

**WM PERFORMANCE SERVICES**  
A State Street Business

# Quarterly Performance Service

**LONDON BOROUGH OF TOWER  
HAMLETS - TOTAL COMBINED  
QUARTERLY PERFORMANCE REVIEW**

PERIODS TO END DECEMBER 2014

Produced 31 January 2015

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LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED  
Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014  
Pound Sterling

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## Market Background

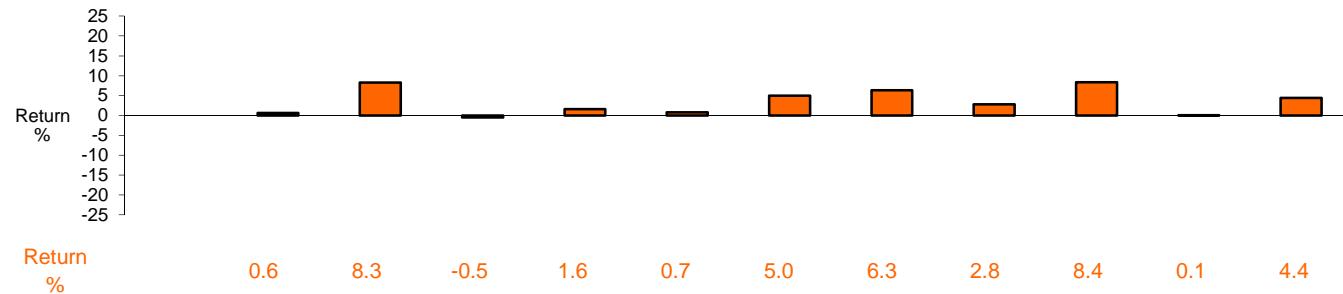
Periods to end December 2014

Pound Sterling

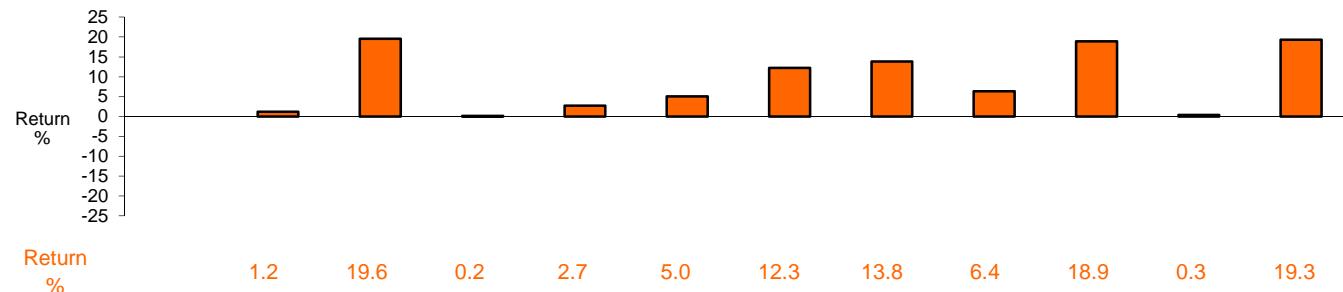
This page details the performance of the major markets.

	UK Equities	N. America	Europe ex UK	Japan	Pacific	Other Intl.	UK Bonds	O/S Bonds	UK IL	Cash/ Alts	Property
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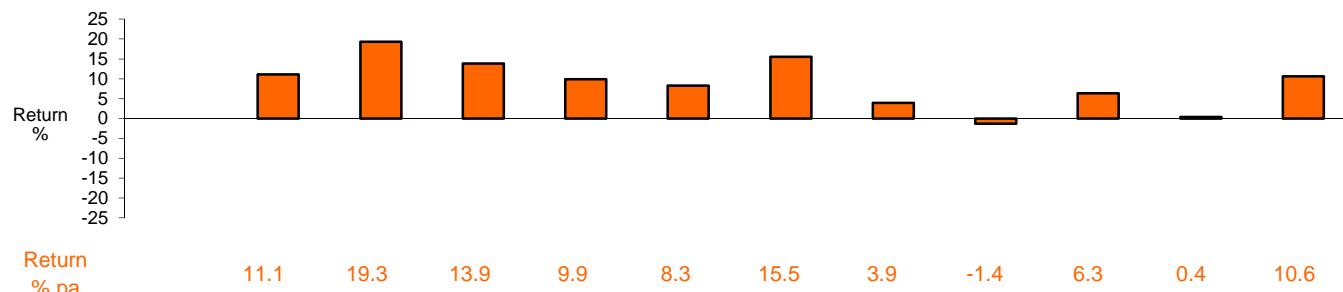
### Latest Quarter



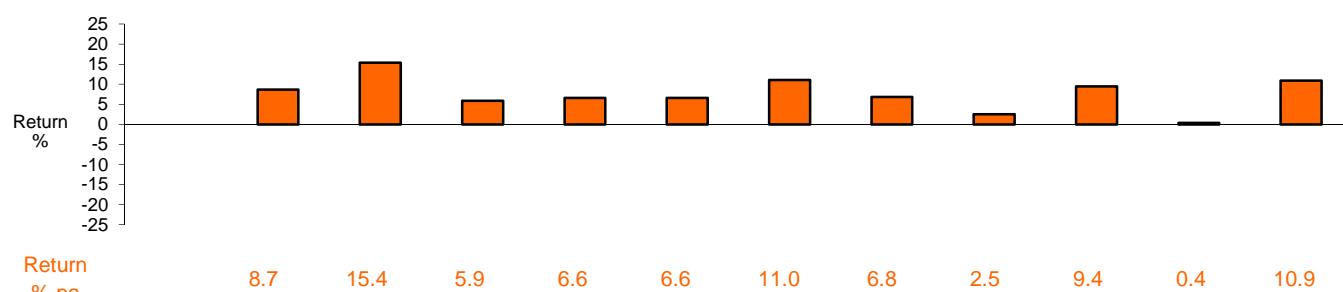
### Last 12 Months



### Last Three Years



### Last Five Years



Index Used	FT All Share	FTSE WORLD N	FTSE WORLD E	FT Japan	FT Pac x Jap	FT Wld x UK	UK Gilts AS	JPM Glb x UK	I/L Gilts AS	7 Day LIBID	IPD Monthly
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## Fund Structure and Benchmarks

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED  
Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014  
Pound Sterling

### Structure

The Fund is managed on a specialist basis with GMO and Baillie Gifford managing the Global Equities on an active basis. UK equities and UK Index-Linked are passively managed by L&G. Investec manage an absolute return pooled bond fund and Schroders are the property manager. During February 2011, Baillie Gifford and Ruffer were appointed to manage Diversified Growth Funds. From 1/4/14 returns are shown net of fees.

### Benchmark

The Fund's performance is analysed relative to customised benchmarks, the weighting and relevant indices are shown below.

On a quarterly basis the Fund will be measured against its Customised Benchmark. On an annual basis there is secondary analysis undertaken relative to the WM Local Authority Universe.

The fund structure and benchmarks are noted below.

	L&G	GMO	Baillie Gifford	Benchmark Indices
Global Equities			100.0	MSCI AC World GDR
UK Equities	100.0	10.0		FTSE All Share
Overseas Equities		90.0		
<i>North America</i>		30.0		FTSE AW North America
<i>Europe</i>		30.0		FTSE AW Dev Europe ex UK
<i>Japan</i>		17.0		FTSE AW Japan
<i>Pacific ex Japan</i>		8.5		FTSE AW Dev Asia
<i>Emerging Markets</i>		4.5		Pacific ex Japan ex S. Korea
UK Gilts				MSCI EM
Overseas Bonds				
UK Index Linked				
Cash				
Property				
	20.0	25.0	16.0	

	L&G	Investec	Schroders	Baillie Gifford	Ruffer	Total Combined	Benchmark Indices
Global Equities						16.0	MSCI AC World GDR
UK Equities						22.5	FTSE All Share
<i>North America</i>						7.4	FTSE AW North America
<i>Europe</i>						7.4	FTSE AW Europe ex UK
<i>Japan</i>						4.3	FTSE AW Japan
<i>Pacific ex Japan</i>						2.4	FTSE AW Dev Asia
<i>Emerging Markets</i>						1.0	Pacific ex Japan ex S. Korea
Pooled Bonds			100.0			14.0	LIBOR 3 Month 2%
UK Index Linked	100.0					3.0	FTSE A Gov Index-Linked > 5 yrs
Cash							
Property			100.0			12.00	HSBC/IPD Pooled All Balanced Funds Average
Diversified Growth				100.0	100.0	10.0	50% Base Rate 3.5%/ 50% 3 Month LIBOR +2%
	3.0	14.0	12.0	5.0	5.0	100.0	

### Targets

GMO: +1.5% p.a. net of fees over a rolling 3 year period.  
 Baillie Gifford Global Equity: + 2 - 3 % p.a. gross of fees over a rolling 3 year period.  
 Schroders: +0.75% p.a. net of fees over a rolling 3 year period.  
 Baillie Gifford Diversified Growth: 3.5% p.a. above the UK Base Rate (after fees).  
 Investec: 3 Month LIBOR +2% p.a.  
 Ruffer: Overall objective is firstly to preserve the capital over rolling twelve month periods, and secondly to grow the Portfolio at a higher rate (after fees) than could reasonably be expected from the alternative of depositing the cash value of the Portfolio in a reputable UK bank.

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## Fund Structure and Benchmarks

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED  
Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014  
Pound Sterling

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## Performance Summary

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014

Pound Sterling

### Category - TOTAL ASSETS

This page summarises the overall value and performance of the Fund.

#### Fund Value

Values (GBP)'000	Mandate	Value at 30/09/2014	Transactions	Capital Gain / loss	Income	Value at 31/12/2014	% Fund
GMO	Eq Glbl	267,830	-18,843	1,750	1,928	250,737	23
L & G	Eq UK	214,802	0	1,276	-26	216,078	20
BAILLIE GIFF	Eq Glbl	187,276	107	12,059	106	199,442	18
SCHRODERS	Prop UK	114,273	989	3,948	933	119,210	11
INVESTEC	Bd Glbl	98,694	0	800	-65	99,494	9
L & G	Bd UK I/L	52,683	0	4,971	-5	57,654	5
BAILLIE GIFF	Structured	48,768	18	298	18	49,084	5
RUFFER	Absolute	46,342	0	1,948	0	48,290	4
INT MGD	Cash	19,031	22,443	0	21	41,474	4
Total Fund		1,049,698	4,715	27,050	2,910	1,081,463	100

The table shows the value of each Portfolio at the start and end of the period.

The change in value over the period is a combination of the net money flows into or out of each Portfolio and any gain or loss on the capital value of the investments.

## Performance Summary

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

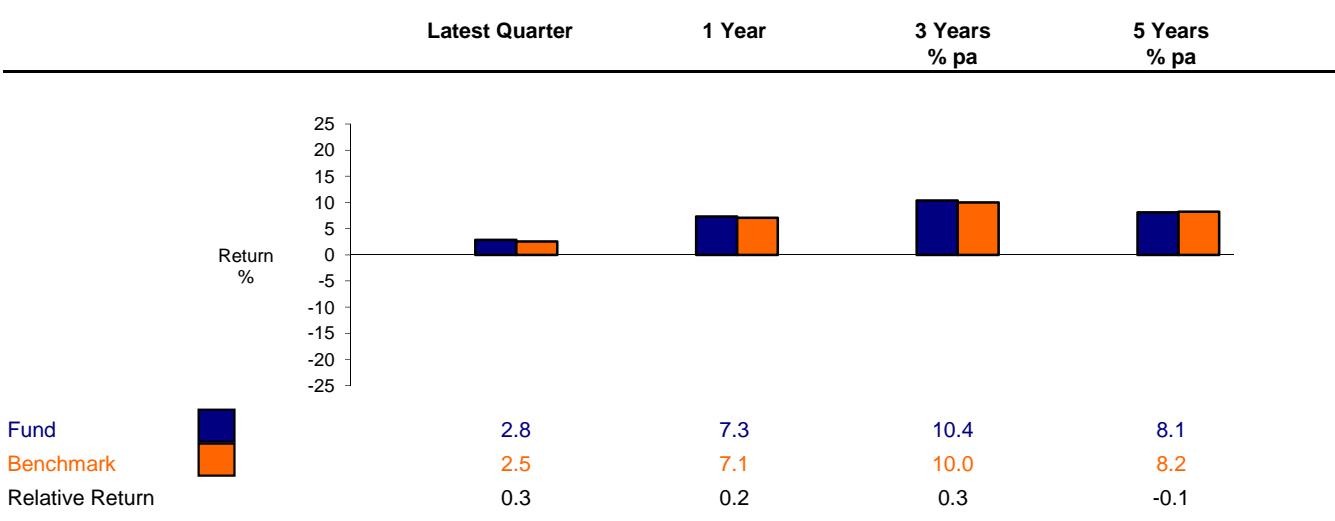
Periods to end December 2014

Pound Sterling

Category - TOTAL ASSETS

This page summarises the overall value and performance of the Fund.

### Fund Returns



The graphs show the performance of the Fund and Benchmark over the latest period and longer term.

The relative return is the degree by which the Fund has out or underperformed the Benchmark over these periods

# = Data not available for the full period

# Detailed Analysis of the Latest Quarter Performance

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Periods to end December 2014

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Pound Sterling

Category - TOTAL ASSETS

This page analyses in detail the Fund performance over the latest period.

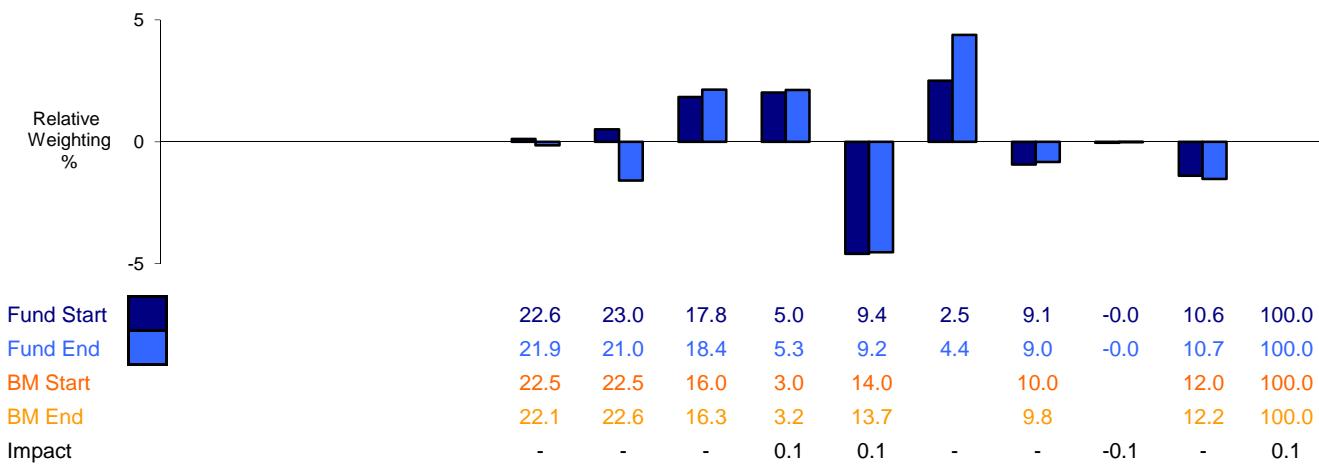
## Summary

Fund Return	2.8
Benchmark Return	2.5
Relative Performance	0.3
attributable to:	
Asset Allocation	0.1
Stock Selection	0.1

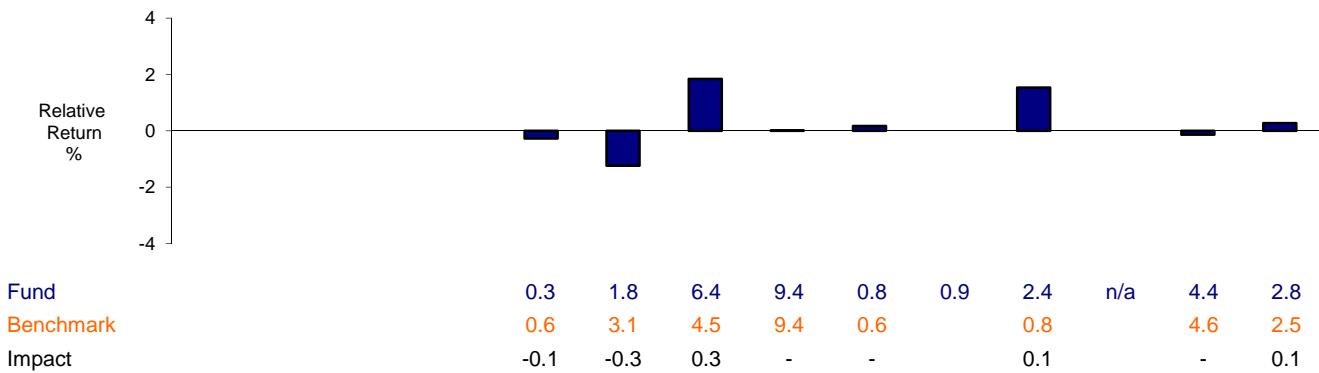
The relative performance can be attributed to the effects of stock selection and asset allocation as detailed below:

	UK Equities	O/S Equities	Global Eq	UK IL	Pooled Bonds	Cash	Alternativ es	Curr Instr	Property	Total Fund
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## Asset Allocation



## Stock Selection



An asset allocation decision will have a positive impact if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely, a positive benefit would be derived from having a relatively low exposure to an area that has performed poorly.

Stock selection will have a positive impact if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

# Long Term Performance Analysis

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

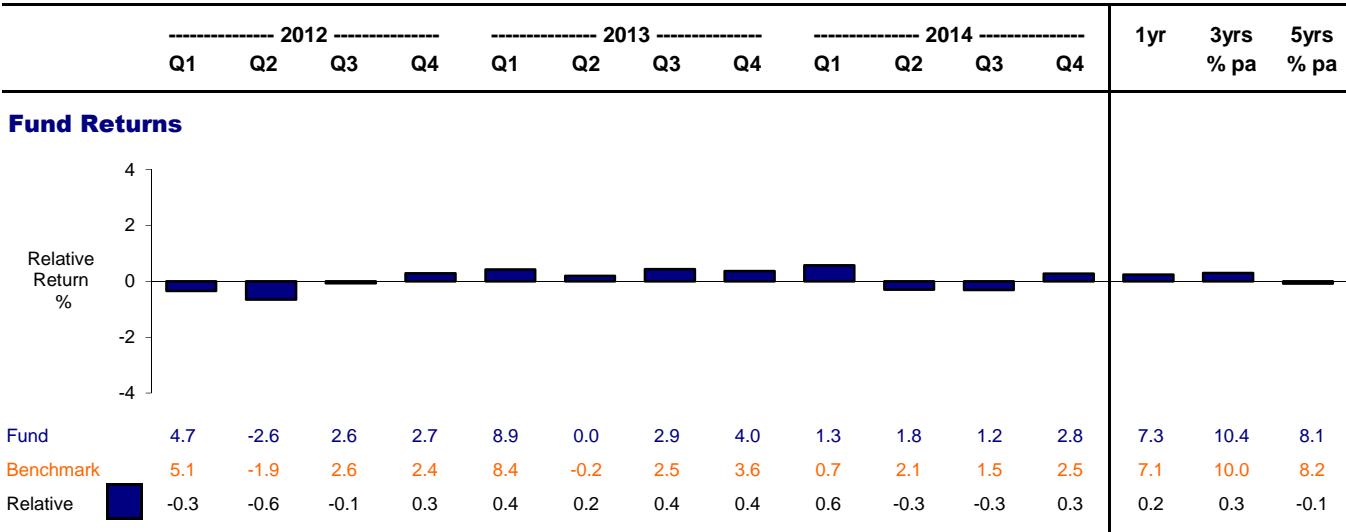
Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Category - TOTAL ASSETS

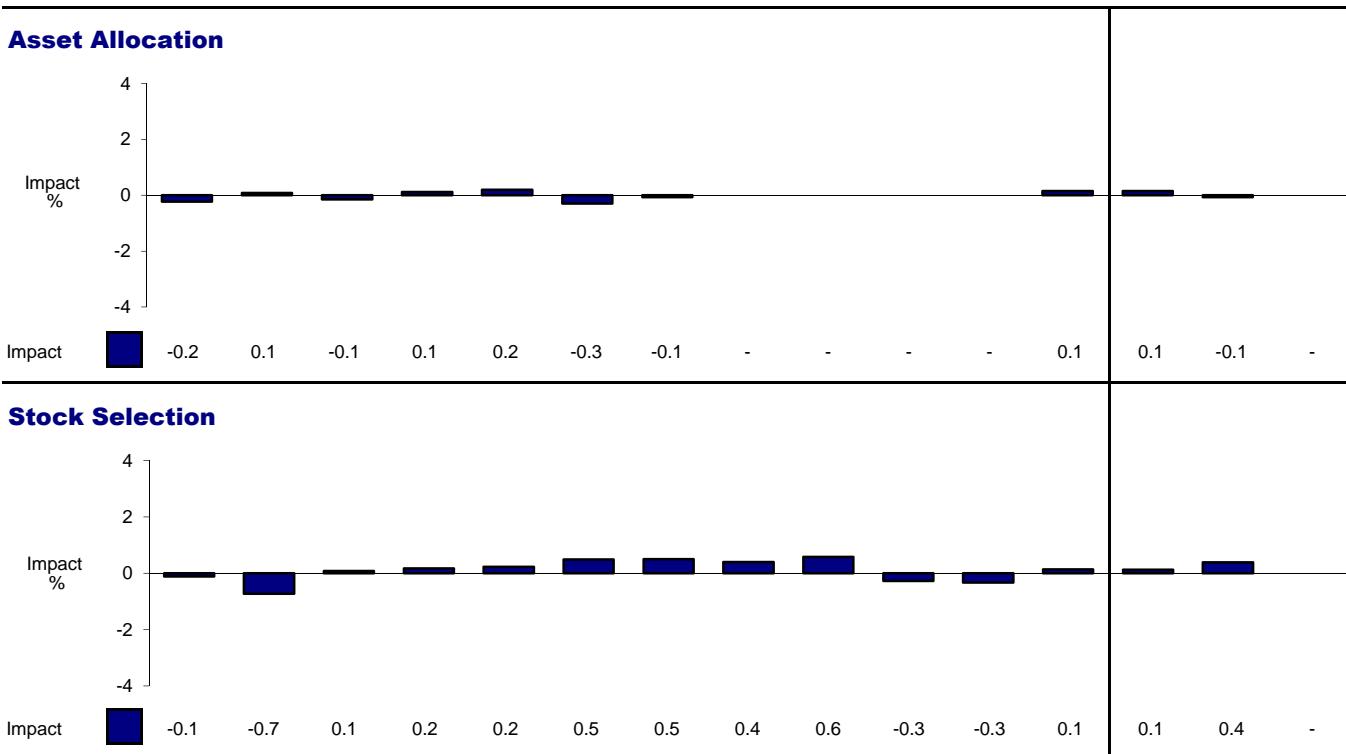
Periods to end December 2014

Pound Sterling

This page looks in more detail at the long term performance, plotting it relative to the Benchmark.



The relative performance can be attributed to the effects of asset allocation and stock selection as detailed below:



An asset allocation decision will be positive if a Fund is invested more heavily than its Benchmark in an area that has performed well.

Conversely a positive benefit would be derived from investing less heavily in an area that has performed poorly.

Stock selection will be positive if the Fund has outperformed the Benchmark in a particular area.

The impact of both asset allocation and stock selection is weighted by the level of investment in the area.

# not invested in this area for the entire period

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## Long Term Asset Allocation

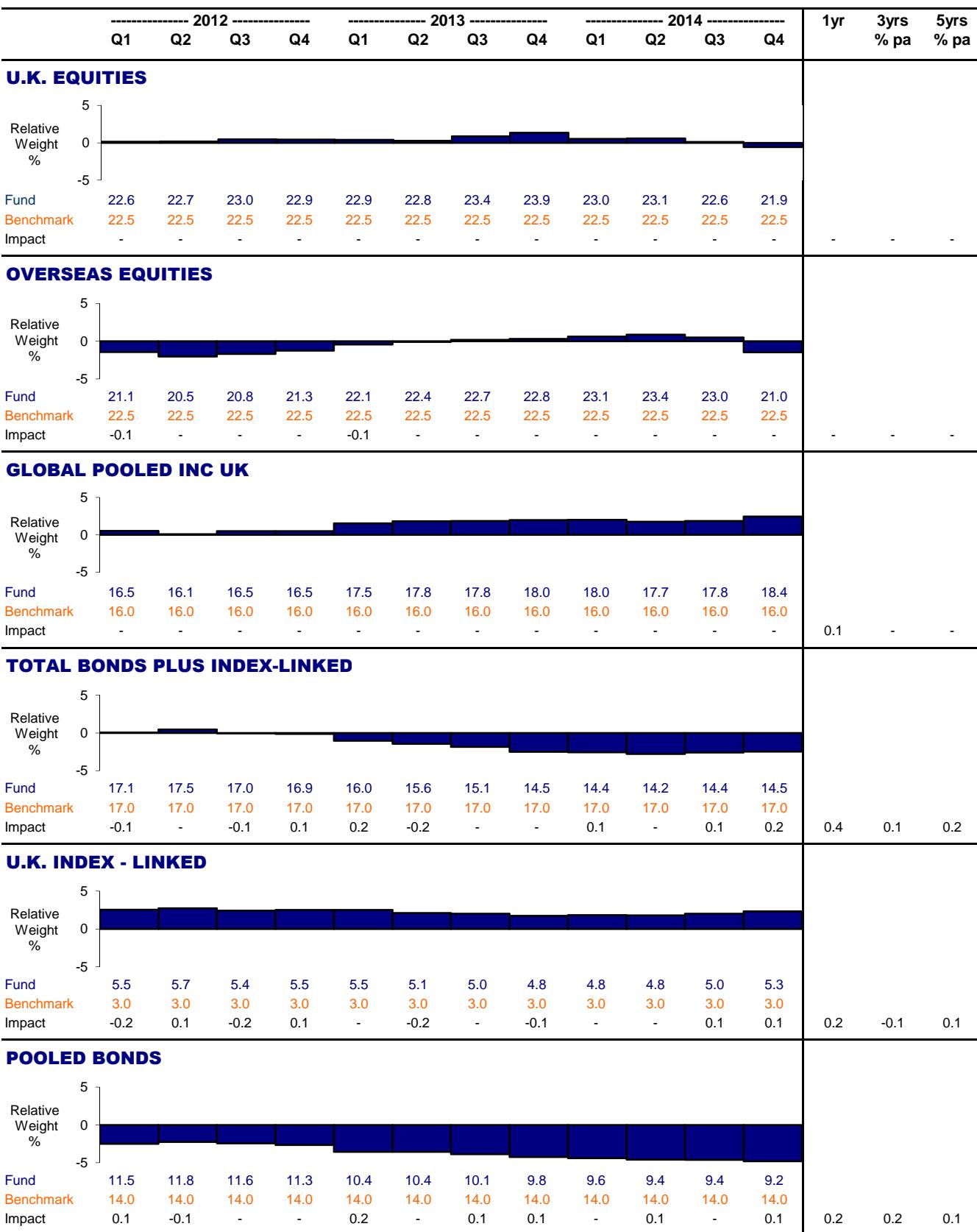
LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014

Pound Sterling

This page looks in more detail at asset allocation decisions, plotting the Fund's exposure at the end of each period relative to the Benchmark and detailing the impact on the total fund performance.



For each area of investment the initial weighting for the Fund and the Benchmark is shown and the difference plotted.

The impact will be positive when the Fund is overweight in an area that has outperformed or vice versa.

- indicates a value less than 0.05 and greater than -0.05

## Long Term Asset Allocation

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014

Pound Sterling

This page looks in more detail at asset allocation decisions, plotting the Fund's exposure at the end of each period relative to the Benchmark and detailing the impact on the total fund performance.

	2012				2013				2014				1yr	3yrs	5yrs
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% pa	% pa	% pa
<b>CASH/ALTERNATIVES</b>															
Relative Weight %	5														
Fund	11.7	11.9	11.5	11.6	11.5	11.3	10.7	10.7	11.2	11.0	11.6	13.4			
Benchmark	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0			
Impact	-0.1	0.1	-0.1	-	-0.1	-	-	-	-	-	-	-	-0.1	-0.1	-0.1
<b>TOTAL CASH</b>															
Relative Weight %	5														
Fund	1.7	1.8	1.5	1.6	1.6	1.6	1.3	1.5	2.2	2.0	2.5	4.4			
Benchmark															
Impact	-0.1	0.1	-	-	-0.1	-	-0.1	-	-	-0.1	-	-	-0.1	-0.2	-0.2
<b>ALTERNATIVES</b>															
Relative Weight %	5														
Fund	10.0	10.1	10.0	10.0	9.9	9.7	9.5	9.2	9.0	9.0	9.1	9.0			
Benchmark	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0			
Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CURRENCY INSTRUMENTS</b>															
Relative Weight %	5														
Fund	0.0	0.0	-0.0	0.0	0.1	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0			
Benchmark															
Impact	-	-	-	-	0.1	-	-	-0.1	-	-	-	-	-0.1	-0.1	-0.1
<b>TOTAL PROPERTY</b>															
Relative Weight %	5														
Fund	11.0	11.4	11.2	10.9	9.9	10.1	10.2	10.2	10.2	10.6	10.6	10.7			
Benchmark	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0			
Impact	-	-	-	-	0.1	-	-	-	-	-	-	-	-0.2	-	-0.1

For each area of investment the initial weighting for the Fund and the Benchmark is shown and the difference plotted.

The impact will be positive when the Fund is overweight in an area that has outperformed or vice versa.

- indicates a value less than 0.05 and greater than -0.05

# Long Term Stock Selection

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014

Pound Sterling

This page looks in more detail at the impact of stock selection, plotting the return in each area relative to the Benchmark and detailing the impact on the total fund performance.

	2012				2013				2014				1yr	3yrs	5yrs
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% pa	% pa	% pa
<b>U.K. EQUITIES</b>															
Relative Return %	4	2	0	-2	-4	4	2	0	-2	-4	4	2	0	-2	-4
Fund	5.8	-2.5	4.7	3.6	10.3	-1.5	5.8	5.7	-0.4	2.7	-1.2	0.3	1.4	11.2	8.9
Benchmark	6.1	-2.6	4.7	3.8	10.3	-1.7	5.6	5.5	-0.6	2.2	-1.0	0.6	1.2	11.1	8.7
Impact	-0.1	-	-	-	-	-	-	0.1	0.1	0.1	-	-0.1	0.1	-	0.1
<b>OVERSEAS EQUITIES</b>															
Relative Return %	4	2	0	-2	-4	4	2	0	-2	-4	4	2	0	-2	-4
Fund	6.3	-4.8	2.9	3.4	11.4	2.8	4.1	5.6	2.4	2.1	0.9	1.8	7.4	13.3	9.1
Benchmark	9.2	-4.5	3.7	4.2	14.6	0.5	2.5	4.2	0.5	2.1	1.8	3.1	7.6	14.2	9.4
Impact	-0.6	-0.1	-0.1	-0.2	-0.6	0.5	0.4	0.3	0.4	-	-0.2	-0.3	-0.1	-0.1	-0.1
<b>GLOBAL POOLED INC UK</b>															
Relative Return %	4	2	0	-2	-4	4	2	0	-2	-4	4	2	0	-2	-4
Fund	9.9	-5.0	5.1	2.8	15.8	1.7	2.8	5.1	2.0	0.3	1.9	6.4	11.0	16.7	12.7
Benchmark	9.0	-3.6	3.9	2.3	14.1	-0.1	1.2	5.0	0.5	2.6	3.2	4.5	11.2	14.6	10.5
Impact	0.1	-0.2	0.2	0.1	0.2	0.3	0.3	-	0.3	-0.4	-0.2	0.3	-	0.3	0.3
<b>TOTAL BONDS PLUS INDEX-LINKED</b>															
Relative Return %	4	2	0	-2	-4	4	2	0	-2	-4	4	2	0	-2	-4
Fund	0.8	-0.0	-0.4	2.3	3.1	-2.5	-0.0	0.0	1.3	0.4	2.8	3.8	8.5	3.8	3.8
Benchmark	0.3	0.7	-0.0	1.4	2.1	-0.8	0.6	0.3	1.1	0.7	1.6	2.2	5.7	3.5	
Impact	0.2	-0.1	-	-	-	-0.1	-	-	-0.1	0.1	-	-	-	-	-0.3
<b>U.K. INDEX - LINKED</b>															
Relative Return %	4	2	0	-2	-4	4	2	0	-2	-4	4	2	0	-2	-4
Fund	-2.0	0.8	-3.2	5.1	9.0	-7.3	0.6	-0.9	3.6	1.1	5.9	9.4	21.4	7.1	10.4
Benchmark	-2.0	0.8	-3.2	5.0	9.0	-7.3	0.5	-0.9	3.6	1.1	5.9	9.4	21.4	7.0	10.5
Impact	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>POOLED BONDS</b>															
Relative Return %	4	2	0	-2	-4	4	2	0	-2	-4	4	2	0	-2	-4
Fund	2.2	-0.4	0.9	1.0	0.2	0.1	-0.3	0.5	0.1	0.0	1.2	0.8	2.2	2.1	
Benchmark	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	2.5	2.6	
Impact	0.2	-0.1	-	-	-	-0.1	-0.1	-	-0.1	0.1	-	-	-	-0.1	-0.3

For each area of investment the return for the Fund and the Benchmark is shown and the relative return plotted.

The impact of stock selection is the relative return weighted by the level of investment in the area.

# not invested in this area for the entire period

- indicates a value less than 0.05 and greater than -0.05

## Long Term Stock Selection

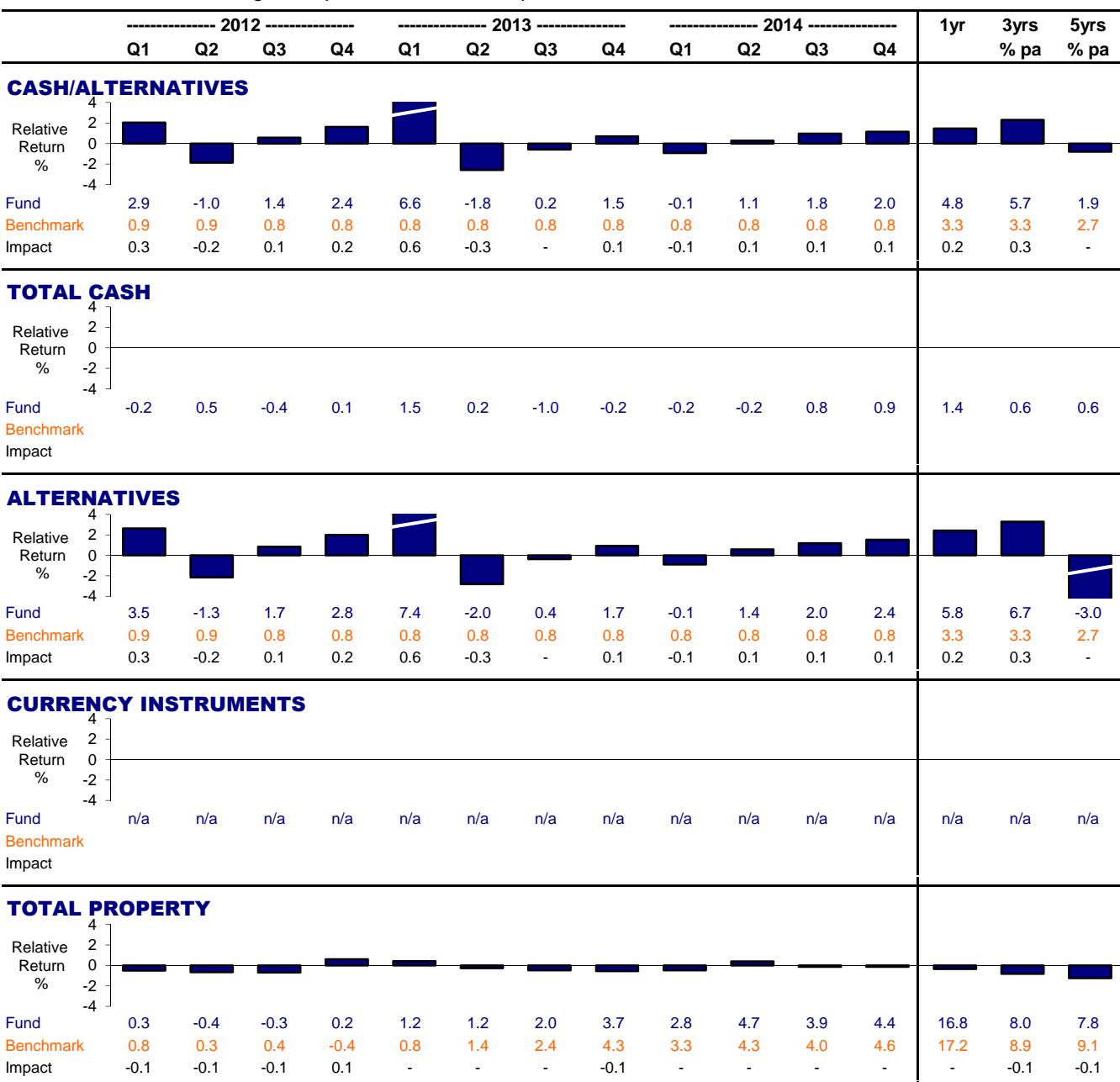
LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Periods to end December 2014

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Pound Sterling

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## Rolling Years with Relative Risk

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Periods to end December 2014

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Pound Sterling

Category - TOTAL ASSETS

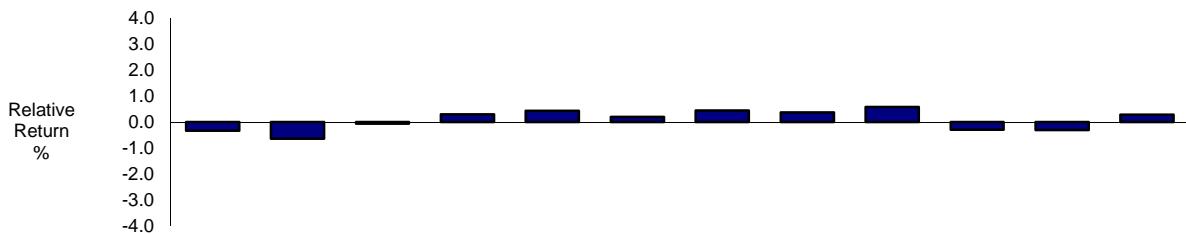
This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	794.3	829.5	809.6	829.0	853.8	929.4	930.3	956.0	998.4	1016.2	1035.1	1049.7
Net Investment	-0.2	4.6	1.0	3.9	2.2	3.7	0.8	6.2	7.1	4.2	4.3	4.7
Capital Gain/Loss	35.5	-24.5	18.5	20.9	73.3	-2.7	24.9	36.2	10.8	14.7	10.3	27.0
Final	829.5	809.6	829.0	853.8	929.4	930.3	956.0	998.4	1016.2	1035.1	1049.7	1081.5
Income	2.2	3.2	2.3	1.9	2.3	3.2	2.3	2.1	2.1	3.8	2.3	2.9
Proportion Of Total Fund (%)	100	100	100	100	100	100	100	100	100	100	100	100

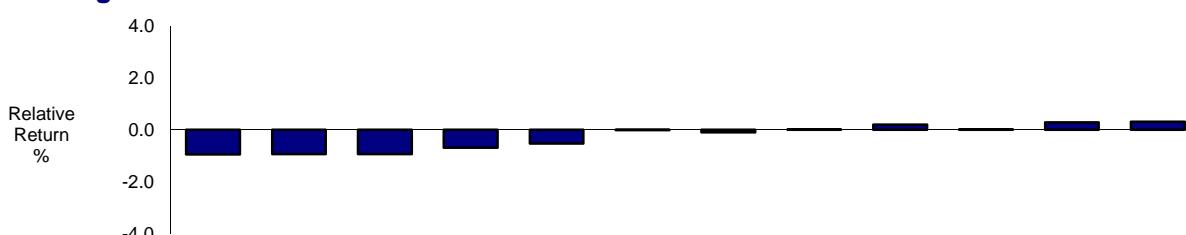
Proportions (%) In

Total Equity	60	59	60	61	63	63	64	65	64	64	63	61
Bonds + IL	17	17	17	17	16	16	15	15	14	14	14	15
Cash/ Alts	12	12	12	12	12	11	11	11	11	11	12	13
Property	11	11	11	11	10	10	10	10	10	11	11	11

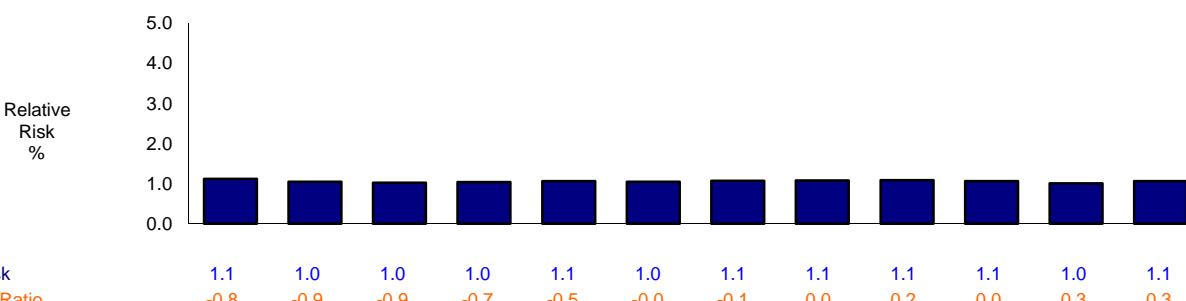
### Quarterly Returns



### Annualised Rolling 3 Year Returns



### Rolling 3 Year Risk



The relative return is the degree of out or underperformance of the Benchmark over these periods.

Relative risk measures the degree of fund performance deviation from benchmark. The larger the relative risk number the greater the monthly deviation from benchmark.

Information Ratio is often interpreted as a measure of manager skill in adding value over and above the benchmark.

## Summary of Manager Performance

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

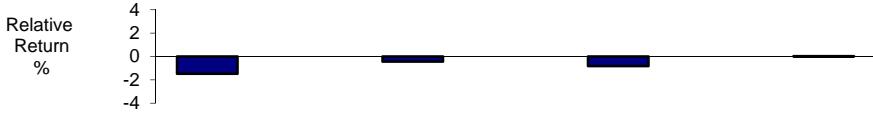
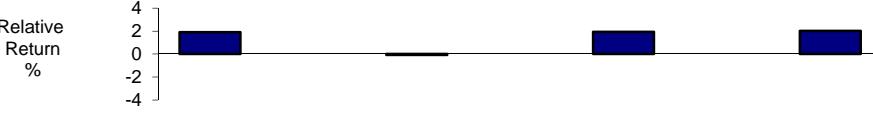
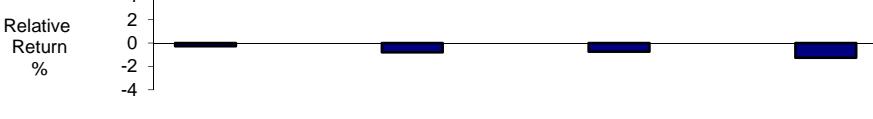
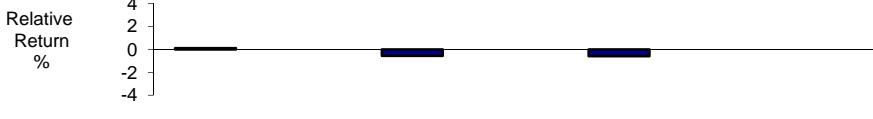
Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014

Pound Sterling

Category - TOTAL ASSETS

This page summarises the performance of each investment manager plotting the return achieved relative to the Benchmark.

	Latest Quarter	1 Year	3 Years % pa	5 Years % pa
<b>GMO - TOTAL ASSETS</b>				
<b>LB TOWER HAMLET - GMO WOOLEY BM</b>				
				
Portfolio	1.3	6.6	13.0	9.4
Benchmark	2.8	7.1	13.9	9.4
Relative Return	-1.5	-0.5	-0.8	0.0
<b>L&amp;G - TOTAL ASSETS</b>				
<b>FTSE All Share TR</b>				
				
Portfolio	0.6	1.2	11.2	
Benchmark	0.6	1.2	11.1	
Relative Return	0.0	0.1	0.1	
<b>BAILLIE GIFFORD &amp; CO - TOTAL ASSETS</b>				
<b>MSCI AC WORLD GDR</b>				
				
Portfolio	6.5	11.1	16.8	12.7
Benchmark	4.5	11.2	14.6	10.5
Relative Return	1.9	-0.1	1.9	2.0
<b>SCHRODER INVEST. MGMT. - TOTAL ASSETS</b>				
<b>London Borough of Tower Hamlets - Schroders</b>				
				
Portfolio	4.3	16.3	7.8	7.4
Benchmark	4.6	17.2	8.6	8.8
Relative Return	-0.3	-0.8	-0.7	-1.3
<b>INVESTEC ASSET MANAGEMENT - TOTAL ASSETS</b>				
<b>GBP 3 MONTH LIBOR + 2%</b>				
				
Portfolio	0.7	2.0	2.0	
Benchmark	0.6	2.5	2.6	
Relative Return	0.1	-0.6	-0.6	

The graphs show the performance of each manager relative to their Benchmark.

The relative return is the degree of out or underperformance of the Benchmark over these periods.

# not invested in this area for the entire period

## Summary of Manager Performance

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014

Pound Sterling

Category - TOTAL ASSETS

This page summarises the performance of each investment manager plotting the return achieved relative to the Benchmark.

	Latest Quarter	1 Year	3 Years % pa	5 Years % pa
<b>L&amp;G - TOTAL ASSETS</b>				
FTSE UK GILTS INDEXED > 5 YRS				
Portfolio	9.4	21.4	7.1	
Benchmark	9.4	21.4	7.0	
Relative Return	0.0	0.0	0.1	
<b>BAILLIE GIFFORD &amp; CO - TOTAL ASSETS</b>				
BANK OF ENGLAND BASE RATE + 3.5%				
Portfolio	0.6	5.4	7.2	
Benchmark	1.0	4.0	4.0	
Relative Return	-0.3	1.4	3.0	
<b>RUFFER INVESTMENT MGMT LTD - TOTAL ASSETS</b>				
GBP 3 MONTH LIBOR + 2%				
Portfolio	4.2	6.3	6.3	
Benchmark	0.6	2.5	2.6	
Relative Return	3.5	3.7	3.6	
<b>INTERNALLY MANAGED - TOTAL ASSETS</b>				
LB TOWER HAMLETS INTERNAL BM				
Portfolio	0.1	0.8	0.9	n/a
Benchmark	0.1	0.3	0.4	0.4
Relative Return	-0.0	0.4	0.5	n/a

Relative Return

The graphs show the performance of each manager relative to their Benchmark.

The relative return is the degree of out or underperformance of the Benchmark over these periods.

# not invested in this area for the entire period

## Performance Summary - Manager Attribution

LONDON BOROUGH OF TOWER HAMLETS  
Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Quarter to end December 2014  
Pound Sterling

This page analyses in detail the contributions to the Fund performance over the latest period.

### Summary

Fund Return	2.8
Benchmark Return	2.5
Relative Performance	0.3
<b>attributable to:</b>	
Strategic Allocation	0.2
Manager Contribution	0.1
Residual	-

The relative performance can be attributed to the effects of manager contribution and strategic allocation.

### Detail

Strategic Allocation			Manager Contribution			
Distribution		Policy	Investment	Weighted Contribution	% Return	
Portfolio	Benchmark	Contribution	Manager	Portfolio	Benchmark	
25.4	25.0	-	GMO	-0.4	1.3	2.8
20.4	20.0	-	L&G	-	0.6	0.6
17.8	16.0	-	BAILLIE GIFFORD & CO	0.3	6.5	4.5
10.9	12.0	-	SCHRODER INVEST. MGMT.	-	4.3	4.6
9.4	14.0	0.1	INVESTEC ASSET MANAGEMENT	-	0.7	0.6
5.0	3.0	0.1	L&G	-	9.4	9.4
4.6	5.0	-	BAILLIE GIFFORD & CO	-	0.6	1.0
4.4	5.0	-	RUFFER INVESTMENT MGMT LTD	0.2	4.2	0.6
2.1	0.0	-0.1	INTERNALLY MANAGED	-	0.1	0.1
		0.2		0.1		

The Strategic Allocation quantifies the impact of the fund being invested differently from the Strategic Benchmark set.

The Manager Contribution comes about from the out / underperformance of each manager relative to their benchmarks weighted by the value of assets held.

# = not invested in this area for the entire period

## **Appendices**

## Asset Mix and Returns

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LB TOWER HAMLETS TOTAL B/MARK

Periods to end December 2014

Pound Sterling

This page provides the underlying detail for the fund over the latest period.

All values are shown in GBP'000s	Asset Allocation							Stock Selection		
	30/09/2014		Gain/ Loss			31/12/2014		Return	B'M	
	Value	%	Purchases	Sales	Income	Value	%			
<b>TOTAL EQUITIES</b>	666,211	63	66,236	84,019	15,401	2,018	663,829	61	2.6	2.5
<b>U.K. EQUITIES</b>	237,410	23	5,355	6,209	484	216	237,040	22	0.3	0.6
<b>OVERSEAS EQUITIES</b>	241,526	23	60,774	77,810	2,857	1,803	227,346	21	1.8	3.1
<b>NORTH AMERICA</b>	103,449	10	20,134	23,596	8,074	469	108,060	10	8.6	8.3
<b>TOTAL USA</b>	103,347	10	17,491	23,502	8,139	462	105,475	10	8.7	
<b>CONTINENTAL EUROPE</b>	84,131	8	15,726	38,496	-1,494	199	59,868	6	-2.7	-0.5
<b>EUROLAND TOTAL</b>	75,692	7	12,965	34,636	-808	181	53,213	5	-2.0	
<b>FRANCE</b>	27,450	3	4,956	12,156	-1,165	159	19,085	2	-4.6	
<b>GERMANY</b>	21,865	2	4,269	11,872	902		15,165	1	2.6	
<b>NETHERLANDS</b>	3,786	0	1,070	2,168	339	5	3,027	0	6.7	
<b>ITALY</b>	8,271	1	668	3,112	-996		4,831	0	-14.0	
<b>BELGIUM</b>	960	0	204	406	70	5	828	0	6.6	
<b>FINLAND</b>	2,441	0	157	1,429	-34		1,134	0	-4.2	
<b>AUSTRIA</b>	721	0		53	-62		605	0	-9.0	
<b>SPAIN</b>	8,263	1	1,029	3,255	-124	4	5,913	1	-3.2	
<b>IRELAND</b>	1,359	0	553	93	309	9	2,129	0	19.0	
<b>PORTUGAL</b>	577	0	58	92	-46	-1	497	0	-8.1	
<b>GREECE</b>										
<b>LUXEMBOURG</b>										
<b>NON EUROLAND TOTAL</b>	8,439	1	2,761	3,860	-685	18	6,655	1	-8.1	
<b>SWITZERLAND</b>	2,483	0	1,667	2,059	45		2,135	0	1.2	
<b>DENMARK</b>	1,062	0	47	59	-107		943	0	-9.8	
<b>NORWAY</b>	2,837	0	299	1,127	-625	18	1,384	0	-22.8	
<b>SWEDEN</b>	2,058	0	748	615	2		2,193	0	-0.3	
<b>JAPAN</b>	28,482	3	3,712	10,103	-1,039	68	21,052	2	-4.0	1.6
<b>TOTAL PACIFIC (EX.JAPAN)</b>	271	0	3,723	395	75	2	3,674	0	3.0	2.3
<b>OTHER INTL EQUITIES</b>	25,193	2	17,479	5,220	-2,760	1,065	34,692	3	-4.2	-0.6
<b>GLOBAL POOLED INC UK</b>	187,276	18	107		12,059		199,442	18	6.4	4.5
<b>BG INTERNATIONAL EQUITY FUND</b>	187,276	18	107		12,059		199,442	18	6.4	
<b>INTERNATIONAL</b>										
<b>International Unit Trust 1</b>										
<b>U.K. INDEX - LINKED</b>	52,683	5			4,971		57,654	5	9.4	9.4
<b>POOLED BONDS</b>	98,694	9			800		99,494	9	0.8	0.6
<b>CASH/ALTERNATIVES</b>	121,349	12	419,938	399,090	2,570	21	144,768	13	2.0	0.8
<b>CURRENCY INSTRUMENTS</b>	-496	0	206,739	205,635	-640		-32	0	n/a	
<b>U.K. PROPERTY</b>	106,254	10	5,449	4,705	3,792	990	110,791	10	4.5	4.6
<b>OVERSEAS PROPERTY</b>	5,003	0		198	155		4,961	0	3.2	
<b>TOTAL ASSETS</b>	1,049,698	100	698,362	693,647	27,050	2,910	1,081,463	100	2.8	2.5

The change in Fund value over the period is a combination of the net money flows into or out of the Fund and any gain or loss on the capital value of the investments.

# not invested in this area for the entire period

## Summary of Long Term Returns

LONDON BOROUGH OF TOWER HAMLETS - TOTAL COMBINED

Benchmark - LOCAL AUTHORITY UNIVERSE

Periods to end December 2014

Pound Sterling

This page summarises the long term returns at asset class level

A ranking against the peer group is shown in brackets.

Return %	2012				2013				2014				1yr % pa	3yrs % pa	5yrs % pa
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
UK Equities	5.8 (86)	-2.5 (37)	4.7 (50)	3.6 (75)	10.3 (78)	-1.5 (48)	5.8 (52)	5.7 (46)	-0.4 (33)	2.7 (12)	-1.2 (68)	0.3 (36)	1.4 (93)	11.2 (6)	8.9 (18.5)
N. America	8.5 (73)	-2.0 (62)	3.2 (80)	-0.7 (43)	14.5 (98)	1.2 (95)	-1.8 (98)	7.4 (58)	1.4 (36)	0.5 (16)	7.0 (100)	8.6 (100)	18.5 (12.7)	16.3 (12.7)	13.3 (4.4)
Europe ex UK	5.6 (95)	-9.0 (98)	6.7 (44)	8.7 (15)	4.3 (100)	2.9 (6)	11.6 (11)	8.0 (4)	6.5 (1)	1.6 (16)	-5.6 (100)	-2.7 (100)	-0.5 (100)	12.7 (100)	4.4 (100)
Pacific	11.7 (10)	-1.1 (7)	12.6 (2)	7.2 (9)	4.2 (96)	-6.5 (17)	7.2 (4)	4.6 (3)	-0.8 (75)	4.4 (13)	0.1 (66)	3.0 (66)	6.8 (66)	15.8 (66)	11.6 (66)
Japan	3.0 (100)	-4.2 (27)	-3.2 (56)	2.4 (77)	18.6 (81)	6.1 (20)	2.1 (22)	-2.4 (92)	-4.8 (27)	6.3 (8)	0.9 (95)	-4.0 (95)	-1.9 (95)	6.4 (95)	6.7 (95)
Global Eq	9.9 (36)	-5.0 (75)	5.1 (14)	2.8 (30)	15.8 (20)	1.7 (18)	2.8 (15)	5.1 (50)	2.0 (11)	0.3 (100)	1.9 (73)	6.4 (73)	11.0 (73)	16.7 (73)	12.7 (73)
UK IL	-2.0 (61)	0.8 (22)	-3.2 (63)	5.1 (28)	9.0 (27)	-7.3 (51)	0.6 (30)	-0.9 (28)	3.6 (21)	1.1 (34)	5.9 (20)	9.4 (20)	21.4 (20)	7.1 (20)	10.4 (20)
Pooled Bonds	2.2 (50)	-0.4 (85)	0.9 (84)	1.0 (76)	0.2 (92)	0.1 (33)	-0.3 (78)	0.5 (64)	0.1 (93)	0.0 (76)	1.2 (30)	0.8 (30)	2.2 (30)	2.1 (30)	2.1 (30)
Cash	-0.2 (81)	0.5 (27)	-0.4 (87)	0.1 (39)	1.5 (22)	0.2 (37)	-1.0 (81)	-0.2 (70)	-0.2 (80)	-0.2 (72)	0.8 (23)	0.9 (23)	1.4 (23)	0.6 (23)	0.6 (23)
Alternatives	3.5 (16)	-1.3 (77)	1.7 (32)	2.8 (20)	7.4 (22)	-2.0 (86)	0.4 (28)	1.7 (39)	-0.1 (86)	1.4 (39)	2.0 (60)	2.4 (60)	5.8 (60)	6.7 (60)	-3.0 (60)
Curr Instr	n/a	n/a	n/a	n/a	n/a										
	n/a	n/a	n/a	n/a	n/a										
Property	0.3 (70)	-0.4 (78)	-0.3 (66)	0.2 (54)	1.2 (36)	1.2 (77)	2.0 (51)	3.7 (58)	2.8 (61)	4.7 (36)	3.9 (54)	4.4 (54)	16.8 (54)	8.0 (54)	7.8 (54)
Total Assets	4.7 (79)	-2.6 (82)	2.6 (84)	2.7 (54)	8.9 (60)	0.0 (14)	2.9 (33)	4.0 (32)	1.3 (21)	1.8 (67)	1.2 (86)	2.8 (86)	7.3 (86)	10.4 (86)	8.1 (86)

# not invested in this area for the entire period

## Rolling Years with Relative Risk - GMO World Equity

LONDON BOROUGH OF TOWER HAMLETS - GMO

Periods to end December 2014

Benchmark - LB TOWER HAMLET - GMO WOOLEY BM

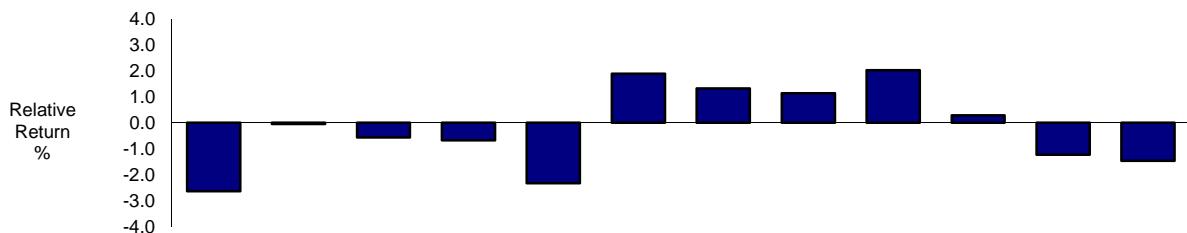
Pound Sterling

Category - TOTAL ASSETS

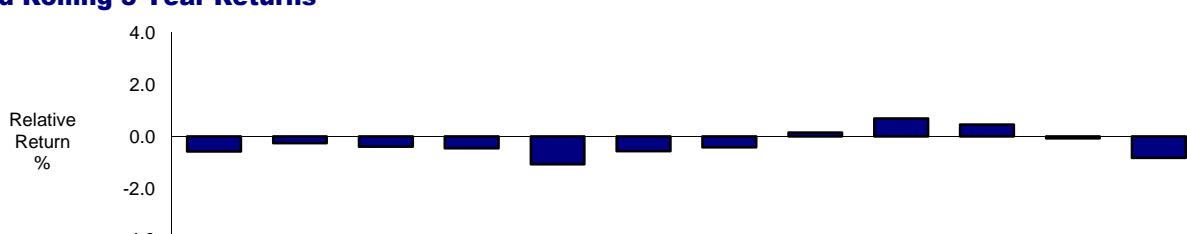
This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	188.2	199.0	190.8	196.3	203.5	226.3	231.9	241.1	254.8	260.5	267.0	267.8
Net Investment	0.9	2.7	1.0	1.6	0.8	2.7	1.0	1.7	0.9	2.8	1.2	-18.8
Capital Gain/Loss	9.9	-10.9	4.5	5.6	22.0	2.9	8.2	12.0	4.8	3.7	-0.4	1.7
Final	199.0	190.8	196.3	203.5	226.3	231.9	241.1	254.8	260.5	267.0	267.8	250.7
Income	1.5	2.2	1.5	1.1	1.3	2.3	1.3	1.3	1.2	2.7	1.3	1.9
Proportion Of Total Fund (%)	24	24	24	24	24	25	25	26	26	26	26	23

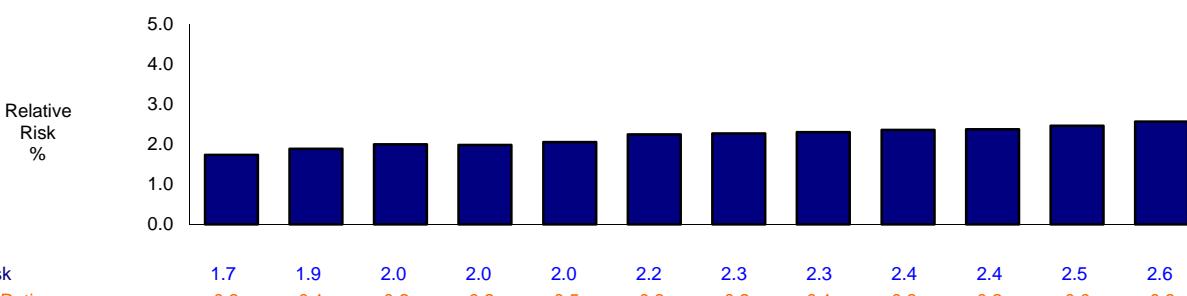
### Quarterly Returns



### Annualised Rolling 3 Year Returns



### Rolling 3 Year Risk



The relative return is the degree of out or underperformance of the Benchmark over these periods.

Relative risk measures the degree of fund performance deviation from benchmark. The larger the relative risk number the greater the monthly deviation from benchmark.

Information Ratio is often interpreted as a measure of manager skill in adding value over and above the benchmark.

## Rolling Years with Relative Risk - L&G Equity Uk

LB OF TOWER HAMLETS - L&G

Periods to end December 2014

Benchmark - FTSE All Share TR

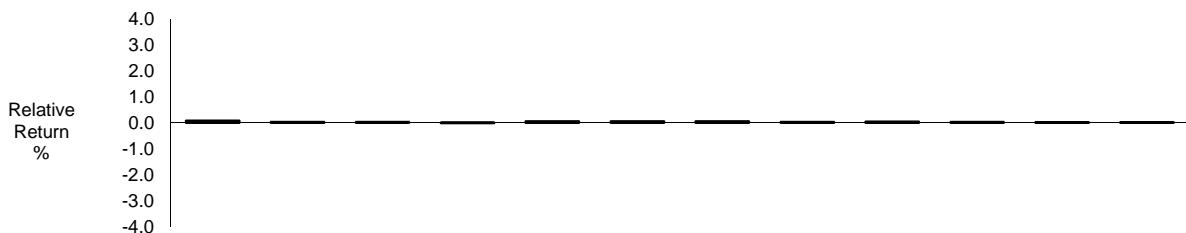
Pound Sterling

Category - TOTAL ASSETS

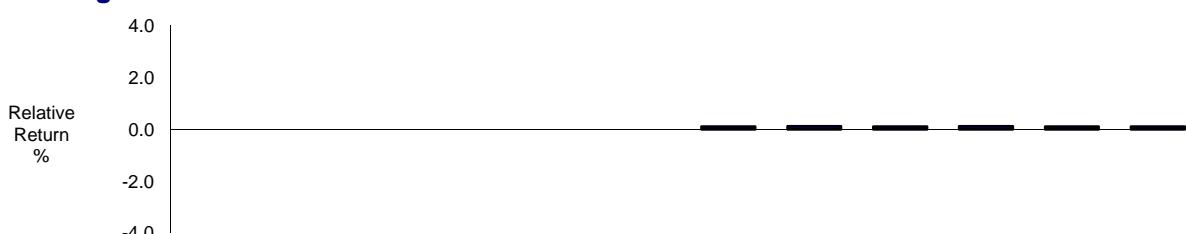
This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	156.8	166.5	162.2	169.8	176.3	194.6	191.5	202.3	213.4	212.1	216.9	214.8
Net Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Gain/Loss	9.7	-4.3	7.7	6.5	18.3	-3.1	10.8	11.1	-1.3	4.8	-2.1	1.3
Final	166.5	162.2	169.8	176.3	194.6	191.5	202.3	213.4	212.1	216.9	214.8	216.1
Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0
Proportion Of Total Fund (%)	20	20	20	21	21	21	21	21	21	21	20	20

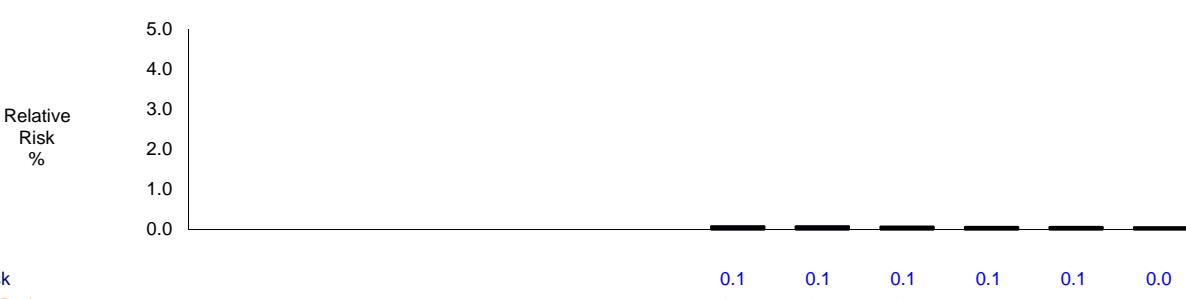
### Quarterly Returns



### Annualised Rolling 3 Year Returns



### Rolling 3 Year Risk



The relative return is the degree of out or underperformance of the Benchmark over these periods.

Relative risk measures the degree of fund performance deviation from benchmark. The larger the relative risk number the greater the monthly deviation from benchmark.

Information Ratio is often interpreted as a measure of manager skill in adding value over and above the benchmark.

## Rolling Years with Relative Risk - B Gifford World Equity

LONDON BOROUGH OF TOWER HAMLETS - BAILLIE GIFFORD & CO

Periods to end December 2014

Benchmark - MSCI AC WORLD GDR

Pound Sterling

Category - TOTAL ASSETS

This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

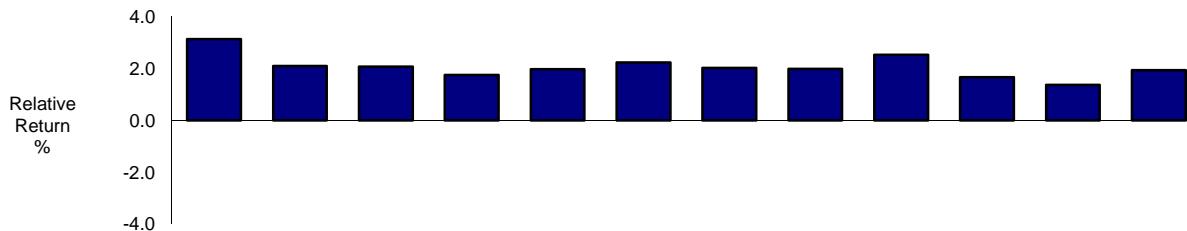
	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	124.6	137.0	130.1	136.8	140.8	163.1	165.9	170.6	179.4	183.1	183.6	187.3
Net Investment	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Capital Gain/Loss	12.4	-6.9	6.6	3.9	22.2	2.8	4.6	8.6	3.6	0.5	3.5	12.1
Final	137.0	130.1	136.8	140.8	163.1	165.9	170.6	179.4	183.1	183.6	187.3	199.4
Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Proportion Of Total Fund (%)	17	16	17	16	18	18	18	18	18	18	18	18

### Quarterly Returns



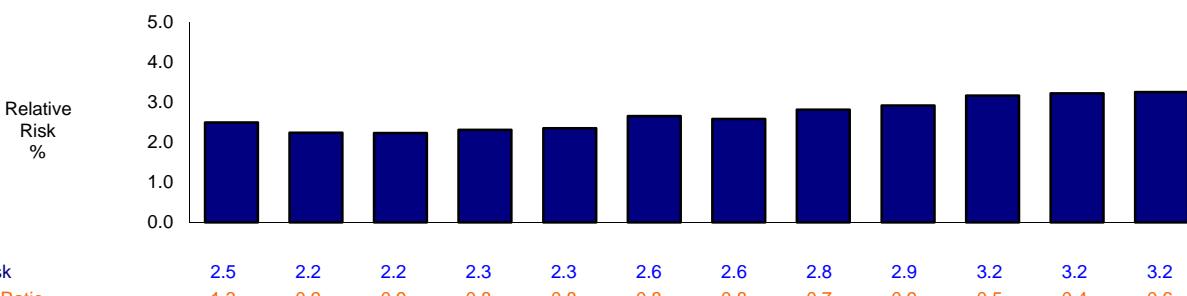
Fund	9.9	-5.0	5.1	2.8	15.8	1.7	2.8	5.1	2.0	0.3	2.0	6.5
Benchmark	9.0	-3.6	3.9	2.3	14.1	-0.1	1.2	5.0	0.5	2.6	3.2	4.5
Relative Return	0.9	-1.5	1.1	0.5	1.4	1.8	1.6	0.0	1.5	-2.2	-1.1	1.9

### Annualised Rolling 3 Year Returns



Fund	20.7	15.6	9.7	8.8	10.5	15.0	12.0	10.4	10.4	10.4	17.3	16.8
Benchmark	17.1	13.2	7.4	6.9	8.3	12.5	9.8	8.3	7.7	8.5	15.7	14.6
Relative Return	3.1	2.1	2.1	1.7	2.0	2.2	2.0	2.0	2.5	1.7	1.4	1.9

### Rolling 3 Year Risk



The relative return is the degree of out or underperformance of the Benchmark over these periods.

Relative risk measures the degree of fund performance deviation from benchmark. The larger the relative risk number the greater the monthly deviation from benchmark.

Information Ratio is often interpreted as a measure of manager skill in adding value over and above the benchmark.

## Rolling Years with Relative Risk - Schroders UK Property

LB OF TOWER HAMLET PROPERTY PORTFOLIO - SCHRODER INVEST. MGMT.

Periods to end December 2014

Benchmark - London Borough of Tower Hamlets - Schroders

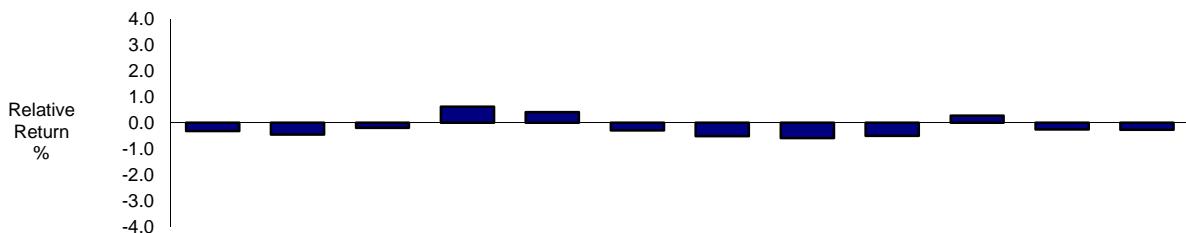
Pound Sterling

Category - TOTAL ASSETS

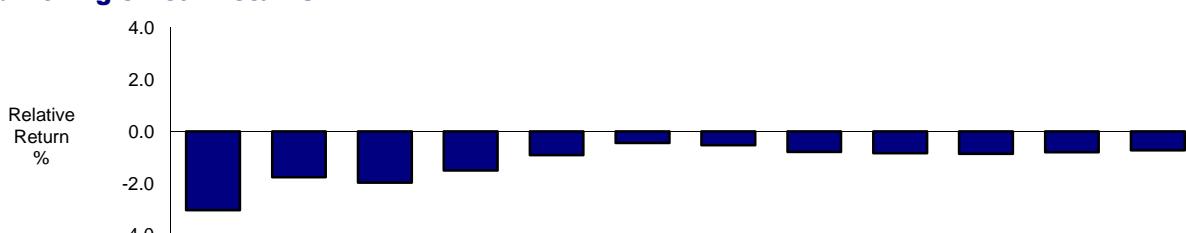
This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	94.9	95.1	94.8	94.5	94.7	95.8	96.8	98.7	102.3	105.2	110.1	114.3
Net Investment	0.7	1.0	0.8	0.8	0.9	0.8	0.9	0.8	1.0	1.1	1.0	1.0
Capital Gain/Loss	-0.4	-1.3	-1.1	-0.7	0.1	0.3	0.9	2.8	1.9	3.8	3.2	3.9
Final	95.1	94.8	94.5	94.7	95.8	96.8	98.7	102.3	105.2	110.1	114.3	119.2
Income	0.7	0.9	0.8	0.8	1.0	0.8	0.9	0.8	0.9	1.0	0.9	0.9
Proportion Of Total Fund (%)	11	12	11	11	10	10	10	10	10	11	11	11

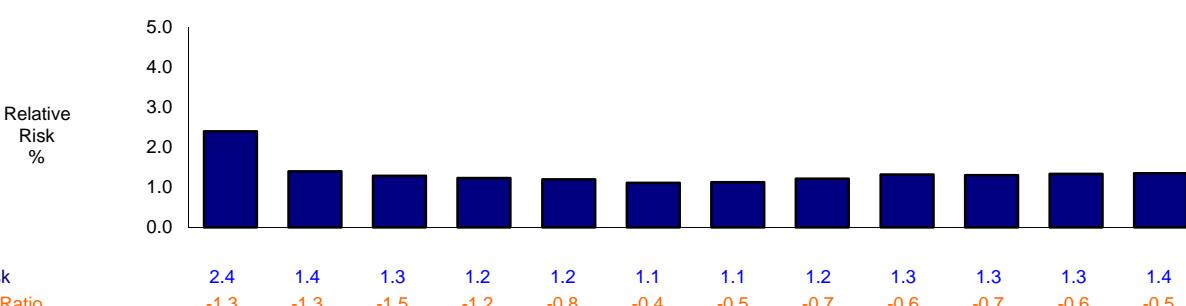
### Quarterly Returns



### Annualised Rolling 3 Year Returns



### Rolling 3 Year Risk



The relative return is the degree of out or underperformance of the Benchmark over these periods.

Relative risk measures the degree of fund performance deviation from benchmark. The larger the relative risk number the greater the monthly deviation from benchmark.

Information Ratio is often interpreted as a measure of manager skill in adding value over and above the benchmark.

## Rolling Years with Relative Risk - Investec Global Bonds

LONDON BOROUGH OF TOWER HAMLETS - INVESTEC ASSET MANAGEMENT

Periods to end December 2014

Benchmark - GBP 3 MONTH LIBOR + 2%

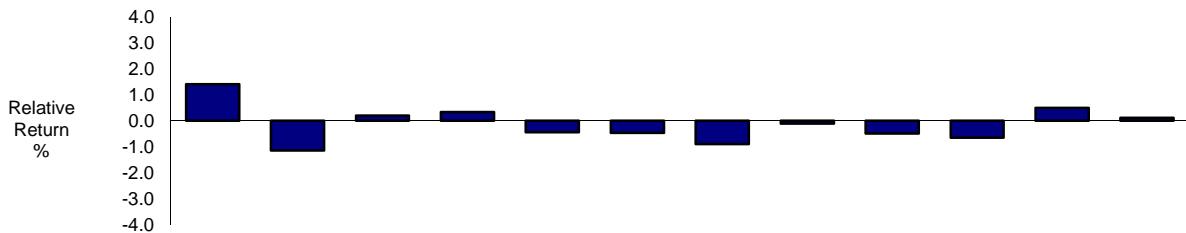
Pound Sterling

Category - TOTAL ASSETS

This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

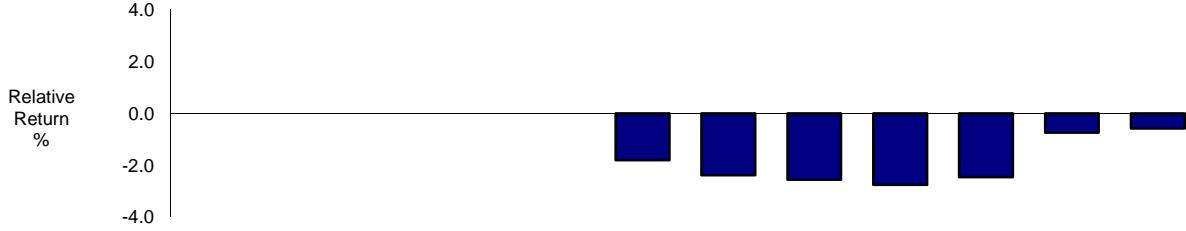
	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	93.5	95.5	95.1	96.0	96.9	97.0	97.2	96.9	97.4	97.5	97.5	98.7
Net Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Gain/Loss	2.0	-0.4	0.8	0.9	0.2	0.1	-0.3	0.5	0.1	0.0	1.2	0.8
Final	95.5	95.1	96.0	96.9	97.0	97.2	96.9	97.4	97.5	97.5	98.7	99.5
Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
Proportion Of Total Fund (%)	12	12	12	11	10	10	10	10	10	9	9	9

### Quarterly Returns



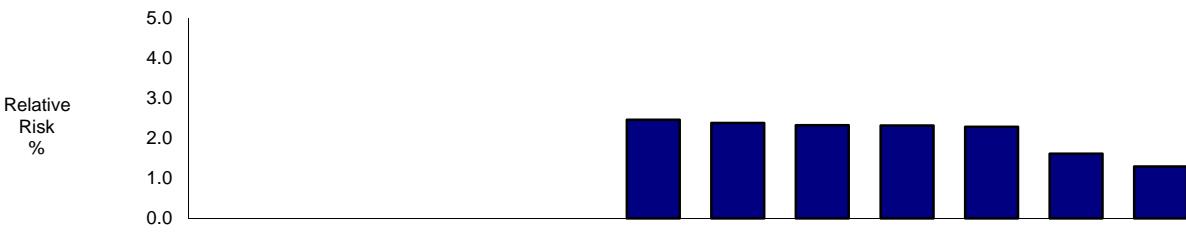
Fund	2.2	-0.4	0.9	1.0	0.2	0.1	-0.3	0.5	0.1	-0.0	1.1	0.7
Benchmark	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Relative Return	1.4	-1.2	0.2	0.3	-0.5	-0.5	-0.9	-0.1	-0.5	-0.7	0.5	0.1

### Annualised Rolling 3 Year Returns



Fund	0.9	0.3	0.1	-0.1	0.2	1.9	2.0
Benchmark	2.8	2.8	2.7	2.7	2.7	2.7	2.6
Relative Return	-1.8	-2.4	-2.6	-2.8	-2.5	-0.7	-0.6

### Rolling 3 Year Risk



Relative Risk	2.5	2.4	2.3	2.3	2.3	1.6	1.3
Information Ratio	-0.7	-1.0	-1.1	-1.2	-1.1	-0.5	-0.5

The relative return is the degree of out or underperformance of the Benchmark over these periods.

Relative risk measures the degree of fund performance deviation from benchmark. The larger the relative risk number the greater the monthly deviation from benchmark.

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## Rolling Years with Relative Risk - L&G Index Linked

LB OF TOWER HAMLETS - L&G

Periods to end December 2014

Benchmark - FTSE UK GILTS INDEXED > 5 YRS

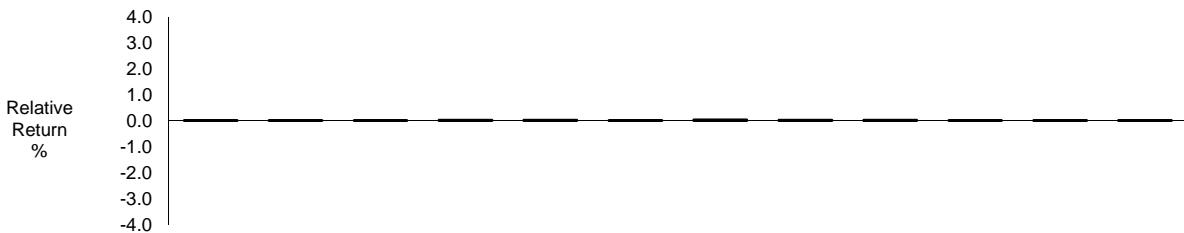
Pound Sterling

Category - TOTAL ASSETS

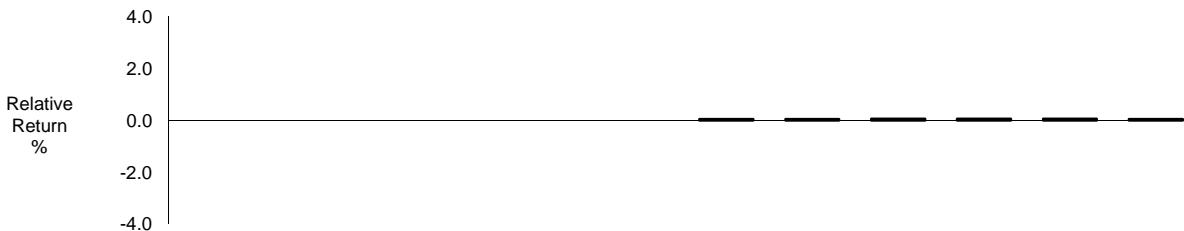
This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	46.9	46.0	46.4	44.9	47.2	51.4	47.6	47.9	47.5	49.2	49.7	52.7
Net Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Gain/Loss	-0.9	0.4	-1.5	2.3	4.3	-3.8	0.3	-0.4	1.7	0.6	3.0	5.0
Final	46.0	46.4	44.9	47.2	51.4	47.6	47.9	47.5	49.2	49.7	52.7	57.7
Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0
Proportion Of Total Fund (%)	6	6	5	6	6	5	5	5	5	5	5	5

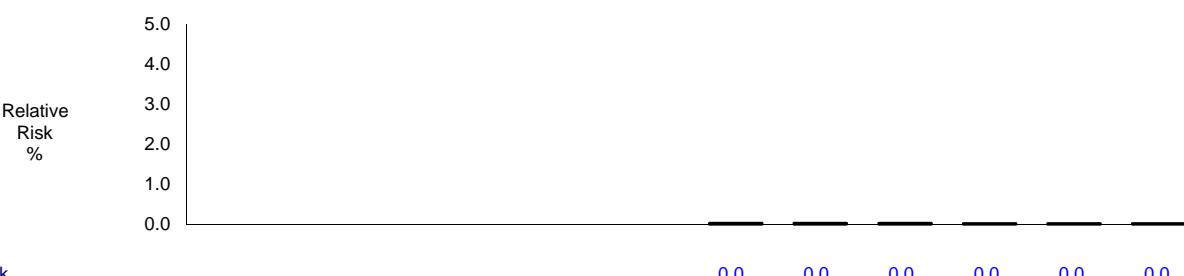
### Quarterly Returns



### Annualised Rolling 3 Year Returns



### Rolling 3 Year Risk



The relative return is the degree of out or underperformance of the Benchmark over these periods.

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## Rolling Years with Relative Risk - B Gifford Divers Growth

LB OF TOWER HAMLETS - BAILLIE GIFFORD & CO

Periods to end December 2014

Benchmark - BANK OF ENGLAND BASE RATE + 3.5%

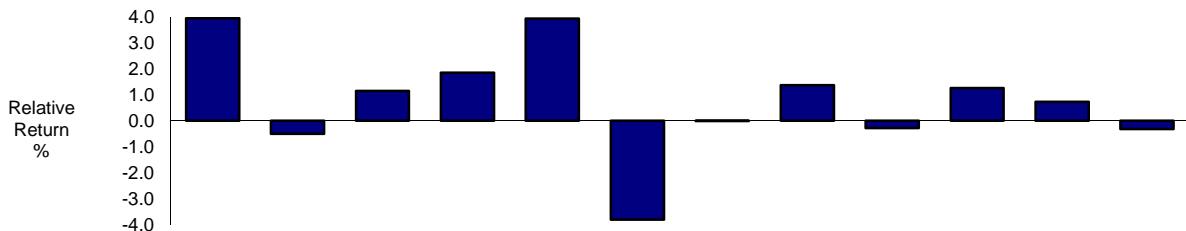
Pound Sterling

Category - TOTAL ASSETS

This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	39.7	41.7	42.0	42.9	44.1	46.3	45.0	45.5	46.5	46.9	47.9	48.8
Net Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Gain/Loss	2.0	0.2	0.9	1.2	2.2	-1.3	0.4	1.1	0.3	1.0	0.8	0.3
Final	41.7	42.0	42.9	44.1	46.3	45.0	45.5	46.5	46.9	47.9	48.8	49.1
Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proportion Of Total Fund (%)	5	5	5	5	5	5	5	5	5	5	5	5

### Quarterly Returns



### Annualised Rolling 3 Year Returns



### Rolling 3 Year Risk



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## Rolling Years with Relative Risk - Ruffer

LB OF TOWER HAMLETS - RUFFER INVESTMENT MGMT LTD

Periods to end December 2014

Benchmark - GBP 3 MONTH LIBOR + 2%

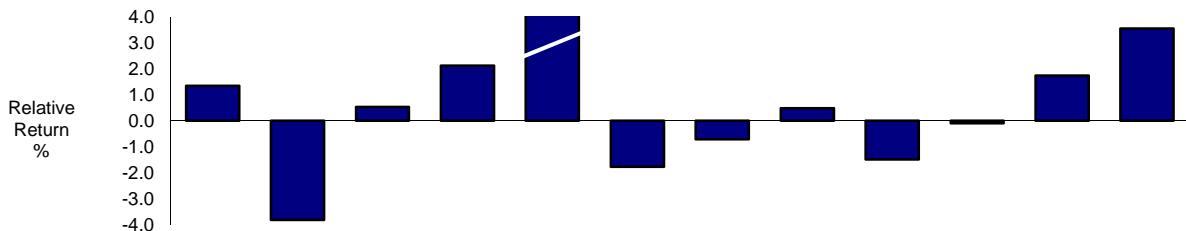
Pound Sterling

Category - TOTAL ASSETS

This page details the longer term performance of the Fund, plotting it relative to the Benchmark set.

	2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Values (GBPm's)												
Initial	40.2	41.0	39.8	40.2	41.3	45.5	45.0	44.9	45.4	45.0	45.3	46.3
Net Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Gain/Loss	0.8	-1.3	0.5	1.1	4.2	-0.5	-0.0	0.5	-0.4	0.2	1.1	1.9
Final	41.0	39.8	40.2	41.3	45.5	45.0	44.9	45.4	45.0	45.3	46.3	48.3
Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proportion Of Total Fund (%)	5	5	5	5	5	5	5	5	4	4	4	4

### Quarterly Returns



### Annualised Rolling 3 Year Returns



### Rolling 3 Year Risk



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