

# Heritage and Stabilisation Fund

**Quarterly Investment Report**  
October – December 2017



CENTRAL BANK OF  
TRINIDAD & TOBAGO



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<sup>1</sup> This section includes economic developments to January 22, 2018.

## EXECUTIVE SUMMARY

- Against the backdrop of broad-based improvement in the global economic data and the pursuit of less accommodative monetary policy by the major central banks, the Heritage and Stabilisation Fund (HSF) composite portfolio returned 2.24 per cent in the three months to December 2017, outperforming its Strategic Asset Allocation benchmark, which gained 1.83 per cent.
- The HSF's return was driven by the performance of the equity portion of Fund which contributed approximately 95 per cent of the total return, amounting to 2.13 per cent, while the fixed income portfolios added the remaining 0.11 per cent
- In absolute terms, all the mandates with the exception of the US Short Duration Fixed Income portfolio generated positive returns while the US Core Domestic equity portfolio was the only mandate that underperformed its benchmark.
- The total net asset value of the Fund as at the end of December 2017 was US\$5,888.6 million, compared with US\$5,762.5 million at the end of the previous quarter. Of this total, the investment portfolio was valued at US\$5,887.6 million, while the remaining portion (US\$1.0 million) was held in cash to meet the day-to-day expenses that arise from the management of the Fund.

**Table 1**  
**Absolute Quarterly Returns**  
**For the period October – December 2017**  
**/per cent/**

	<b>Absolute Return HSF</b>	<b>Absolute Return Benchmark</b>
<b>Composite Portfolio</b>	<b>2.24</b>	<b>1.83</b>
US Short Duration Fixed Income	-0.32	-0.38
US Core Domestic Fixed Income	0.47	0.39
US Core Domestic Equity	6.24	6.32
Non-US Core International Equity	4.11	3.92

**Table 2**  
**Contributions to Quarterly Returns**  
**For the period October – December 2017**  
**/per cent/**

	<b>3 Months Weighted Return as at 31-Dec- 2017</b>		<b>3 Months Weighted Return as at 30-Sep- 2017</b>	
	<b>HSF</b>	<b>Benchmark</b>	<b>HSF</b>	<b>Benchmark</b>
<b>Composite Portfolio</b>	<b>2.24</b>	<b>1.83</b>	<b>2.61</b>	<b>2.06</b>
US Short Duration Fixed Income	-0.07	-0.10	0.07	0.07
US Core Domestic Fixed Income	0.17	0.16	0.35	0.34
US Core Domestic Equity	1.29	1.09	0.95	0.77
Non-US Core International Equity	0.83	0.68	1.22	0.87

NB: Differences in totals are due to rounding.

## **SECTION 1 – INTERNATIONAL ECONOMIC ENVIRONMENT**

The major economies continued to gain momentum during the fourth quarter of 2017 as indicators of economic activity generally showed strong signs of improvement. In the US and the Euro zone, manufacturing activity picked up significantly as the respective Purchasing Managers' Indices reached levels unseen over the last decade. Meanwhile, economic sentiments and conditions in the respective labour markets continued to improve in line with the outlook for these economies. The main concern however, continued to be the relatively low rate of inflation which had been below target for an extended period of time, although in the case of the US, consumer prices accelerated during the fourth quarter on account of higher energy prices.

In the United Kingdom (UK), economic data revealed mixed results about the performance of the economy as consumer spending slowed, sentiment indicators deteriorated, inflationary pressures intensified while manufacturing activity accelerated. Meanwhile, in Japan economic sentiments were largely positive as the economy is expected to continue along its moderate path of expansion. The downside risk to growth remained the muted rate of inflation which measured significantly below the Bank of Japan's target rate.

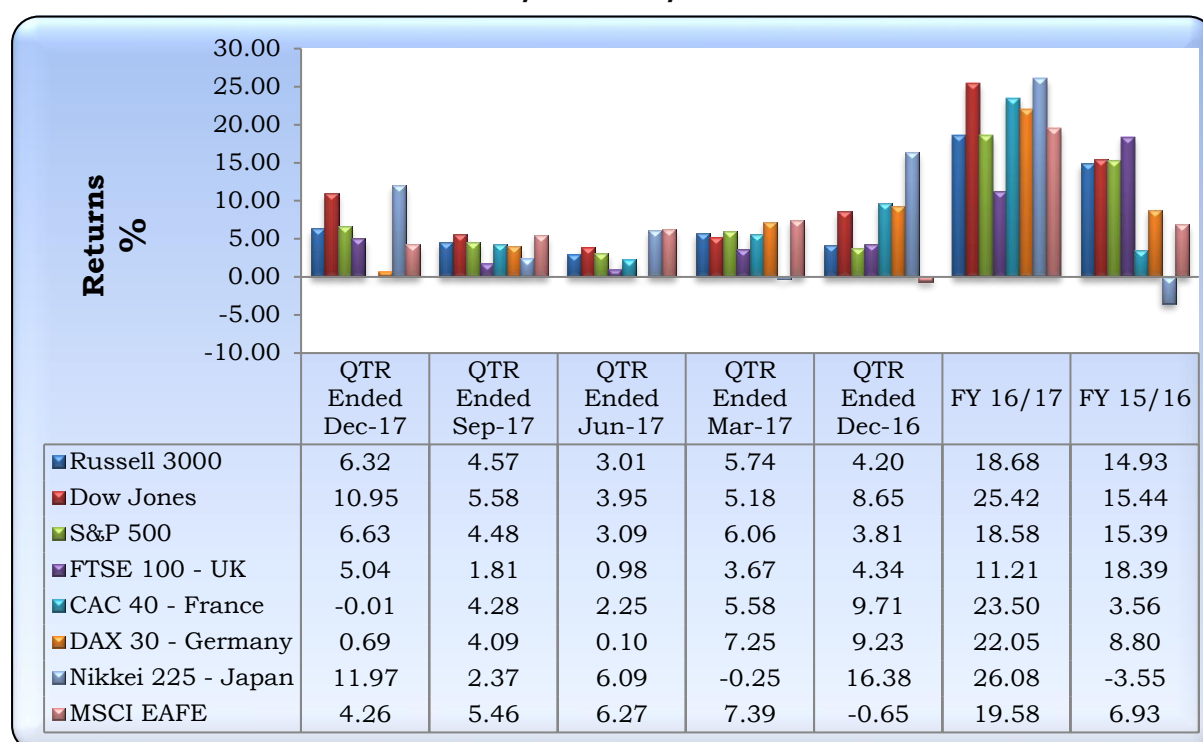
On the monetary policy front, the US Federal Reserve increased the federal funds rate by 25 basis points to the range of 1.25 per cent to 1.50 per cent in December. This represented the third occasion that this benchmark rate was increased in 2017. Initial forecasts by the Federal Reserve indicate that a similar number of rate increases of 25 basis points may occur in 2018. Similar rate action occurred in the UK where the inflation rate has been hovering around 3 per cent. In an effort to reduce inflationary pressures, the Bank of England's (BOE), at its November 2017 meeting raised its benchmark interest rate for the first time in a decade, from 0.25 per cent to 0.50 per cent. Although, the European Central Bank (ECB) left its benchmark refinancing rate unchanged at 0 per cent at its December 2017 meeting, the ECB confirmed that it would reduce its asset purchases from €60 billion per month to €30 billion per month from January 2018, for a period of nine months or longer if such is warranted.

## **SECTION 2 – CAPITAL AND MONEY MARKET REVIEW**

Risk assets, such as equities and corporate bonds, delivered a strong performance in the final quarter of 2017, fuelled by broad-based improvement in global economic data and the pursuit of less accommodative monetary policy by the major central banks. Volatility in the financial market was relatively subdued over the period. The Chicago Board Options Exchange Volatility Index (VIX), a measure of investor anxiety and market risk, averaged 10.30 points in the fourth quarter of 2017, compared with an average of 10.95 points for the previous quarter. Its European equivalent, the Euro Stoxx 50 Volatility Index (VSTOXX) averaged 12.85 points, 1.78 points lower than that recorded in the prior period.

In equity markets, the Standard and Poor's (S&P) 500 index rose 6.6 per cent in the fourth quarter with all eleven sectors of the index posting positive returns. Strong corporate earnings and the passing of the tax reform bill which included major tax cuts for corporations also supported the index. The Japanese Nikkei 225 and the UK FTSE 100 indices also delivered solid returns in the fourth quarter.

**Figure 1**  
**Total Returns on Equity Indices**  
**/Per cent/**

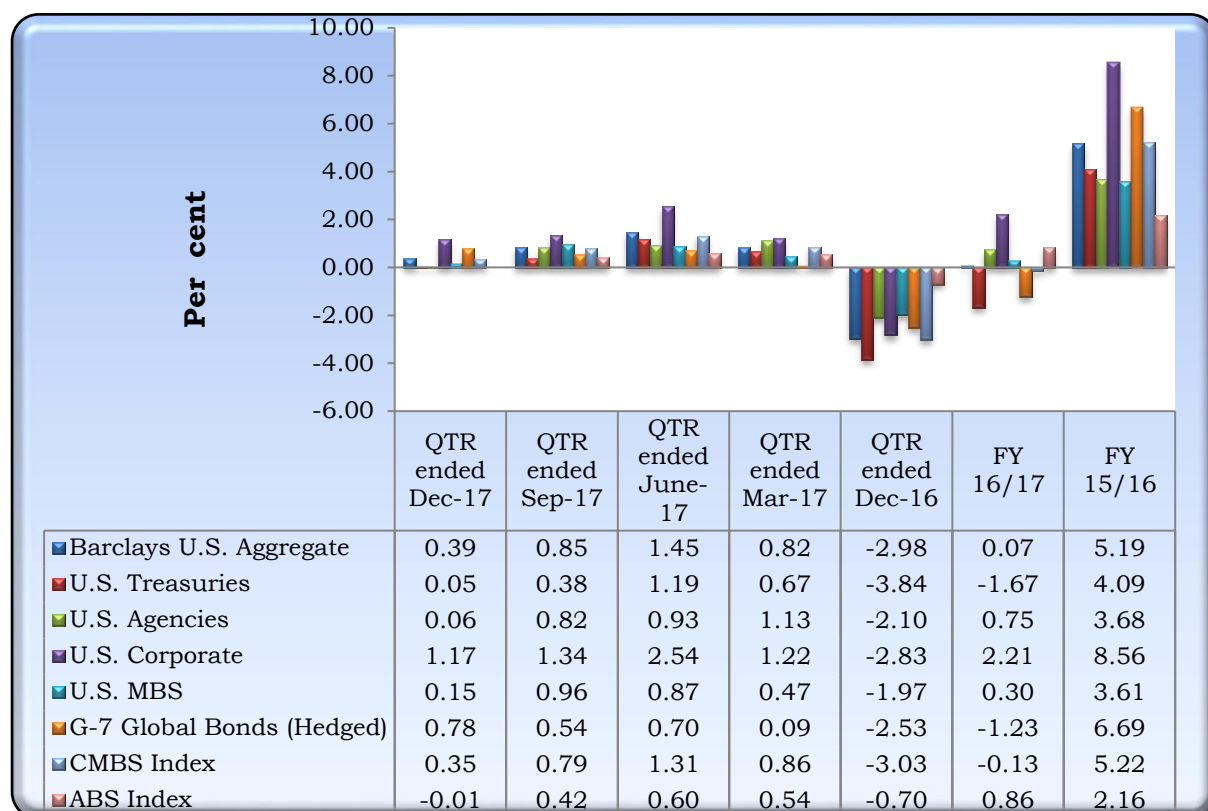


Source: Bloomberg

In the U.S. fixed income market, spread products, with the exception of Asset Backed Securities, outperformed similar duration U.S. Treasuries over the period.

Investment Grade Corporate Bonds benefitted from expectations of earnings growth spurred by continued improvement in economic activity following the passing of the tax reform bill. The sector generated returns in excess of U.S. Treasuries of 112 basis points. Commercial Mortgage Backed Securities and G-7 Global Bonds also outperformed U.S. Treasuries, posting excess returns of 30 basis points and 73 basis points, respectively.

**Figure 2**  
**Returns on Fixed Income Indices**  
**/Per Cent/**

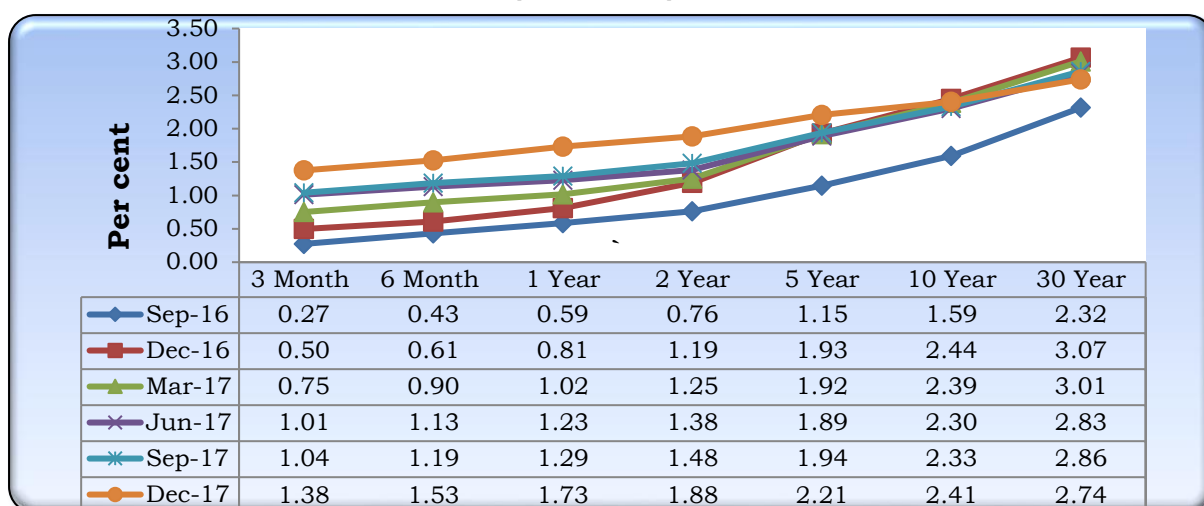


Source: Barclays

Yields on short to medium term U.S. Treasuries rose over the quarter amid investor optimism of continued economic growth and expectations of further increases in the Federal Funds rate. Yields on the 30-year node of the curve were however impacted by weak inflation data. The 30-year bond yield ended the quarter 12 basis points lower at 2.74 per cent. Similar sovereign bond yields in the United Kingdom and the Eurozone also fell over the quarter given political uncertainties and concerns about low inflation.

**Figure 3**  
**US Treasury Curve**

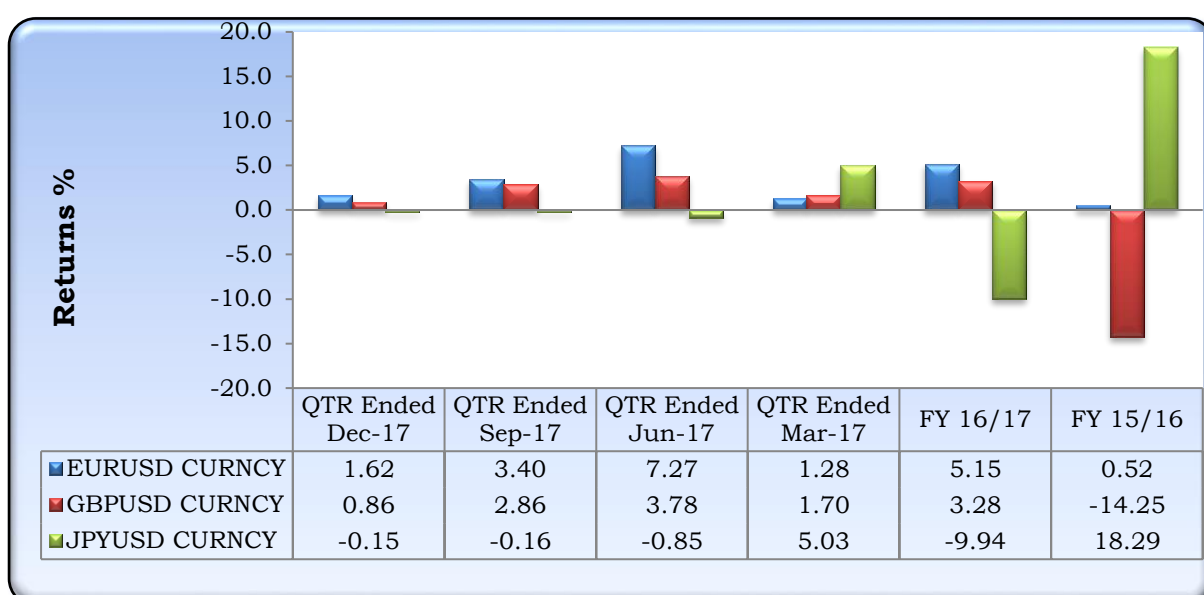
/Per Cent/



Source: Bloomberg.

The Euro and British Pound appreciated vis-à-vis the US dollar during the fourth quarter of 2017, partly on account of relatively stronger economic data and signs of progress on Brexit negotiations, respectively. The Euro appreciated 1.62 per cent while the British Pound strengthened in value by 0.86 per cent. The Japanese Yen, however, depreciated 0.16 per cent against the US Dollar over the same period.

**Figure 4**  
**Foreign Exchange Returns for Major Currencies**  
**vis-à-vis the US Dollar**  
 /Per Cent/



Source: Bloomberg.

## SECTION 3 – PORTFOLIO PERFORMANCE

### **Strategic Asset Allocation**

During the period October 2017 to December 2017, the asset classes of the Fund deviated from their Strategic Asset Allocation (SAA) but their weights were all within the permitted (+/- 5 per cent) range. The approved SAA for the HSF investment portfolio is as follows:

<b>i.</b>	<b>US Short Duration Fixed Income Mandate</b>	<b>25.0%</b>
<b>ii.</b>	<b>US Core Domestic Fixed Income Mandate</b>	<b>40.0%</b>
<b>iii.</b>	<b>US Core Domestic Equity Mandate</b>	<b>17.5%</b>
<b>iv.</b>	<b>Non US Core International Equity Mandate</b>	<b>17.5%</b>

By the end of the quarter, the asset class with the largest overweight was the US Core Domestic Equity mandate while the US Short Duration Fixed Income mandate had the largest underweight position. The total net asset value of the Fund as at the end of December 2017 was US\$5,888.6 million, compared with US\$5,762.5 million at the end of the previous quarter. Of this total, the investment portfolio was valued at US\$5,887.6 million, while the remaining portion (US\$1.0 million) was held in cash to meet the day-to-day expenses that arise from the management of the Fund. The Fund's target asset allocation and the portfolio weightings as at December 31, 2017 are shown in Table 3 below.

**Table 3**  
**Portfolio Composition relative to the Approved SAA**  
**/per cent/**

		<i>Mar-17</i>	<i>Jun-17</i>	<i>Sep-17</i>	<i>Dec-17</i>
<b>Portfolio Weights</b>	<b>Asset Class</b>	<b>Target Weight SAA</b>	<b>Actual % of Fund</b>	<b>Actual % of Fund</b>	<b>Actual % of Fund</b>
	US Short Duration Fixed Income	25.00	22.32	21.82	21.34
	US Core Domestic Fixed Income	40.00	38.69	38.27	37.64
	US Core Domestic Equity	17.50	20.25	20.38	20.80
	Non-US Core International Equity	17.50	18.75	19.52	20.21

Totals may not sum to 100 due to rounding.

### ***Performance of the Investment Portfolio***

The HSF investment portfolio generated a return of 2.24 per cent during the fourth quarter of 2017, outperforming its SAA benchmark<sup>2</sup> which gained 1.83 per cent. Approximately 95 per cent of the Composite Portfolio's return was attributed to the performance of the equity mandates which contributed approximately 2.13 per cent of the total return while the fixed income portfolios added the remaining 0.11 per cent. In absolute terms, all the mandates with the exception of the US Short Duration Fixed Income portfolio generated positive returns while the US Core Domestic equity portfolio was the only mandate that underperformed its benchmark.

The **US Core Domestic Equity** mandate earned 6.24 per cent in absolute terms during the fourth quarter of 2017 versus a return of 6.32 per cent for the Russell 3000 ex Energy index. The relative underperformance was primarily due to the mandate's overweight exposure to sectors that posted lower returns than the index, in particular, the information technology, health care and materials and processing sectors. On the other hand, the mandate had an underweight allocation to the sectors that generated relatively better returns. The outperformance from these stocks was insufficient to offset the underperformance made on other holdings in the portfolio.

The **Non-US International Equity** mandate returned 4.11 per cent over the three months ended December 2017 versus a gain of 3.92 per cent for its benchmark, the MSCI EAFE ex Energy index. The outperformance of the mandate relative to the benchmark was also attributed to the external managers' stock selection decisions. Stock selection was positive in the euro area and Asia (excluding Japan). These positive contributions sufficiently outweighed unfavourable country selection decisions.

The **US Short Duration Fixed Income** mandate generated a return of -0.32 per cent in the fourth quarter of 2017 as US Treasury yields at the short to medium portion of the curve increased over the period resulting in a decline in bond prices. Nonetheless, the mandate outperformed its benchmark, the Bank of America Merrill

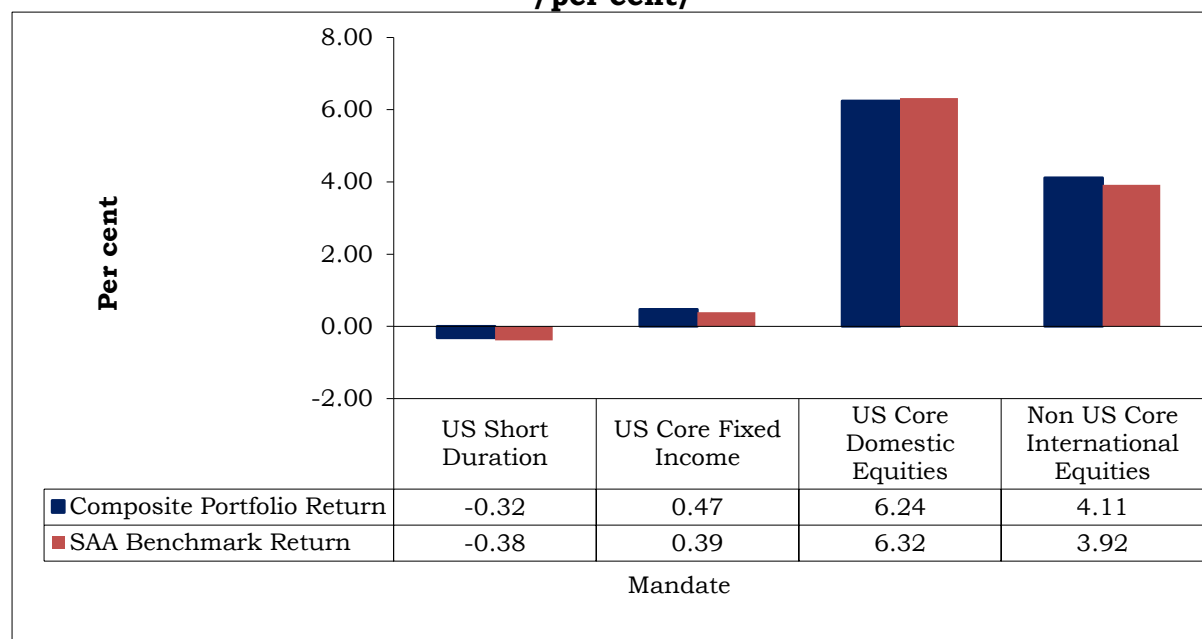
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<sup>2</sup> The SAA benchmark is a blended benchmark which comprises, Bank of America/Merrill Lynch US Treasury 1-5 Years Index (25%), Barclays US Aggregate Bond Index (40%), Russell 3000 ex Energy Index (17.5%), and MSCI EAFE ex Energy Index (17.5%).

Lynch US Treasury 1-5 year index which lost 38 basis points. The shorter duration of the mandate relative to the benchmark contributed to the better performance of the portfolio given the upward movement in US Treasury yields. Additionally, exposure to spread sectors also benefitted the mandate since most of the sectors outperformed US Treasury securities.

During the fourth quarter, the longer duration **US Core Domestic Fixed Income** mandate, gained 0.47 per cent compared with a return of 39 basis points for the Barclays Capital US Aggregate Bond index. The mandate's outperformance was mainly attributed to its overweight exposure to the corporate bond sector which posted the best performance among the sectors in the fixed income market.

**Figure 5**  
**Absolute Returns by Mandate**  
**For the period October – December 2017**  
**/per cent/**



## SECTION 4 – COMPLIANCE AND PORTFOLIO RISKS

### Compliance

During the fourth quarter of 2017, there was a breach of a country exposure guideline. The asset manager was advised to bring the portfolio back in compliance with the investment guidelines and corrective action was subsequently taken.

### Portfolio Risks

The main risks for the HSF portfolio are Credit, Concentration, Interest Rate, and Currency risks. The following paragraphs give a description of how these risks are mitigated.

#### Credit Risk

Within the **money market portion** of the Fund, Credit Risk is minimized by the strict adherence to the following standards: (i) all counterparties must have a minimum credit rating of either A-1 from the Standard and Poor's rating agency or P-1 from Moody's; and (ii) a maximum exposure limit for counterparties of no more than 5.0 per cent of the market value of the portfolio.

For **fixed income instruments**, Credit Risk is mitigated by the use of credit concentration limits as well as minimum credit quality ratings. Bonds must have an implied investment grade rating as defined by Standard and Poor's, Moody's or Fitch. Should the required ratings on an existing fixed income security fall below the minimum standards, the security must be sold within an agreed upon timeframe. Table 4 below shows the Average Credit Quality of the US Short Duration and US Core Fixed Income Portfolios as at December 31, 2017.

**Table 4**  
**Average Credit Rating**

<b>Mandate</b>	<b>Portfolio</b>	<b>Benchmark</b>
<b>US Short Duration</b>	<b>AA+</b>	<b>AA+</b>
<b>US Core Fixed Income</b>	<b>AA</b>	<b>AA+</b>

#### Concentration Risk

Concentration or Diversification Risk is minimised by investing across various asset types. The portfolio is currently invested across four asset groupings as follows - US Short Duration Fixed Income, US Core Domestic Fixed Income, US Core Domestic

Equity and Non-US Core International Equity. The Asset classes in which the Fund invests react differently under a given market condition. As such, it is likely that when one asset class has strong returns, another may have lower returns. The Fund's investments are also diversified across a number of assets with the aim of securing a positive return over a range of market conditions and lowering the total risk of the portfolio. In addition, Concentration Risk is minimized within asset groups. For the **equity portfolios**, this Risk is managed by imposing a maximum percentage holding of 3.0 per cent of any security's outstanding shares, as well as a maximum sector deviation relative to the benchmark of 5.0 per cent.

### ***Interest Rate Risk***

Interest Rate Risk is managed using a weighted average effective duration limit on the respective portfolios, with an allowable range of one (1) year longer or shorter than the weighted average duration of the respective benchmark. Table 5 shows the weighted average duration for the US Short Duration and US Core Domestic Fixed Income portfolios as at December 31, 2017.

**Table 5**  
**Weighted Average Duration**  
**/Years/**

<b>Mandate</b>	<b>Portfolio</b>	<b>Benchmark</b>
<b>US Short Duration</b>	<b>2.60</b>	<b>2.67</b>
<b>US Core Domestic Fixed Income</b>	<b>5.72</b>	<b>5.91</b>

### ***Currency Risk***

Currency Risk is managed by containing and managing the exposure to non-US dollar instruments. For the Fixed Income and US Core Domestic Equity mandates, no more than 10 per cent of the market value of the portfolio can be invested in securities, which are denominated in currencies other than the US Dollar. The Non-US Core International Equity Portfolio is comprised primarily of non-US dollar denominated securities, and the Fund accepts the currency risk inherent in the relevant benchmark. For this mandate, currency hedging is permitted up to 15 per cent of the market value of the portfolio using the US dollar as the base currency. At the end of December 2017, the currency exposure for this portfolio excluding hedging activities was 99 per cent of its market value. During the quarter, all the portfolios were within their respective limits.

## Appendix I

### HSF Portfolio - Historical Performance

Quarter End	Current Returns			Financial YTD			Annualised Return Since Inception		
	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess
	%	%	bps	%	%	bps	%	%	bps
<b>FY 2010</b>									
December	0.96	0.89	6.65	0.96	0.89	6.65	3.72	3.78	-6.16
March	1.61	1.68	-6.20	2.59	2.58	0.49	3.95	4.03	-7.76
June	-1.83	-1.89	6.05	0.71	0.64	6.69	3.07	3.12	-5.18
September	5.33	5.08	24.73	6.07	5.75	31.93	4.37	4.35	2.06
<b>FY 2011</b>									
December	2.29	2.21	8.15	2.29	2.21	8.15	4.70	4.65	4.13
March	1.62	1.54	7.24	3.94	3.79	15.68	4.81	4.76	5.72
June	1.88	1.81	6.68	5.89	5.67	22.91	4.98	4.91	7.00
September	-4.82	-4.28	-53.66	0.79	1.14	-34.89	3.57	3.63	-6.29
<b>FY 2012</b>									
December	2.74	3.03	-28.52	2.74	3.03	-28.52	3.97	4.08	-12.00
March	5.04	4.46	57.50	7.92	7.63	29.29	4.78	4.78	-0.08
June	-0.90	-0.60	-30.42	6.95	6.98	-3.72	4.37	4.43	-6.13
September	3.53	2.98	55.03	10.73	10.18	55.02	4.68	4.65	2.07
<b>FY 2013</b>									
December	1.49	1.45	4.11	1.49	1.45	4.11	4.88	4.83	4.76
March	3.29	2.90	39.19	4.82	4.38	44.01	5.23	5.12	11.20
June	-0.30	-0.69	39.05	4.51	3.66	84.64	4.97	4.80	17.26
September	3.95	3.47	47.35	8.63	7.26	137.06	5.40	5.16	24.01
<b>FY 2014</b>									
December	3.95	2.66	129.38	3.95	2.66	129.38	5.80	5.37	42.67
March	1.46	1.30	16.28	5.47	4.00	147.73	5.80	5.37	43.52
June	2.56	2.30	25.90	8.17	6.38	178.44	5.96	5.51	45.76
September	-0.48	-0.73	25.31	7.65	5.60	204.51	5.69	5.22	47.69
<b>FY 2015</b>									
December	2.25	1.63	62.27	2.25	1.63	62.27	5.81	5.26	54.46
March	2.29	2.25	3.95	4.60	3.92	67.71	5.92	5.39	53.34
June	-0.02	-0.51	49.43	4.58	3.39	119.07	5.74	5.16	57.93

Quarter End	Current Returns			Financial YTD			Annualised Return Since Inception		
	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess	Portfolio	Benchmark	Excess
	%	%	bps	%	%	bps	%	%	bps
<b>FY 2015</b>									
September	-2.02	-2.19	16.83	2.47	1.13	134.06	5.31	4.73	58.12
<b>FY 2016</b>									
December	1.68	1.67	0.22	1.68	1.67	0.22	5.36	4.79	56.52
March	0.80	1.26	-46.14	2.48	2.95	-46.70	5.30	4.80	49.64
June	0.80	1.11	-30.92	3.30	4.09	-78.90	5.24	4.79	44.83
September	2.45	2.12	32.85	5.83	6.29	-45.72	5.37	4.89	47.33
<b>FY 2017</b>									
December	-0.46	-0.98	51.92	-0.46	-0.98	51.92	5.17	4.66	51.64
March	3.17	2.92	24.41	2.69	1.91	77.74	5.37	4.84	52.92
June	2.74	2.44	30.00	5.50	4.40	110.45	5.51	4.97	54.69
September	2.61	2.06	54.78	8.25	6.55	170.48	5.64	5.05	58.79
<b>FY 2018</b>									
December	2.24	1.83	40.22	2.24	1.83	40.22	5.72	5.11	61.32

Notes:

- (1) Differences in totals are due to rounding.
- (2) In August 2009, International Equities and Fixed Income Securities were added to the HSF portfolio. The performance benchmark for the HSF portfolio became a blended benchmark which comprise, Bank of America/Merrill Lynch US Treasury 1-5 Years Index, US One-month LIBID Index, Barclays US Aggregate, Russell 3000 ex Energy, and MSCI EAFE ex Energy.
- (3) In January 2011, the HSF Portfolio achieved its Strategic Asset Allocation where the portfolio was invested in four assets classes. US Short Duration Fixed Income (25), US Core Fixed Income (40), US Equity (17.5) and Non-US International Equity (17.5).
- (4) With effect from the quarter ended December 2012, the Annualised Returns Since Inception were computed using a geometric average and not the previously used arithmetic average. For comparative purposes, prior period annualized returns since inception shown above were computing using a geometric average.

## Appendix II

### Heritage and Stabilisation Fund

#### Portfolio Valuation (USD)

Valuation Date	Net Asset Value	Total Comprehensive Income	Accumulated Surplus & Unrealized Capital Gains/Losses	Contributions / (Withdrawals)
<b>Annual Portfolio Valuation</b>				
September 30,2007	1,766,200,701	41,966,361	41,966,361	321,706,043
September 30,2008	2,888,421,556	68,412,770	110,379,131	1,054,174,457
September 30,2009	2,964,686,478	76,248,691	186,755,766	-
September 30,2010	3,621,984,041	177,645,460	364,361,226	477,344,263
September 30,2011	4,084,016,158	9,715,841	374,074,067	451,400,519
September 30,2012	4,712,376,278	420,693,705	794,770,772	207,550,846
September 30,2013	5,154,027,747	399,007,950	1,193,778,722	42,414,251
September 30,2014	5,533,425,248	379,167,024	1,572,945,746	-
September 30,2015	5,655,143,565	120,639,605	1,693,585,351	-
September 30,2016	5,584,246,290	305,452,096	1,999,037,447	(375,050,860)
September 30, 2017	5,762,544,777	429,475,446	2,428,512,893	(252,548,048)

#### Quarterly Portfolio Valuation

June 30, 2014	5,563,339,006	134,504,162	1,602,500,838	-
September 30, 2014	5,533,425,248	(29,555,092)	1,572,945,746	-
December 31, 2014	5,653,895,156	120,509,077	1,693,454,823	-
March 31, 2015	5,779,420,631	125,471,133	1,818,925,956	-
June 30, 2015	5,774,951,169	(4,765,278)	1,814,160,678	-
September 30, 2015	5,655,143,565	(120,575,327)	1,693,585,351	-
December 31, 2015	5,744,963,957	90,833,573	1,784,418,924	-
March 31, 2016	5,787,343,363	42,134,260	1,826,553,184	-
June 30, 2016	5,454,568,405	42,838,704	1,869,391,888	(375,050,860)
September 30, 2016	5,584,246,290	129,645,559	1,999,037,447	-
December 31, 2016	5,555,039,859	(29,605,256)	1,969,432,191	-
March 31, 2017	5,473,047,983	170,609,885	2,140,042,076	(252,548,048)
June 30, 2017	5,619,311,033	146,006,897	2,286,048,973	-
September 30, 2017	5,762,544,777	142,463,920	2,428,512,893	-
December 31, 2017	5,888,599,170	124,900,387	2,553,413,280	-

## Appendix III

### Summary Characteristics of Composite Benchmarks

#### Fixed Income Benchmarks

Key Characteristics	Barclays US Aggregate Index	Merrill Lynch 1-5 Index
Total Holdings	9,734	158
Coupon (%)	3.06	1.97
Duration (Years)	5.91	2.59
Average Life (Years)	8.27	2.70
Yield to Maturity (%)	2.72	1.97
Option Adjusted Spread (bps)	36	0
Average Rating (S&P)	AA+	AA+
Minimum Rating (S&P)	BBB-	AA

#### Equity Benchmarks

Key Characteristics	Russell 3000 (ex-Energy)	MSCI EAFE (ex-Energy)
Total Holdings	2,790	893
Earnings Per Share (EPS Growth 3-5y fwd)	11.8	11.6
Price Earnings (P/E fwd)	19.8	14.7
Price / Book (P/B)	3.1	1.6
Weighted Average Market Capitalization* (Bn)	165.8	60.5

\*Market capitalization is a measurement of the size of a company (share price x the number of outstanding shares). The weighted average market capitalization of a stock market index represents the average size of the firms comprising the index where each is weighted according to its market capitalization.

## Appendix IV

### Summary of the Fund's Net Asset Value by Mandate

/US\$ Million/

	<b>Dec-16</b>	<b>Mar-17</b>	<b>Jun-17</b>	<b>Sep-17</b>	<b>Dec-17</b>
<b>Total Fund Value</b>	<b>5,555</b>	<b>5,473</b>	<b>5,619</b>	<b>5,762</b>	<b>5,889</b>
<b>Total Value of Equity</b>	<b>2,071</b>	<b>2,134</b>	<b>2,242</b>	<b>2,363</b>	<b>2,484</b>
US Core Domestic Equity	1,114	1,108	1,145	1,199	1,273
Non-US Core International Equity	957	1,026	1,097	1,165	1,211
<b>Total Value of Fixed Income</b>	<b>3,484</b>	<b>3,338</b>	<b>3,376</b>	<b>3,399</b>	<b>3,403</b>
US Short Duration Fixed Income	1,216	1,221	1,226	1,230	1,226
US Core Domestic Fixed Income	2,267	2,117	2,150	2,169	2,178
<b>Total Value of Cash or Cash Equivalents</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>

NB: Differences in totals are due to rounding.

## Appendix V

### HSF Portfolio Quarterly Returns

/per cent/

