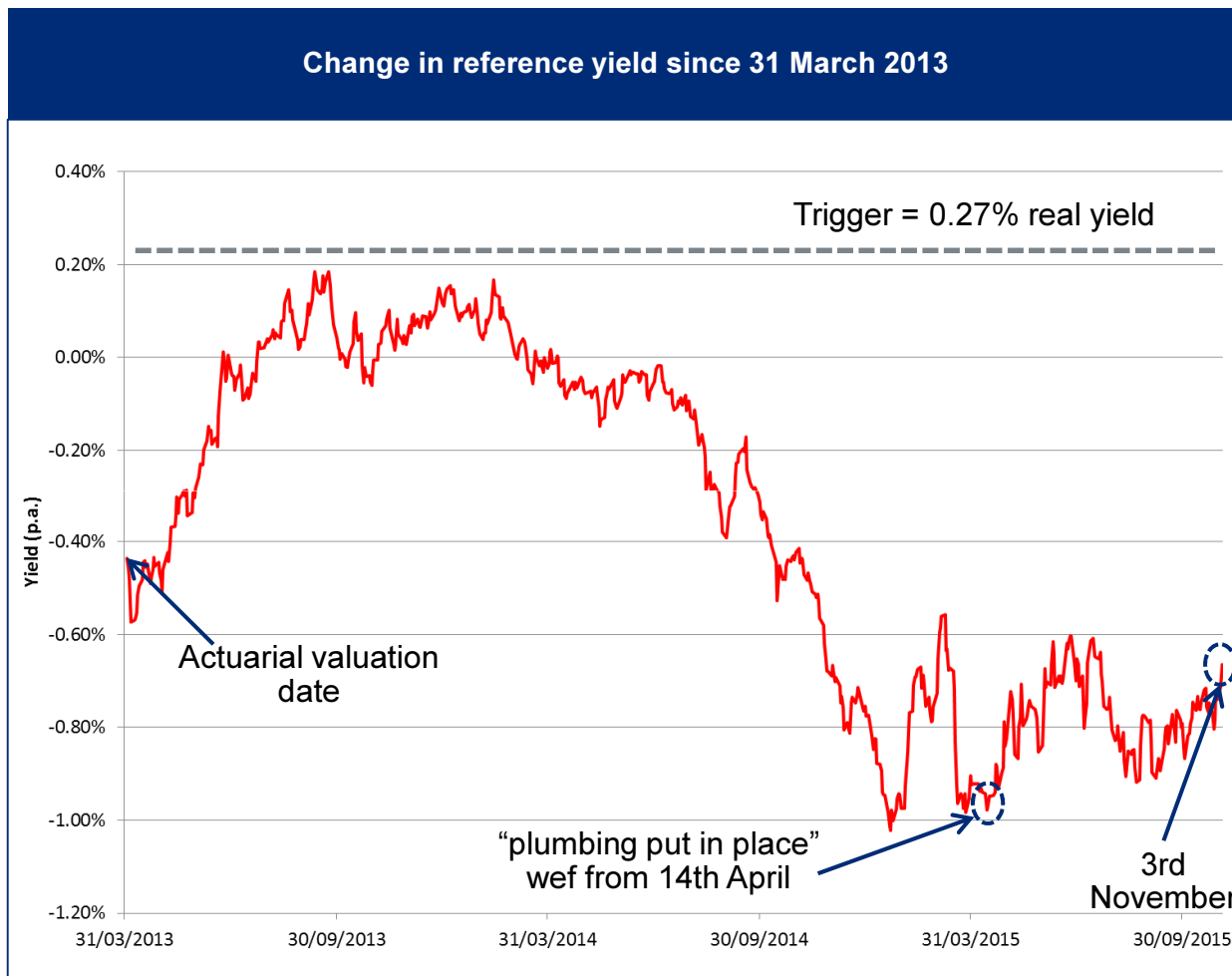


# Annex 2 Surrey Pension Fund – update on yield trigger

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**Comments**

Chart opposite shows the progression in the yield available on the 2035 ILG over 2015. Current yield is -0.66% p.a.

The Board has set the trigger at 0.27% p.a.

- Trigger is “hit” when yield from 2035 ILG reaches this level
- £90m in physical gilts will then be switched to leveraged gilts
- Resulting hedge ratio expected to be around 13%

Yields = Liabilities

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