NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

15 MAY 2008

PERFORMANCE OF THE FUND'S PORTFOLIO FOR THE QUARTER AND YEAR ENDING 31 MARCH 2008

Report of the Treasurer

1.0 PURPOSE OF REPORT

1.1 To report the investment performance of the overall Fund, and of the individual Fund Managers, for the Quarter to 31 March 2008 and the twelve months ending on that same date.

2.0 PERFORMANCE REPORT

2.1 The report (**attached as a separate document**) produced by Mellon Analytical Solutions (MAS) provides a complete performance analysis of the North Yorkshire Pension Fund for the quarter and year ending 31 March 2008.

2.2 Using the format prepared by MAS the report highlights the performance of the total Fund by asset class against the customised Fund benchmark. In addition, there is an analysis of the performance of each manager against their specific benchmark and a comparison of performance levels over time.

2.3 There is also an ongoing comparison of Fund performance as against the Least Risk Portfolio and a statement to reflect the movement in the current solvency position as calculated by the Fund Actuary.

3.0 COMBINED FUND PERFORMANCE

3.1 The performance of the various managers against their benchmarks for the Quarter ended 31 March 2008 is detailed on **page 5 / 7** of the MAS report. This performance is measured on a time-weighted basis and expressed as a +/- variation to their benchmark.

3.2 **The absolute overall return for the quarter (-7.1) was below the customised benchmark (-5.5) by 1.6%.**

3.3 **Over the rolling year the Fund performance was 3.4% below the customised benchmark. The 12 month absolute return of -5.7% is down on the figure for the 12 months ended December 2007 (3.6%).**

4.0 **ANALYSIS OF THE PERFORMANCE OF INDIVIDUAL MANAGERS**

4.1 The quarterly returns for each manager relative to their particular benchmark were:

Fund Managers	Quarterly Return	Quarterly Benchmark	Relative Return	Comment
Barclays Global Investors	-7.6	-8.8	+1.2	First positive quarter for some time although actual returns are negative. One year returns have improved to -1.9%
Baillie Gifford Global Equities	-8.2	-8.7	+0.5	Another positive this quarter and over 12 months the return is strongly positive (+1.9%)
Baillie Gifford LTGG	-8.6	-8.7	+0.1	A par return this quarter which has maintained the excellent 12 month rolling return of +8.9%
Hermes European Focus Fund	-11.2	-7.5	-3.7	Third successive negative quarter has left the 12 month rolling return at a disappointing -7.7%
Hermes UK Focus Fund	-13.0	-9.9	-3.1	Fourth successive negative quarter has resulted in a very disappointing 12 month rolling return of -16.7%
Standard Life Investments	-5.1	-5.6	+0.5	A positive quarter after last quarter's disappointment. Overall, 12 month rolling return remains strong at +2.0%
R C Brown	-10.6	-9.9	-0.7	Another negative quarter although an improvement on the previous quarter. Rolling 12 month return negative at -6.2%
UBS	-0.7	-8.9	+8.2	First positive quarter and a strong result cancelling out the previous quarter's poor result. One year return negative (-6.6%)
Credit Agricole	+0.5	+2.1	-1.6	Another disappointing quarter although the benchmark remains challenging. One year return negative at -6.6%
European Credit Management	-10.1	+2.1	-12.2	Exceedingly poor quarter driven by market conditions. One year return a very disappointing -21.1%
YHRVCF	0.0	-9.9	+9.9	Positive quarter is a result of negative benchmark. Still no returns on this Fund
Internal Cash	+1.9	+1.3	+0.6	Consistent returns close to the benchmark
Currency Hedge Cash	-63.1	+1.3	-64.4	Weak sterling has led to significant cash outflows
TOTAL FUND	**-7.1**	**-5.5**	**-1.6**	Another very disappointing quarter and rolling 12 month returns now negative (-3.4%)

4.2 In monetary terms the negative absolute return of –7.1% in the Quarter reduced the invested value of the Fund by £93.5m, however taking into account new money, the value of the Fund reduced by £85.9m. This movement is primarily attributable to capital losses made by BGI (£16.0m), Baillie Gifford (£27.4m) and ECM (£14.3m). The issue of whether the losses were due to market conditions or manager positioning relative to the market are discussed below.

UK EQUITIES

4.3 Although Standard Life produced a negative relative return (-5.1%) in the quarter they did manage to outperform their FTSE 350 equally weighted benchmark (-5.6%) and considerably out-performed the FTSE All-Share Index (-9.9%).

4.4 Unfortunately, Hermes UK Focus Fund suffered another disappointing quarter (-3.1%), and the longer term results remain very poor (-16.7%). The ethical equity portfolio operated by R C Brown has also struggled (-0.7%) and is significantly negative over the 12 month period (-6.2%).

OVERSEAS EQUITIES

4.5 The principal managers had reasonable results in the quarter although all had negative absolute returns. BGI's global (ex UK) portfolio produced the first positive relative return for some time and included the switch to passive US Equity. This was driven largely by a good result in the European Equity Fund.

4.6 In addition the two Baillie Gifford Funds produced positive relative results. The Global Alpha Fund (+0.5%) continues to perform well and the Long Term Global Growth (LTGG) Fund generated a small positive (+0.1%) over the benchmark but has performed excellently over the 12 month period (+8.9%).

4.7 Encouragingly the UBS GTAA portfolio had a much improved quarter (+8.2%) recovering the losses made in the previous quarter. This is an extremely volatile portfolio which has made large gains and losses over the quarter and subsequently. The positive return was generated by the currency fund (CARS) where overweight positions in Swiss Francs and Japanese Yen proved successful.

FIXED INCOME

4.8 Both Fixed Income managers again fell below the benchmark. ECM suffered a disastrous quarter (-12.2%) as the credit crisis continues to undermine corporate credit markets. Credit Agricole were down in the quarter (-1.6%) and are now well behind the benchmark over 12 months (-6.6%).

4.9 These results give a combined underperformance in global fixed income of -6.5% in the quarter and -13.4% over the rolling 12 month period. Whilst these results are disappointing the strength of the Gilts-based benchmark must be noted.

4.10 The recent market conditions with the flight to Government Bonds have reduced the yields on long-dated gilts which has made the liability derived benchmark perform strongly. CAAM have been underweight in long-dated gilts and have therefore struggled against the benchmark. ECM have suffered a more fundamental under-performance in their high quality assets (non government) as the financial markets continue to endure the fall out from the so called credit crunch.

5.0 RISK INDICATORS

5.1 As reported to the previous PFC meeting, the Mellon Performance Report (**page 14**) includes three long-term risk indicators. The report included definitions of each of these indicators.

5.2 The Fund's annualised **Standard Deviation** has increased significantly (8.7%) from its average over the last two years (6.6%). This shows a greater level of volatility of the Fund's return which is not surprising in the current market conditions.

5.3 The **Tracking Error** figure is a consolidation of the difference between each Fund Manager's actual return versus their respective benchmark. This measure continues to increase significantly as the ECM portfolio underperforms significantly and the effects of volatility in the UBS and currency hedging accounts are felt.

5.4 The **Information Ratio** is a measure of manager skill and has been volatile over recent years. The figure has fallen to a negative number which reflects the levels of under-performance in the quarter particularly by the Fixed Income managers.

6.0 SOLVENCY

6.1 The **solvency position** is presented in **Appendix 1**; it has now been updated to reflect the new assumptions used by the Actuary in the 2007 Triennial Valuation. The figures from 31 March 2007 have now been restated in line with the figures recently presented by the Actuary. As at 31 March 2008 the solvency had reduced to 56.1% from 63.2% as at 31 December 2007.

6.2 The assets of the Fund decreased by 6.6% in the Quarter (including new money), whilst liabilities (as modelled by the Actuary), increased by 5.3% hence the 7.1% reduction in solvency in the Quarter. The strong liability growth reflects falling yields on long-dated gilts (see **paragraph 4.10** above) which are used as the discount rate to value liabilities. Hence lower yields result in higher liability values.

6.3 The table at **Appendix 2** is an ongoing **comparison of Fund performance as against the Least Risk Portfolio**. This shows that the total 3 year annualised return has now under-performed the Least Risk portfolio by -0.6% pa which is a considerable drop from 3.9% pa as at 31 December. More importantly, the 12 month running return (which covers the period since the Triennial Valuation date) is 18.0% behind the Least Risk Portfolio. This will require close monitoring going forward to ensure the assumptions made in the Triennial Valuation are being achieved.

6.4 The graphs at **Appendix 3** have been produced by MAS and they provide an insight into the impact of the relative movements of the assets and liabilities on the Fund's solvency position.

The graphs show that only where the Total Fund return (red line) exceeds the Least Risk Portfolio (LRP = proxy measure for the liabilities) plus the target outperformance assumption of 1.4% (blue line) does the solvency position (green line) improve.

6.5 An additional line has now been included (pink) to **Appendix 3** which is the revised investment target arising from the adoption of the Investment Offset in the 2007 Triennial Valuation. Again the aim is for the Total fund return (red) to exceed this target over the 3 year valuation period.

7.0 REBALANCING

7.1 The latest round of rebalancing the Fund's assets took place in April 2008 based upon the position at the end of March 2008. Details are provided in the spreadsheet at **Appendix 4**.

7.2 As a result of the prevailing market conditions all of the available cash, normally used for rebalancing, was used to maintain existing asset allocation positions. Currency exchange rates moved against sterling which meant at the date of the currency roll in February an additional £4.7m of cash was required to settle the positions. In addition, the fall in global equity markets led to cash being required to service the futures contracts used to re-equitise the GTAA portfolio. Therefore £2.0m was transferred to UBS in March.

7.3 Without the flexibility of cash to rebalance, there was no further activity to rebalance the Fund's assets.

8.0 FUND MANAGER ISSUES

Baillie Gifford Benchmark

8.1 As previously agreed by the Committee the benchmark for both Baillie Gifford portfolios has been amended effective from 1 April 2008.

8.2 The new benchmark is the FTSE All World index and is similar to the old FTSE World Index but has a higher proportion of emerging market equities. The new benchmark will be used for next set of quarterly performance reports.

Hermes European Focus Fund: Parmalat

8.3 Members will be aware that the Hermes European Focus Fund was an investor in Parmalat up to and including the serious fraud scandal and subsequent suspension of the shares in 2003.

8.4 Since that time Hermes has led a US Class Action against Parmalat and other defendants to recover some of the losses suffered by their clients (including NYPF). After a lengthy legal battle Parmalat has agreed to settle the action with the issue of 10.5 million shares to class members. At this time it is not possible to estimate the possible value of this settlement to the Fund but this will be reported to Members at a later date once more information is available.

UBS

8.5 The investment bank UBS has appeared regularly in the press in recent months due to its significant losses arising from the credit crisis. This issue is covered in more detail in the Investment Advisers report, however, there have been some personnel changes worth identifying in this report notably the departure of the Fund's Relationship Manager Mike Housden who has now been replaced by Paul Harris.

9.0 SHELL CLASS ACTION

9.1 In March 2008 the Fund agreed to join a foundation agreement for non-US investors in Royal Dutch Shell plc who have been excluded from the US Class action. The foundation was established to support a European Settlement which had been negotiated and agreed with Royal Dutch Shell in April 2007. Further details of the situation are provided in the press release at **Appendix 5**.

9.2 The foundation is seeking approval in the Dutch courts for the European Settlement which if granted would enable investors during the class period (including NYPF) to claim a share of settlement. The decision of the Dutch courts is anticipated in November 2008.

10.0 SIP AMENDMENT

10.1 At the last meeting of the PFC on 14 February 2008 a revised Statement of Investment Priniciples (SIP) was approved subject to a minor wording adjustment concerning the use of derivatives.

10.2 Before being published the wording of **paragraph 3.21** in the SIP was amended to include the words "as a direct investment" as follows:

> "3.21 Derivative financial instruments may be used **as a direct investment** to manage and control the aggregate risk exposure of the Fund relative to the benchmark (but not to increase it)."

11.0 MYNERS REVIEW

11.1 HM Treasury has recently launched a consultation exercise on updating the Myners principles which were first introduced in 2001. A copy of the press release is attached at **Appendix 6**

11.2 The consultation is a response to the National Association of Pension Fund's review *Institutional Investment in the UK: Six Years On* published in 2007. It recommends that the original 10 principles should be updated and simplified into a new set of 6 principles which will be easier for Trustees to report against. The consultation closes on 23 June 2008.

12.0 CORPORATE GOVERNANCE UPDATE

12.1 Attached at **Appendix 7** is a report from PIRC summarising the proxy voting activity in the period January to March 2008. This report covers the votes cast on behalf of NYPF at all relevant company AGM's in the period and includes an analysis of voting recommendations at selected meetings and responses to company engagement.

13.0 RECOMMENDATION

13.1 Members are asked to note the investment performance of the Fund for the Quarter and 12 months ending 31 March 2008.

JOHN MOORE
Treasurer

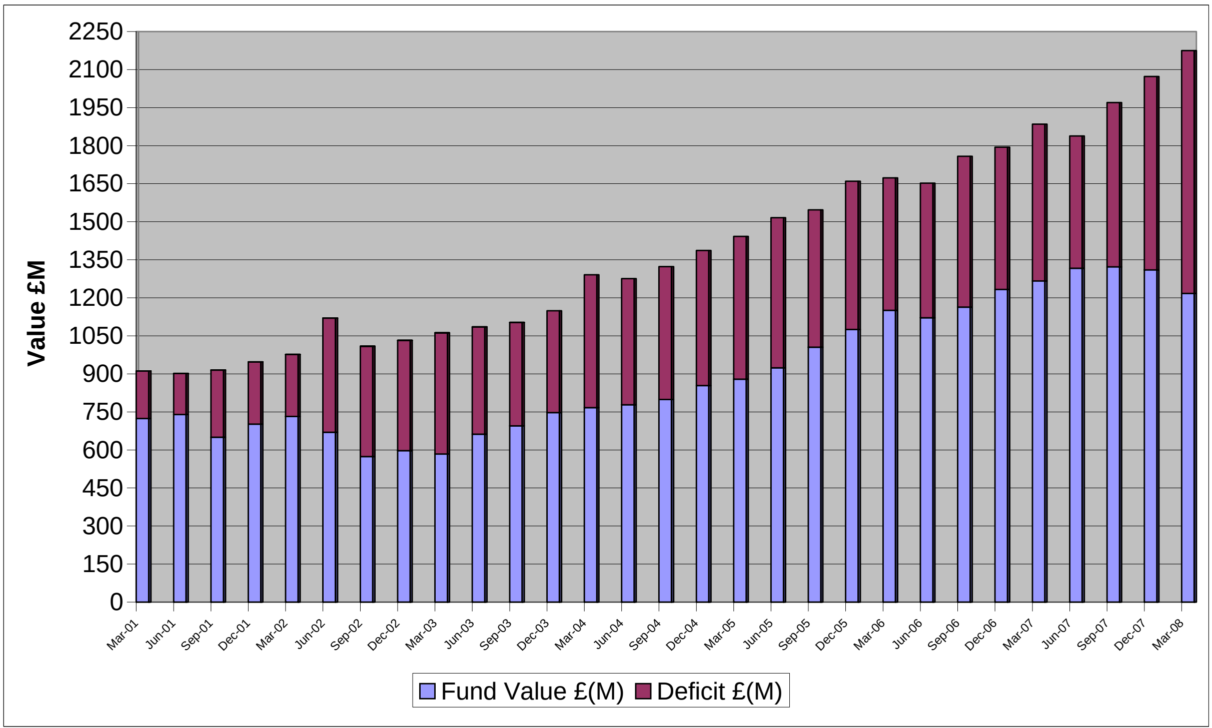
Finance and Central Services
County Hall
Northallerton

8 May 2008

Actuarial Model of Quarterly Solvency Position

Date	Solvency	Deficit £(M)	Fund Value £(M)	FTSE 100
March 31, 2001	79%	187	724	5,634
June 30, 2001	82%	162	740	5,643
September 30, 2001	71%	265	650	4,903
December 31, 2001	74%	245	702	5,217
March 31, 2002	75%	245	732	5,272
June 30, 2002	60%	450	670	4,656
September 30, 2002	56%	435	574	3,722
December 31, 2002	58%	435	597	3,940
March 31, 2003	55%	478	584	3,613
June 30, 2003	61%	423	662	4,031
September 30, 2003	63%	408	695	4,091
December 31, 2003	65%	402	747	4,477
March 31, 2004	59%	524	767	4,386
June 30, 2004	61%	498	778	4,464
September 30, 2004	60%	524	799	4,571
December 31, 2004	62%	533	854	4,814
March 01, 2005	61%	563	879	4,894
June 30, 2005	61%	592	924	5,113
September 01, 2005	65%	542	1005	5,478
December 31, 2005	65%	585	1075	5,619
March 01, 2006	69%	523	1150	5,965
June 30, 2006	68%	531	1121	5,833
September 30, 2006	66%	595	1163	5,961
December 31, 2006	69%	561	1233	6,221
March 31, 2007	67%	619	1266	6,308
June 30, 2007	72%	522	1316	6,608
September 30, 2007	67%	648	1322	6,467
December 31, 2007	63%	763	1310	6,457
March 31, 2008	56%	958	1217	5,702

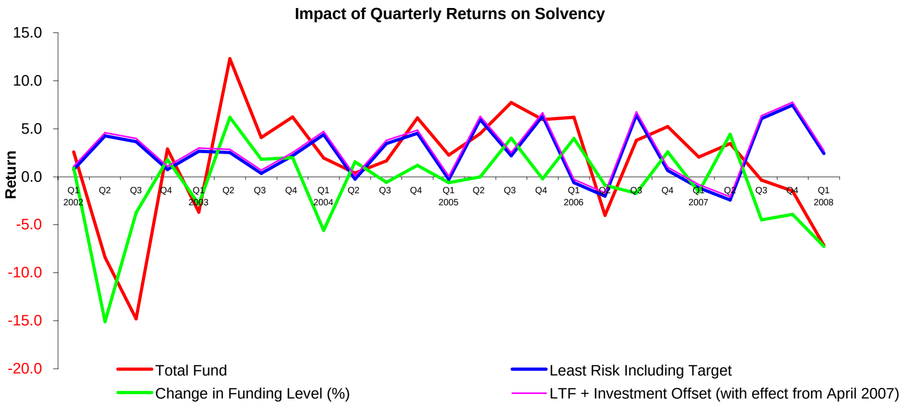
Movement in Assets and Liabilities

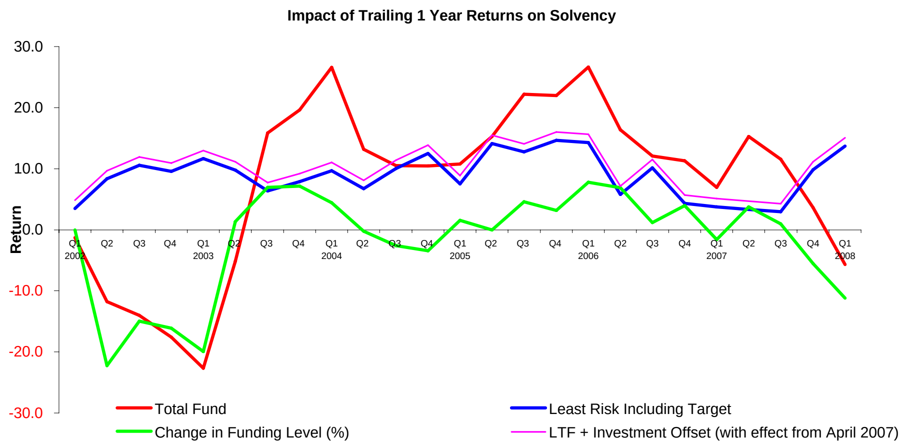


Comparison of Actual Performance vs the Least Risk Portfolio *

Quarter/ Rolling Year	Total Fund Return	Total Fund Custom Benchmark	Relative +/-		Total Fund Return	85% Index, 15% Fixed	Relative +/-
Q1 2002	2.60	2.10	0.50		2.60	0.40	2.20
Rolling 12 Months 2001/2002	**-1.28**	**-1.71**	**0.43**		**-1.28**	**2.10**	**-3.38**
Q2 2002	-8.40	-7.70	-0.70		-8.40	3.90	-12.30
Q3 2002	-14.80	-14.40	-0.40		-14.80	3.30	-18.10
Q4 2002	2.90	4.50	-1.60		2.90	0.40	2.50
Q1 2003	-3.68	-3.83	0.15		-3.68	2.30	-5.98
Rolling 12 Months 2002/2003	**-22.65**	**-20.60**	**-2.05**		**-22.65**	**10.24**	**-32.88**
Q2 2003	12.31	11.23	1.08		12.31	2.17	10.14
Q3 2003	4.09	3.87	0.22		4.09	0.02	4.07
Q4 2003	6.23	6.18	0.05		6.23	1.85	4.38
Q1 2004	1.94	1.42	0.52		1.94	4.04	-2.10
Rolling 12 Months 2003/2004	**26.60**	**24.41**	**2.19**		**26.60**	**8.28**	**18.33**
Q2 2004	0.39	1.25	-0.87		0.39	-0.59	0.97
Q3 2004	1.67	1.75	-0.08		1.67	3.12	-1.45
Q4 2004	6.14	5.70	0.44		6.14	4.19	1.95
Q1 2005	2.27	1.80	0.47		2.27	-0.64	2.91
Rolling 12 Months 2004/2005	**10.79**	**10.85**	**-0.07**		**10.79**	**6.12**	**4.67**
Q2 2005	4.48	5.03	-0.55		4.48	5.60	-1.12
Q3 2005	7.74	7.24	0.50		7.74	1.85	5.89
Q4 2005	5.96	5.75	0.21		5.96	5.98	-0.02
Q1 2006	6.19	5.37	0.82		6.19	-0.97	7.16
Rolling 12 Months 2005/2006	**26.67**	**25.52**	**1.15**		**26.67**	**12.88**	**13.79**
Q2 2006	-4.03	-3.57	-0.46		-4.03	-2.35	-1.68
Q3 2006	3.78	4.16	-0.38		3.78	6.09	-2.31
Q4 2006	5.23	4.72	0.51		5.23	0.31	4.92
Q1 2007	2.04	2.13	-0.09		2.04	-1.50	3.54
Rolling 12 Months 2006/2007	**3.62**	**5.53**	**-1.91**		**3.62**	**8.41**	**-4.79**
Q2 2007	3.46	1.78	1.68		3.46	-2.77	6.24
Q3 2007	-0.36	0.84	-1.20		-0.36	5.69	-6.05
Q4 2007	-1.49	0.68	-2.17		-1.49	7.10	-8.59
Q1 2008	-7.15	-5.49	-1.66		-7.15	2.06	-9.20
Rolling 12 Months 2007/2008	-5.71	-2.34	-3.37		-5.71	12.32	-18.03
3 Year Annualised Return	**8.50**	**9.61**	**-1.11**		**8.50**	**9.08**	**-0.58**

* As a proxy for such a portfolio the performance of the Fund is compared above, from 1 April 2001, with an Index comprising 85% Index Linked Gilts (over 15 years Total Return) and 15% Fixed Interest Gilts (over 15 years).





Quarter Returns

	Least Risk BM	Least Risk Including Target	LTF + Investment Offset	Relative	Total Fund
Q1 2004	4.04	4.38	4.72	-2.44	1.94
Q2	-0.59	-0.24	0.09	0.62	0.39
Q3	3.12	3.47	3.80	-1.80	1.67
Q4	4.19	4.54	4.87	1.60	6.14
Q1 2005	-0.64	-0.29	0.04	2.56	2.27
Q2	5.60	5.95	6.28	-1.47	4.48
Q3	1.85	2.20	2.53	5.54	7.74
Q4	5.98	6.33	6.66	-0.37	5.96
Q1 2006	-0.97	-0.62	-0.29	6.81	6.19
Q2	-2.35	-2.00	-1.67	-2.03	-4.03
Q3	6.09	6.44	6.77	-2.66	3.78
Q4	0.31	0.66	0.99	4.57	5.23
Q1 2007	-1.50	-1.15	-0.82	3.19	2.04
Q2	-2.77	-2.42	-2.09	5.89	3.46
Q3	5.69	6.04	6.37	-6.40	-0.36
Q4	7.10	7.44	7.78	-8.94	-1.49
Q1 2008	2.06	2.41	2.74	-9.55	-7.15

Trailing 1 Year Returns

	Least Risk BM	Least Risk Including Target	LTF + Investment Offset	Relative	Total Fund
Q1 2004	8.28	9.68	11.03	16.93	26.60
Q2	5.36	6.76	8.11	6.40	13.16
Q3	8.62	10.02	11.37	0.50	10.53
Q4	11.12	12.52	13.87	-2.09	10.43
Q1 2005	6.12	7.52	8.87	3.27	10.79
Q2	12.72	14.12	15.47	1.18	15.30
Q3	11.34	12.74	14.09	9.45	22.19
Q4	13.25	14.65	16.00	7.33	21.98
Q1 2006	12.88	14.28	15.63	12.39	26.67
Q2	4.38	5.78	7.13	10.57	16.35
Q3	8.73	10.13	11.48	1.94	12.07
Q4	2.91	4.31	5.66	6.98	11.30
Q1 2007	2.37	3.77	5.12	3.18	6.94
Q2	1.92	3.32	4.67	11.97	15.29
Q3	1.54	2.94	4.29	8.62	11.56
Q4	8.41	9.81	11.16	-6.19	3.62
Q1 2008	12.32	13.72	15.07	-19.43	-5.71

REBALANCING OF NYPF ASSETS AS AT 31 MARCH 2008

Asset Class	Benchmark Proportion	Mandate Type
Equity + Cash	77%	Global Equity
Fixed Income	23%	Global Fixed Income

After Rebalancing	
76.7%	932.28
22.9%	278.35
0.4%	4.86
100.0%	1215.49

		31-Mar-08 Value £m	%	Target	+/- Allocation £m	Rebalanced £m	%	3% Tolerance Min (97%) %	Min £m	Max (103%) %	Max £m	Exceed		Plan		
Global Equity Managers																
Baillie Gifford Global Alpha		182.27	15.0%	14.9%	-1.2	181.11	14.9%	14.5%	175.68	15.3%	186.54	0.00	0.00	0.00	182.27	15.0%
Baillie Gifford Global Growth		117.68	9.7%	9.0%	-8.3	109.39	9.0%	8.7%	106.11	9.3%	112.68	0.00	-5.01	0.00	117.68	9.7%
	(a)	299.95	24.7%	23.9%	-9.4	290.5	23.9%		281.79		299.22			0.00	299.95	24.7%
Global (ex UK) Equity Managers																
BGI		258.21	21.2%		5.7	263.9	21.7%							0.00	258.21	
Hermes Europe		26.63	2.2%		0	26.6	2.2%							0.00	26.63	
	(b)	284.84	23.4%	23.9%	5.7	290.5	23.9%	23.2%	281.79	24.6%	299.22	0.00	0.00	0.00	284.84	23.4%
UK Equity Managers																
Standard Life		274.56	22.6%		10.4	284.9	23.4%							0.00	274.56	
Hermes UK		17.45	1.4%		0	17.5	1.4%							0.00	17.45	
Yorkshire Forward		0.30	0.0%		0	0.3	0.0%							0.00	0.30	
	(c)	292.31	24.0%	*24.9%*	10.4	302.7	24.9%	24.2%	293.58	25.6%	311.74	1.27	0.00	0.00	292.31	24.0%
Global Tactical Asset Allocation																
UBS	(d)	53.11	4.4%	*4.0%*	-4.5	48.6	4.0%	3.9%	47.16	4.1%	50.08	0.00	-3.04	0.00	53.11	4.4%
Equity sub-total	(a+b+c+d)=(e)	930.21	76.5%	**76.7%**	2.1	932.28	**76.7%**	74.4%	904.31	79.0%	960.25	0.00	0.00	0.00	930.21	76.5%
Global Fixed Income Managers																
ECM		126.45	10.4%			126.4	10.4%							0.00	126.45	
CAAM		159.50	13.1%		-7.6	151.9	12.5%							0.00	159.50	
Fixed Income sub-total	(f)	285.94	23.5%	**22.9%**	-7.6	278.35	**22.9%**	22.2%	270.00	23.6%	286.70	0.00	0.00	0.00	285.94	23.5%
Cash																
Internal Cash		2.11			5.5	7.62								-2.00	0.11	
Currency Hedge Cash		-2.76			0.0	-2.76								2.00	-0.76	
Cash sub-total	(g)	-0.66	-0.1%	**0.4%**	5.5	4.86	0.4%	0.4%	4.72	0.4%	5.01	5.37	0.00	0.00	-0.66	-0.1%
	(e+f+g)=(h)	**1215.49**	**100.0%**	**100.0%**	**0.0**	**1215.49**	**100.0%**					**6.64**	**-8.04**	**0.00**	**1215.49**	**100.0%**
RC Brown	(j)	1.72														
	(h+j)=(k)	1217.21														
		1217.21	0.000													

APPENDIX 5

AMSTERDAM COURT OF APPEALS SETS DATE FOR HEARING WITH RESPECT TO SHELL SECURITIES CLASS SETTLEMENT OF RESERVE-RELATED CLAIMS WITH EUROPEAN AND OTHER NON US INVESTORS

11/04/2008

Shell *, Stichting Shell Reserves Compensation Foundation (the Foundation), VEB (the Dutch Shareholders Association), APG, All Pensions Group (on behalf of pension fund ABP) and PGGM (on behalf of Stichting Pensioenfonds Zorg en Welzijn) have announced that the Amsterdam Court of Appeals (the Court) has scheduled a hearing on 20 November 2008 with respect to their request for a binding declaration of their settlement agreement concerning reserve-related claims. This settlement agreement provides relief in the amount of US$352.6 million to qualifying non-U.S.-shareholders who bought Shell shares on any stock exchange outside the United States between April 8, 1999 and March 18, 2004 (the European settlement).

The European settlement was originally reached and announced in April 2007. The parties opted to wait to file an amended petition until a U.S. court ruled on Shell's position that the Court did not have jurisdiction to consider the claims of non-U.S. shareholders in the pending U.S. class action based upon the same reserves issues.

Theo Raaijmakers, chairman of the Foundation's Board: "In the past months the support for the European settlement has continued to increase. After the non-U.S. investors of Shell were excluded from the U.S. case, the parties to the European settlement finalized an amended petition so that additional details respecting the settlement could be provided to the Dutch court. Now that the Court has set a date for the hearing, the parties will provide notice of the settlement and of the hearing to non-U.S. investors."

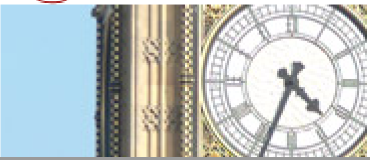
On March 6, 2008 Shell announced the settlement in principle of reserve-related claims with U.S. investors providing, among other relief, a base settlement amount of US$82.85 million to resolve the securities class action pending in the U.S., from which the non-U.S. shareholders were excluded in January. The parties in the U.S. class action have not yet finalized this U.S. settlement, nor sought court approval. After finalization and court approval, the U.S. settlement would have an effect on the European settlement. The U.S. class and the participants in the European settlement collectively would receive an additional payment of US$35 million, to be divided in accordance with proportions determined in the two proposed settlements. In addition, Shell has agreed to pay interest on the European settlement amount effective April 1, 2008.

About the Foundation

The Stichting Shell Reserves Compensation Foundation (the Foundation) is a foundation representing all shareholders covered by the European settlement agreement. The Foundation's participants, which are all fully supporting the European settlement agreement, include 133 institutional investors (APG on behalf of pension fund ABP, PGGM on behalf of Stichting Pensioenfonds Zorg en Welzijn, DEKA, Norges, UBS and Morley, amongst others) as well as Euroshareholders, the confederation of European shareholders associations, and 18 other organizations representing individual shareholders from Belgium, France, Germany, Italy, Sweden, The Netherlands and a number of other countries. Together with Shell, APG, PGGM and the VEB (the Dutch Shareholders Association), the Foundation has requested that the Court declare this settlement binding. If the Court declares the settlement binding and the settlement agreement becomes final, it is the Foundation's task to distribute the settlement amounts to the investors that are entitled thereto.

APPENDIX 6

HM TREASURY



2008

31 March 2008

HM Treasury launches consultation to update the Myners principles

HM Treasury, the Department for Work and Pensions and The Pensions Regulator (TPR), are today launching a consultation on updating the Myners principles, a voluntary set of 'comply or explain' principles designed to improve trustee investment decision-making and governance of pension funds.

The consultation responds to last year's National Association of Pension Fund (NAPF) review Institutional Investment in the UK: Six Years On, which recommended updating the Myners principles to ensure the continued spread of best practice among pension schemes.

The consultation proposes a set of refreshed and simplified, higher-level principles and the development of a comprehensive suite of authoritative best practice guidance and tools, which will help trustees to improve investment decision-making and governance.

Following the NAPF's recommendation that the pensions industry should take increased ownership of the principles, the consultation proposes establishing a joint Government-industry Investment Governance Group to co-own the principles, monitor their effectiveness and the quality of reporting against them, and make recommendations for improvements to investment decision-making and governance.

Exchequer Secretary to the Treasury, Angela Eagle MP, said:

"Paul Myners' goal was that the principles should become the accepted code of best practice in investment decision-making and governance, with trustees transparently assessing their capacity and practice against them".

"The NAPF's review of the Myners principles is an important step towards that goal. The Government is taking forward the review's proposals to simplify and update the principles, and to improve reporting against them."

Minister of State for Pensions Reform, Mike O'Brien MP, said:

"The principles have already done much to help improve pension trustees' investment decision-making and governance, and this consultation aims to allow trustees to continue to build on that progress."

The Pensions Regulator's Chairman, David Norgrove, said:

"The proposed Investment Governance Group, which The Pensions Regulator would chair, will provide a forum for both industry and Government to work together to improve trustee investment decision-making and governance standards further."

Notes for editors

1. The Myners principles are a voluntary set of 'comply or explain' principles designed to improve trustee investment decision-making and governance of pension funds. The principles stem from a review conducted by Paul Myners in 2001 of the efficiency of institutional investment decision-making.

2. Following a request from the Government, the NAPF were tasked with assessing the extent to which, six years on from their publication, pension fund trustees are applying the Myners principles; the extent to which scheme governance and the quality of trusteeship have improved; and whether key issues identified by the Treasury in 2004 had been addressed.

3. The Government welcomed the findings of significant progress in the application of the principles in the resulting NAPF review 'Institutional Investment in the UK: Six years on'. This can be found at: **www.napf.co.uk**

4. The Government consultation launched today proposes to adopt the NAPF's recommended approach, subject to some changes, ensuring the principles are more effective, by being less prescriptive, and more likely to be used and reported against by trustees.

Updating the Myners principles: a consultation

The consultation closes on 23 June 2008.

ABERDEEN ASSET MANAGEMENT PLC

AGM Date: 2008-01-17

8 Approve the Remuneration Report **Oppose**

Disclosure of cash remuneration, pension entitlements and share awards is acceptable. # The chief executive received a bonus payment equivalent to approximately 656% of salary. #Combined incentive awards granted during the year were excessive in our view. We would welcome further disclosure on relative ranking for EPS performance targets under the LTIP scheme. #Executive directors have one year rolling contracts. There is no statement of mitigation. Rating BDC.

For: 98.00% - Against: 1.77% - Abstain: 0.23% - Discretionary to Chair: 0.00%

3 Appoint the auditors and allow the board to determine their remuneration **Abstain**

KPMG Audit plc proposed. The level of non-audit fees exceeds 25% of the audit fee. This confirms a three year trend.

For: 98.24% - Against: 0.29% - Abstain: 1.47% - Discretionary to Chair: 0.00%

EUROMONEY INSTITUTIONAL INVESTORS PLC

AGM Date: 2008-01-30

1 Receive the Annual Report **Oppose**

We recommend opposition as we have serious corporate governance concerns: there is only one independent non-executive director on the board (which consists of 18 members); no senior independent director has been identified; there is no independent representation on the audit, remuneration and nominations committees. The company fails to disclose an adequate environmental policy.

2 Approve the Remuneration Report **Oppose**

In the event of early termination, both the executive chairman and the managing director, who are employed on one-year rolling contracts are entitled to 12 monthsâ€™ salary, pension and car allowance. In addition, they are entitled to the entire profit share, irrespective to the date of the notice of termination (i.e. earned and/or unearned) which is not best practice in our view. Performance targets for UK share based schemes are acceptable, however, there are no performance targets for US schemes in which directors participate. Whilst this is common in the US, we believe that as a UK Listed company, it should comply with UK best practice. Rating BDD.

4 Elect Sir Patrick Sergeant. **Oppose**

Non-executive director. Not independent by PIRC as he is a former executive director and has served on the board over nine years. We recommend opposition as there is insufficient independent representation on the board.

5 Elect PM Fallon **Abstain**

Executive chairman. PIRC does not support the election of an executive chairman. One-year rolling contract, compensation includes the entire profit share, irrespective to the date of the notice of termination (i.e. earned and/or unearned) which is not best practice in our view.

8 Elect Viscount Rothermere **Oppose**

Non-executive director, not independent and insufficient independent representation on the board.

10 Elect CJF Sinclair **Oppose**

Non-executive director. Not independent by the company. Not independent by PIRC as he is a director of DMGT, Euromoneyâ€™s intermediate parent company and has served on the board over 9 years. We recommend opposition as there is insufficient independent representation on the board.

11 Elect JP Williams **Oppose**

Non-executive director. Not independent by the company. Not independent by PIRC as he is a director of DMGT, Euromoneyâ€™s intermediate parent company and has served onthe board over 9 years. We recommend opposition as there is insufficient independent representation on the board.

12 Elect JC Botts **Oppose**

Independent by the company. Not independent by PIRC as he has been on the board for more than nine years. Furthermore, Mr Botts has options over shares in Internet Securities Inc. a subsidiary of the company. We recommend opposition as there is insufficient independent representation on the board.

14 Appoint the auditors and allow the board to determine their remuneration **Abstain**
Deloitte & Touche are proposed. Once again the level of non-audit fee exceeds 25% of the audit fee, thus raising concerns over the auditors independence.

BRITVIC PLC

AGM Date: 2008-01-30

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3 Appoint the auditors **Abstain**
Ernst & Young LLP proposed. Non-audit fees (GBP 0.7m) are greater than 100% of the audit fee in the year under review. We would normally recommend oppose on the basis of the level of non-audit fees exceeding 100% of the audit fees. However as the transaction related non-audit fee was regarding an acquisition with a tight time line and the company has provided us with evidence of non-audit consultancy fees, equivalent to the amounts paid in relation to the acquisition, where the company's policy on providing non-audit services has been applied. We therefore recommend abstention. We will keep the audit and non-audit fees ratio under review.

For: 87.75% - Against: 10.97% - Abstain: 1.29% - Discretionary to Chair: 0.00%

5 Approve the Remuneration Report **Abstain**
Disclosure is generally strong. EPS vesting targets under the ESOP are not deemed challenging given brokers' forecasts, but performance conditions under the PSP are deemed sufficiently stretching. Performance-based awards are potentially excessive, however total executive pay under the year under review was not. Executives have one year rolling contracts with no special provisions for termination. A statement on mitigation is made. Rating: BCB

For: 92.69% - Against: 0.07% - Abstain: 7.24% - Discretionary to Chair: 0.00%

ENODIS PLC

AGM Date: 2008-02-07

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1 Receive the Annual Report **Abstain**
Inadequate group-wide environmental policy statement disclosed.

For: 96.52% - Against: 0.75% - Abstain: 2.69% - Discretionary to Chair: 0.05%

7 Appoint the auditors **Oppose**
Deloitte & Touche LLP proposed. Non-audit fees in the year under review exceeded audit fees, and was greater than 25% of audit fee over a three-year aggregate.

For: 98.33% - Against: 1.43% - Abstain: 0.19% - Discretionary to Chair: 0.05%

12 Approve the Remuneration Report **Oppose**
There is insufficient disclosure concerning the performance share plan, in particular regarding the maximum potential award and the financial performance hurdle, of which no performance measures are disclosed. Minimum vesting targets are not challenging in our view. Additionally we consider that all schemes should utilise two separate quantified performance criteria concurrently to avoid excessive focus on one measure. Compensation on termination includes 12 months salary, pension contributions and target bonus as well as bonus prorated to date of termination. PIRC believes that best practice is for compensation to be limited to salary and benefits, and not performance-related compensation. Rating: DDD

For: 98.39% - Against: 1.27% - Abstain: 0.28% - Discretionary to Chair: 0.06%

13 Amend existing executive performance share plan. **Oppose**
The remuneration committee is proposing to increase the maximum award of shares to 300% of base salary, and proposing two different performance conditions. The first condition is TSR out-performance of the FTSE Mid-250 index (excluding investment trusts) and applies to two-thirds of the shares subject to award. Full vesting will require out-performance of the index by 5% points per annum rather than the existing 3% points. 20% of the potential award will vest for matching the index, with linear interpolation between these points. For the remaining one-third of the shares subject to award, the performance condition proposed is EPS growth rate. 20% of an award will vest for adjusted EPS growth of 7% per annum over 3 years and the award will vest in full for adjusted EPS growth of 15% per annum. The maximum level of potential awards is too excessive in our view. The performance measure relating to TSR is not clearly disclosed, and considering the companyâ€™s current position in the FTSE Mid-250 index, the targets are not driven towards out-performance. Neither the upper or lower EPS targets are sufficiently stretching given the level of award and brokerâ€™s sentiment.

For: 98.71% - Against: 0.95% - Abstain: 0.28% - Discretionary to Chair: 0.06%

GRAINGER PLC

AGM Date: 2008-02-12

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2 Approve the Remuneration Report **Oppose**

Disclosure of figures is basic. Regarding the LTIP, given NNNAV per share during the year, the targets appear reasonable. We would welcome details regarding historical or projected NNNAV growth in the remuneration report. Similarly, we would welcome further information regarding the company's absolute TSR measure to better assess whether it is challenging. Awards during the year were excessive in our view. PIRC rating CDB.

4 Elect Stephen Dickinson **Oppose**

Non-executive director. Not independent by PIRC as he has been on the board for more than nine years. Less than half of the board, excluding the chairman, is considered independent by PIRC.

7 Elect Henry Pitman **Oppose**

Non-executive director. Not independent by PIRC as we have concerns over his appointment process due to family connections with the CEO. Insufficient representation on the board.

8 Appoint the auditors **Oppose**

Pricewaterhouse's Coopers LLP proposed. Non-audit fees of GBP 413,000 is equivalent to 228% of audit fees at GBP 181,000.

ARICOM PLC

EGM Date: 2008-02-15

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1 Approve the Acquisition **Abstain**

Aricom has entered into a conditional agreement with Olis Constructions Limited (Olis) to acquire 29.26 per cent. of Lapwing Limited, the Cypriot holding company that owns LLC Garinsky Mining & Metallurgical Complex which in turn holds the Garinskoye licence. As Olis is regarded as a related party, the Acquisition (pursuant to which the consideration is the issue of 28,265,903 new ordinary shares in the Company and the payment of $65.1 million, reflecting the agreed value of the shares to be acquired) is subject to shareholder approval. We have concerns over the corporate governance arrangements on the board of Aricom and therefore recommend that shareholders abstain on the proposal.

JESSOPS PLC

AGM Date: 2008-02-19

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5 Approve the Remuneration Report **Abstain**

The company operates an annual bonus and a LTIP, based on TSR relating to a comparative group. There is no disclosure regarding the award targets of the LTIP. No awards are expected to be made this year or the next, due to not meeting performance targets. During the year Mr Adams received a one-off discretionary award worth 250% of his salary for the competition of the successful re-financing of the business. 50% of this was paid in cash, and the remaining 50% will have to be re-invested in Jessops' shares to be retained for 3 years. PIRC believes that the completion of the deal is not itself a measure of success, but rather that the value will be in its impact on long-term performance, and as such would prefer to see long-term performance conditions attached.

7 Issue shares for cash **Abstain**

* In collaboration with the passing of resolution 8 this would allow the company to issue 10% of share capital for cash, which exceeds dilution limits. As the company has communicated the priority of the passing of resolution 8, we recommend abstaining from resolution 7 concerning a normal share issue for cash, out of respect of these dilution limits.

EASYJET PLC

AGM Date: 2008-02-21

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2 Approve the Remuneration Report **Oppose**

Disclosure is adequate. The LTIP only has a single performance condition and lacks a comparator group. Combined awards are potentially excessive. Mr Harrison has 12-months notice period. Any compensation payments would be phased and a mitigation statement is made. However, the contract provides for pre-determined compensation payments that include additional pension and bonus entitlements. PIRC does not deem such payments appropriate and we therefore recommend opposition. Rating: BDD

For: 97.28% - Against: 0.94% - Abstain: 1.78% - Discretionary to Chair: 0.01%

5 Re-elect Andrew Harrison **Oppose**

Chief executive director. Twelve months rolling contract. However the contract provides for potential termination payments in excess of two-years salary and benefits. We therefore recommend opposition.

For: 99.23% - Against: 0.76% - Abstain: 0.00% - Discretionary to Chair: 0.01%

6 Appoint the auditors and allow the board to determine their remuneration **Oppose**

PricewaterhouseCoopers proposed. Non-audit fees (Â£ 0.6m) exceed audit fees by 200%. We therefore recommend opposition.

For: 99.13% - Against: 0.82% - Abstain: 0.05% - Discretionary to Chair: 0.01%

10 Amend existing long term incentive plan (LTIP) **Oppose**

Authorisation sought to amend the LTIP to incentivate and retain the company's airline management board. The board proposes to increase the maximum award from 100% to 200%, but for FY 2008 the maximum will be 175%. The target will remain ROE. More challenging targets will be set for awards in excess of 100%. For FY 2008 25% of award will vest at ROE 13.5%, 50% at 15.5% ROE and 100% for 17.5% ROE. The shareholding requirement will increase from 100% to 175%. We welcome the more stringent upper performance target. However on the basis that the overall potential awards are already deemed excessive in our view, we recommend opposition.

For: 98.53% - Against: 1.22% - Abstain: 0.24% - Discretionary to Chair: 0.01%

LOCAL SHOPPING REIT PLC

AGM Date: 2008-02-27

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7 Re-Elect Nicholas Vetch **Abstain**

Non-executive director. PIRC has concerns over Mr Vetch's 3.07% holding in the company. However, Mr Vetch is considered by the board to have invaluable experience relevant to his role with LSR, and the shareholding agreement was designed to ensure his services in a key period of time for the company. His investment has an 18month lock-in period. PIRC will review Mr Vetch's independence at the close of this period.

For: 90.53% - Against: 6.52% - Abstain: 2.91% - Discretionary to Chair: 0.04%

3 Re-Elect Grahame Whateley **Abstain**

Chairman. Not independent upon appointment. Mr Whateley is co-founder of LSR, with Mike Riley and Nick Gregory. His company Castlemore Group Ltd held a 75% interest in LSR pre-IPO and he now holds directly the largest shareholding post-IPO of 8.19%.

For: 92.42% - Against: 0.33% - Abstain: 7.22% - Discretionary to Chair: 0.04%

2 Approve the Remuneration Report **Oppose**

Disclosure is inadequate. PIRC does not consider the minimum or maximum vesting targets to be sufficiently challenging given the level of award available. Remuneration is potentially excessive, with annual bonus and LTIP potentially 500% of base salary. Scheme does not utilise two separate quantified performance criteria concurrently. One of the LTIP performance conditions does not use a relative performance measure. In this case, PIRC considers that the company should provide information justifying the stringency of the chosen performance targets. No mitigation statement is disclosed. Rating CDC.

For: 83.30% - Against: 0.18% - Abstain: 16.47% - Discretionary to Chair: 0.04%

INNOVATION GROUP PLC

AGM Date: 2008-03-13

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3 Approve the Remuneration Report **Oppose**

Maximum awards under the bonus scheme and the options plan are not disclosed. Targets for maximum and minimum vesting under long-term incentive plans insufficiently challenging in PIRC's view. We consider excessive award of 6,000,000 shares to Chief Executive under Global Management Incentive Plan. Chief Executive has twelve-month rolling contract and new FD has six-month rolling contract, which we support. Disclosure inadequate on issue of mitigation, especially given GBP 230,000 payment to Mr Sidwell following his departure. PIRC report rating: CEB.

TALVIVAARA MINING CO LTD

AGM Date: 2008-03-14

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1 Receive the Annual Report **Oppose**

Talvivaara Mining Company Ltd is a company incorporated under the laws of Finland and has been listed on the main board of the London Stock Exchange since 1 June 2007. Notice of the AGM was sent out in line with best practice. However, as of the date of this report the company had not yet provided shareholders with copies of its annual report and accounts or the full text of the AGM proposals. A stock exchange release has been made available comprising the 'essential information contained in the financial statements'. However, this release does not contain the information needed to satisfy PIRC best practice requirements. No Combined Code compliance statement is made, no remuneration report is provided, there is no information on audit fees and there is no information on the corporate governance arrangements of the company. PIRC views these reporting omissions as a serious breach of best practice and recommends that shareholders oppose the report and accounts and all other material resolutions for which there is insufficient information.

10 Issue shares for cash **Abstain**

* Authority is sought to issue shares representing approximately 5% of the fully diluted share capital for cash. The authority is intended to be valid until March 13, 2013. PIRC considers that share issue authorities should be sought on an annual basis, and should only be valid until the company's next AGM, or for a period of 18 months.

3 Discharge the Board and the Managing Director **Oppose**

Insufficient information provided in relation to the resolution in question.

7 Appoint the auditors **Oppose**

PricewaterhouseCoopers proposed. Insufficient information provided in relation to the resolution in question.

2 Approve that no dividend be declared in respect of 2007 **Oppose**

Insufficient information provided in relation to the resolution in question.

5 Approve the number of board directors **Oppose**

Insufficient information provided in relation to the resolution in question.

4 Approve fees payable to the Board of Directors and the Auditor **Oppose**

Insufficient information provided in relation to the resolution in question.

6 Re-elect Messrs Pekka Pera, Eero Niiva and Antti Aaltonen **Oppose**

The board seeks approval for the election of three directors (one executive and two non-executives). As the company is listed in the UK we believe it should follow UK best practice and seek shareholder approval for each director individually. There is insufficient information available to comment on the appropriateness and independence of each director. Mr Aaltonen is not considered independent by PIRC as he is a director of Norilsk Nickel Finland Oy, who is a shareholder of the company and also a lender under the 2005 Convertible Loan. The company acknowledges that there may be instances where duties of Mr. Aaltonen at Norilsk Nickel Finland Oy may potentially conflict with his duties as a Director of the Company.

TUI TRAVEL PLC

AGM Date: 2008-03-19

8 Re-Elect Rainer Feuerhake. **Oppose**

Non-executive director. Not independent by PIRC as he is the previous CFO of TUI AG and the assigned 'shareholder director' of TUI AG as per the terms of the merger. TUI AG has the right to appoint two Non-Executive Directors to the Board (being â€˜â€˜Shareholder Directorsâ€™â€™) for so long as TUI AG holds 30% or more of the voting rights in TUI Travel. There is insufficient independent representation on the board.

REUTERS GROUP PLC

EGM Date: 2008-03-26

5 Approve Rule 9 Waiver **Oppose**

Shareholder approval is sought for the waiver granted by the Takeover Panel to allow The Woodbridge Company Limited, which will hold approximately 53% of Thomson Reuters share capital, to waive its obligation to make a general offer for Thomson Reuters Plc and, following completion of the Scheme of Arrangement, to allow Wooodbrige to increase its aggregate interest in Thomson Reuters Corporation Shares or Thomson Reuters Plc without incurring any obligation under Rule 9. As a matter of principle PIRC does not support a 'rule 9 waiver' due to the reduced protections that apply for minority shareholders when a majority stake exists. We therefore recommend to oppose the proposal.

6 Approve the Thomson Reuters Stock Incentive Plan **Oppose**

Approval sought for the Thomson Reuters Stock Incentive Plan. Under the plan, selected employees will be provided with grants of non-qualified stock options, ISOs, SARs and awards of RSUs, Thomson Reuters Corporation shares, Thomson Retuers PLC shares and other awards valued in whole or in part by reference to, or are based on, the fair market value of such shares at the date of grant. Insufficient information is provided on performance conditions and targets and on individual limits of awards in relation to base salary, except the indicated 5% invdividual cap of the aggregate number of outstanding Thomas Reuters Corporation Shares and Thomas Reuters PLC shares. We therefore recommend opposition.

7 Approve the Thomson Reuters Phantom Stock Plan **Oppose**

Authorisation sought to approve the Thomson Reuters Phantom Stock Plan which would allow for the allocation of units, the holder of which would receive cash payments, if the Thomson Reuters Stock Incentive Plan is impracticable to implement due to tax or securities regulations. The terms of the plan would be similar to those under the Stock Incentive Plan. In line with our voting recommendation for resolution 6 we recommend opposition.

8 Approve Thomson Reuters Deferred Compensation Plan **Oppose**

Approval sought for the Thomson Reuters Deferred Compensation Plan. Under the plan a limited group of senior executives may elect to defer a percentage of their base salary, annual incentive bonus and/or long-term incentive bonus. If a participant elects to hold DSUs, his or her plan account is also credited with a 10% Deferred Share Units (DSU) match, which matching units will generally vest over a period of four years. If a participant elects to defer pay into the plan, he or she can choose whether to receive that yearâ€™s deferral amount plus credited investment returns: (i) at retirement; or (ii) after the completion of a minimum of five plan years. Insufficient information is provided whether performance conditions and targets are applied and no individual caps are placed on the amount which may be deferred or shares to be received under the plan. We therefore recommend opposition.

10 Approve the Thomson Reuters Non-employee Director Share Plan **Abstain**

Authorisation sought for the Thomson Reuters Non-employee Director Share Plan. Any director of Thomson Reuters who is not an employee of Thomson Reuters will be eligible to participate in the plan. On an annual basis, participants in the plan may elect to receive all or any portion of their annual retainer and other amounts payable for their services on the Thomson Reuters Board in the form of DSUs, shares or cash. PIRC does not have concerns over non-employee directors receiving all or a portion of their annual fees or other emoluments in shares, DSUs or cash as long as no part is performance related. However as no individual dilution limit for the scheme is indicated we recommend shareholders to abstain.

NORTH YORKSHIRE PENSION FUND

Meeting: 15th May 2008

1. INVESTMENT RETURNS

The table below shows total returns expressed in sterling, on the major asset classes for the quarter to date, for the three months to 31st March 2008 and for the year to 31st March 2008.

	Market Returns		
	1st April to 28th April 2008 %	3 months to 31st March 2008 %	12 months to 31st March 2008 %
FTSE All-Share	6.4	-9.7	-7.4
FTSE World Ex UK	5.3	-9.0	-4.0
FTSE N. America	-2.0	-9.1	-4.8
FTSE Europe Ex UK	4.1	-7.4	2.8
FTSE Japan	7.1	-7.2	-15.4
FTSE Asia-Pacific Ex Japan	7.5	-10.3	11.2
MSCI Emerging Markets	7.9	-11.5	17.8
UK Bonds	-2.0	1.4	7.6
UK Index Linked	-2.0	3.7	13.1

UK base rate reduced by 0.25% in February and was similarly reduced in April. The Monetary Policy Committee (MPC) were somewhat at odds in April, with two votes for no change and one for a 0.5% reduction. Of more significance was an initiative by the Bank, with Treasury approval, to make available £50bn. Of facilities to allow UK banks to swap mortgage assets for government bonds with the objective of reliquifying the system.

During the March quarter, gilt edged securities rose slightly in value. The yield on 10-year conventional gilts fell by 0.2% to 4.3%. However, the yield on 30-year gilts rose by 0.1% to 4.4%. since 31st March yields have risen, reflecting a slightly better tone in credit markets and therefore a reduced appetite for safe haven assets. Yields on index-linked gilts declined during the March quarter, but have since risen. The real yield on 10-year Index linked gilts fell by 0.4% to 1.0% in the quarter, but has since risen to 1.3%.

UK equities gave a total return of -9.7% in the quarter as measured by the FTSE All Share Index, but have since recovered, in common with equity markets elsewhere. Medium sized companies did better and the unweighted 350 index which is used as the benchmark for Standard Life Investments (SLI) fell by 5.6% in the March quarter.

In the US, the Federal Reserve Open Market Committee (FOMC) has been very busy. In late October the Committee reduced the target rate for federal Funds by 0.25% and did the same again in December, so that the rate stood at 4.25% at year end. In the New Year things really got going. There were a number of unscheduled conference calls and the Fed Funds rate was lowered by 0.75% on 22nd January and again by 0.5% on 30th January. Once again these moves were accompanied by the provision of plentiful liquidity to the US banking system. It appeared that the Fed was obliged to give the markets what they craved for – after all there cannot have been any substantial change in economic circumstances between 22nd and 30th January, so why was a rate appropriate on the earlier date 0.5% too high eight days later?

In common with other developed equity markets, the US stockmarket was fairly stable in the December quarter, with all the pain being felt in the debt markets. However, in the first quarter of 2008 the pain has been more equally shared and sentiment deteriorated steadily over the 3 months to March. It is worth noting that the US is the only major stockmarket not to have rallied in April.

Japan continues to be the weakest of the major markets. Sentiment appears to be detached from the economic background, which benefits from the buoyancy of the Pacific region as a whole.

Pacific Basin and Emerging Markets equities paused for breath in the December quarter and then suffered along with all the rest in the early months of 2008. Over the last 5 years the Pacific Basin markets ex-Japan have returned 22% p.a. and emerging markets 30% p.a. This cannot go on indefinitely.

2. *INVESTMENT PERFORMANCE*

The first table below shows performance at the aggregate total fund level for NYPF.

NYPF Total Fund Performance to March 2008

	3 months total return %	Rolling12 months total return %
NYPF	-7.1	-5.7
Composite Benchmark	-5.5	-2.3

The most recent quarter has produced another disappointing result mainly arising from further underperformance in bonds, which is examined in detail below. Equity results for the mainstream portfolios were satisfactory, but Hermes had another very bad quarter.

The next table overleaf shows the performance of the UK equity portfolios. It should be borne in mind that the two niche managers are measured against a different benchmark index from that applying to SLI.

The unweighted SLI benchmark outperformed the All Share Index, by 4.3% in the March quarter, reflecting better performance of medium sized companies. The unweighted benchmark index is still substantially behind the All-Share Index for the twelve month period, though there is some evidence that the behaviour of the unweighted index is less volatile, which is what one would expect. SLI had a solid quarter's performance and are 2.0% ahead of benchmark for the 12 month period, compared with the ambitious target of +3%. SLI's performance was once again adversely affected by holdings in financials, notably RBS and HBOS.

UK Equity Performance to March 2008

	3 months % Total Return		Rolling 12 months % Total Return	
	Portfolio	Benchmark	Portfolio	Benchmark
Standard Life	-5.1	-5.6	-12.2	-14.2
Hermes UK Focus Fund	-13.0	-9.9	-24.4	-7.7
RC Brown	-10.6	-9.9	-13.9	-7.7

The performance of the Hermes UK Focus Fund was very disappointing. The three worst performing stocks in their concentrated portfolio were Luminar, Cable & Wireless and Rentokil. In the current stock market climate problem companies are even more out of favour than usual and any adverse trading announcements are treated savagely by the market. Hermes remain convinced of the latent value in their portfolio, but the long wait for realisation of that value is testing investors' patience.

Turning to overseas equities, the next table below shows the performance of the portfolios. Barclays Global Investors and Baillie Gifford operate to slightly differing mandates, which are detailed in the footnotes to the table. Hermes European Focus Fund continues to be measured against the FTSE World Europe ex-UK index.

Overseas Equity Performance to March 2008

	3 months % Total Return		Rolling 12 months % Total Return	
	Portfolio	Benchmark	Portfolio	Benchmark
BGI	-7.6	-8.8*	-5.3	-3.4*
Baillie Gifford Global Alpha	-8.2	-8.7**	-0.5	-2.4**
Baillie Gifford LTGG	-8.6	-8.7	6.5	-2.4
Hermes European Focus Fund	-11.2	-7.5	-5.3	2.4

* Benchmark Index: FTSE Developed World ex-UK. Performance Target +1%

** Benchmark Index: FTSE World. Performance Target +3%

BGI were instructed to passive investment in the US and this transition took place in January. The performance figures therefore suffer from any cost of that transition. The latest quarter's figures represent a small improvement, but the longer term record is poor and the mandate is to be reviewed this summer.

Both the Baillie Gifford portfolios performed satisfactorily in the March quarter and both have good twelve month records, LTGG especially so. It should be noted that the benchmark indices for these portfolios will change from 1st April 2008 to reflect the relatively high exposure to emerging markets.

The next table below shows the performance of the global fixed income managers for the quarter and for 12 months to March 31st 2008.

Global Bond Performance - to March 2008

	3 months % Total Return	12 months % Total Return
European Credit Management	-10.1	-8.8
Credit Agricole Asset Management	0.5	5.7
NYPF Least Risk Benchmark	2.1	12.3

Both managers have suffered bad performance for the quarter and for the year, but ECM's experience clearly needs close examination. The Fund is invested in two of ECM's pooled products each of which holds over 1000 bonds issued by around 600 obligors. The funds have modest gearing of around 70% (by contrast bond-based hedge funds typically have gearing of several times 100%).

The damage suffered by these portfolios is in fact a microcosm of the problems to have hit the banking sector since last August. Throughout the credit markets almost no business is being transacted, even in high quality instruments. Where transactions do occur they are predominantly triggered by forced selling by geared investors (see previous paragraph). This very low volume of activity establishes "mark-to-market" prices which banks and investment funds are obliged to use in valuing their assets. It is highly likely that in due course there will be defaults by some issuers in the credit markets and the rating agencies are assuming something like a 5% delinquency rate, but the incidence of default would have to reach levels of around 25% to justify current valuations. It is worth noting that even in the 1930s US depression the default rate on corporate debt was only 3.3%.

We can also note that ECM do not hold any US mortgage backed securities, no structured credit instruments and no collateralised debt obligations.

Early indications are that the two ECM funds in which NYPF is invested recovered by about 2.5% and 4.0% in April.

CAAM continue to run a large short duration position and this has continued to contribute to their poor performance in the latest quarter and over the year. In addition CAAM's market selection (underweight UK and US vs. Europe) and currency selection (underweight US$ vs. €) have detracted from performance.

Global Tactical Asset Allocation Performance to March 2008

The GTAA mandate invests in the UBS Market Absolute Return Strategy (MARS) and the UBS Currency Absolute Return Strategy (CARS) in the ratio 2:1 respectively. Together with these positions equity derivative futures are held to replicate global equity exposure on the underlying £50m invested.

The table overleaf shows the performance of the component parts of the GTAA portfolio compared with the indices against which each is benchmarked. The market based strategy was net long equities vs. short bonds and this did not help performance. However, other market selection strategies had more positive effect on the result.

	3 months % Total Return	Index % Total Return
UBS MARS Fund	1.7	1.4[1]
UBS CARS Fund	39.0	1.4[1]
Combined MARS/CARS portfolio	14.7	1.4[1]
Equity Derivatives	-9.2	-9.0

[1] 1 month sterling deposits [2] FTSE All World Developed Equities

The CARS fund had a very strong result as safe haven currencies, notably Swiss Franc and Yen, benefited from a climate of strong risk aversion.

For the year to March 31st 2008 the CARS fund is now ahead of benchmark, but the larger allocation to the MARS fund is below benchmark, as is the combined portfolio.

3. ***ECONOMIC AND MARKET OUTLOOK***

I summarise my views as follows:-

- The Bank of England Monetary Policy Committee (MPC) has been persuaded to reduce interest rates by 0.5% so far. However, it is clear that they do not think that such measures are necessarily the best treatment for the current problem which is one of liquidity and inter-bank confidence.

- Meanwhile, inflation continues to climb and the Governor of The Bank has warned repeatedly that the 3% target upper bound on CPI inflation is likely to be breached. Despite the evidence of high food and energy prices becoming embedded in Western economies and the high and accelerating inflation rate in China, economists expect inflation to abate in 2009. In my view the consensus is seriously misguided and the current bout of worldwide inflation, exacerbated by recent monetary policy decisions, is going to be a problem for several years to come. As we are seeing in the UK, inflationary expectations, once aroused, are difficult to dispel.

- Although UK economic growth has held up so far, the outlook is deteriorating. In addition to the exposure of the UK to global economic conditions, the importance of the financial sector, at a difficult time for banks is unhelpful. The Chancellor maintained an optimistic forecast in his March 2008 budget statement, which increases the risk of government finances being blown off course

- In the US, where the remit of the Federal Reserve is more explicitly balanced between growth and inflation, the Fed. is strenuously combating any contractionary forces arising from the credit crisis. There has been no admission of a tolerant attitude towards inflation, but it seems clear that inflation is regarded as tomorrow's problem, not today's.

- The ECB is maintaining its monetary policy stance in the face of an inflation rate which threatens to rise above the 2.0% informal target maximum. The European authorities also have to contend with the very strong €/$ exchange rate. However, perhaps the most important thing to note is the cooperation between the Federal Reserve and the ECB which has led to the latter providing dollar liquidity to the European markets. This kind of transatlantic cooperation is very encouraging.

- I have for some time been more pessimistic than most about the US economy. The likelihood is that 2008 will see no growth or a mild recession. However, I think that a greater risk arises in 2009. If US economic and monetary policy initiatives prove ineffective there could be a sharp decline in confidence. It seems to me that the blow to financial and economic confidence which has been suffered in the last 9 months will not so easily be forgotten. The weaker outlook for the US is likely to have some consequential effects on the global economy to which the UK is especially exposed.

- Government bonds continue to attract support from risk-averse investors. However, it is not healthy for the owners of capital to accept uneconomic returns out of fear of their capital being depleted.

- Credit markets have suffered a terrible beating in the last 8 months. Some recent events – the Bear Stearns collapse, the humiliation of UBS – may represent the catharsis that so often characterises the bottom of a bear market. A vigorous recovery seems too much to hope for, but a slow climb out of the mire may be possible.

- There are signs that central bankers are growing impatient with banks' unwillingness to lend to each other. After all, maintaining market liquidity is part of banks' obligation in return for access to central bank facilities. In the UK in particular it is disturbing to see that the Bank of England felt obliged to urge banks to raise new capital while the banks themselves claimed, until only a few days ago, that they were in no such need and even raised their dividend payouts in a gesture of machismo.

- Equity markets, on the other hand, seem not yet to have to have suffered severely. Perhaps they will not, but I remain nervous.

4. ***DEVELOPMENTS AT FUND MANAGERS***

In the current financial climate there is a heightened risk of instability in asset management companies. Concerning those who manage assets for NYPF there has been some loss of business at BGI and UBS and in the case of UBS some changes in personnel at the most senior levels of the parent bank were announced.

In addition to these changes UBS Global Asset Management in London have suffered some losses of personnel. Some months ago Jamie Lewin, who had been involved with the GTAA mandate left to pursue another opportunity. More recently Dipak Patel, who held a senior role in charge of consultant relations, similarly departed for greener pastures. Within the last week Mike Housden, who is well known to The Committee has announced his departure and at the meeting UBS will be represented by Paul Harris who is well known to PJW. While it is never good to lose senior and long standing people UBS are probably not gravely concerned by these developments. While occupying senior positions both these most recent departees are concerned with client relations and winning new business. At a time when UBS are losing rather than gaining business these people would have found their jobs less rewarding and UBS will have less for them to do. It would be more worrying if talented portfolio and risk managers were to leave in numbers.

P.J. Williams

30th April 2008

North Yorkshire Pension Fund

Summary Performance Report to 31 March 2008

Ref. 13956/350612

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BNY MELLON
ASSET SERVICING

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Glossary of terms

A glossary of terms used in this report can be found in the Online Reports area of our website.

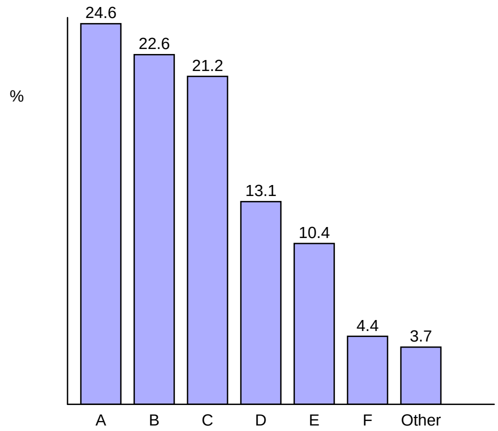
Manager Structure to 31 March 2008

The illustrations below show manager and portfolio weights relative to the fund's total market value. Portfolio details are shown in the tables.

Two different points in time are highlighted: as at report end date, and prior to the most recent manager change.

All monetary values are quoted in millions.

Managers as at 31 March 2008



Manager	Brief	End Market Value
(B) Standard Life	UK Equities	274.555
(C) BGI	Global ex UK Equities	258.206
(A) Baillie Gifford	Global Equities	182.269
(D) Credit Agricole AM	Global Bonds	159.495
(E) European Credit Mgmt	Global Bonds	126.446
(A) Baillie Gifford	LTGG	117.682
UBS	Global Tactical Asset Allocation	53.114
(G) Hermes Investment	European Equities	26.631
(G) Hermes Investment	UK Equities	17.452
(J) Internal	Cash	2.101
(H) RC Brown Investment	UK Equities	1.717
(I) Yorkshire & Humber	UK Equities	0.300
(J) Internal	MTMS Account	0.000
(J) Internal	Hedged	-2.763
Fund	**Multi-Asset**	**1217.210**

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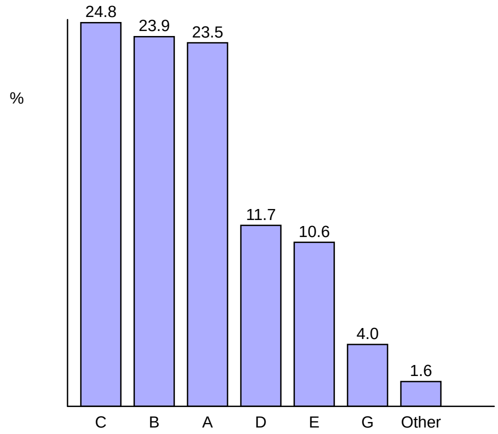
Manager Structure to 31 March 2008

Managers as at 31 December 2006



Manager	Brief	End Market Value
(C) BGI	Global ex UK Equities	304.263
(B) Standard Life	UK Equities	293.191
(A) Baillie Gifford	Global Equities	177.101
(D) Credit Agricole AM	Global Bonds	143.635
(E) European Credit Mgmt	Global Bonds	129.723
(A) Baillie Gifford	LTGG	110.739
(G) Hermes Investment	European Equities	26.611
(G) Hermes Investment	UK Equities	22.166
(J) Internal	Cash	13.270
(J) Internal	Hedged	3.846
(H) RC Brown Investment	UK Equities	1.911
(I) Yorkshire & Humber	UK Equities	0.300
(J) Internal	MTMS Account	0.019
Fund	**Multi-Asset**	**1226.774**

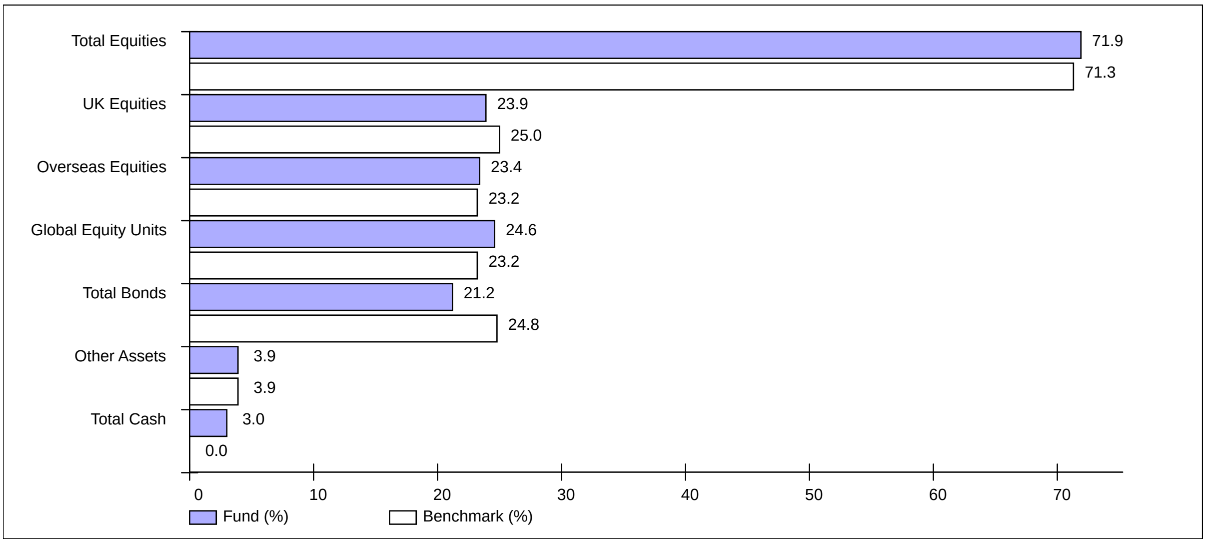
Benchmark Summary to 31 March 2008

The current benchmark for the fund is described below. It has been in place since 1 July 2007 and is rebalanced quarterly.

Sector	Weight (%)	Comparison Basis
UK Equities	24.540	FTSE 350 Equally Weighted
Global Equity Units	24.000	FTSE-W World
Overseas Equities	23.460	FTSE-AWDev World ex UK
Total Bonds	23.000	NYPF Least Risk Portfolio
Other Assets	4.000	FTSE-AWDev World
European Equities	0.540	FTSE-W Europe ex UK
UK Equities	0.460	FTSE All-Share

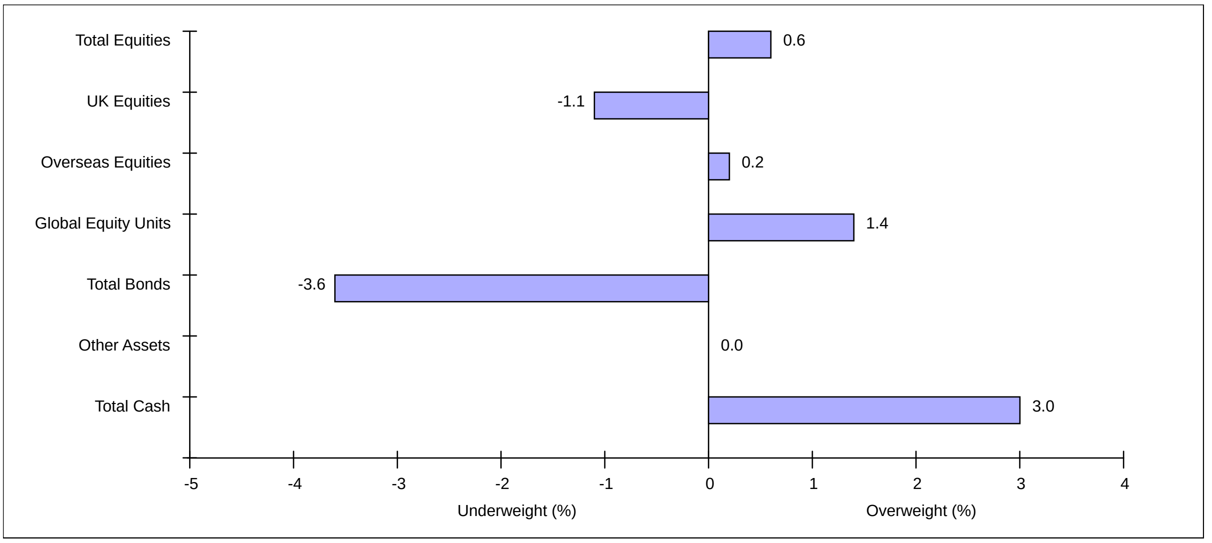
Note 'Total Equities' refers to the Global Tactical Asset Allocation portion of the fund benchmark.

The chart below compares the asset distribution of the fund to the benchmark as at 31 March 2008.



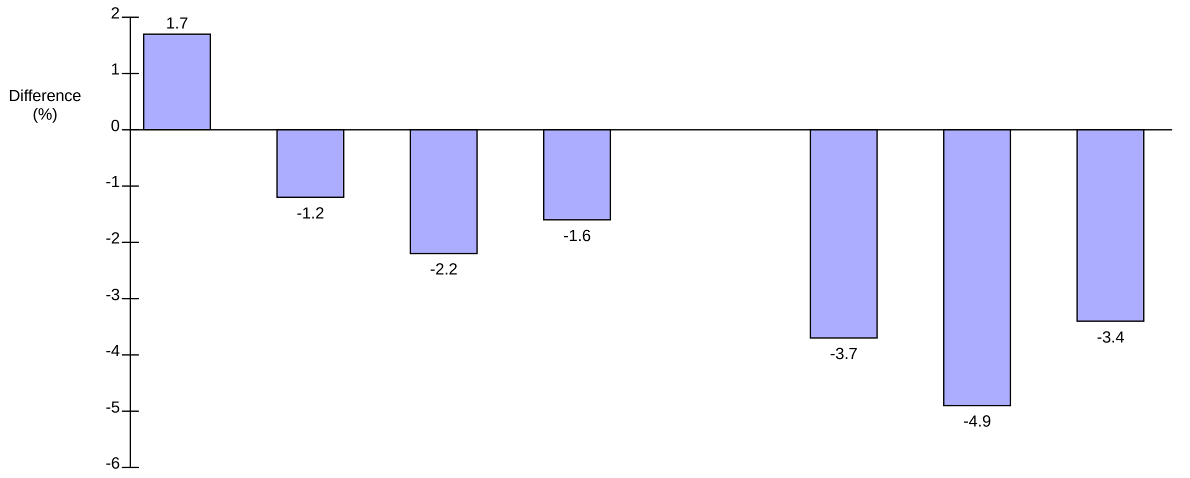
Benchmark Summary to 31 March 2008

The following chart shows the fund's under/overweight position relative to the benchmark as at 31 March 2008.



Short-term Overview to 31 March 2008

The fund's returns, relative to the benchmark, are shown in the diagram below.



	Individual quarters ending				Periods to 31 March 2008		
	30 Jun 07	30 Sep 07	31 Dec 07	31 Mar 08	6 Months	9 Months	12 Months
Fund	3.5	-0.4	-1.5	-7.1	-8.5	-8.9	-5.7
Benchmark	1.8	0.8	0.7	-5.5	-4.8	-4.0	-2.3

Returns for the fund's portfolios and their benchmarks are shown in the following table.

	Individual quarters ending				Periods to 31 March 2008		
	30 Jun 07	30 Sep 07	31 Dec 07	31 Mar 08	6 Months	9 Months	12 Months
BGI : Global ex UK Equities							
Portfolio	3.7	-0.6	-0.7	-7.6	-8.2	-8.7	-5.3
Benchmark	4.3	1.3	0.2	-8.8	-8.6	-7.4	-3.4
Difference	-0.6	-1.9	-0.9	1.2	0.4	-1.3	-1.9
Baillie Gifford : Global Equities							
Portfolio	6.0	0.9	1.3	-8.2	-7.0	-6.2	-0.5
Benchmark	4.9	1.4	0.4	-8.7	-8.3	-7.0	-2.4
Difference	1.1	-0.5	0.9	0.5	1.3	0.8	1.9
Baillie Gifford : LTGG							
Portfolio	7.1	6.9	1.7	-8.6	-7.0	-0.5	6.5
Benchmark	4.9	1.4	0.4	-8.7	-8.3	-7.0	-2.4
Difference	2.2	5.5	1.3	0.1	1.3	6.5	8.9
Credit Agricole AM : Global Bonds							
Portfolio	-2.8	4.0	3.9	0.5	4.5	8.7	5.7
Benchmark	-2.8	5.7	7.1	2.1	9.3	15.5	12.3
Difference	0.0	-1.7	-3.2	-1.6	-4.8	-6.8	-6.6

Short-term Overview to 31 March 2008

	Individual quarters ending				Periods to 31 March 2008		
	30 Jun 07	30 Sep 07	31 Dec 07	31 Mar 08	6 Months	9 Months	12 Months
European Credit Mgmt : Global Bonds							
Portfolio	-2.0	0.8	2.7	-10.1	-7.7	-6.9	-8.8
Benchmark	-2.8	5.7	7.1	2.1	9.3	15.5	12.3
Difference	0.8	-4.9	-4.4	-12.2	-17.0	-22.4	-21.1
Hermes Investment : European Equities							
Portfolio	9.1	-3.7	1.4	-11.2	-9.9	-13.2	-5.3
Benchmark	6.7	0.8	3.0	-7.5	-4.7	-4.0	2.4
Difference	2.4	-4.5	-1.6	-3.7	-5.2	-9.2	-7.7
Hermes Investment : UK Equities							
Portfolio	3.2	-7.5	-9.0	-13.0	-20.8	-26.7	-24.4
Benchmark	4.5	-1.8	-0.3	-9.9	-10.2	-11.8	-7.7
Difference	-1.3	-5.7	-8.7	-3.1	-10.6	-14.9	-16.7
Internal : Cash							
Portfolio	40.1	-24.7	1.5	1.9	3.4	-22.1	9.1
Benchmark	1.3	1.4	1.4	1.3	2.8	4.2	5.6
Difference	38.8	-26.1	0.1	0.6	0.6	-26.3	3.5
Internal : Hedged							
Portfolio	186.7	-45.1	-393.1	-63.1	-208.0	-159.3	-270.0
Benchmark	1.3	1.4	1.4	1.3	2.8	4.2	5.6
Difference	185.4	-46.5	-394.5	-64.4	-210.8	-163.5	-275.6
Internal : MTMS Account							
Portfolio	-2.2	-	-	-	-	-	-
Benchmark	-	-	-	-	-	-	-
Difference	-	-	-	-	-	-	-
RC Brown Investment : UK Equities							
Portfolio	5.6	-3.6	-5.3	-10.6	-15.4	-18.4	-13.9
Benchmark	4.5	-1.8	-0.3	-9.9	-10.2	-11.8	-7.7
Difference	1.1	-1.8	-5.0	-0.7	-5.2	-6.6	-6.2
Standard Life : UK Equities							
Portfolio	2.6	-3.7	-6.3	-5.1	-11.1	-14.4	-12.2
Benchmark	-0.1	-4.7	-4.6	-5.6	-9.9	-14.1	-14.2
Difference	2.7	1.0	-1.7	0.5	-1.2	-0.3	2.0
UBS : Global Tactical Asset Allocation							
Portfolio	1.7	-3.4	-8.1	-0.7	-8.7	-11.8	-10.3
Benchmark	4.5	1.0	0.2	-8.9	-8.7	-7.8	-3.7
Difference	-2.8	-4.4	-8.3	8.2	0.0	-4.0	-6.6

Short-term Overview to 31 March 2008

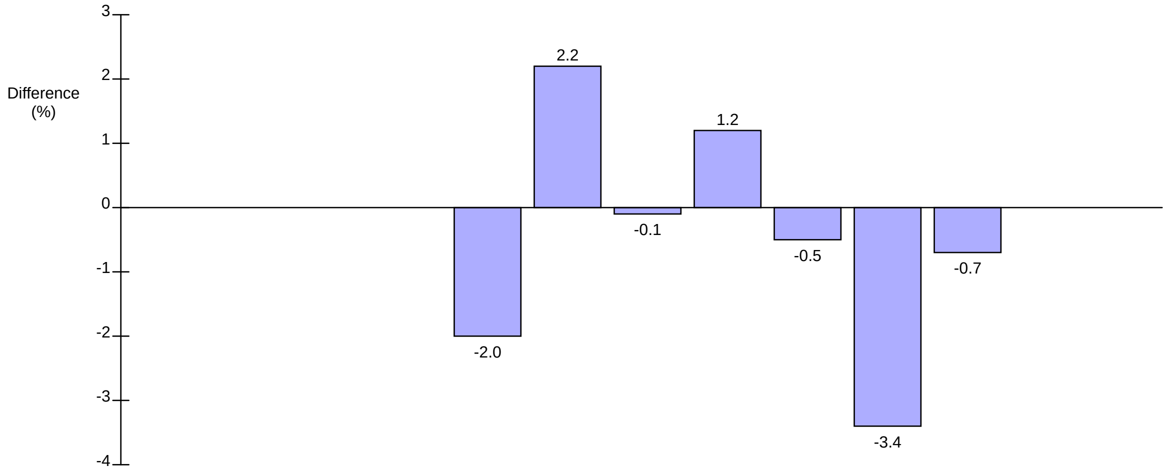
	Individual quarters ending				Periods to 31 March 2008		
	30 Jun 07	30 Sep 07	31 Dec 07	31 Mar 08	6 Months	9 Months	12 Months
Yorkshire & Humber : UK Equities							
Portfolio	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Benchmark	4.5	-1.8	-0.3	-9.9	-10.2	-11.8	-7.7
Difference	-4.5	1.8	0.3	9.9	10.2	11.8	7.7

Market values and cash flows for the fund are shown below for the quarter ending 31 March 2008.
All monetary figures are quoted in millions.

	Start Value	%	Net Invest.	Income	Capital gain/loss	End Value	%
BGI : Global ex UK Equities	280.002	21.5	-5.746	0.000	-16.050	258.206	21.2
Baillie Gifford : Global Equities	198.640	15.2	0.056	0.054	-16.427	182.269	15.0
Baillie Gifford : LTGG	128.708	9.9	0.000	0.000	-11.026	117.682	9.7
Credit Agricole AM : Global Bonds	172.002	13.2	-28.347	0.066	15.840	159.495	13.1
European Credit Mgmt : Global Bonds	140.722	10.8	0.000	0.000	-14.276	126.446	10.4
Hermes Investment : European Equities	29.989	2.3	0.000	0.000	-3.358	26.631	2.2
Hermes Investment : UK Equities	20.061	1.5	0.000	0.000	-2.609	17.452	1.4
Internal : Cash	9.751	0.7	-5.589	0.119	-2.061	2.101	0.2
Internal : Hedged	-6.137	-0.5	12.643	0.013	-9.269	-2.763	-0.2
Internal : MTMS Account	0.000	0.0	0.000	0.000	0.000	0.000	0.0
RC Brown Investment : UK Equities	1.921	0.1	-0.067	0.012	-0.137	1.717	0.1
Standard Life : UK Equities	278.801	21.4	5.098	1.482	-9.344	274.555	22.6
UBS : Global Tactical Asset Allocation	48.383	3.7	3.951	0.005	0.780	53.114	4.4
Yorkshire & Humber : UK Equities	0.300	0.0	0.000	0.000	0.000	0.300	0.0
Fund	**1303.142**	**100.0**	**-12.247**	**1.754**	**-73.685**	**1217.210**	**100.0**

Long-term Overview to 31 March 2008

The fund's returns, relative to the benchmark, are shown in the diagram below.



Individual years ending 31 March

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	6 years
Fund	-	-	-	-	-22.6	26.6	10.8	26.7	6.9	-5.7	5.6
Benchmark	-	-	-	-	-20.6	24.4	10.9	25.5	7.4	-2.3	6.3

Returns for the fund's portfolios and their benchmarks are shown in the following table.

	Individual years ending 31 March										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	6 years
BGI : Global ex UK Equities											
Portfolio	-	-	-	-	-	-	-	-	-	-5.3	-
Benchmark	-	-	-	-	-	-	-	-	-	-3.4	-
Difference	-	-	-	-	-	-	-	-	-	-1.9	-
Baillie Gifford : Global Equities											
Portfolio	-	-	-	-	-	-	-	-	-	-0.5	-
Benchmark	-	-	-	-	-	-	-	-	-	-2.4	-
Difference	-	-	-	-	-	-	-	-	-	1.9	-
Baillie Gifford : LTGG											
Portfolio	-	-	-	-	-	-	-	-	-	6.5	-
Benchmark	-	-	-	-	-	-	-	-	-	-2.4	-
Difference	-	-	-	-	-	-	-	-	-	8.9	-
Credit Agricole AM : Global Bonds											
Portfolio	-	-	-	-	-	-	-	-	1.9	5.7	-
Benchmark	-	-	-	-	-	-	-	-	2.4	12.3	-
Difference	-	-	-	-	-	-	-	-	-0.5	-6.6	-

Long-term Overview to 31 March 2008

	Individual years ending 31 March 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	6 years
European Credit Mgmt : Global Bonds											
Portfolio	-	-	-	-	-	-	-	-	4.3	-8.8	-
Benchmark	-	-	-	-	-	-	-	-	2.4	12.3	-
Difference	-	-	-	-	-	-	-	-	1.9	-21.1	-
Hermes Investment : European Equities											
Portfolio	-	-	-	-	-	-	28.4	46.9	11.9	-5.3	-
Benchmark	-	-	-	-	-	-	18.7	36.0	12.0	2.4	-
Difference	-	-	-	-	-	-	9.7	10.9	-0.1	-7.7	-
Hermes Investment : UK Equities											
Portfolio	-	-	-	-	-	-	16.2	13.8	24.4	-24.4	-
Benchmark	-	-	-	-	-	-	15.6	28.0	11.1	-7.7	-
Difference	-	-	-	-	-	-	0.6	-14.2	13.3	-16.7	-
Internal : Cash											
Portfolio	-	-	-	-	-	-	4.6	4.7	1.3	9.1	-
Benchmark	-	-	-	-	-	-	4.5	4.5	4.8	5.6	-
Difference	-	-	-	-	-	-	0.1	0.2	-3.5	3.5	-
Internal : Hedged											
Portfolio	-	-	-	-	-	-	-	-	-	******	-
Benchmark	-	-	-	-	-	-	-	-	-	5.6	-
Difference	-	-	-	-	-	-	-	-	-	******	-
Internal : MTMS Account											
Portfolio	-	-	-	-	-	-	-	-	-	-	-
Benchmark	-	-	-	-	-	-	-	-	-	-	-
Difference	-	-	-	-	-	-	-	-	-	-	-
RC Brown Investment : UK Equities											
Portfolio	-	-	-	-	-	-	-	-	6.9	-13.9	-
Benchmark	-	-	-	-	-	-	-	-	11.1	-7.7	-
Difference	-	-	-	-	-	-	-	-	-4.2	-6.2	-
Standard Life : UK Equities											
Portfolio	-	-	-	-	-	-	-	-	-	-12.2	-
Benchmark	-	-	-	-	-	-	-	-	-	-14.2	-
Difference	-	-	-	-	-	-	-	-	-	2.0	-
UBS : Global Tactical Asset Allocation											
Portfolio	-	-	-	-	-	-	-	-	-	-10.3	-
Benchmark	-	-	-	-	-	-	-	-	-	-3.7	-
Difference	-	-	-	-	-	-	-	-	-	-6.6	-

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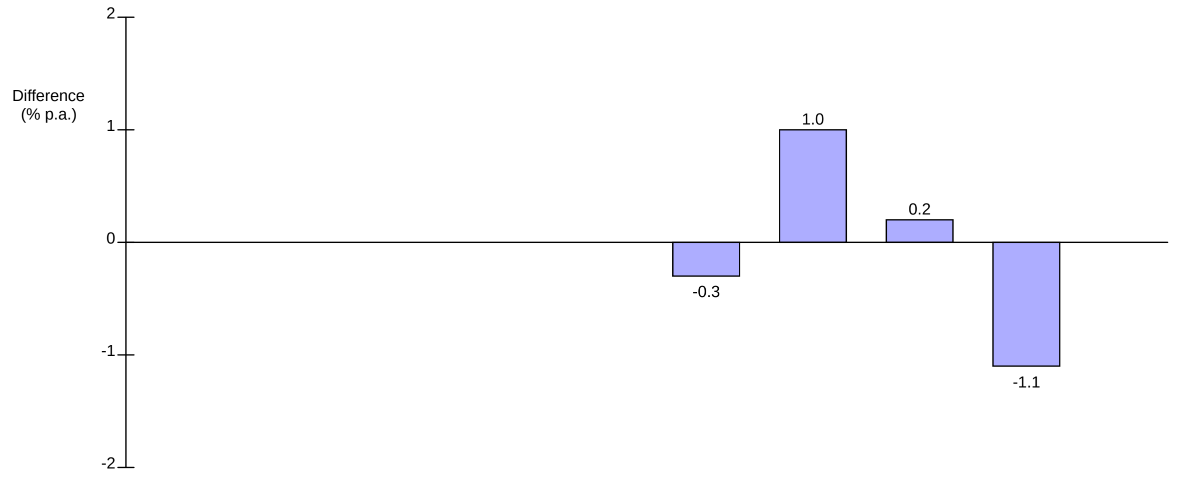
Long-term Overview to 31 March 2008

	Individual years ending 31 March										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	6 years
Yorkshire & Humber : UK Equities											
Portfolio	-	-	-	-	-	-	0.0	0.0	0.0	0.0	-
Benchmark	-	-	-	-	-	-	15.6	28.0	11.1	-7.7	-
Difference	-	-	-	-	-	-	-15.6	-28.0	-11.1	7.7	-

Long-term Overview to 31 March 2008

Annualised returns, relative to the fund's benchmark, are shown in the diagram below.



Rolling three year periods to 31 March	2001	2002	2003	2004	2005	2006	2007	2008
Fund	-	-	-	-	2.8	21.1	14.5	8.5
Benchmark	-	-	-	-	3.1	20.1	14.3	9.6

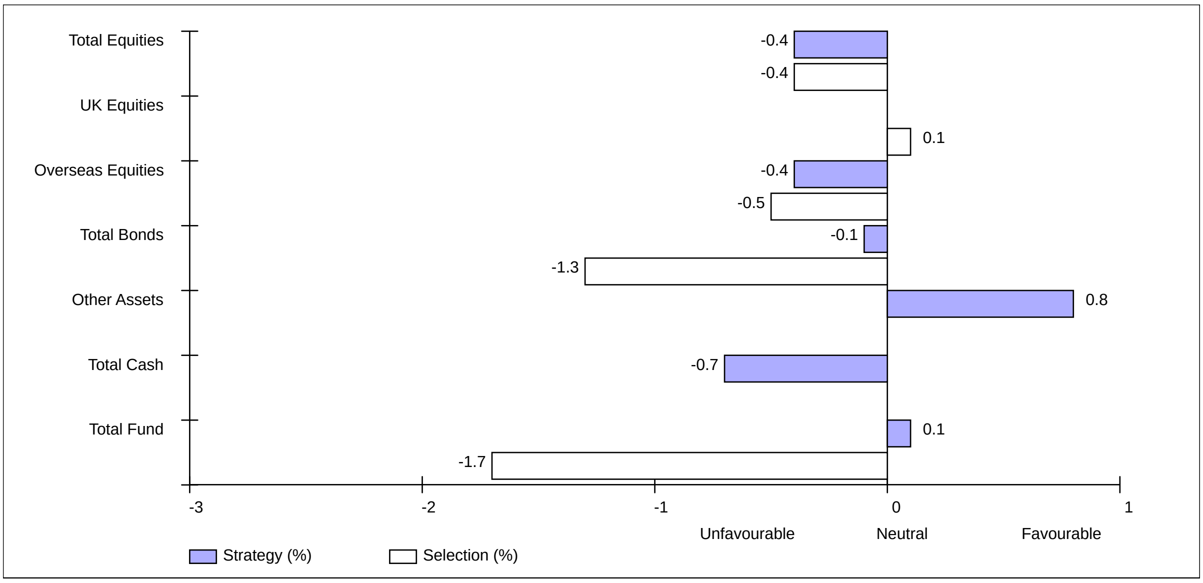
Annualised returns for the fund's portfolios and their benchmarks are shown in the following table.

Rolling three year periods to 31 March	2001	2002	2003	2004	2005	2006	2007	2008
Hermes Investment : European Equities								
Portfolio	-	-	-	-	-	-	28.3	15.9
Benchmark	-	-	-	-	-	-	21.8	16.0
Difference	-	-	-	-	-	-	6.5	-0.1
Hermes Investment : UK Equities								
Portfolio	-	-	-	-	-	-	18.1	2.3
Benchmark	-	-	-	-	-	-	18.0	9.5
Difference	-	-	-	-	-	-	0.1	-7.2
Internal : Cash								
Portfolio	-	-	-	-	-	-	3.5	5.0
Benchmark	-	-	-	-	-	-	4.6	5.0
Difference	-	-	-	-	-	-	-1.1	0.0
Yorkshire & Humber : UK Equities								
Portfolio	-	-	-	-	-	-	0.0	0.0
Benchmark	-	-	-	-	-	-	18.0	9.5
Difference	-	-	-	-	-	-	-18.0	-9.5

BNY MELLON ASSET SERVICING

Attribution Analysis to 31 March 2008

Analysis of the factors leading to the fund's under-performance of 1.6% relative to its benchmark, over the period since 31 December 2007, is set out below.



The following table compares the fund with its benchmark, over the period since 31 December 2007.

Sector	Fund Start Weight (%)	BM Start Weight (%)	Fund End Weight (%)	BM End Weight (%)	Fund Return (%)	BM Return (%)	Strategy (%)	Selection (%)
Total Equities	71.1	73.0	71.9	71.3	-8.1	-7.7	**-0.4**	**-0.4**
-UK Equities	22.2	25.0	23.9	25.0	-5.1	-5.6	**-**	**0.1**
-Overseas Equities	23.8	24.0	23.4	23.2	-10.7	-8.8	**-0.4**	**-0.5**
-Global Equity Units	25.1	24.0	24.6	23.2	-	-8.7	**-**	**-**
Total Bonds	20.6	23.0	21.2	24.8	-4.2	2.1	**-0.1**	**-1.3**
Other Assets	3.2	4.0	3.9	3.9	15.3	-8.9	**0.8**	**-**
Total Cash	5.0	-	3.0	-	-25.9	-	**-0.7**	**-**
Total Fund Ex Property	100.0	100.0	100.0	100.0	-7.1	-5.5	**-**	**-**
Timing							**0.5**	
Total Fund	**100.0**	**100.0**	**100.0**	**100.0**	**-7.1**	**-5.5**	**0.1**	**-1.7**

Risk to 31 March 2008

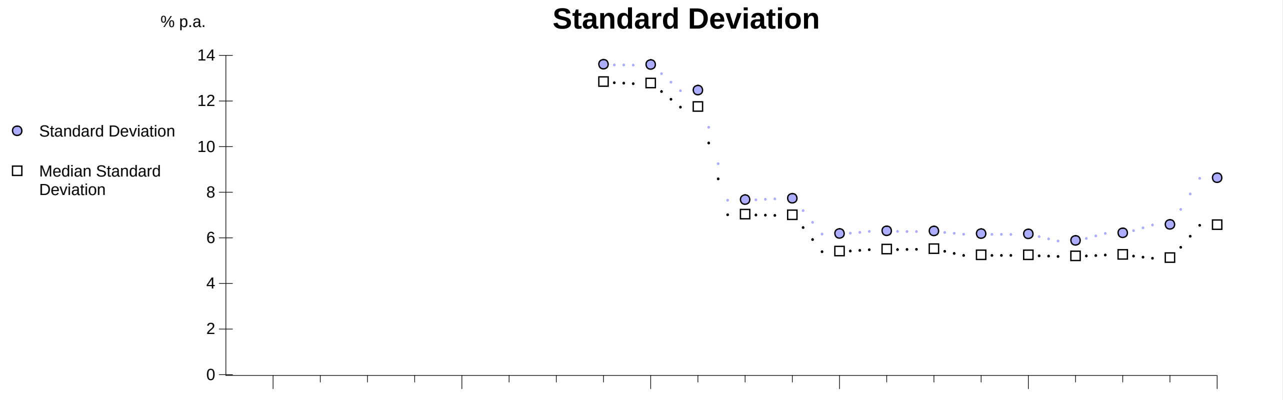
The following table shows the standard deviation, tracking error and information ratio for the fund to the last five quarter end dates. Each period covers three years and is calculated using quarterly observations.

Statistical information has been included to provide a basis for comparison. Information ratio statistics are for the upper quartile as the median information ratio will tend towards zero.

Total Fund	3 Year Periods Ending:				
	31 Mar 2007 % p.a.	30 Jun 2007 % p.a.	30 Sep 2007 % p.a.	31 Dec 2007 % p.a.	31 Mar 2008 % p.a.
Combined Management : Multi-Asset					
Standard Deviation	6.21	5.93	6.26	6.63	8.67
Median Standard Deviation	5.29	5.24	5.31	5.17	6.61
Tracking Error	1.01	1.31	1.48	1.92	2.13
Median Tracking Error	0.94	0.94	1.00	1.07	1.09
Information Ratio	0.15	0.85	0.46	-0.16	-0.52
Upper Quartile Information Ratio	0.69	0.84	0.77	0.66	0.66
Fund Return	14.49	15.65	14.87	12.05	8.50
Benchmark Return	14.34	14.54	14.19	12.36	9.61
CAPS Fund Median	13.04	13.58	13.02	11.23	8.35

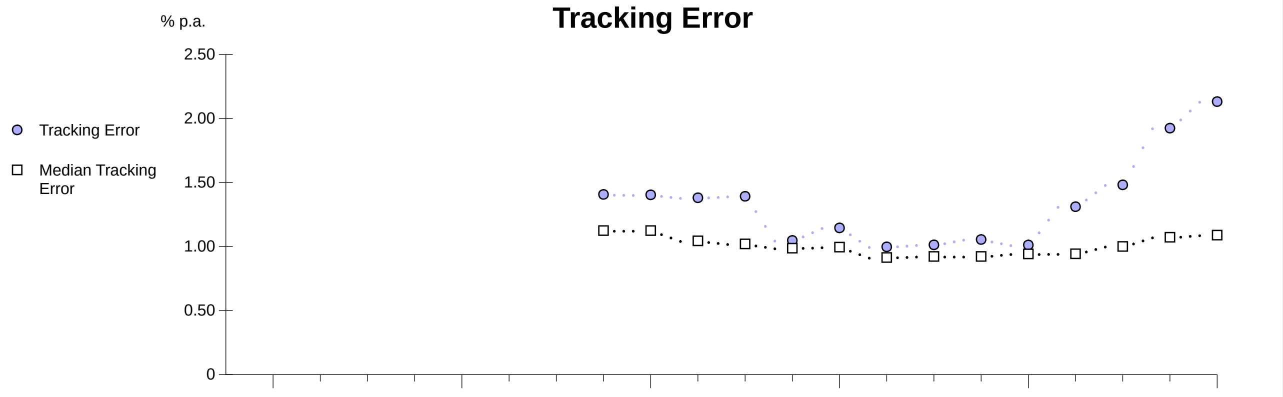
Long-Term Rolling Risk to 31 March 2008

The following graphs show the rolling annualised standard deviation, tracking error and information ratio for the fund.



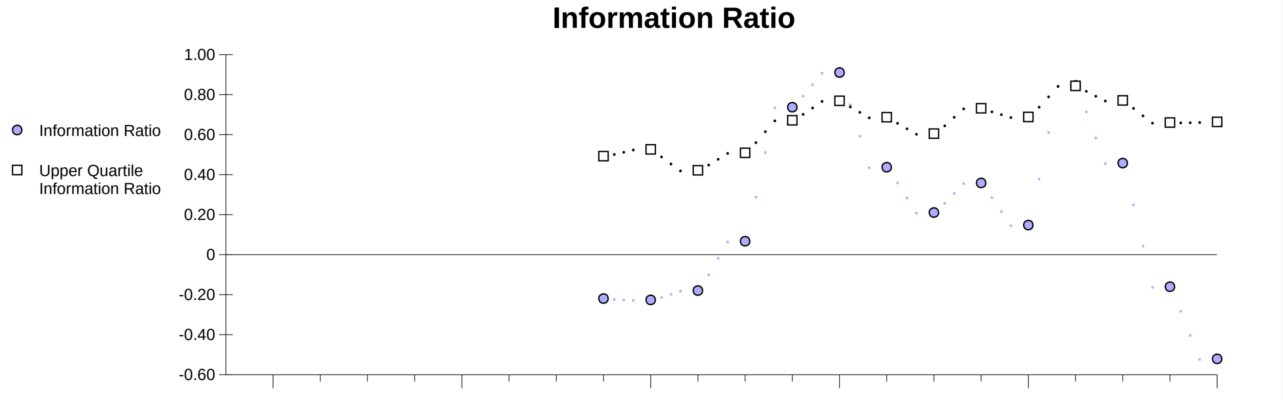
Three Year Periods ending

	31 Mar 2003	31 Mar 2004	31 Mar 2005	31 Mar 2006	31 Mar 2007	31 Mar 2008
Standard Deviation	-	-	13.64	6.23	6.21	8.67
Median SD	-	-	12.82	5.46	5.29	6.61



Three Year Periods ending

	31 Mar 2003	31 Mar 2004	31 Mar 2005	31 Mar 2006	31 Mar 2007	31 Mar 2008
Tracking Error	-	-	1.40	1.15	1.01	2.13
Median Tracking Error	-	-	1.12	1.00	0.94	1.09



Three Year Periods ending

	31 Mar 2003	31 Mar 2004	31 Mar 2005	31 Mar 2006	31 Mar 2007	31 Mar 2008
Information Ratio	-	-	-0.23	0.91	0.15	-0.52
Upper Quartile IR	-	-	0.53	0.77	0.69	0.66