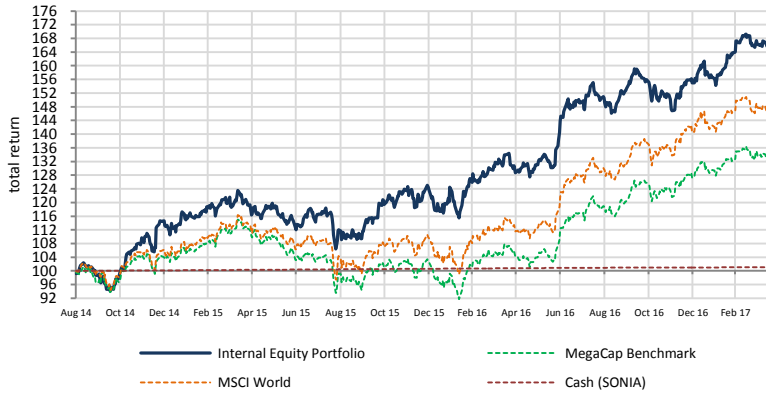


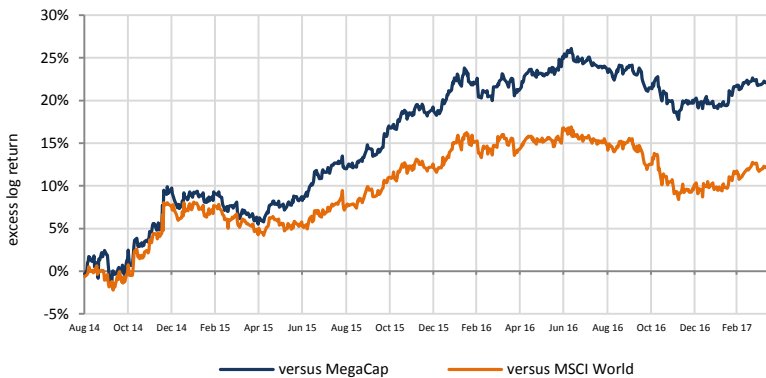
Internal Equity Portfolio Performance

Total Returns in GBP; 26 Aug '14 = 100



Internal Equity Portfolio versus Benchmark (Log)

Based on Total Returns in GBP, 26.8.14 = 0%, differential in log total return



The Internal Equity Strategy is a low turnover, concentrated portfolio of large cap equities, listed on developed market exchanges. Our investment strategy is to identify high quality businesses with sustainable business models that are able to compound shareholder returns over a full business cycle. We seek to buy these businesses with these characteristics at valuations that are attractive on an absolute and relative basis.

The portfolio is constructed to generate a total return that is in line with our Statement of Investment Principles (SIP) while controlling exposure to fundamental business risk.

Portfolio Details

Inception	26/08/2014
AuM (as at period end)	£2,212,149,017
Number of Holdings	26

Portfolio Management Team

Richard Savage	Portfolio Manager
Alejandro Rodriguez	Deputy Portfolio Manager

April Performance Commentary

The Portfolio returned c. -1.0% in March, 90 basis points ahead of the MSCI World at c. -1.9%. The relative outperformance during the month was due to the portfolio's overweight exposure to its underweight exposure to energy and financials. From a stock selection standpoint, the relative positive returns of the portfolio's industrial and insurance holdings were partially offset by the relative underperformance of the consumer discretionary and staples stocks.

London Stock Exchange, Google and Assa Abloy were notable contributors to performance. Johnson & Johnson, Colgate Palmolive and Autozone were the main detractors.

Largest Holdings

1	6.2%	Accenture PLC
2	6.1%	Visa Inc
3	5.9%	Nestle SA
4	5.8%	Johnson & Johnson
5	5.8%	Colgate-Palmolive Co

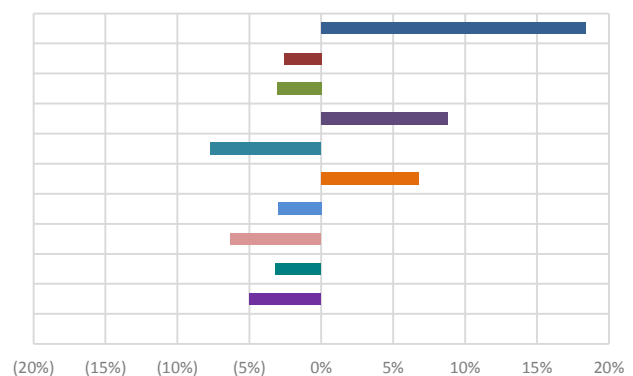
Investment Returns*

	Apr	3 months	YTD	1 Yr	2 Yr	3 Yr	Inception	ITD vol	ITD Sharpe	ITD Max DD
Internal Equity	(1.01%)	5.02%	6.19%	27.84%	41.44%	---	64.53%	14.25%	1.41	(13.85%)
MegaCap Benchmark	(1.72%)	1.29%	3.08%	25.96%	19.15%	---	31.16%	12.83%	0.80	(20.31%)
MSCI World	(1.92%)	1.63%	3.10%	29.82%	30.00%	---	44.87%	13.35%	1.08	(16.24%)

Sector Diversification

	I. Equity GICS classified	I. Equity Sales Weighted	MegaCap Average	MSCI World Average
Consumer Staples	28.18%	#N/A	11.04%	9.80%
Consumer Discretionary	9.89%	#N/A	12.62%	12.48%
Health Care	9.20%	#N/A	12.00%	12.29%
Industrials	20.22%	#N/A	9.75%	11.42%
Financials	9.98%	#N/A	19.91%	17.66%
Technology	22.52%	#N/A	13.59%	15.71%
Telecoms	-	#N/A	4.30%	3.02%
Energy	-	#N/A	8.42%	6.29%
Utilities	-	#N/A	3.11%	3.17%
Materials	-	#N/A	5.27%	4.98%
Real Estate	#N/A	-	-	3.19%

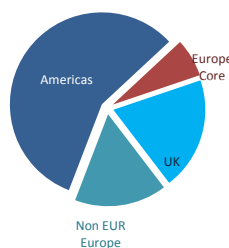
Internal Equity sector weights MSCI World



Region Diversification

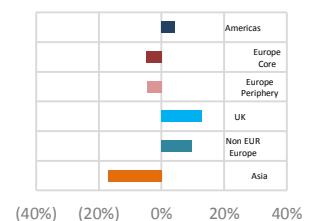
	I. Equity Average	MegaCap Average	MSCI World Average
Americas	57.24%	53.11%	62.78%
Europe Core	6.74%	11.67%	10.18%
Europe Periphery	-	4.67%	2.02%
UK	19.81%	6.78%	6.59%
Non EUR Europe	16.21%	6.56%	5.52%
Asia	-	17.11%	12.91%

I. Equity region weights



I. Equity revenue by region

I. Equity region vs MegaCaps



Internal Equity performance calculated based on Bloomberg EoD pricing of equity and FX exposures and cashflows through the custodian JP Morgan. Comparative MegaCap performance and statistics are based on a portfolio of stocks derived from the Bloomberg World global equity index; to be eligible for inclusion in the MegaCap benchmark, stocks must be traded on an approved exchange and have a market capitalisation of greater than \$10bn on the rebalancing date. The MegaCap constituents are rebalanced biannually in line with the underlying Bloomberg World index. This factsheet does not provide advice on legal, taxation or investment matters and should not be relied upon for any purpose without seeking independent advice. No investment decisions should be based upon its statements without such advice. Past performance is not an indication of future performance. All performance and valuations are indicative. Returns are provided gross of fees. LPP and its employees acknowledge no liability for its content and no representation or warranty is made, expressed or implied, as to the accuracy or completeness of the information provided. For more details please contact investments@localpensionspartnership.org.uk

* During October 2016, the portfolio was subject to a transition of the entire equity assets of LPP's clients (LCPF & LPFA) to a new common depository. Therefore a precise performance figure for this month is not possible to be obtained but in order to provide indicative performance of how the portfolio would have performed, had the transition not occurred, we have provided a prudent estimate in respect of October 2016. This figure is incorporated in all historical performance data in this factsheet.