

## Appendix 2

### Strategic Asset Allocation

Asset Class	Manager	Original Benchmark %	Strategic Benchmark %	Permitted Range / Tolerance %
<b>UK Equity</b>	UBS <sup>1</sup>	14.0%	12.6%	
	Baillie Gifford	7.0%	6.4%	
	Total	21.0 %	19.0%	16% - 22%
<b>Global Equity</b>	UBS	14.0%	9.9%	
	Baillie Gifford	21.0%	21.7%	
	Morgan Stanley	14.0%	14.4%	
	Total	49.0%	46.0%	<del>40% - 52%</del> 58% - 72%
	<b><u>Equities Total</u></b>			<b>58% - 72%%</b>
<b>Bonds</b>				
Govt. Fixed Interests Bonds	UBS <sup>2</sup>	7.5 %	7.5%	3% - 12%
Corporate Fixed Interest Bonds	UBS <sup>2</sup>	7.5 %	7.5%	3% - 12%
	Total	15.0 %	15%	13% - 17%
<b>Alternatives <sup>3</sup></b>				
Multi-Asset Alternatives Fund	LGT	10.0 %	15%	<u>10% - 20%</u>
Property	UBS	5.0 %	5%	<u>3% - 7%</u>
	Total	15.0%	20%	15% - 25%
<b>Cash</b>		0%	0%	0% - 5%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	

#### Note:

<sup>1</sup> This is a passive investment mandate which requires the FTSE All Share index to be tracked.<sup>2</sup> At present the Committee have used the permitted ranges to reduce the Govt. Fixed Interests Bonds weighting to close to the bottom of the range.<sup>3</sup>

Alternative assets such as commodities, hedge funds, infrastructure, emerging market debt, private equity, high yield debt and convertible bonds.