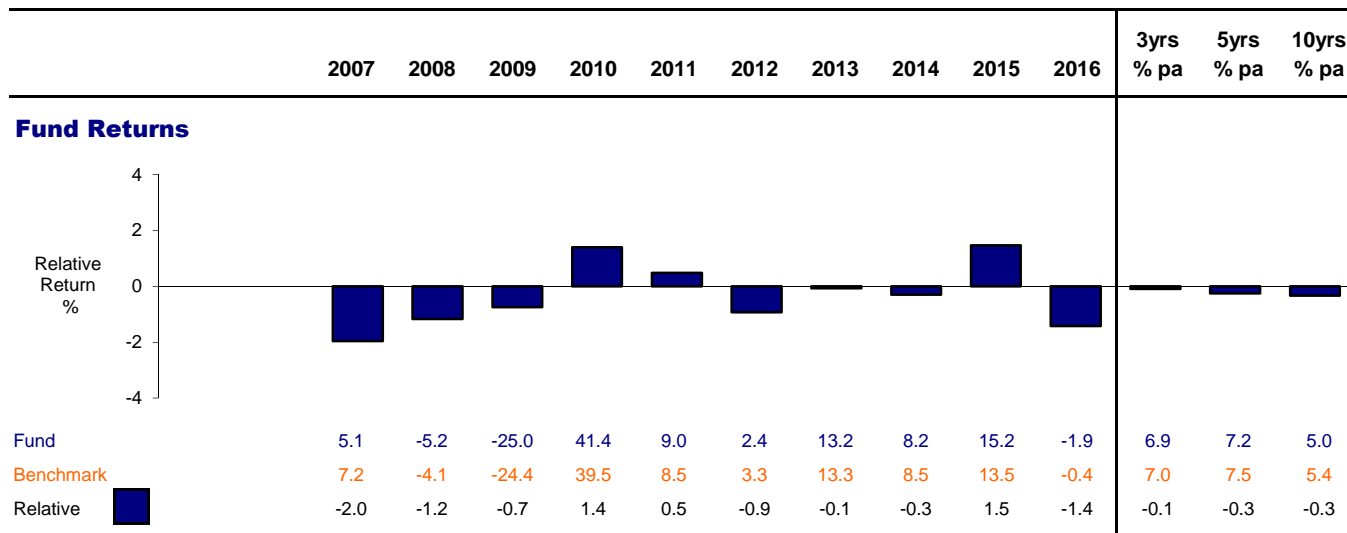
Periods to end March 2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

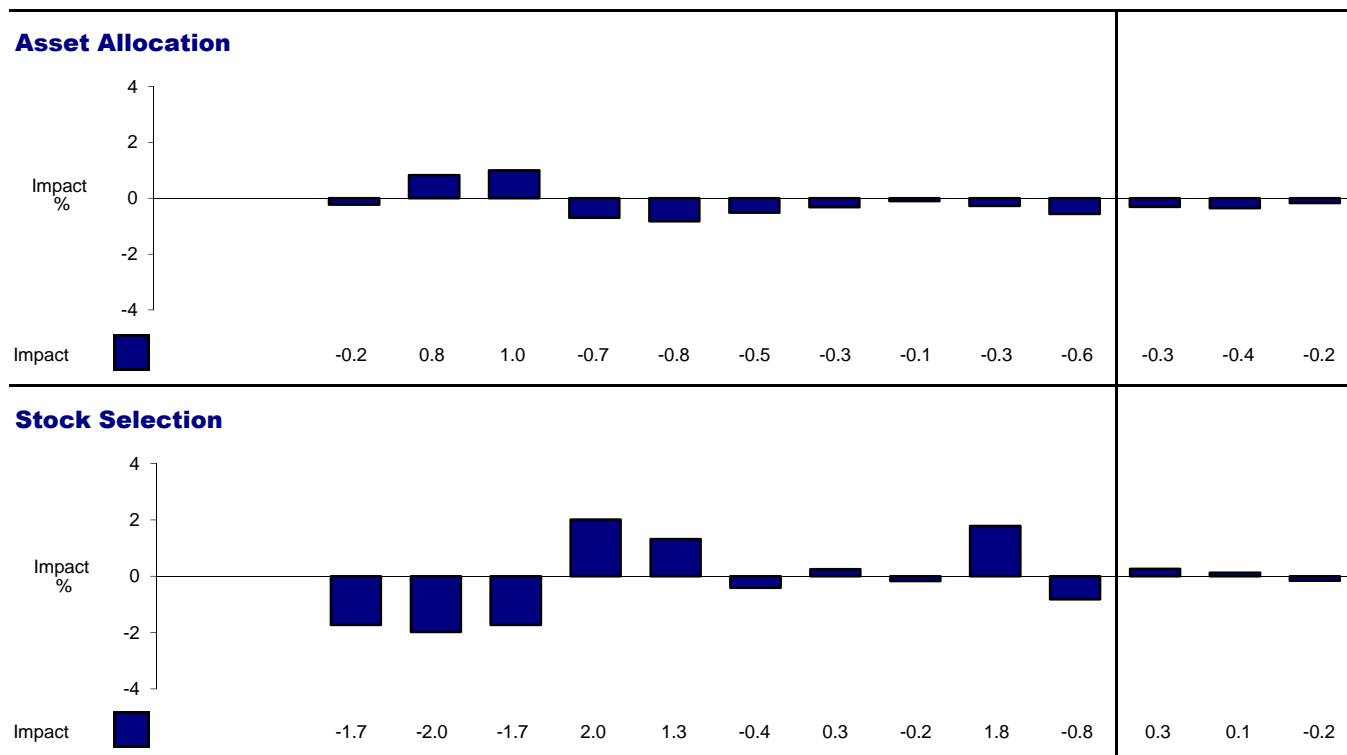
Pound Sterling

Category - TOTAL ASSETS

This page looks in more detail at the long term performance, plotting it relative to the Benchmark.



The relative performance can be attributed to the effects of asset allocation and stock selection as detailed below:



An asset allocation decision will be positive if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely a positive benefit would be derived from investing less heavily in an area that has performed poorly.

Stock selection will be positive if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

# Long Term Asset Allocation

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

Pound Sterling

This page looks in more detail at asset allocation decisions, plotting the Fund's exposure at the end of each period relative to the Benchmark and detailing the impact on the total fund performance.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<b>TOTAL EQUITIES</b>													
Relative Weight %													
Fund	76.7	75.2	73.3	77.1	71.2	69.5	70.5	66.1	66.4	65.3			
Benchmark	75.4	76.1	76.1	71.5	71.3	72.5	72.9	61.5	62.0	62.8			
Impact	-0.2	0.2	-	-0.1	-0.2	-0.1	-0.1	0.1	-	-0.2	-	-0.1	-0.1
<b>TOTAL BONDS PLUS INDEX-LINKED</b>													
Relative Weight %													
Fund	12.2	11.2	12.7	11.8	11.4	12.8	13.1	12.3	12.8	13.2			
Benchmark				12.7	12.8	12.3	12.3	13.3	13.1	12.9			
Impact		0.1	-0.2	0.2	-0.1	-0.3	-	-	-0.1	-	-	-0.1	-0.1
<b>U.K BONDS</b>													
Relative Weight %													
Fund	5.1	6.0	7.4	9.4	9.1	10.2	10.4	9.8	10.3	10.5			
Benchmark	7.2	6.4	6.8	10.2	10.3	9.9	9.7	10.6	10.5	10.3			
Impact	0.2	-	0.1	-	-0.1	-0.2	-	-	-0.1	-	-	-0.1	-
<b>U.K. INDEX - LINKED</b>													
Relative Weight %													
Fund	1.9	2.1	2.8	2.4	2.3	2.6	2.6	2.5	2.5	2.7			
Benchmark	4.9	4.5	4.4	2.5	2.5	2.4	2.6	2.7	2.7	2.5			
Impact	0.1	-0.5	-0.6	0.2	-	-0.1	-	-	-	-	-	-	-0.1
<b>TOTAL POOLED MULTI ASSET</b>													
Relative Weight %													
Fund								9.3	8.8	8.5			
Benchmark								10.0	9.9	9.7			
Impact								-	0.1	-0.1			
<b>TOTAL CASH</b>													
Relative Weight %													
Fund	1.2	3.7	1.6	0.3	3.9	4.5	4.2	0.4	1.1	1.8			
Benchmark						2.8	2.8						
Impact		0.4	0.5	-0.5	-0.2	0.1	-0.2	-	-0.1	-	-0.1	-0.1	-

For each area of investment the final weighting for the Fund and the Benchmark is shown and the difference plotted.

The impact will be positive when the Fund is overweight in an area that has outperformed or vice versa.

- indicates a value less than 0.05 and greater than -0.05

# Long Term Asset Allocation

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

Pound Sterling

This page looks in more detail at asset allocation decisions, plotting the Fund's exposure at the end of each period relative to the Benchmark and detailing the impact on the total fund performance.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<b>TOTAL PRIVATE EQUITY</b>													
Relative Weight %													
Fund	0.0	1.7	4.2	3.4	4.4	4.7	4.7	4.3	3.4	3.1			
Benchmark		0.8	0.8	2.8	2.9	2.8	2.8	5.0	5.1	5.0			
Impact		0.1	0.7	-0.8	-0.2	-0.1	-0.2	-	-0.1	-	-	-0.1	-0.1
<b>TOTAL PROPERTY</b>													
Relative Weight %													
Fund	10.0	8.3	8.1	6.1	8.5	8.5	7.6	7.7	7.5	8.1			
Benchmark	10.0	9.8	9.6	9.9	10.0	9.5	9.3	10.2	10.0	9.7			
Impact	-0.1	-	-	0.5	-0.2	-0.1	0.2	-0.1	-0.1	-0.3	-0.1	-0.1	-

For each area of investment the final weighting for the Fund and the Benchmark is shown and the difference plotted.

The impact will be positive when the Fund is overweight in an area that has outperformed or vice versa.

- indicates a value less than 0.05 and greater than -0.05

# Long Term Stock Selection

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

Pound Sterling

This page looks in more detail at the impact of stock selection, plotting the return in each area relative to the Benchmark and detailing the impact on the total fund performance.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<b>TOTAL EQUITIES</b>													
Relative Return %													
Fund	4.4	-7.3	-29.6	53.5	9.7	0.5	15.2	10.4	14.9	-3.8	6.9	7.2	4.9
Benchmark	7.3	-5.3	-29.0	49.6	8.8	0.9	16.0	10.9	12.6	-3.2	6.5	7.2	5.2
Impact	-1.8	-1.8	-0.6	1.9	0.6	-0.3	-0.5	-0.3	1.4	-0.4	0.2	-	-0.2
<b>TOTAL BONDS PLUS INDEX-LINKED</b>													
Relative Return %													
Fund	0.1 #	5.7	2.4	18.2	7.2	13.6	14.5	-0.2	20.1	-0.0	6.2	9.3	
Benchmark				1.1 #	6.3	14.1	13.9	0.1	19.9	-0.0	6.2	9.3	
Impact		-0.4	-0.6	0.6	0.1	-0.1	0.1	-	-	-	-	-	-
<b>U.K BONDS</b>													
Relative Return %													
Fund	0.7	-2.5	-8.3	27.4	7.2	11.9	14.9	0.8	19.7	-0.6	6.3	9.1	6.6
Benchmark	-0.1	-1.1	-0.1	17.5	6.2	12.4	14.2	1.2	19.6	-0.5	6.4	9.1	6.6
Impact	-	-0.1	-0.6	0.6	0.1	-	0.1	-	-	-	-	-	-
<b>U.K. INDEX - LINKED</b>													
Relative Return %													
Fund	2.4	11.2	0.5	11.1	7.2	20.4	12.1	-4.3	21.4	2.0	5.8	9.8	8.1
Benchmark	2.8	13.3	-2.0	10.0	6.7	21.1	11.7	-4.4	21.0	1.8	5.6	9.8	7.9
Impact	-	-	0.1	-	-	-	-	-	-	-	-	-	-
<b>TOTAL POOLED MULTI ASSET</b>													
Relative Return %													
Fund								-0.6 #	9.2	-5.5			
Benchmark								4.1 #	4.6	4.6			
Impact								-0.2	0.4	-0.9	-0.3	-0.2	-0.1
<b>TOTAL PRIVATE EQUITY</b>													
Relative Return %													
Fund	53.4	17.5	6.2	-7.6	11.0	-1.1	12.0	10.2	18.9	18.6	15.8	11.5	12.9
Benchmark		3.8 #	3.6	0.4	0.4	0.5	0.4	0.4	19.2	-0.5	6.0	3.7	
Impact		-	0.1	-0.3	0.4	-0.1	0.5	0.4	-	0.6	0.3	0.3	0.2

For each area of investment the return for the Fund and the Benchmark is shown and the relative return plotted.

The impact of stock selection is the relative return weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

# Long Term Stock Selection

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

Pound Sterling

This page looks in more detail at the impact of stock selection, plotting the return in each area relative to the Benchmark and detailing the impact on the total fund performance.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<b>TOTAL PROPERTY</b>													
Relative Return %													
Fund	16.8	-9.4	-32.8	8.8	12.2	6.3	2.7	11.6	16.8	9.3	12.5	9.2	3.1
Benchmark	16.5	-11.2	-27.1	11.6	9.1	5.7	1.0	11.9	16.6	10.6	13.0	9.0	3.5
Impact	-	0.2	-0.7	-0.2	0.2	-	0.1	-	-	-0.1	-	-	-

For each area of investment the return for the Fund and the Benchmark is shown and the relative return plotted.

The impact of stock selection is the relative return weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05



# Rolling Years with Relative Risk

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - L B HARROW - COMBINED HEDGED BENCHMARK

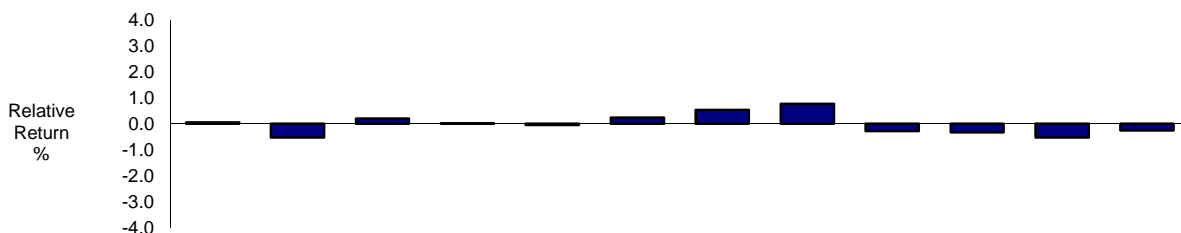
Pound Sterling

Category - TOTAL ASSETS

This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

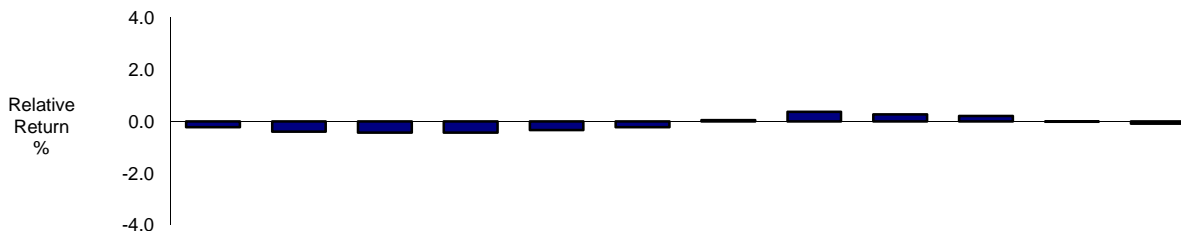
	2013			2014				2015				2016
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Values (GBPm's)												
Initial	551.3	549.6	565.2	585.9	587.7	603.1	609.9	634.3	674.3	654.2	620.5	648.8
Net Investment	1.7	0.3	-3.0	-2.5	0.0	-2.5	3.2	2.3	-0.1	-1.4	2.7	1.2
Capital Gain/Loss	-3.4	15.3	23.8	4.2	15.4	9.3	21.1	37.7	-19.9	-32.4	25.6	10.2
Final	549.6	565.2	585.9	587.7	603.1	609.9	634.3	674.3	654.2	620.5	648.8	660.2
Income	1.3	1.2	1.2	1.3	1.3	1.6	1.0	1.5	1.1	1.1	1.2	0.7
Proportion Of Total Fund (%)	100	100	100	100	100	100	100	100	100	100	100	100

## Quarterly Returns



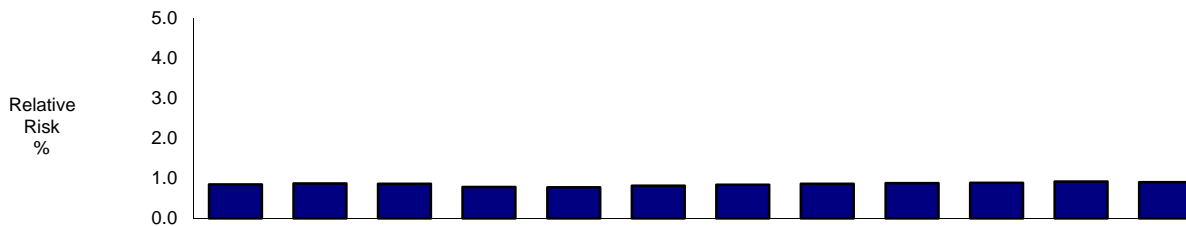
Fund	-0.4	3.0	4.4	1.0	2.9	1.8	3.6	6.1	-2.8	-4.8	4.3	1.7
Benchmark	-0.4	3.5	4.2	1.0	2.9	1.6	3.1	5.3	-2.5	-4.5	4.9	2.0
Relative Return	0.0	-0.5	0.2	0.0	-0.1	0.2	0.5	0.8	-0.3	-0.3	-0.5	-0.3

## Annualised Rolling 3 Year Returns



Fund	10.9	8.8	8.2	7.8	8.6	13.1	12.1	12.1	11.9	8.7	9.3	6.9
Benchmark	11.2	9.2	8.6	8.3	9.0	13.3	12.0	11.7	11.6	8.4	9.3	7.0
Relative Return	-0.2	-0.4	-0.4	-0.4	-0.3	-0.2	0.0	0.4	0.3	0.2	-0.0	-0.1

## Rolling 3 Year Risk



Relative Risk	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
Information Ratio	-0.3	-0.5	-0.5	-0.5	-0.4	-0.3	0.1	0.4	0.3	0.2	-0.0	-0.1

The relative return is the degree of out or underperformance of the Benchmark over these periods.

Relative risk measures the degree of fund performance deviation from benchmark. The larger the relative risk number the greater the monthly deviation from benchmark.

Information Ratio is often interpreted as a measure of manager skill in adding value over and above the benchmark.

**LONDON BOROUGH OF HARROW**  
**UNIVERSE ANALYSIS**  
**TOTAL COMBINED**

# Detailed Analysis of the Latest Period Performance

LONDON BOROUGH OF HARROW - TOTAL COMBINED

31/03/2015 to 31/03/2016

Benchmark - LOCAL AUTHORITY UNIVERSE

Pound Sterling

Category - TOTAL ASSETS

This page analyses in detail the Fund performance over the latest period.

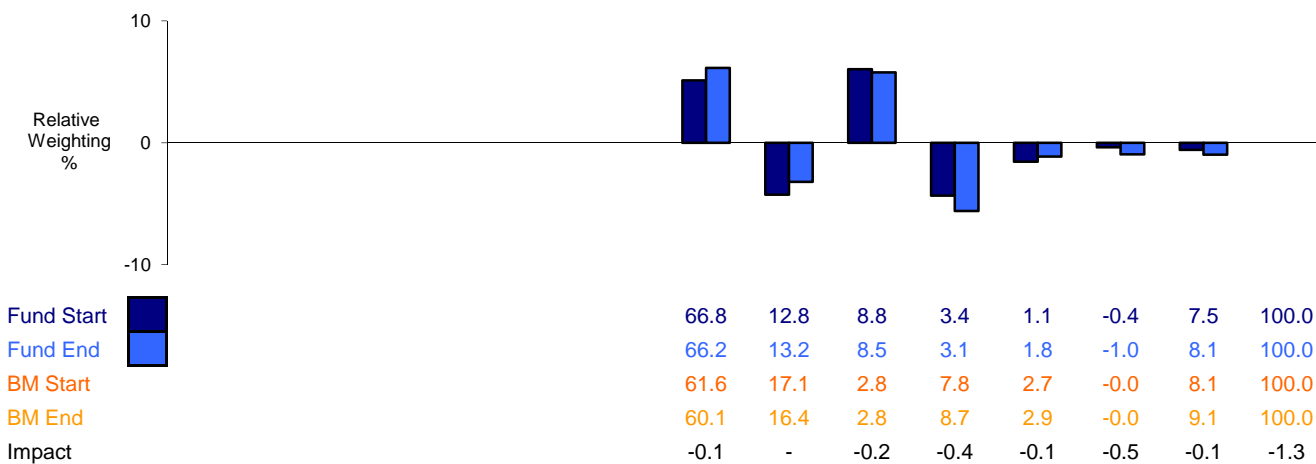
## Summary

Fund Return	-1.9
Benchmark Return	0.2
Relative Performance	-2.1
<b>attributable to:</b>	
Asset Allocation	-1.3
Stock Selection	-0.8

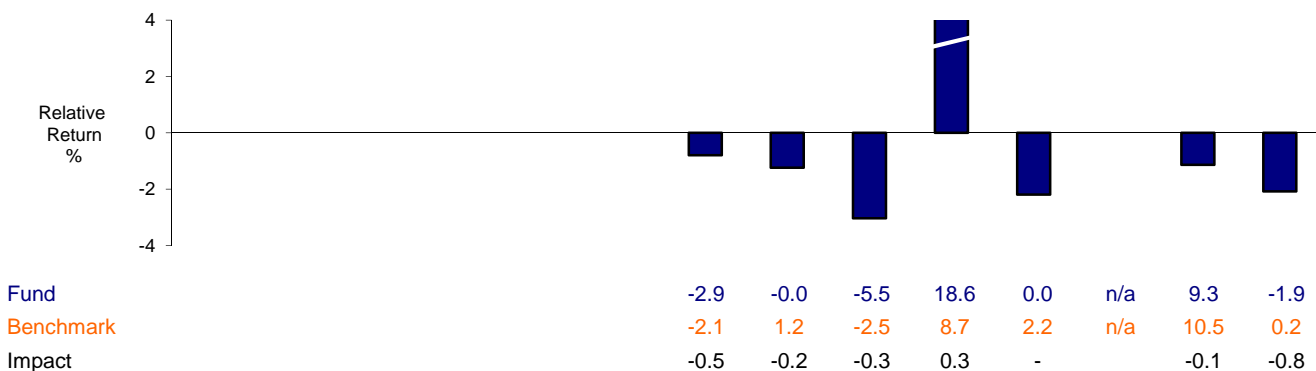
The relative performance can be attributed to the effects of stock selection and asset allocation as detailed below:

	Total Equity	Bonds + IL	Multi Asset	Alternatives	Cash	Curr Instr	Property	Total Fund
--	--------------	------------	-------------	--------------	------	------------	----------	------------

## Asset Allocation



## Stock Selection



An asset allocation decision will have a positive impact if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely, a positive benefit would be derived from having a relatively low exposure to an area that has performed poorly.

Stock selection will have a positive impact if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

# Long Term Performance Analysis

LONDON BOROUGH OF HARROW - TOTAL COMBINED

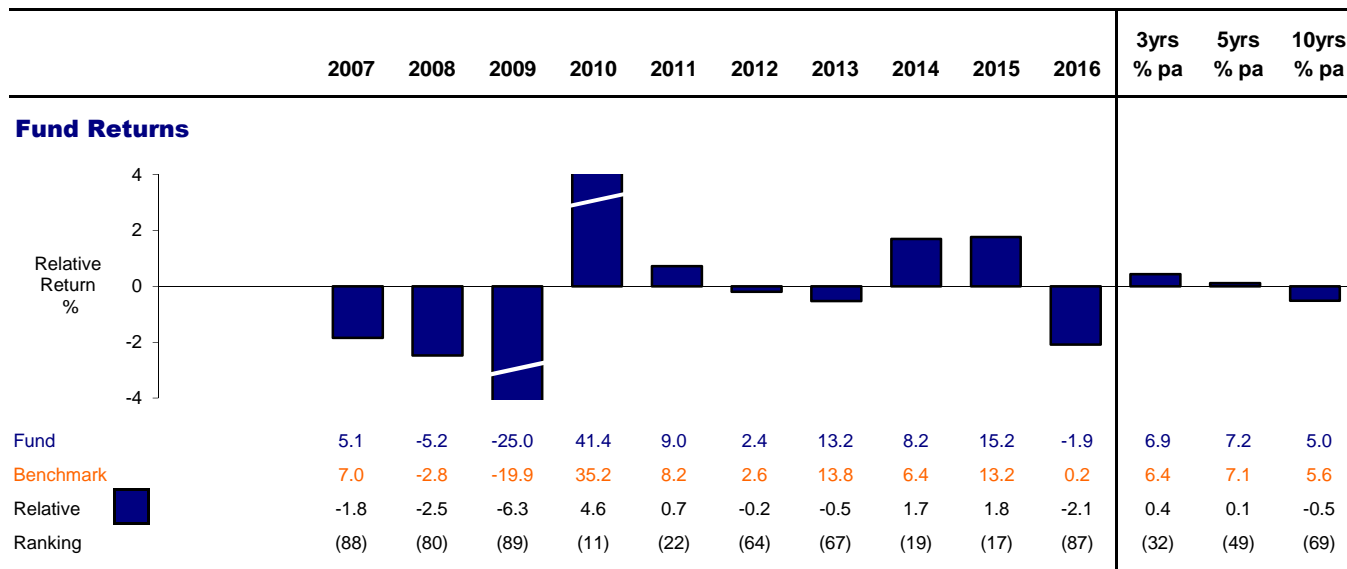
Periods to end March 2016

Benchmark - LOCAL AUTHORITY UNIVERSE

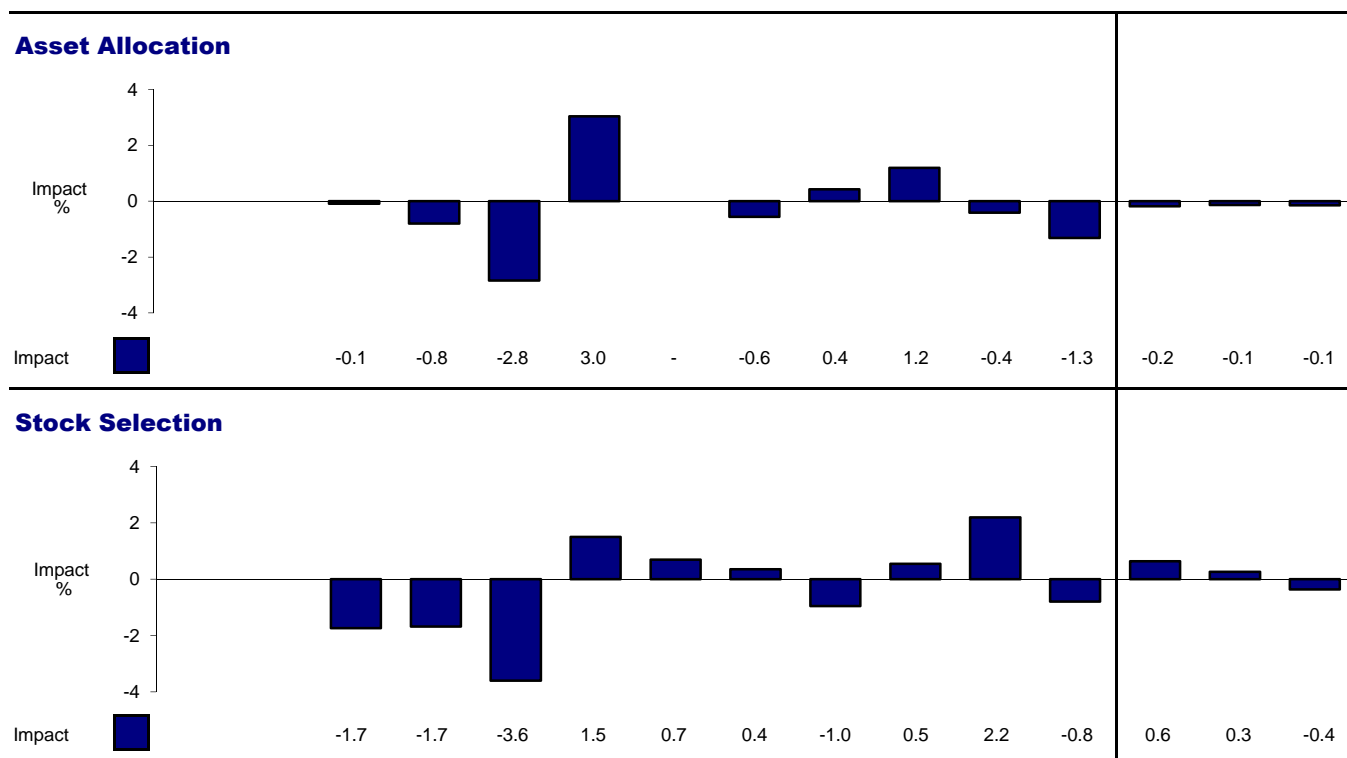
Pound Sterling

Category - TOTAL ASSETS

This page looks in more detail at the long term performance, plotting it relative to the Benchmark (with rankings).



The relative performance can be attributed to the effects of asset allocation and stock selection as detailed below:



An asset allocation decision will be positive if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely a positive benefit would be derived from investing less heavily in an area that has performed poorly.

Stock selection will be positive if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

# Long Term Asset Allocation

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - LOCAL AUTHORITY UNIVERSE

Pound Sterling

This page looks in more detail at asset allocation decisions, plotting the Fund's exposure at the end of each period relative to the Benchmark and detailing the impact on the total fund performance.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<b>TOTAL EQUITIES</b>													
Relative Weight %													
Fund	76.7	75.2	73.3	77.1	71.2	69.5	70.5	66.1	66.4	65.3			
Benchmark	70.5	69.0	65.1	62.2	66.1	64.8	62.5	62.6	63.1	61.6			
Impact	-0.4	-0.2	-0.8	1.1	-	-0.1	0.2	-	-	-0.1	-	-	-
<b>TOTAL BONDS PLUS INDEX-LINKED</b>													
Relative Weight %													
Fund	12.2	11.2	12.7	11.8	11.4	12.8	13.1	12.3	12.8	13.2			
Benchmark		16.5	18.0	20.2	17.3	17.0	17.9	17.8	16.4	17.1			
Impact		-0.4	-1.6	1.0	0.1	-0.6	0.1	0.3	-	-	0.1	-0.1	-0.1
<b>TOTAL POOLED MULTI ASSET</b>													
Relative Weight %													
Fund								9.3	8.8	8.5			
Benchmark		0.0	0.1	0.1	0.1	0.5	0.8	2.2	3.1	2.8			
Impact						-	0.1	-0.2	-0.2	-0.2	-0.2	-0.1	-
<b>ALTERNATIVES</b>													
Relative Weight %													
Fund	0.0	1.7	4.2	4.8	5.0	4.7	4.7	4.3	3.4	3.1			
Benchmark	1.7	2.7	5.0	6.7	6.6	8.0	7.9	7.7	7.0	7.8			
Impact		-0.3	-0.4	0.4	-	-	0.1	0.1	-	-0.4	-0.1	-	-
<b>TOTAL CASH</b>													
Relative Weight %													
Fund	1.2	3.7	1.6	0.3	3.9	4.5	4.2	0.4	1.1	1.8			
Benchmark	4.2	3.9	4.6	4.4	3.8	3.3	3.5	3.1	2.9	2.7			
Impact		-0.1	-0.8	0.8	-	-	-0.1	0.1	0.2	-0.1	0.1	-	-
<b>CURRENCY INSTRUMENTS</b>													
Relative Weight %													
Fund									0.0				
Benchmark	0.1	0.0	-0.1	-0.0	0.1	0.1	0.1	0.0	0.0	-0.0			
Impact	-0.1	0.2	0.9	-	-	-	0.1	0.8	-0.5	-0.5	-0.1	-	0.1

For each area of investment the initial weighting for the Fund and the Benchmark is shown and the difference plotted.

The impact will be positive when the Fund is overweight in an area that has outperformed or vice versa.

- indicates a value less than 0.05 and greater than -0.05

# Long Term Asset Allocation

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - LOCAL AUTHORITY UNIVERSE

Pound Sterling

This page looks in more detail at asset allocation decisions, plotting the Fund's exposure at the end of each period relative to the Benchmark and detailing the impact on the total fund performance.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<b>TOTAL PROPERTY</b>													
Relative Weight %													
Fund	10.0	8.3	8.1	6.1	8.5	8.5	7.6	7.7	7.5	8.1			
Benchmark	7.3	7.9	7.4	6.6	6.1	6.7	7.3	6.7	7.4	8.1			
Impact	0.2	-0.1	-0.1	-0.2	-	0.1	-0.1	-	-	-0.1	-	-	-

For each area of investment the initial weighting for the Fund and the Benchmark is shown and the difference plotted.

The impact will be positive when the Fund is overweight in an area that has outperformed or vice versa.

- indicates a value less than 0.05 and greater than -0.05

# Long Term Stock Selection

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - LOCAL AUTHORITY UNIVERSE

Pound Sterling

This page looks in more detail at the impact of stock selection, plotting the return in each area relative to the Benchmark and detailing the impact on the total fund performance.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<b>TOTAL EQUITIES</b>													
Relative Return %													
Fund	4.4	-7.3	-29.6	53.5	9.7	0.5	15.2	10.4	14.9	-3.8	6.9	7.2	4.9
Benchmark	7.5	-5.0	-25.8	50.7	9.2	-0.1	17.6	8.4	13.7	-2.1	6.5	7.2	5.9
Ranking	(97)	(77)	(92)	(14)	(29)	(41)	(98)	(21)	(41)	(83)	(44)	(57)	(80)
Impact	-1.7	-1.8	-3.8	1.3	0.3	0.4	-1.4	0.2	1.2	-0.5	0.3	-	-0.6
<b>TOTAL BONDS PLUS INDEX-LINKED</b>													
Relative Return %													
Fund	0.1 #	5.7	2.4	18.2	7.2	13.6	14.5	-0.2	20.1	-0.0	6.2	9.3	
Benchmark	-0.5 #	5.7	-0.2	15.2	5.7	12.7	10.5	-1.6	13.0	1.2	4.0	7.0	
Ranking		(47)	(35)	(32)	(14)	(46)	(5)	(33)	(12)	(79)	(9)	(10)	
Impact		-	0.3	0.3	0.2	0.1	0.5	0.2	0.8	-0.2	0.3	0.3	0.2
<b>TOTAL POOLED MULTI ASSET</b>													
Relative Return %													
Fund								-0.6 #	9.2	-5.5			
Benchmark		-45.3	-25.8	19.9	5.7	-1.0	9.9	3.1	10.2	-2.5	3.5	3.8	
Ranking									(41)	(91)			
Impact								-0.1	-0.1	-0.3	-0.2	-0.1	-
<b>ALTERNATIVES</b>													
Relative Return %													
Fund	53.4	17.5	6.2	4.6	8.4	-2.6	12.0	10.2	18.9	18.6	15.8	11.1	13.9
Benchmark	7.8	7.8	-7.8	4.3	7.5	2.0	9.5	3.9	12.5	8.7	8.3	7.2	5.5
Ranking	(2)	(20)	(15)	(51)	(37)	(85)	(18)	(3)	(11)	(7)	(3)	(9)	(3)
Impact		-	0.5	-	0.1	-0.2	0.1	0.3	0.2	0.3	0.3	0.1	0.1
<b>TOTAL PROPERTY</b>													
Relative Return %													
Fund	16.8	-9.4	-32.8	8.8	12.2	6.3	2.7	11.6	16.8	9.3	12.5	9.2	3.1
Benchmark	16.2	-9.6	-27.1	9.9	9.7	5.5	2.8	11.0	15.8	10.5	12.4	9.0	3.6
Ranking	(44)	(40)	(78)	(50)	(9)	(19)	(29)	(48)	(39)	(80)	(50)	(42)	(54)
Impact	0.1	-	-0.8	-0.1	0.1	0.1	-	-	0.1	-0.1	-	-	-0.1

For each area of investment the return for the Fund and the Benchmark is shown and the relative return plotted.

The impact of stock selection is the relative return weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

# Summary of Long Term Returns

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016

Benchmark - LOCAL AUTHORITY UNIVERSE

Pound Sterling

This page summarises the long term returns at asset class level

A ranking against the peer group is shown in brackets.

Return %	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	3yrs % pa	5yrs % pa	10yrs % pa
<i>Global Eq</i>	-0.3 #	6.5 (12)	-23.1 (46)	52.9 (26)	9.6 (30)	0.4 (44)	15.5 (77)	9.6 (30)	19.0 (38)	-2.1 (60)	8.4 (42)	8.1 (60)	
<i>UK Bonds</i>	0.7 (43)	-2.5 (88)	-8.3 (79)	27.4 (13)	7.2 (14)	11.9 (48)	14.9 (6)	0.8 (34)	19.7 (8)	-0.6 (91)	6.3 (6)	9.1 (7)	6.6 (19)
<i>UK IL</i>	2.4 (77)	11.2 (86)	0.5 (9)	11.1 (33)	7.2 (24)	20.4 (57)	12.1 (26)	-4.3 (41)	21.4 (19)	2.0 (22)	5.8 (20)	9.8 (23)	8.1 (14)
<i>Multi Asset</i>								-0.6 #	9.2 (41)	-5.5 (91)			
<i>Alternatives</i>	53.4 (2)	-1.5 (77)	-15.2 (62)	4.6 (51)	8.4 (37)	-2.6 (85)	12.0 (18)	10.2 (3)	18.9 (11)	18.6 (7)	15.8 (3)	11.1 (9)	9.4 (9)
<i>Private Eq</i>	53.4 (3)	17.5 (45)	6.2 (39)	-7.6 (65)	11.0 (43)	-1.1 (92)	12.0 (38)	10.2 (4)	18.9 (30)	18.6 (19)	15.8 (6)	11.5 (27)	12.9 (9)
<i>Property</i>	16.8 (44)	-9.4 (40)	-32.8 (78)	8.8 (50)	12.2 (9)	6.3 (19)	2.7 (29)	11.6 (48)	16.8 (39)	9.3 (80)	12.5 (50)	9.2 (42)	3.1 (54)
<i>Total Assets</i>	5.1 (88)	-5.2 (80)	-25.0 (89)	41.4 (11)	9.0 (22)	2.4 (64)	13.2 (67)	8.2 (19)	15.2 (17)	-1.9 (87)	6.9 (32)	7.2 (49)	5.0 (69)

# not invested in this area for the entire period



## Summary of Manager Performance - Rates of Return

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016  
Pound Sterling

	Mkt Val (GBP 1000)	% of Fund	12 Months	3 Years	5 Years	10 Years	Since Inception	Incept. Date
<b>Equity - World</b>								
LONGVIEW	75,499	11.4	-0.1	13.7	13.0		13.4	20/11/2009
LB OF HARROW - LONGVIEW B/M			-4.6	8.8	8.4		9.3	
			4.7	4.5	4.3		3.8	
STATE STREET GLOBAL ADVISORS LTD	219,528	33.3	-0.6				4.0	28/11/2014
MSCI AC WORLD GDR			-0.6				4.0	
			0.0				0.1	
OLDFIELD	70,701	10.7	-8.6				-0.6	26/11/2014
MSCI World NDR			-0.3				4.6	
			-8.4				-5.0	
<b>Equity - Emerging Markets</b>								
GMO GLOBAL	71,464	10.8	-6.6				1.0	25/11/2014
MSCI EM (EMERGING MARKETS) GDR			-8.8				-4.6	
			2.4				5.8	
<b>Fixed Interest</b>								
BLACKROCK	87,108	13.2	-0.2	6.0	9.2	7.5	7.2	31/7/2003
LBof Harrow BlackRock FI BM			-0.1	6.2	9.3	7.6	7.4	
			-0.1	-0.2	-0.1	-0.1	-0.2	
<b>Private Equity</b>								
PANTHEON VENTURES	20,571	3.1	18.6	15.8	11.5		7.6	30/4/2007
LB HARROW PANTHEON BM			-0.5	6.0	3.7		3.1	
			19.2	9.3	7.5		4.3	
<b>Currency Overlay</b>								
RECORD CURRENCY MGMT	-6,338	-1.0	n/a	n/a	n/a		n/a	29/6/2007
GBP 7 DAY LIBID			0.3	0.3	0.4		1.2	

## Summary of Manager Performance - Rates of Return

LONDON BOROUGH OF HARROW - TOTAL COMBINED

Periods to end March 2016  
Pound Sterling

	Mkt Val (GBP 1000)	% of Fund	12 Months	3 Years	5 Years	10 Years	Since Inception	Incept. Date
<b>Cash</b>								
BLACKROCK	43	0.0	-0.7	0.0	3.1	7.0	5.8	29/12/2000
L B OF HARROW - BLACKROCK BM			6.4	8.9	8.5	5.4	4.3	
			-6.7	-8.1	-5.0	1.5	1.5	
INTERNAL FUND	11,808	1.8	0.0	0.0	0.0		0.1	31/12/2010
GBP 7 DAY LIBID			0.3	0.3	0.4		0.4	
			-0.3	-0.3	-0.4		-0.3	
<b>Property - UK</b>								
AVIVA COMBINED FUND	53,481	8.1	9.3	12.5	9.3	3.7	6.8	29/12/2000
AREF/IPD ALL BALANCED			10.6	13.0	8.8	3.3	6.4	
			-1.2	-0.4	0.4	0.4	0.5	
<b>Structured Products</b>								
STANDARD LIFE	29,216	4.4	-4.8				2.9	18/6/2013
GBP 3 MONTH LIBOR +4%			4.6				4.6	
			-8.9				-1.6	
INSIGHT INVESTMENTS	27,071	4.1	-6.2				-2.6	27/1/2015
GBP 3 MONTH LIBID + 4%			4.5				4.5	
			-10.2				-6.8	
<b>TOTAL FUND</b>								
TOTAL COMBINED	660,152	100.0	-1.9	6.9	7.2	5.0	8.7	31/12/1990
L B HARROW - COMBINED HEDGED BENCH			-0.4	7.0	7.5	5.4	8.6	
			-1.4	-0.1	-0.3	-0.3	0.2	