

London Borough of Harrow Quarterly Performance Summary

Periods to End March 2018

The Fund restructured in late 2017 and the Benchmark was altered from the start of 2018 to reflect the changes:

%	To 31/12/2017	From 1/1/2018	
Equity	62	50	
	31	24	FTSE AW (50% Hedged) (from Q2 2016, previously MSCI AW 50% Hedged)
	21	18	MSCI World NDR (50% Hedged)
	10	8	MSCI Emerging Markets
Bonds	13	13	
	10.4	10	BAML Eurosterling > 10 years
	2.6	3	FTSE Index Linked Gilts > 5 years
Property	10	10	IPD All Balanced Funds
Diversified Growth	10	22	3 Month LIBOR +4%
Private Equity	5	5	FTSE All World (from Q2 2014, previously LIBID)

Overview

Like every other public sector fund the Harrow scheme saw a negative return over the quarter as equity markets fell on fears of a global trade war. The Fund return of -2.5% was behind the benchmark of -1.2%

Most of the active managers underperformed with the biggest impacts coming from the two Diversified Growth Portfolios (see next page).

Over the last twelve months performance the Fund achieved a return of 5.3% p.a.

Over the three years the Fund returned 8.2% p.a. This was below the Benchmark result of 8.8%p.a.

Over the last five years the strong absolute Fund return of 9.5% p.a. was just below the benchmark return of 9.7% p.a..

The Fund is performing comfortably ahead of its peers*, ranking 10th percentile in the latest year - the relative performance assisted by the hedging.

Over the three years the Fund is ranked 32nd and over the five years 20th.

*The full Universe comprised of 61 funds with a value of £177 bn.

A full analysis of the Fund relative to the peer group will be presented to the Fund at the annual review of performance.

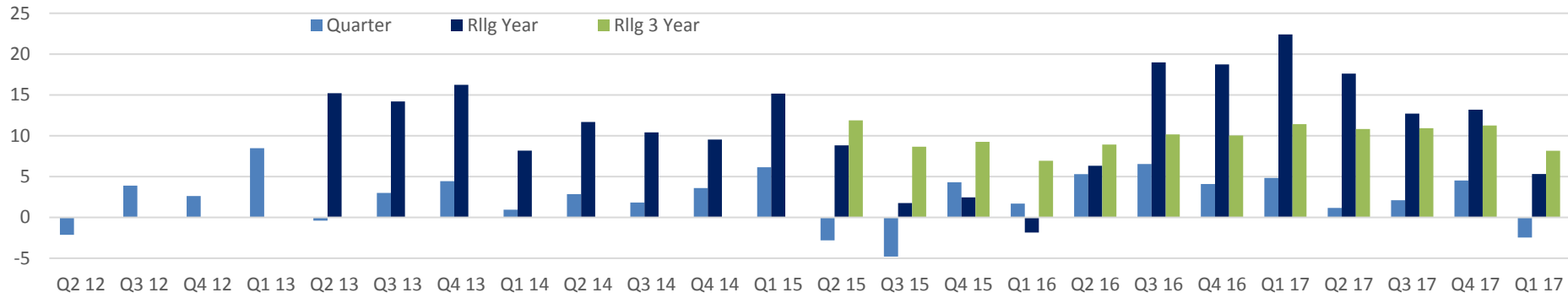
Periods to End March 2018 - Performance Summary

	Longview	SSGA	GMO	Oldfield	Pantheon	Aviva	BlackRock	Insight	SLIM	Cash	Total
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
End Mar 2018 (£'000s)	90,034	196,717	77,182	66,236	13,844	67,656	102,446	93,978	95,601	6,574	816,132
% total	11	24	9	8	2	8	13	12	12	1	100
% BM	11	24	8	8	5	10	13	11	11	0	10
Latest Quarter											
Fund	-4.0	-4.4	-4.8	-4.8	-12.4	1.3	-1.2	-3.0	-1.7		-2.5
BM	-4.8	-4.4	-2.3	-4.8	-4.8	2.0	-1.1	1.1	1.4		-1.2
Relative	0.8	0.0	-2.6	0.0	-8.0	-0.7	-0.1	-4.0	-3.0		-1.3
<i>Manager Impact</i>	<i>0.1</i>	<i>0.0</i>	<i>-0.2</i>	<i>0.0</i>	<i>-0.2</i>	<i>-0.1</i>	<i>0.0</i>	<i>-0.4</i>	<i>-0.3</i>		<i>-1.2</i>
<i>Allocation Impact</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
One Year											
Fund	4.8	2.8	8.2	-0.8	3.4	8.4	2.0	3.8	1.5		5.3
BM	4.5	2.8	11.2	1.8	2.4	10.2	1.5	4.3	5.5		7.2
Relative	0.3	0.0	-2.7	-2.5	1.0	-1.6	0.5	-0.5	-3.9		-1.7
<i>Manager Impact</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.2</i>	<i>-0.3</i>	<i>0.2</i>	<i>-0.2</i>	<i>0.0</i>	<i>-0.3</i>	<i>-0.4</i>		<i>-1.3</i>
<i>Allocation Impact</i>	<i>0.0</i>	<i>-0.1</i>	<i>0.1</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-0.3</i>	<i>-0.4</i>
Three Years											
Fund	6.1	10.8	10.0	10.8	13.7	7.1	5.6		-0.8		8.2
BM	5.3	10.8	10.8	10.4	10.7	8.4	5.3		4.8		8.8
Relative	0.7	-0.1	-0.7	0.3	2.7	-1.2	0.3		-5.3		-0.6
<i>Manager Impact</i>	<i>0.1</i>	<i>0.0</i>	<i>-0.1</i>	<i>0.1</i>	<i>0.2</i>	<i>-0.1</i>	<i>0.0</i>	<i>-0.2</i>	<i>-0.3</i>		<i>-0.4</i>
<i>Allocation Impact</i>	<i>0.0</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.1</i>	<i>-0.2</i>	<i>-0.1</i>
Five Years											
Fund	12.0	9.8			14.0	9.9	7.1				9.5
BM	9.6	9.8			10.1	10.7	7.8				9.7
Relative	2.2	0.0			3.5	-0.8	-0.6				-0.1

Insight was appointed in January 2015 therefore do not yet have 3 or 5 year performance available

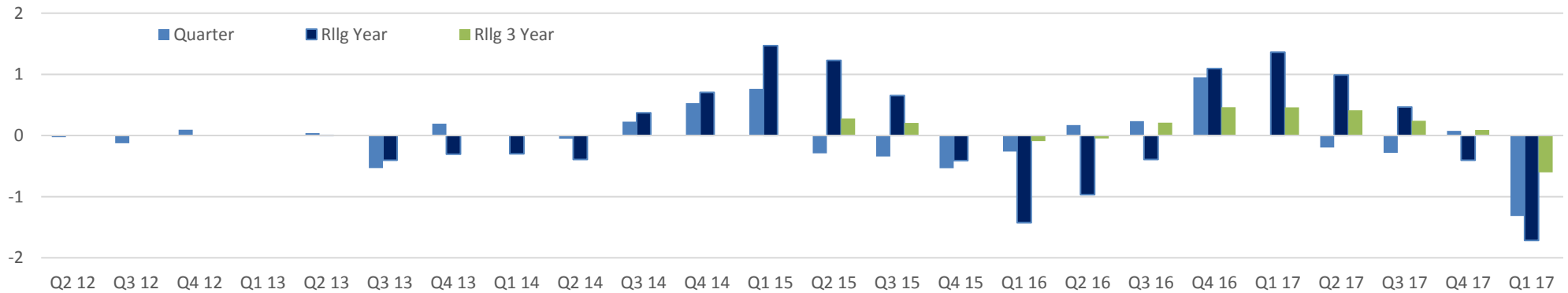
GMO and Oldfields were appointed November 2014 and SLIM appointed June 2013 therefore no 5 year results available.

Longer Term Fund Performance



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 Performance Relative to Benchmark



The Fund has performed within a tight range of its Benchmark - within +/- 2% quarterly and longer term.
After a period ahead of Benchmark the Fund is now trailing as a relatively poor latest quarter is added into the longer term and rather better previous quarters are dropped off the three and five year results.

Appendix - Asset Allocation By Asset Class Schedule

	Equity	Private Equity	Property	Bonds	DG	Cash	Total
End Dec 2017 (£'000s)	466,561	17,710	67,214	104,074	194,416	18,791	871,912
End Mar 2018 (£'000s)	436,034	13,844	67,656	102,445	189,579	6,574	816,132
% total	53	2	8	13	23	1	100
% BM	50	5	10	13	22	0	100
Relative weighting	3	-3	-2	0	1	1	

Latest Quarter

<i>Allocation Impact</i>	<i>-0.1</i>	<i>0.1</i>	<i>-0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
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One Year

<i>Allocation Impact</i>	<i>0.0</i>	<i>0.1</i>	<i>-0.1</i>	<i>0.1</i>	<i>0.1</i>	<i>-0.3</i>	<i>-0.4</i>
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Three Years

<i>Allocation Impact</i>	<i>0.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.2</i>	<i>-0.1</i>
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The key asset allocation impact over the medium term has been the negative effect of holding cash.