

London Borough of Harrow Quarterly Performance Summary Periods to End December 2017

The Fund is measured against a Benchmark comprised:

Equity	62		
		31	FTSE AW (50% Hedged) (from Q2 2016, previously MSCI AW 50% Hedged)
		21	MSCI World NDR (50% Hedged)
		10	MSCI Emerging Markets
Bonds	13		
		10.4	BAML Eurosterling > 10 years
		2.6	FTSE Index Linked Gilts > 5 years
Property	10		IPD All Balanced Funds
Diversified Growth	10		3 Month LIBOR +4%
Private Equity	5		FTSE All World (from Q2 2014, previously LIBID)

This Benchmark will change from the start of January 2018. Funds were moved in December to align with the new benchmark.

Overview

The Fund returned 4.5 % over the quarter benefiting from the continued positive momentum of equity markets. The return was in line with the benchmark.

Over the last twelve months performance the Fund achieved a return of 13.4% p.a.

This return was just benchmark due to the drag of holding some cash in positive markets. Oldfield , which had performed strongly, saw performance drop and were the most disappointing of the managers.

Over the three years the Fund returned 11.3% p.a. This was ahead of the Benchmark result of 11.2%p.a. Performance is similar over the last five years with the return of 11.9% p.a, also just ahead of benchmark.

The Fund is performing comfortably ahead of its peers* , ranking 28th percentile over both the three and five year periods.

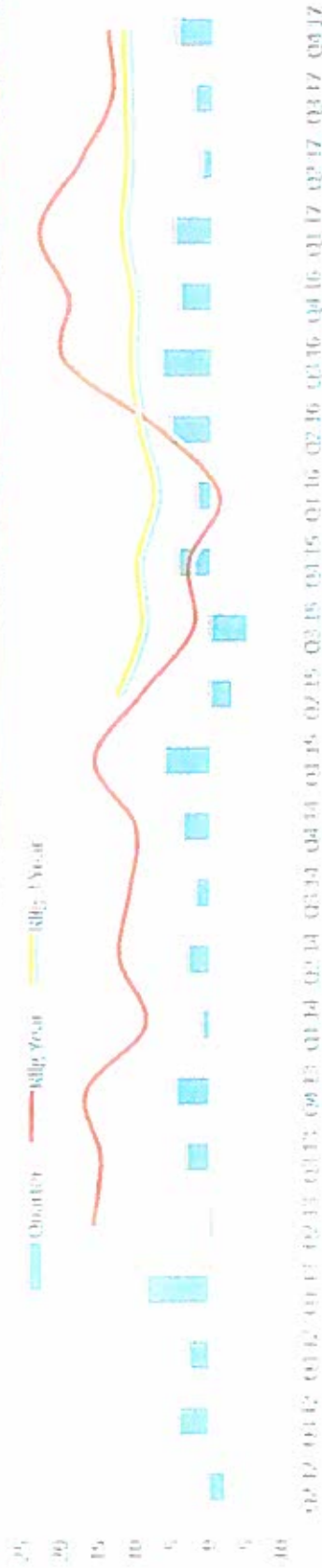
* Based on an interim Universe of 30 funds valued at £85bn

Quarter to End December 2017 - Performance Summary

	Longview	SSGA	GMO	Oldfield	Pantheon	Aviva	BlackRock	Insight	SUM	Cash	Total
End Sep 2017 (£'000s)	90,784	274,124	99,642	83,033	17,369	65,849	100,854	30,099	29,554	37,206	833,943
End Dec 2017 (£'000s)	93,888	221,962	81,108	69,602	17,710	67,214	104,074	96,974	97,442	18,791	871,912
% total	11	25	9	8	2	8	12	11	11	2	100
% BM	11	31	10	10	5	10	13	5	5	0	100
Latest Quarter											
Fund	3.7	5.1	7.5	4.6	13.8	2.8	3.1	3.1	2.1		4.5
BM	5.0	5.1	6.6	5.0	5.1	3.1	3.0	1.0	1.1		4.5
Relative	-1.2	0.0	0.9	-0.3	8.3	-0.3	0.2	2.0	1.0		0.1
Manager Impact	-0.1	0.0	0.1	0.0	0.2	0.0	0.0	0.1	0.0		0.2
Allocation Impact	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0
One Year											
Fund	16.1	13.7	25.2	9.2	26.3	9.5	5.7	10.1	3.1		13.4
BM	15.7	13.8	25.4	12.9	13.8	10.3	4.9	4.3	4.5		13.6
Relative	0.3	0.0	-0.2	-3.3	11.0	-0.7	0.7	5.5	-1.3		-0.2
Manager Impact	0.0	0.0	0.0	-0.4	0.2	-0.1	0.1	0.2	0.0		-0.1
Allocation Impact	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	-0.5	-0.3
Three Years											
Fund	9.8	15.2			23.8	7.8	7.6		1.2		11.3
BM	8.8	15.3			15.3	8.7	7.2		4.5		11.1
Relative	1.0	-0.1			7.3	-0.9	0.4		-3.1		0.2
Manager Impact	0.1	0.0	0.1	0.1	0.2	-0.1	0.0	0.0	-0.1		0.2
Allocation Impact	0.0	0.1	0.1	0.0	-0.1	0.0	0.0	0.1	0.1	-0.2	0.1
Five Years											
Fund	15.3	13.0			20.7	9.8	7.9				11.9
BM	12.7	13.0			11.3	10.5	8.5				11.7
Relative	2.2	0.0			8.5	-0.6	-0.5				0.2

GMO and Oldfields were appointed November 2014 and Insight in January 2015 therefore do not yet have 3 or 5 year performance available
 SUM appointed June 2013 therefore no 5 year results available.

Longer Term Fund Performance Relative to Benchmark



The Fund has produced a positive return in almost every quarter of the last five years and most rolling one and three year periods. - the notable exception being the period of market turbulence in 2016 that followed the UK's decision to leave the EU.

Longer Term Fund Performance



On a rolling annual basis (the red line) the fund performed well in the period Q3 2014 through Q3 2015 and again through 2017.

When performance is looked at on a rolling three year basis it can be seen that the Fund has been generally slightly ahead of its Benchmark.

Draft Asset Allocation By Asset Class Schedule

	Equity	Private Equity	Property	Bonds	DG	Cash	Total
End Sep 2017 (£'000s)	547,583	17,369	65,849	100,854	59,654	37,206	833,943
End Dec 2017 (£'000s)	466,561	17,710	67,214	104,074	194,416	18,791	871,912
% total	54	2	8	12	22	2	100
% BM	62	5	10	13	10	0	100
Relative weighting	-8	-3	-2	-1	12	2	

Latest Quarter							
<i>Allocation Impact</i>	0.0	0.0	0.0	0.0	0.1	-0.2	0.0
One Year							
<i>Allocation Impact</i>	0.1	0.0	0.1	0.1	0.1	-0.5	-0.3
Three Years							
<i>Allocation Impact</i>	0.2	-0.1	0.0	0.0	0.0	-0.2	0.1

Funds were moved in December to align with the new benchmark which will start January 2018.

Over all periods the key asset allocation impact has been the negative effect of the cash balances held by the Fund.