

Isle of Wight Pension Fund - Overview Quarter to 31 December 2017

Manager	Asset class	Asset Allocation Proportion of Total Fund %	Market Value Previous Quarter 30/09/2017	Market Value Latest Quarter 31/12/2017	Current Proportion of Total Fund %	Actual Quarterly Performance %	Benchmark Performance	Actual relative to benchmark	Benchmark to Outperform by %
Majedie	UK Equities	22.5	130,598,706	132,533,961	22.4	2.1	5.0	-2.8	2.0
Schroder	Bonds	22.0	108,424,372	111,124,797	18.7	2.5	1.9	0.6	1.0
	Property	8.0	31,908,658	32,944,749	5.6	3.4	3.3	0.1	0.5
Schroder sub total		30.0	140,333,030	144,069,546	24.3	2.7	2.3	0.5	
Newton	Global Equities	32.5	222,964,262	234,689,428	39.6	4.9	4.9	0.0	2.0
Baillie Gifford	Diversified Growth Fund	15.0	80,293,892	81,374,411	13.7	1.3	1.0	0.3	
TOTAL FUND		100.0	574,189,890	592,667,345	100.0	3.3	3.5	-0.3	
Of which the following are equities:									
	UK Equities	22.5	130,598,706	132,533,961	22.4	2.1	5.0	-2.8	2.0
	Global Equities	32.5	222,964,262	234,689,428	39.6	4.9	4.9	0.0	2.0
	Total Equities	55.0	<u>353,562,969</u>	<u>367,223,389</u>	62.0	<u>3.8</u>	<u>4.9</u>	<u>-1.2</u>	<u>2.0</u>
	Proportion of total fund		61.58%	61.96%					

NOTE: Schroder quarterly performance report based on MID price. Monthly reports from November 2010 are based on BID price. BID price is reported above.
 BID price on Schroder's property portfolio is £878,681 lower than MID price

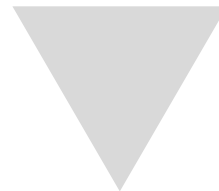
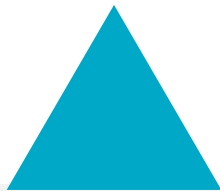
TOTAL FUND 593,546,026 MID value

HEALTH WEALTH CAREER

ISLE OF WIGHT COUNCIL PENSION FUND

REPORT TO 31 DECEMBER 2017

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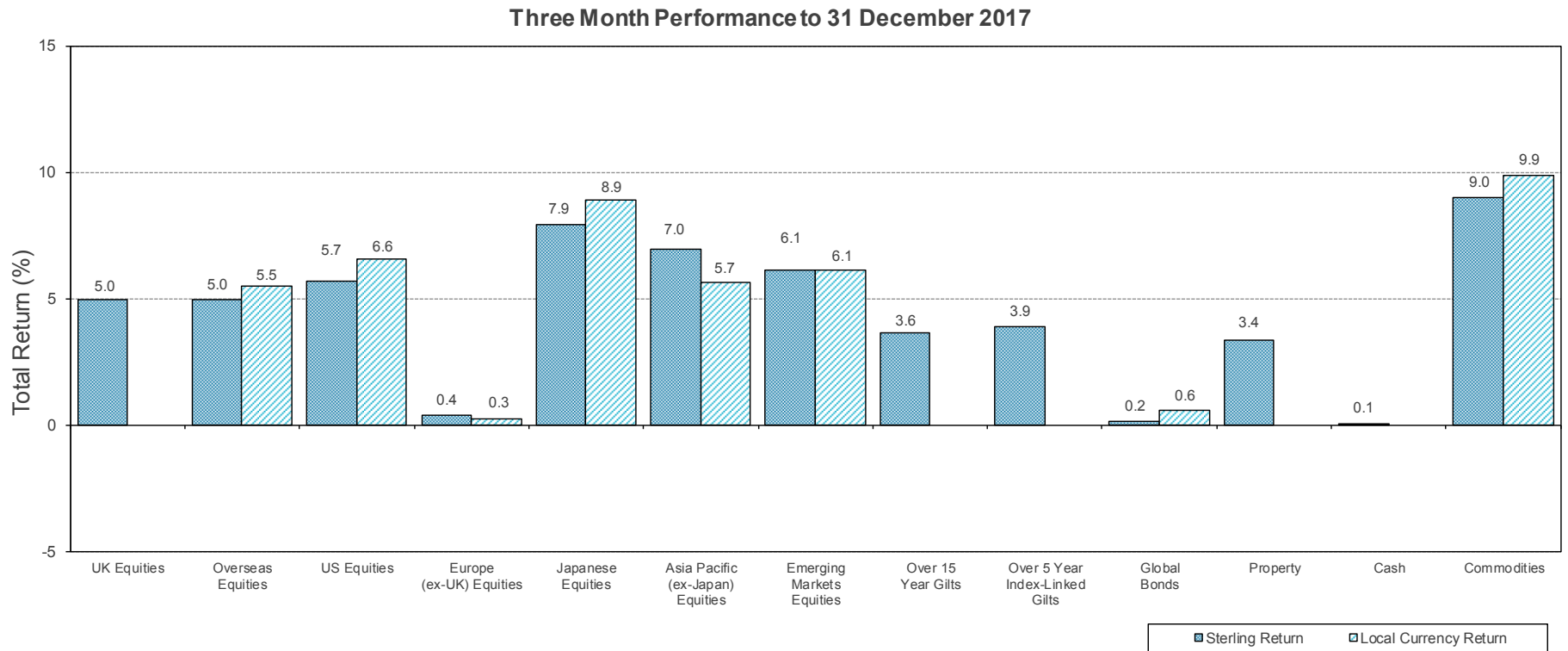


ASSET ALLOCATION AND STRATEGIC CHANGES OVER THE YEAR TO 31 DECEMBER 2017

Manager/Asset Class	Actual Asset Allocation				Benchmark Allocation (%)
	30 September 2017 (£'000)	31 December 2017 (£'000)	30 September 2017 (%)	31 December 2017 (%)	
Majedie – UK Equity	130,436	132,361	22.7	22.3	22.5
Newton – Global Equity	222,964	234,689	38.8	39.6	32.5
Baillie Gifford – Diversified Growth	80,294	81,374	14.0	13.7	15.0
Schroders – UK Bonds	108,424	111,125	18.9	18.7	22.0
Schroders – UK Property	32,773	33,823	5.7	5.7	8.0
Total	574,892	593,373	100.0	100.0	100.0

Source: Investment managers. Figures may not sum due to rounding.

MARKET BACKGROUND



Source: Thomson Reuters Datastream.

MANAGER PERFORMANCE

Manager/Asset Class	Last Quarter		Last Year		Last 3 Years	
	Fund (%)	Benchmark (%)	Fund (%)	Benchmark (%)	Fund (% p.a.)	Benchmark (% p.a.)
Majedie – UK Equity	2.1	5.0	6.8	13.1	9.6	10.1
Newton – Global Equity	4.9	4.9	11.8	13.2	14.3	14.6
Baillie Gifford – Diversified Growth ^(a)	1.5	1.0	7.9	3.8	6.0	3.9
Schroders – UK Bonds	2.5	1.9	4.9	3.1	5.6	4.6
Schroders – UK Property ^(b)	3.4	3.1	11.6	10.2	10.4	8.4
Total	3.3	3.5	8.8	9.3	9.6	9.5

Source: WM Report and investment managers. Performance figures are gross of fees.

(a) Benchmark is UK base rate. Target is benchmark +3.5% p.a. Target is shown in the 'Benchmark' columns above.

(b) Performance figures not client specific.

Over the last three years the Fund has produced a total return of 9.6% p.a. compared to the benchmark return of 9.5% p.a.

INVESTMENT MANAGER FEES

Manager	Asset Class	Fees
Majedie	UK Equities	0.35% p.a. plus 20% of any outperformance above the benchmark return plus 1% on an annualised 3 year rolling basis
Newton	Global Equities	0.20% p.a. on the first £100m 0.17% p.a. for the next £200m 0.12% p.a. for the next £700m 0.10% p.a. on the remainder plus 20% of any outperformance above benchmark
Baillie Gifford	Diversified Growth	0.65% p.a. on the first £30m 0.50% p.a. on the next £90m 0.45% p.a. on the remainder
Schroders	UK Bonds	0.20% p.a.
Schroders	UK Property	c0.5% p.a.*

**estimated by Schroders*

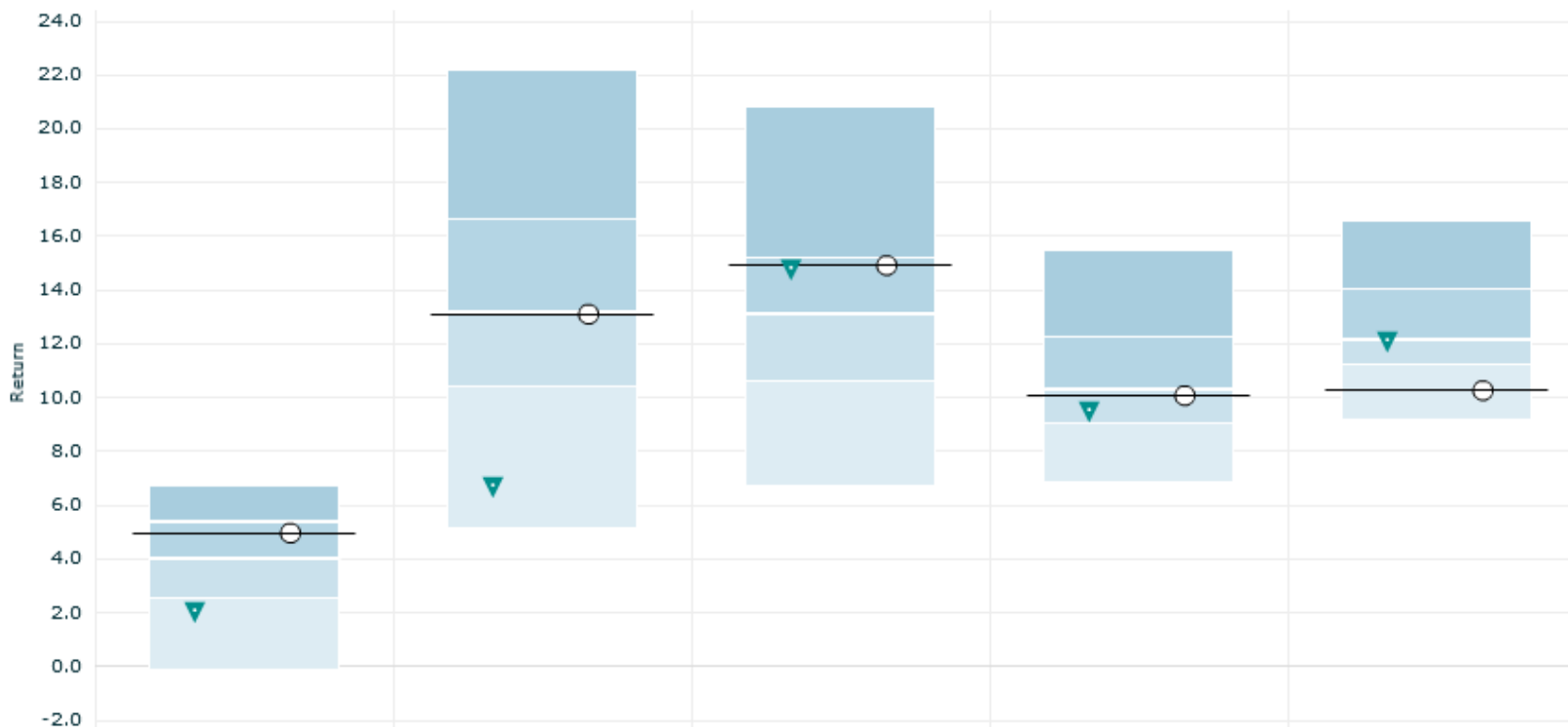
The Majedie fee is equivalent to 0.55% p.a. if the return is benchmark plus 2%

The Newton fee is equivalent to 0.63% p.a. if the return is benchmark plus 2%

MAJEDIE – UK EQUITY

Return in GBP (before fees) over 3 mths, 1 yr, 2 yrs, 3 yrs, 5 yrs ending December-17

Comparison with the UK Active Equity (UK Active Equity) universe (Actual Ranking)



	3 mths (%)	1 yr (%)	2 yrs (%pa)	3 yrs (%pa)	5 yrs (%pa)
▼ Majedie	2.1 (69)	6.8 (76)	14.8 (24)	9.6 (55)	12.2 (41)
○ FTSE All Share	5.0 (29)	13.1 (43)	14.9 (23)	10.1 (49)	10.3 (70)
95th Percentile	6.7	22.2	20.8	15.5	16.6
Upper Quartile	5.4	16.7	15.2	12.3	14.0
Median	4.0	13.2	13.1	10.3	12.2
Lower Quartile	2.5	10.4	10.6	9.0	11.2
5th Percentile	-0.1	5.2	6.7	6.9	9.2
Number	85	84	83	81	77

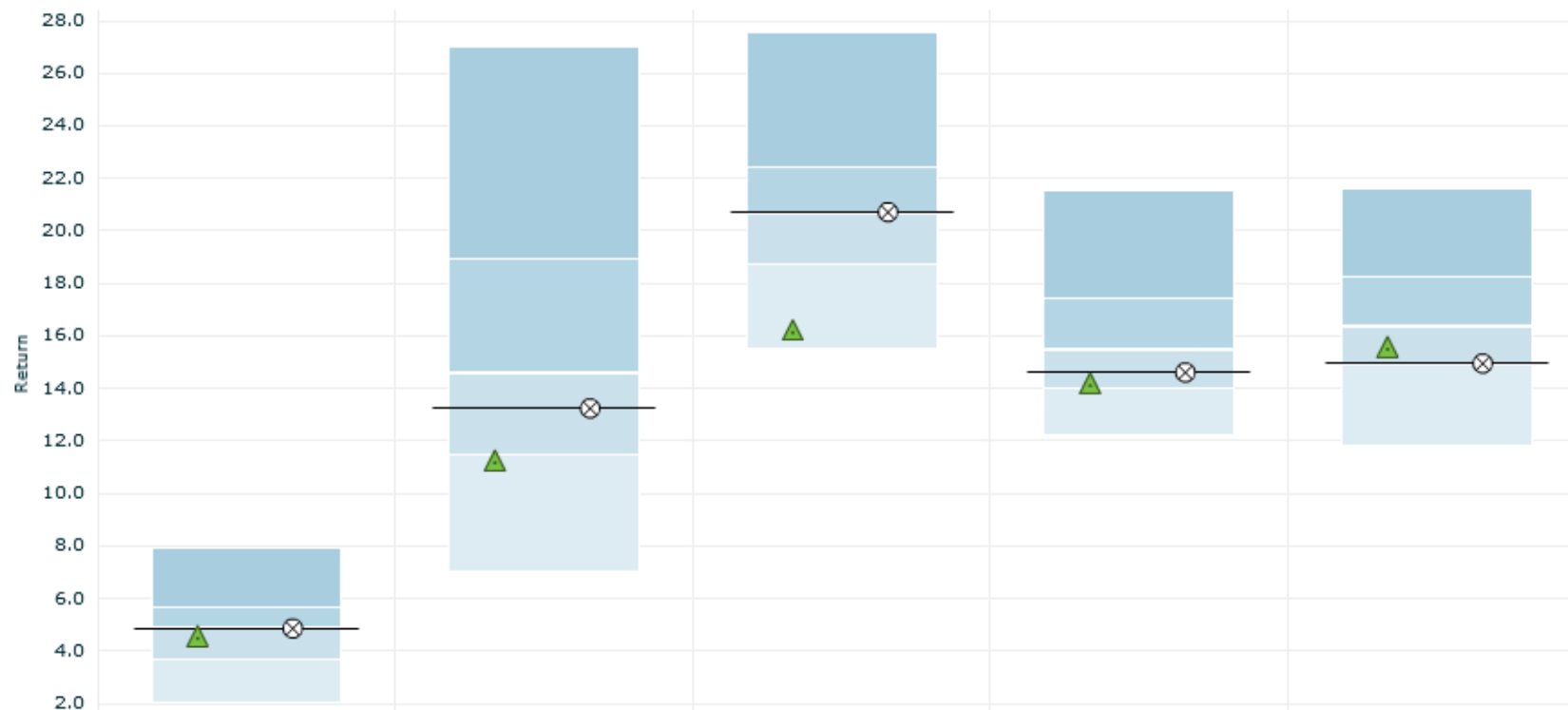
Source Mercer Insight. Not client specific.



NEWTON – GLOBAL EQUITY

Return in GBP (before fees) over 3 mths, 1 yr, 2 yrs, 3 yrs, 5 yrs ending December-17

Comparison with the Global Equity (Core All Countries) universe (Actual Ranking)



	3 mths (%)	1 yr (%)	2 yrs (%pa)	3 yrs (%pa)	5 yrs (%pa)
▲ Newton	4.5 (140)	11.2 (173)	16.1 (187)	14.1 (130)	15.5 (85)
⊗ MSACWN	4.9 (120)	13.2 (139)	20.7 (101)	14.6 (117)	14.9 (96)
95th Percentile	7.9	27.0	27.6	21.6	21.6
Upper Quartile	5.7	18.9	22.5	17.4	18.3
Median	4.9	14.6	20.7	15.5	16.4
Lower Quartile	3.7	11.5	18.7	14.0	14.9
5th Percentile	2.1	7.0	15.5	12.2	11.8
Number	233	219	201	179	130

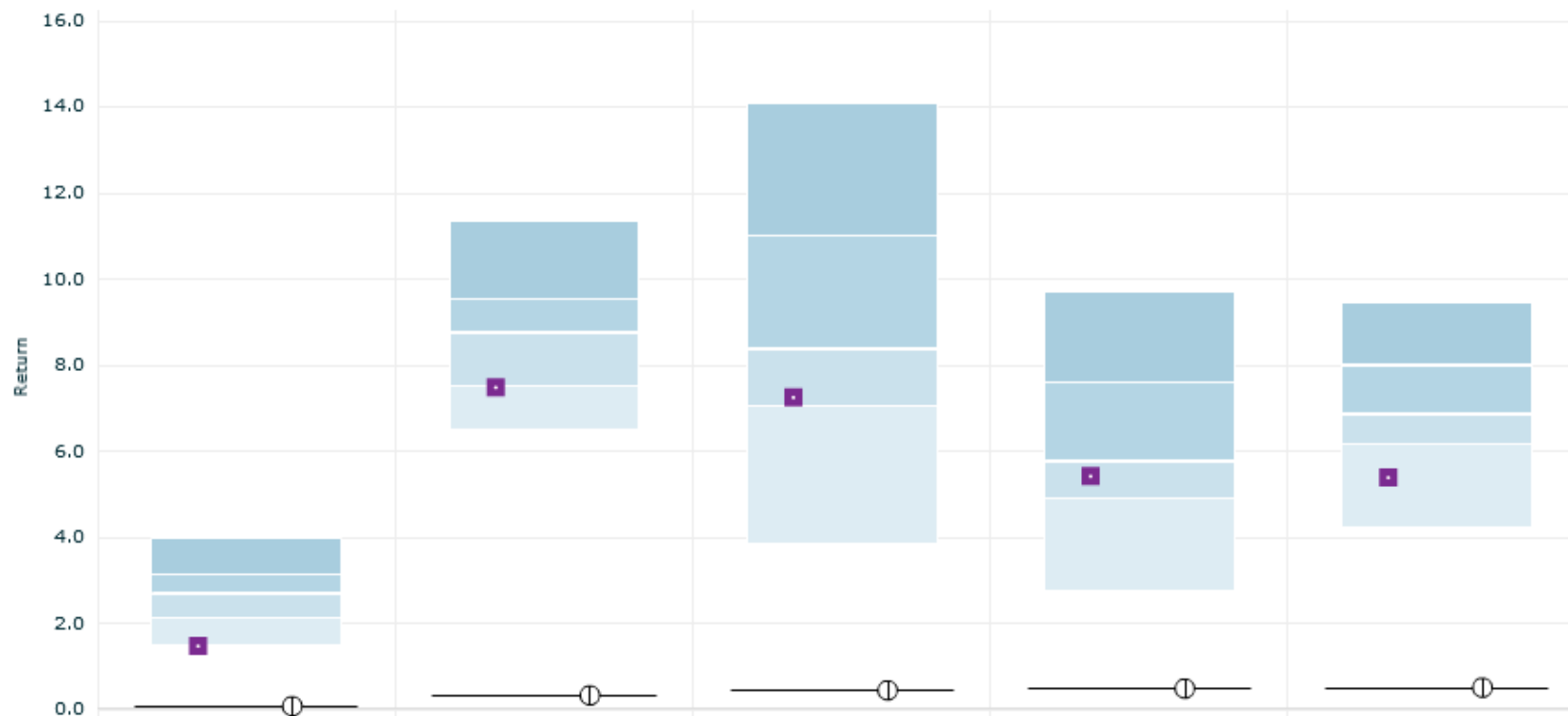
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BAILLIE GIFFORD – DIVERSIFIED GROWTH FUND

Return in GBP (after fees) over 3 mths, 1 yr, 2 yrs, 3 yrs, 5 yrs ending December-17

Comparison with the International Multi-asset GBP (Net) (Core Multi-Asset) universe (Actual Ranking)



	3 mths (%)	1 yr (%)	2 yrs (%pa)	3 yrs (%pa)	5 yrs (%pa)
■ BG DGF	1.5 (24)	7.5 (20)	7.2 (18)	5.4 (15)	5.4 (16)
○ LIBOR3MUK	0.1 (26)	0.3 (26)	0.4 (26)	0.5 (24)	0.5 (20)
95th Percentile	4.0	11.4	14.1	9.7	9.5
Upper Quartile	3.1	9.5	11.0	7.6	8.0
Median	2.7	8.8	8.4	5.8	6.9
Lower Quartile	2.1	7.5	7.1	4.9	6.2
5th Percentile	1.5	6.5	3.9	2.8	4.2
Number	25	25	25	23	19

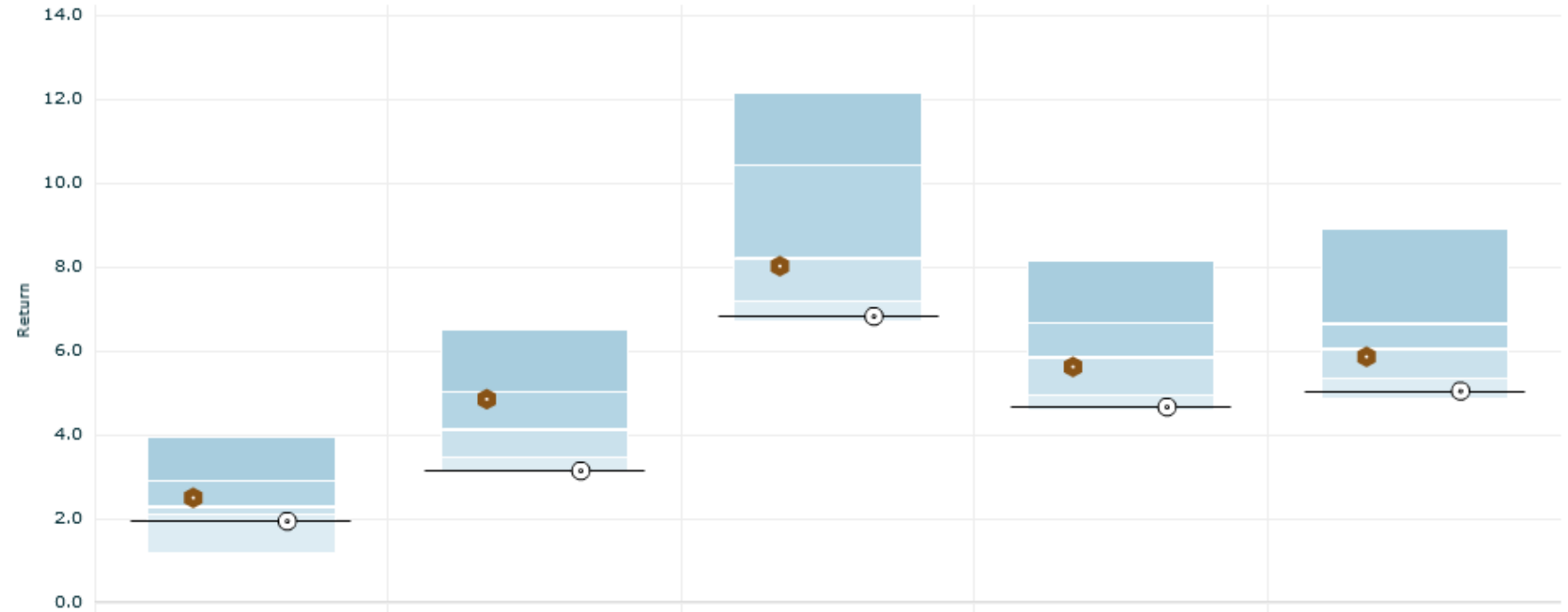
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SCHRODERS - BONDS

Return in GBP (before fees) over 3 mths, 1 yr, 2 yrs, 3 yrs, 5 yrs ending December-17

Comparison with the UK Fixed Income (Govt & Non-Govt) universe (Actual Ranking)



	3 mths (%)	1 yr (%)	2 yrs (%pa)	3 yrs (%pa)	5 yrs (%pa)
◆	2.5(11)	4.8(10)	8.0(14)	5.6(16)	5.9(16)
○	1.9(24)	3.1(23)	6.8(22)	4.7(23)	5.0(22)
95th	4.0	6.5	12.1	8.2	8.9
75th	2.9	5.0	10.4	6.6	6.6
50th	2.3	4.1	8.2	5.8	6.1
25th	2.1	3.5	7.2	4.9	5.3
5th	1.2	3.1	6.7	4.6	4.9
#	26	24	24	24	24

◆ Schroders ○ 50%SNG+50%SG

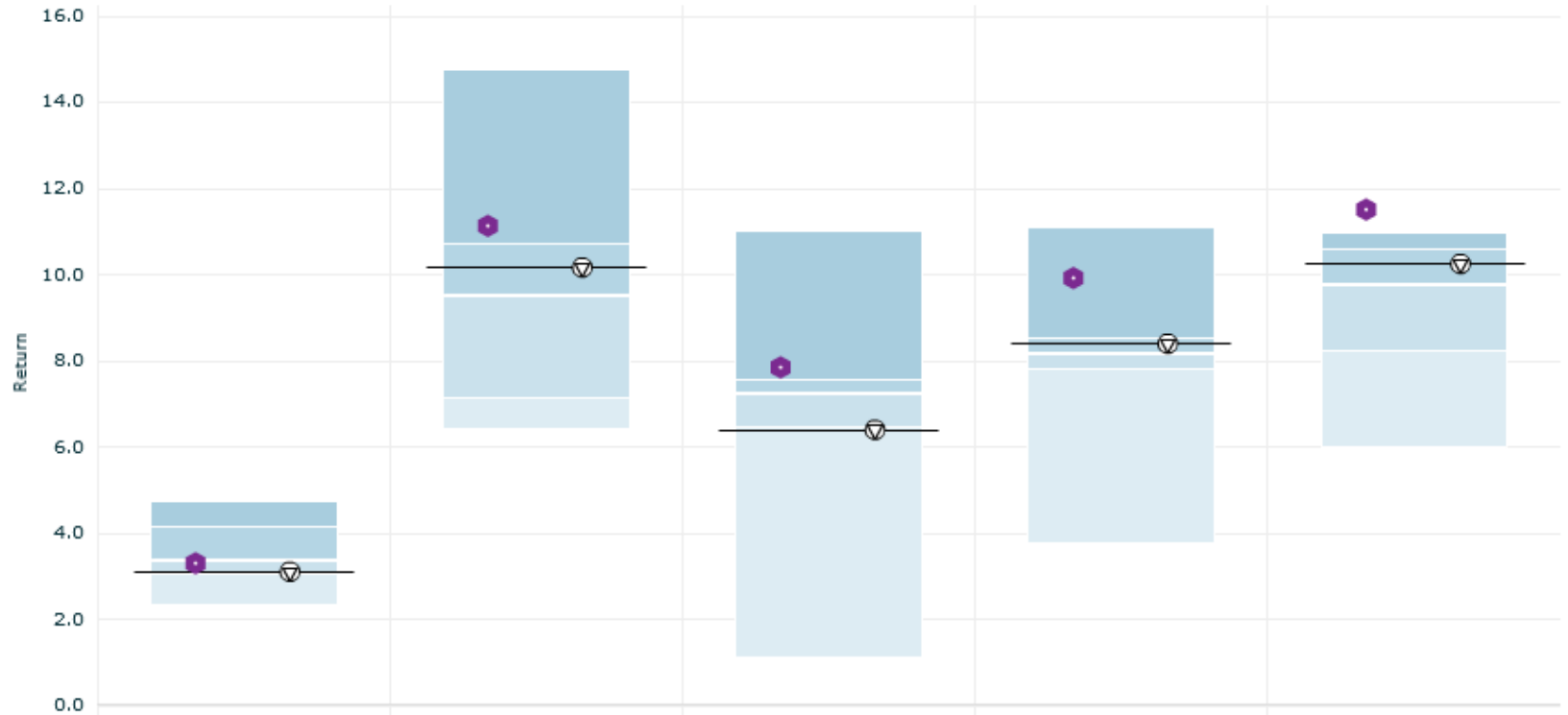
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SCHRODERS - PROPERTY

Return in GBP (after fees) over 3 mths, 1 yr, 2 yrs, 3 yrs, 5 yrs ending December-17

Comparison with the UK Real Estate (Net) universe (Actual Ranking)



	3 mths (%)	1 yr (%)	2 yrs (%pa)	3 yrs (%pa)	5 yrs (%pa)
● UK Property	3.3 (5)	11.1 (2)	7.8 (2)	9.9 (2)	11.5 (1)
⊖ IPDAIIBalanced	3.1 (5)	10.2 (3)	6.4 (5)	8.4 (4)	10.3 (3)
95th Percentile	4.7	14.8	11.0	11.1	11.0
Upper Quartile	4.2	10.7	7.6	8.5	10.6
Median	3.4	9.5	7.3	8.2	9.8
Lower Quartile	3.1	7.1	6.5	7.8	8.2
5th Percentile	2.3	6.4	1.1	3.8	6.0
Number	6	6	6	6	4

Source Mercer Insight. Not client specific.



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