

Investment Review Board

Meeting on Wednesday 3 June 2015

1 Review of Q1 2015 investment report

2 Comments on economic and market conditions

- 2.1 Market background; US rate outlook dominating financial markets
- 2.2 Rates outlook; later rather than sooner
- 2.3 Inflation; implications of recent trend
- 2.4 Equity markets
- 2.5 Asset class performance.

Allison Galbraith

Investment Consultant

For and on behalf of Hymans Robertson LLP

Chart 1: UK and overseas equities; 1 July 2010 to 18 May 2015

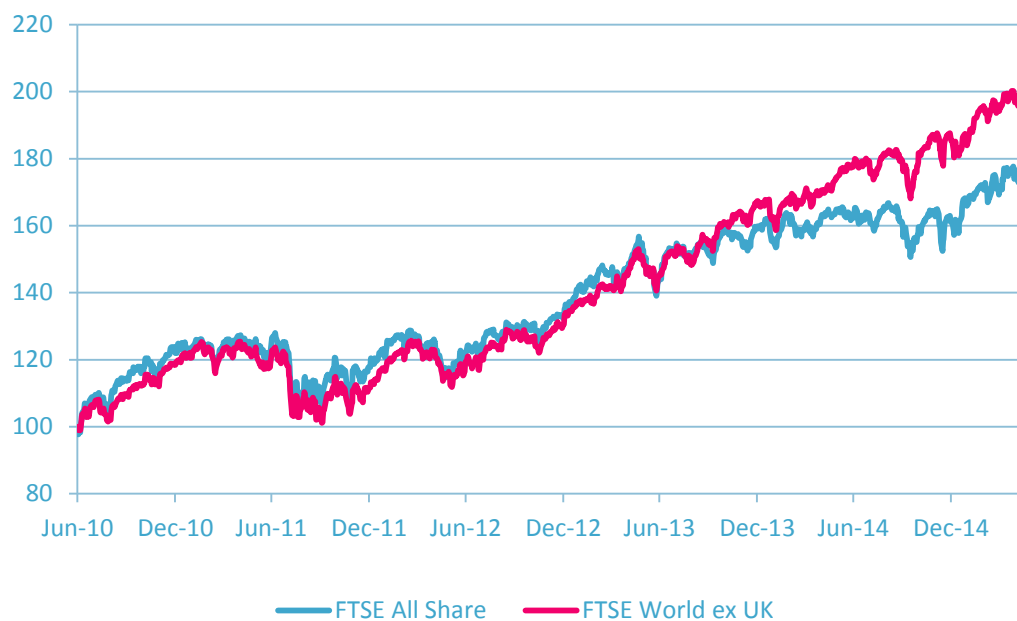


Chart 2: Equities versus Bonds; 1 July 2010 to 18 May 2015

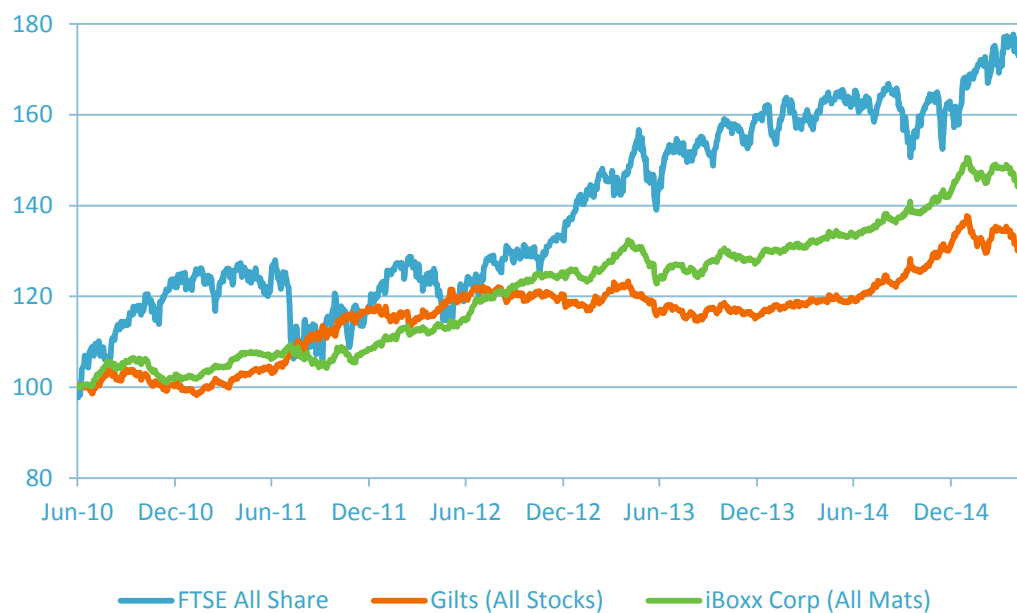


Chart 3: UK, US, Eurozone and Japan GDP; Q1 2008 to Q4 2014

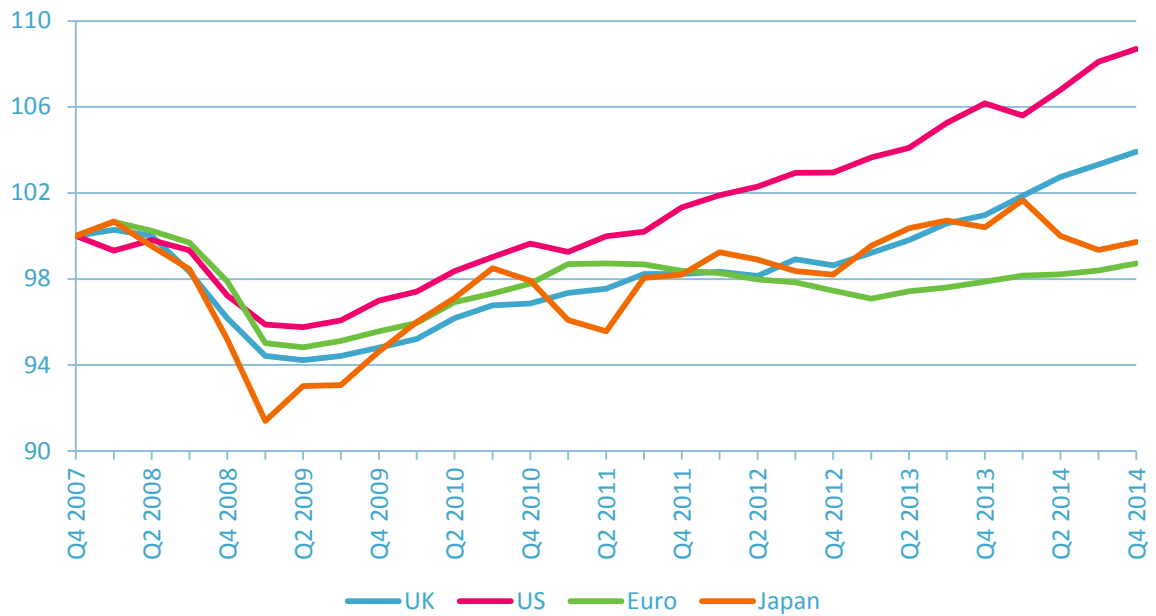


Chart 4: Global Equities – Value versus Growth; Q2 2006 to Q1 2015

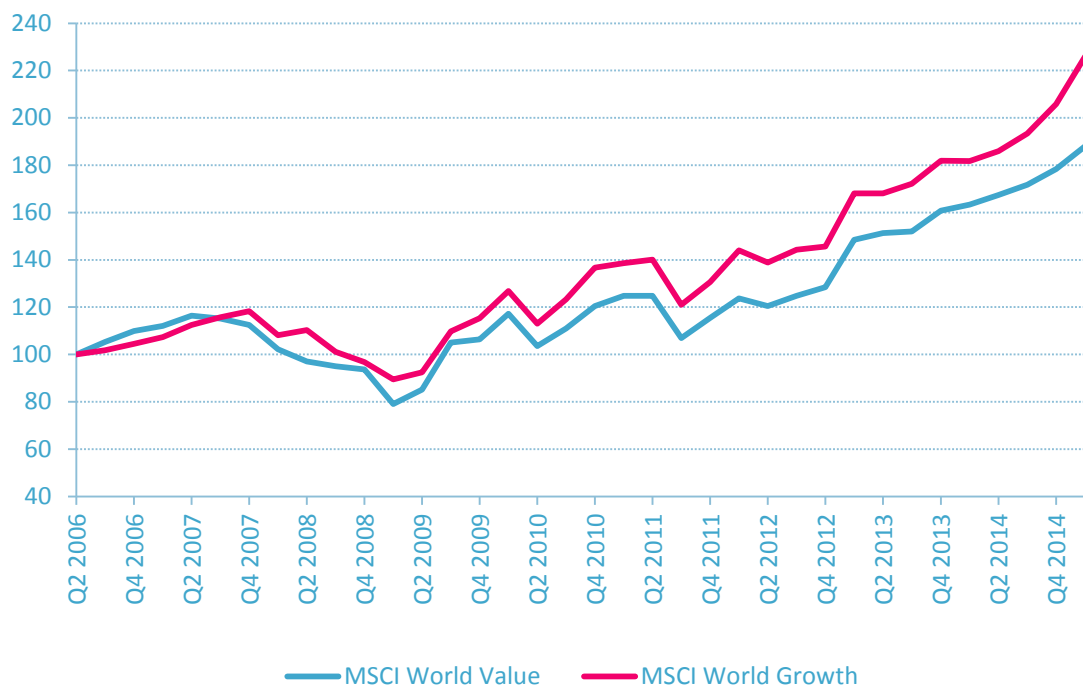


Chart 5: Headline CPI Inflation

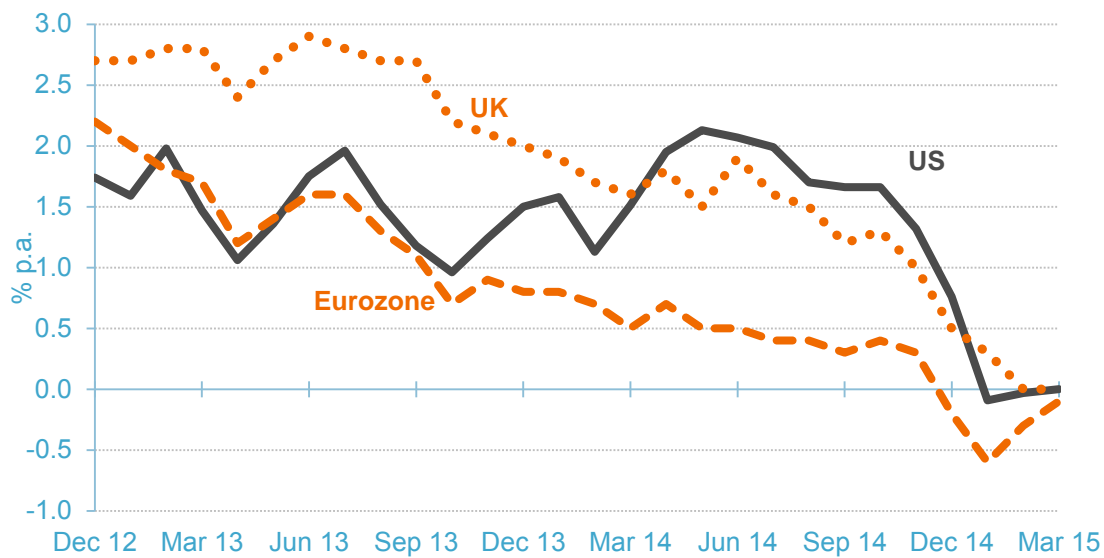
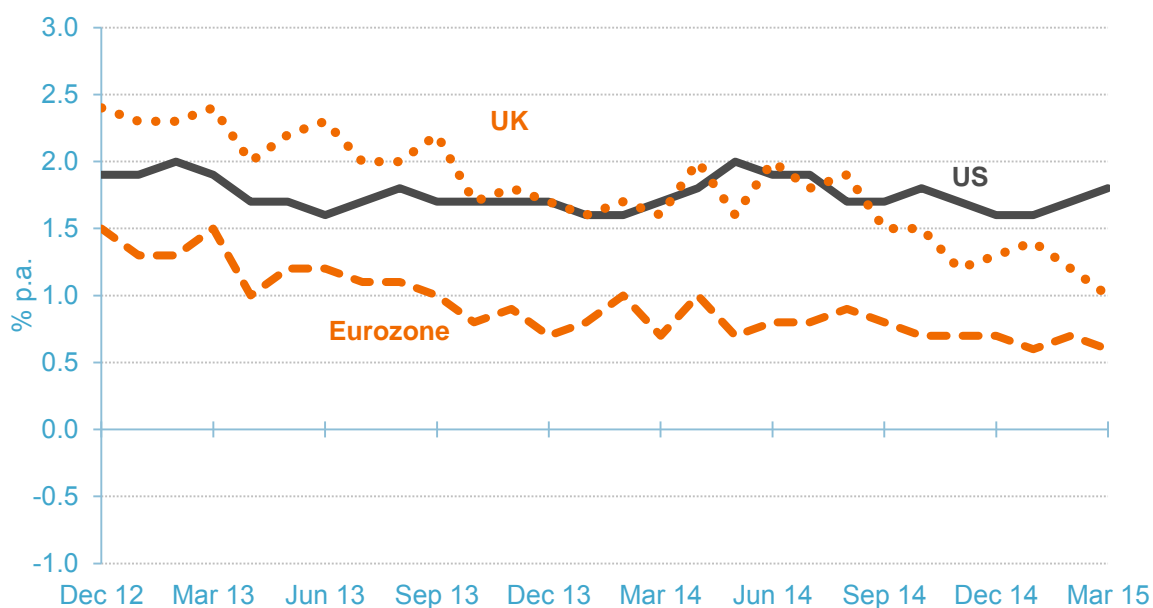


Chart 6: Core CPI Inflation



General Risk Warning

Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets.

Exchange rates may also affect the value of an overseas investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.