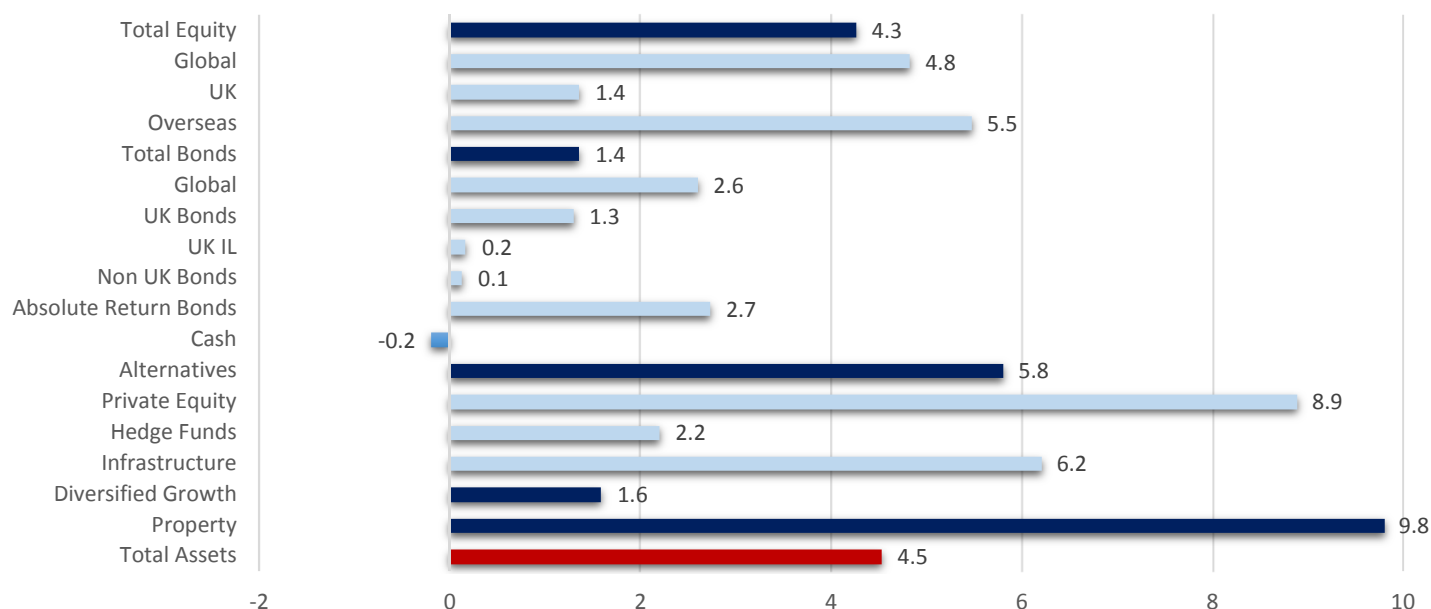


Westminster Pension Fund - Performance Summary For Periods to End March 2018

Universe Overview - Latest Year

Latest Year Performance



- Despite a relatively difficult environment for investors the average local authority fund produced a return of 4.5% for the year
- This was below the long term average but the return was ahead of inflation and broadly in line with actuarial assumptions.
- Asset returns were tightly grouped with bonds, equities and alternatives returning 1%, 4%, and 6% respectively for the year.
- Most funds outperformed their benchmarks by a small margin.

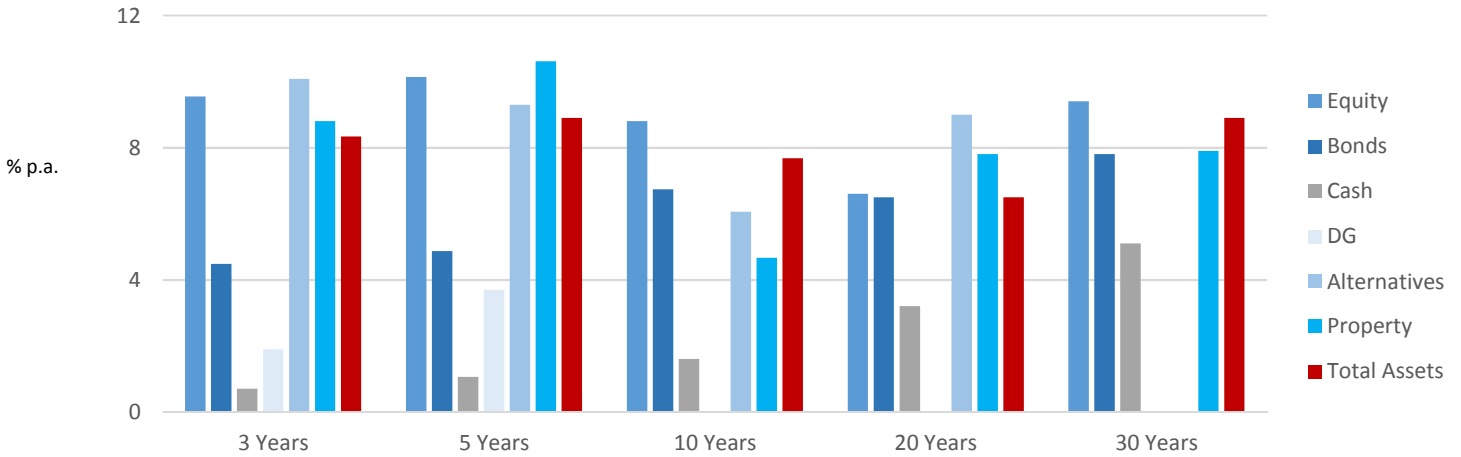
Asset Allocation

- Funds saw the largest reduction in equity exposure since the LGPS began as funds continued the move to less 'risky' assets.
- There was also a focus on income generating assets as many funds are now faced with the possibility of negative cash flow.

% Allocation	End March		Change
	2017	2018	
Equities	62	55	-7
UK	20	15	-5
Overseas	42	40	-2
Bonds	15	18	3
UK	8	8	-
Global	3	4	1
Overseas	1	1	-
Absolute Return	3	5	2
Cash	2	3	1
Alternatives	10	11	1
Private Equity	5	5	-
Infrastructure	2	3	1
Hedge Funds	3	3	-
Diversified Growth (DG)	3	4	1
Property	8	9	1

Universe Longer Term Results

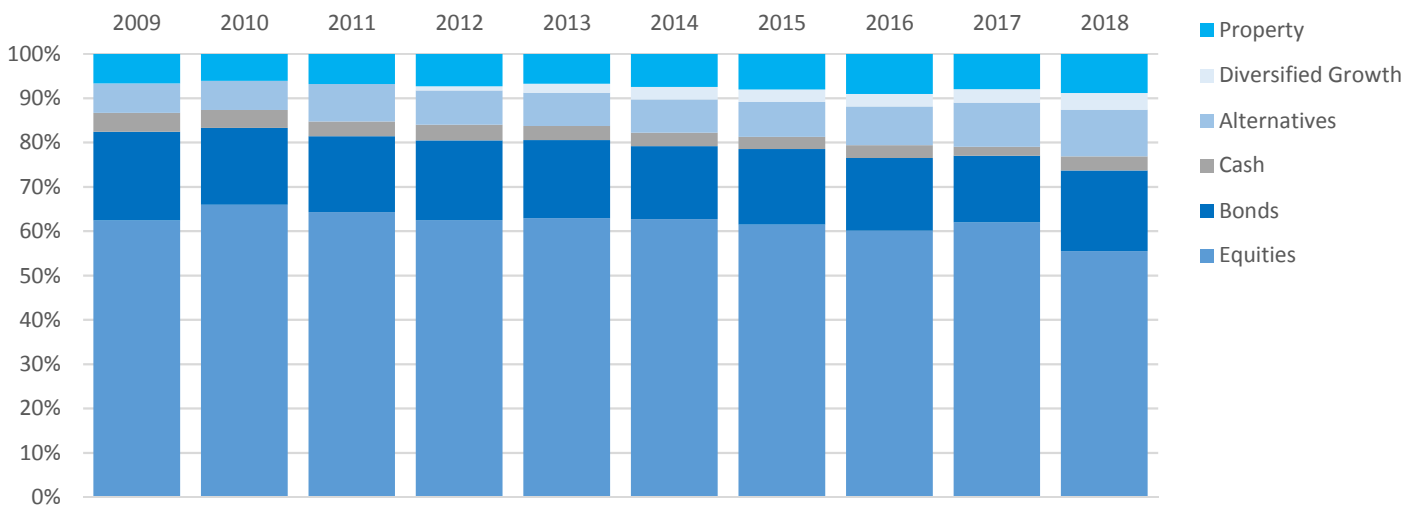
- Long term performance of the LGPS has been excellent. The average funds delivered a positive return in 25 of the last 30 years and delivered an annualised performance of 9% p.a.
- Equities have driven the strong long term performance.
- Alternatives have performed strongly due in a large part to the good returns from private equity.
- Bonds have performed well over the longer term assisted by 'quantitative easing' and strong demand from pension funds.



Asset Class	3 Years	5 Years	10 Years	20 Years	30 Years
Equity	9.6	10.1	8.8	6.6	9.4
Bonds	4.5	4.9	6.7	6.5	7.8
Cash	0.7	1.1	1.6	3.2	5.1
Alternatives	10.1	9.3	6.1	9.0	-
DG	1.9	3.7	-	-	-
Property	8.8	10.6	4.7	7.8	7.9
Total Assets	8.3	8.9	7.7	6.5	8.9

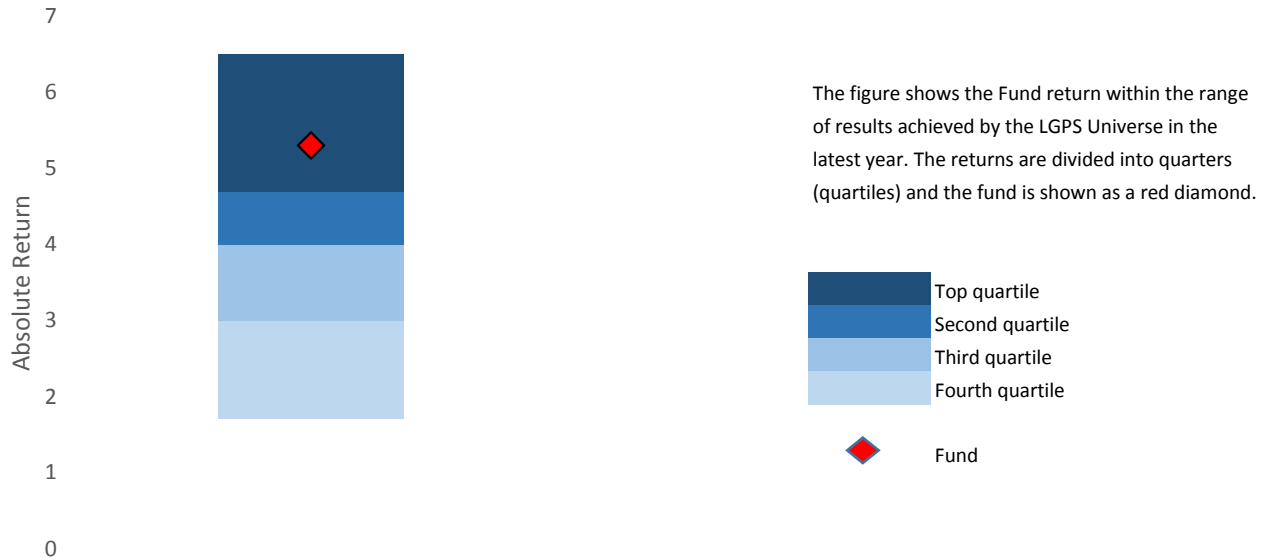
Asset Allocation

- Equities remain the largest allocation within most fund's assets. Three quarters of this allocation is now invested overseas.
- Alternatives have increased markedly over the decade. Private equity makes up a half of this allocation with infrastructure increasing in recent years and expected to increase further.
- Within the bond allocation, there has been a marked move from index based towards absolute return mandates.



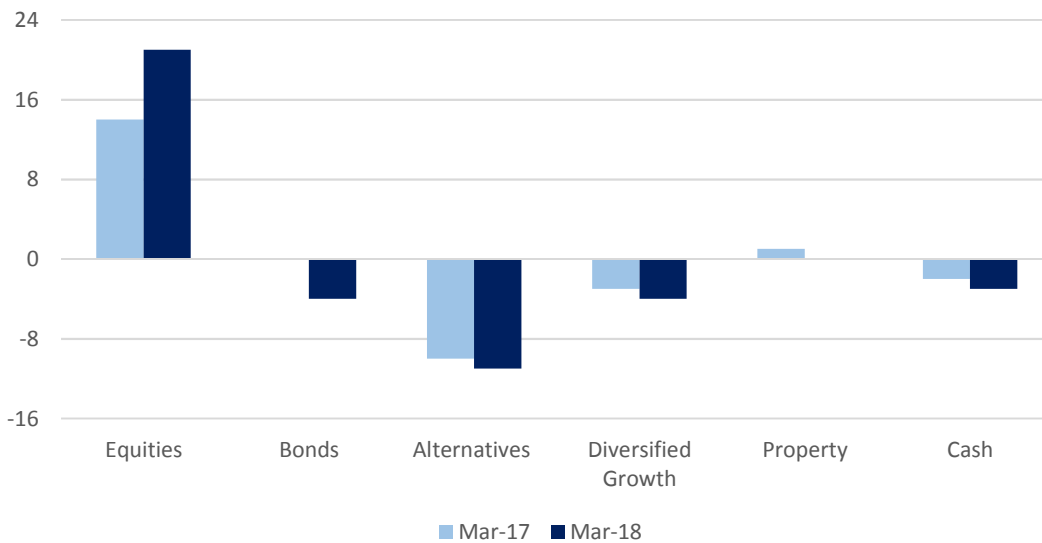
Fund Performance - Latest Year

- The Fund return of 5.3% was well ahead of the Universe average and ranked in the 13th percentile.
- Excellent equity selection was the key driver of this year's strong result.



Fund Asset Allocation

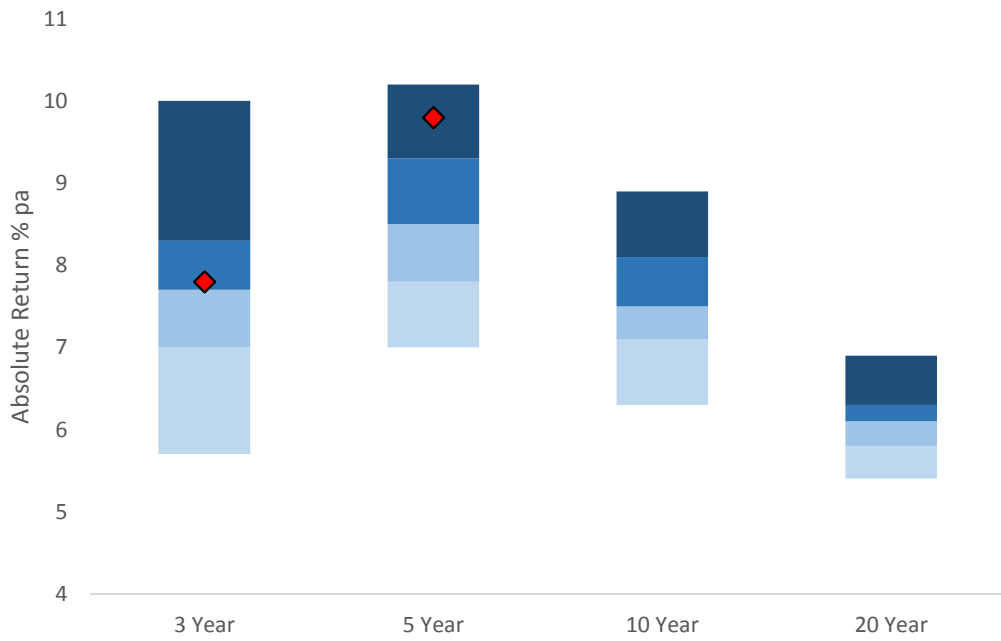
- The Fund has a large overweighting in equities, which increased over the year as other funds reduced their exposure.
- As a result, the Fund is underweight relative to others in the other asset classes.
- In the latest year this allocation had a broadly neutral effect on the relative performance.



The chart shows the Fund's relative % weightings at asset class level at 31st March 2017 and 2018.

Fund Longer Term Returns

- Over the medium term the performance is better than average.
- Over the last five years the key driver in the substantial outperformance has been excellent results from the active equity managers.



Fund	7.8	9.8		
Universe Average	8.3	8.8	7.7	6.5
Ranking	(45)	(12)		

