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## **Pensions Panel**

Tuesday 1 March 2022

**09:30**

White Room, County Buildings, Martin Street, Stafford

John Tradewell  
Director of Corporate Services  
21 February 2022

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## **A G E N D A**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of meeting held on 30 November 2021** (Pages 1 - 4)
4. **Dates of Future Meetings**  
  
Wednesday 8 June 2022 (2pm)  
Tuesday 6 September 2022  
Tuesday 6 December 2022  
Tuesday 7 March 2023  
  
All meetings are scheduled to start at 9.30am at County Buildings,  
Stafford unless indicated otherwise.
5. **Annual Investment Strategy for Pension Fund Cash 2022/23** (Pages 5 - 14)  
  
Report of the Director for Corporate Services and the County  
Treasurer (S151)
6. **Staffordshire Pension Fund performance and portfolio of  
investments at 31 December 2021** (Pages 15 - 34)  
  
Report of the Director for Corporate Services

7. **Responsible Investment & Engagement (RI&E) Report Quarter 4 2021** (Pages 35 - 60)

Report of the Director for Corporate Services

8. **Exclusion of the Public**

The Chairman to move:-

'That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) indicated below'.

## **PART TWO**

(All reports in this section are on pink paper)

9. **Exempt Minutes of the Meeting held on 30 November 2021** (Pages 61 - 68)  
(exemption paragraph 3)

10. **Staffordshire Pension Fund performance and manager monitoring for the quarter ended 31 December 2021** (Pages 69 - 78)

(Exemption paragraph 3)

*(Portfolio Evaluation report for the quarter ended 31 December 2021 attached for information)*

11. **Strategic Asset Allocation review and monitoring**  
(Exemption paragraph 3)

- a) Economic and market update (Pages 79 - 94)

Presentation by Hymans Robertson

- b) Strategic Asset Allocation review outcome (Pages 95 - 138)

Report and Presentation by Hymans Robertson

- c) Review of position at 31 December 2021 (Pages 139 - 152)

Report of the Director for Corporate Services

12. **Property**  
(Exemption paragraph 3)

- a) Property Portfolio Investment Strategy for 2022/23

Presentation by Colliers Global Investors

Report by Colliers Global Investors

**Membership**

Philip Atkins, OBE (Chairman)	Mike Sutherland
Mike Davies	Stephen Sweeney
Colin Greatorex	

**Note for Members of the Press and Public**

**Filming of Meetings**

The Open (public) section of this meeting may be filmed for live or later broadcasting or other use, and, if you are at the meeting, you may be filmed, and are deemed to have agreed to being filmed and to the use of the recording for broadcast and/or other purposes.

**Recording by Press and Public**

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.



**Minutes of the Pensions Panel Meeting held on 30 November 2021**

**Attendance**

Philip Atkins, OBE (Chairman)	Colin Greatorex
Mike Davies	Mike Sutherland

**Also in attendance:** Rob Birch (Observer), Iain Campbell (Hymans Robertson) and Carolan Dobson (Independent Advisor).

**Apologies:** Philip Pearson (Hymans Robertson) and Stephen Sweeney.

**PART ONE**

**27. Declarations of Interest**

There were no declarations of interest on this occasion.

**28. Minutes of meeting held on 3 September 2021**

**RESOLVED** – That the minutes of the Meeting of the Pensions Panel held on 3 September 2021 be confirmed and signed by the Chairman.

**29. Dates of Future Meetings**

**RESOLVED** – That the dates of future meetings of the Panel, as set out below, be noted:

- Tuesday 1 March 2022

(Note: All meetings are scheduled to start at 9.30am unless indicated otherwise).

**30. Staffordshire Pension Fund performance and portfolio of investments as at 30 September 2021**

The Director for Corporate Services submitted a summary of the performance of the Staffordshire Pension Fund, together with a portfolio of the Fund's investments, as at 30 September 2021.

The Panel were informed that the Fund had a market value of £6.6 billion as at 30 September 2021, its highest reported value to date.

Over the quarter the Fund returned 2.3%, which outperformed the Fund's Strategic Asset Allocation benchmark return (2.0%) by 0.3%. The best performing asset class relative to its benchmark was the Alternatives portfolio (Hedge Fund & Infrastructure), returning 9.1% over the quarter, against its benchmark return of 1.2%. For the year to 30 September 2021, the Fund produced an annual return of 19.8%, 2.4% above its Strategic Asset Allocation benchmark return. Private Equity was the main driver of returns, returning 47.9% over the year. The Fund had also outperformed its Strategic Asset Allocation benchmark return over a 3, 5 and 10-year period. Annualised returns over 10 years were 10.9% per annum, well above the investment return assumptions used by the Actuary as part of the triennial valuation.

**RESOLVED** – That the Pension Fund investment performance and the portfolio of investments for the quarter ended 30 September 2021 be noted.

### **31. Responsible Investment (RI) report quarter 3 2021**

The Director for Corporate Services submitted a summary of activity during the quarter by the Fund's investment managers, in fulfilment of their corporate governance and socially responsible investment obligations, including details of their voting activity on corporate resolutions for companies held in their portfolios.

The Panel also received the Fund's Climate Stewardship Plan; the quarterly report of the Local Authority Pension Fund Forum (LAPFF); and the LGPS Central Ltd Stewardship Report for Quarter 3 2020 (Appendix 3 to the report). With regard to the LGPS Central Ltd Stewardship Report, the Director reported that, further to Cllr Greatorex's question at the last Panel meeting concerning engagements on human rights issues, LGPS Central had confirmed that from 2022, Human Rights would be one of its four stewardship priorities for engagement, and Members would receive quarterly reporting on the issue. In response to a question from Cllr Greatorex on the number of abstentions from voting contained in update from the Fund's investment managers on details of votes cast on corporate resolutions, the Director indicated that these formed a very small proportion of the total votes cast as investment managers usually attempted to minimise this type of vote.

With regard to the Staffordshire Fund's Climate Stewardship Plan, the Director referred Members to Table 1 in the Plan detailing Companies recommended for engagement. In response to a question from Cllr Greatorex on how the questions had been formatted, the Director indicated that these had been formulated from the Climate Change Risk Report which had been prepared for the Fund by LGPS Central. The Director also informed the Panel that a new Climate Stewardship Plan for 2022/23 would be taken to the Pensions Committee alongside the Fund's Climate Strategy, in due

course. Cllr Sutherland added that, once this new Plan had been agreed, it would be interesting to reflect back on the previous Climate Stewardship Plan's achievements.

**RESOLVED** - That the content of the Responsible Investment (RI) report, including the Climate Stewardship Plan (Appendix 1), Local Authority Pension Fund Forum (LAPFF) Quarterly Engagement Report (Appendix 2) and the LGPS Central Ltd Quarterly Stewardship Report (Appendix 3), be noted.

### **32. Exclusion of the Public**

**RESOLVED** - That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part One of Schedule 12A of the Local Government Act 1972 (as amended) indicated below.

The Panel then proceeded to consider reports on the following issues:

## **PART TWO**

**33. Exempt Minutes of the Meeting held on 3 September 2021**  
(Exemption paragraph 3)

**34. Staffordshire Pension Fund Performance and Manager Monitoring for the quarter ended 30 September 2021**  
(Exemption paragraph 3)

**35. Strategic Asset Allocation review and monitoring**  
(Exemption paragraph 3)

- a) Economic and Market Update
- b) Review of Position as at 30 September 2021

**36. Property - Confirmation of the action of the Director for Corporate Services in relation to Property**  
(Exemption paragraph 3)

**37. Global Sustainable Equity manager presentation**  
(Exemption paragraph 3)

**Chairman**





**PENSIONS PANEL – 1 MARCH 2022**

**Report of the Director for Corporate Services and County Treasurer (\$151)**

**ANNUAL INVESTMENT STRATEGY FOR PENSION FUND CASH 2022/23**

**Recommendation of the Chairman**

1. That the Pensions Panel approve the Staffordshire Pension Fund's ('the Fund'), Annual Investment Strategy (AIS) for the investment of internally managed cash in 2022/23.

**Reasons for recommendations**

2. Administering authorities were required to formulate a policy for the investment of Pension Fund cash by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009; as a result, the Fund produced a separate AIS for its cash balances. The 2016 regulations changed this and suggested that policies for managing Pension Fund cash should form part of the Investment Strategy Statement (ISS). However, the Fund considers it good practice to continue preparing a separate AIS for cash balances, with reference made to it within the ISS.
3. The AIS for the Fund is prepared on the same principles as the AIS for Staffordshire County Council (SCC), which follows the Chartered Institute of Public Finance & Accountancy (CIPFA) Treasury Management Code of Practice and the Department for Levelling Up, Housing and Communities (DLUHC) (previously the Ministry of Housing, Communities and Local Government) Guidance on Local Government Investments.

**Background**

4. The Fund has a small strategic asset allocation to cash of 1.0%, recognising that cash balances are needed for the day to day management of the Fund. This cash is managed by Officers in the County Council's Treasury and Pension Fund Team, to provide liquidity and pay bills as they arise. The management of this cash will continue to remain with the Fund and will not be transferred to LGPS Central Limited, under the LGPS pooling agenda.
5. Cash does increase from time to time, pending investment in other major asset classes e.g., infrastructure, property, and private debt. The proposed AIS will therefore need to allow for such situations occurring. The Pensions Panel will also need to review the Fund's Strategic Asset Allocation benchmark to cash on a quarterly basis, together with any associated ranges.
6. The AIS does not deal with the segregated, relatively small cash balances held by the Fund's custodian (Northern Trust) or with cash arising from occasional transition activity. Overnight, Northern Trust sweep funds into their

“AAA” rated Money Market Funds (MMF’s). Neither does the AIS deal with the small working cash balances held by the Fund’s property manager (Colliers), which are required for the efficient management of this part of the Fund’s investment portfolio.

## **AIS for Pension Fund Cash 2022/23**

### Objectives

7. The Fund’s AIS requires it to invest cash prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The objective when investing cash is to strike an appropriate balance between risk and return, thereby minimising the risk of incurring losses from defaults but also taking into account the risk of receiving unsuitably low investment income.
8. The 1.0% allocation to cash will by its nature need to be kept short-term. To accommodate balances exceeding this allocation, the investment limit for existing counterparties may need to be increased temporarily. If balances are higher longer-term, pending investment in other asset classes, investments may need to be considered that recognise their longer-term nature. For the past few years, longer-term cash requirements have been fulfilled by using ‘cash-plus’ MMF’s (see **paragraph 31**).
9. To allow for the practical management of the treasury transactions each day, it is proposed that the change in investment limits and the choice over the investments made is delegated to the County Treasurer (S151), who chairs the SCC Treasury Management Panel. Outside of this, the Pensions Panel will need to assess any specific requirements and consider any changes that may be required to the AIS.

### Credit Outlook

10. Changes in legislation in recent years have made investing with banks and building societies riskier for local authorities and for the Fund, which is classified as a local authority under regulations. Under the Bank Recovery and Resolution Directive (BRRD) introduced in 2015, a failing bank will need to be ‘bailed-in’ by current investors instead of there being a ‘bail out’ by government. The risk of loss for local authorities in a bail-in situation is much greater, as any unsecured fixed-term deposits would be ranked near the bottom of the capital structure and would be one of the first to suffer losses.
11. Ring-fencing legislation adopted by UK financial regulators has also affected the creditworthiness of the larger UK banks, as it has forced them to separate their core retail banking activity from the rest of their business i.e. investment banking. The aim is to protect retail banking activity from unrelated risks elsewhere in the banking group, which is what occurred during the global financial crisis. Credit rating agencies have adjusted the ratings of some of these banks, with the ringfenced banks generally being better rated than their non-ringfenced counterparts.

12. The credit ratings for many UK institutions were downgraded on the back of downgrades to the UK sovereign rating post Brexit. Credit conditions more generally, in banks and building societies, have tended to be relatively benign, despite the impact of the pandemic over the past 18 months. Looking forward, the potential for bank losses to be greater than expected remains a risk, when government and central bank support starts to be removed from economies, suggesting a cautious approach to bank deposits in 2022/23 remains advisable.
13. Under normal circumstances, when the Fund is fully invested, there is forecast to be a lower level of cash and it is considered unlikely that the Fund will need to invest directly in banks or building societies, thus reducing the risks outlined above.

#### Guidance

14. DLUHC Guidance on Local Government Investments specifies the types of financial instruments that local authorities can invest in. The Fund's AIS has followed SCC's AIS in dividing investments between Standard and Non-Standard Investment categories.

#### Standard Investments

15. These are investments that are made with approved counterparties and do not require further approval from the County Treasurer (S151), as Chair of the Treasury Management Panel or this Pensions Panel. These investments tend to be for a period of less than a year and are the most frequently used. In the case of the Pension Fund, standard investments are made with;
  - the UK Government – central government or local authority, parish council or community council;
  - short-term money market funds (MMFs) as per the criteria set out below; and
  - the Fund's banking provider – (currently Lloyds Bank).

#### (i) The UK Government

16. The Fund can invest in the UK Government by purchasing Treasury Bills (T-Bills) or short dated Gilts (Up to 1-year maturity in the case of Standard Investments). These are relatively secure, tradeable investments issued by the UK government, however, returns tend to be lower than those received elsewhere.
17. The other source of government investment for the Fund is via deposits with other local authorities. These can provide a higher return than T-Bills and Gilts depending on the liquidity in the local authority lending market. Like central government investments, local government investments are not subject to bail in risk, although they are not completely without risk, The financial risks of a few local authorities have been well documented in the press over the last few years, so a maximum lending limit of £10m per individual local authority has been imposed. In addition, any single investment transaction with a local authority is limited to £5m meaning that in practice the £10m limit must be

made up if at least two separate investments. The County Council's Treasury Management Panel will continue to monitor the situation with regards local authority lending, taking advice from the County Council's treasury adviser where appropriate.

(ii) Money Market Funds (MMFs)

18. Money Market Funds have high credit quality and are pooled investment vehicles consisting of money market deposits and similar instruments. Short-term MMFs, that offer same day liquidity, can be used as an alternative to instant access bank accounts. MMFs have been used by the Fund for some time as they have tended to provide greater security and a higher yield than bank accounts.
19. The Fund will continue to consider short-term MMFs for investment. MMFs that meet the criteria listed below will be considered to have sufficiently high credit quality and be included on the Fund's Approved Lending List (see **Appendix 2**):
  - Diversified – MMFs invest across many different investments meaning they achieve more diversification than the Fund could achieve on its own account;
  - Short-term liquidity – cash can be accessed daily;
  - Ring-fenced assets – the investments are owned by investors and not the fund management company; and
  - Custodian – the investments are managed by an independent bank known as a custodian, who operates at arms-length from the fund management company.
20. Like all treasury instruments, MMFs do carry an element of risk:
  - The failure of one or more of an MMFs investments could lead to a run on MMFs, especially during a financial crisis, although the new MMF regulations do limit this risk to some extent; and
  - If the UK enters a recession, there is a possibility that the Bank Rate could be set to near or below zero. This could mean interest earned from MMFs could become negative after the deduction of their fee. In this instance, the Fund could move monies to an alternative investment category.
21. The Fund currently has accounts open with 5 short-term MMFs. Additionally, the Fund invests in 2 'cash-plus' MMFs, which are detailed in the Non-Standard Investments section at **paragraph 31**.

(iii) The Fund's banking provider

22. The Fund's current banking provider is Lloyds Bank. Cash is invested with Lloyds Bank each night earning interest at a market rate; the maximum amount retained is detailed in the Approved Lending List (**Appendix 2**).
23. In respect of the bank ring-fencing legislation, referred to in **paragraph 11**, Lloyds Bank has a relatively small investment banking operation meaning that 97% of the bank's assets remain within the 'retail' bank ring-fence. The Fund's business with Lloyds Bank is within the 'retail' bank ring-fence (Lloyds Bank

Plc) and does not form part of their investment banking operations (Lloyds Bank Corporate Markets).

#### Standard Investment diversification and duration

24. To ensure diversification, it is proposed that under normal circumstances, the maximum investment limit for each category of Standard Investment is as follows (see also **Appendix 2**).
- Short-term MMFs – by default, these are already invested across a large number of counterparties. The limit set reflects this, at the lower of 50% of total cash or £40m per MMF.
  - UK Government – this is the lowest risk of all investment categories, so the investment limit is unlimited in totality, but a maximum lending limit of £10m per individual local authority has been introduced due to the concerns expressed in **paragraph 17**.
  - The Fund's banking provider – recognising operational cash is required to be invested overnight with Lloyds Bank, a limit of £10m has been set.
25. The Standard Investment arrangements set-out in this report are of short duration; investments in a short-term MMF or with the Fund's banking provider are liquid and available on same day notice. Other Standard Investments may be invested for up to 12 months but will typically be for periods up to six months.
26. To allow for the practical management of treasury transactions each day, it is proposed that the choice over investments made is delegated to the County Treasurer (S151) as Chair of the Treasury Management Panel and Treasury & Pension Fund Officers. This can include additional counterparties, or changes to investment levels, in categories where conditions demand.
27. The Fund's approved Lending List is shown at **Appendix 2**. The maximum recommended investment duration for 2022/23 sits within the definition of a Standard Investment which is to not invest for more than a year.

#### Non-Standard Investments

28. The Fund considers Non-Standard Investments as all other types of approved investment, that are not included as a Standard Investments i.e. those investments that are used less frequently for the Fund's cash allocation and require further approval.
29. The Non-Standard Investments proposed for use are listed below. In some cases, these present additional security risk to the investments within the Standard Investments category:
- Covered Bonds; issued by banks and building societies against mortgage assets and guaranteed by a separate group of companies. They are exempt from bail-in as their structure enables investors to have effective security over the mortgage assets, which can be sold if needed.
  - Repos (Repurchase Agreements); comprise the purchase of securities with the agreement to sell them back at a higher price in the future.

Investments are exchanged for assets such as government bonds, which can be sold in the case of a loss.

- UK Government Gilts; as described in **paragraph 16**, but with a maturity period of over 1 year.
- Collective Investment Schemes; examples include property, equity and exchange traded funds (ETFs) which have different risk and return profiles to MMFs. Cash-plus MMFs are considered to be a collective investment scheme as they typically have a 3-5-day liquidity notice period.

30. Non-Standard Investments that are subject to market risk (this is the risk that the value of the investment can go down as well as up) would usually be held until maturity. At maturity the investment and accrued interest would be paid in full. However, some investments could be sold early if there were concerns over the borrower defaulting.

#### Current Non-Standard Investments

31. With the Fund having had higher cash balances in recent years, cash-plus MMFs have been invested in, to enhance investment returns. Cash-plus MMFs are similar to short-term (same day) MMFs but typically have 3-5-day liquidity notice periods as they invest further along the yield curve. Cash-plus MMFs are usually structured as a variable net asset value (VNAV) MMF, where underlying assets are marked to market and the unit price fluctuates daily, hence a minimum 6-month investment period is recommended. The two cash-plus MMFs currently invested in by the Fund are detailed in the Approved Lending List at **Appendix 2**, along with their investment limit.
32. Decisions about any further use of Non-Standard investments, as detailed in **paragraph 31**, is delegated to the County Treasurer (S151), as Chair of the Treasury Management Panel.

#### Non-Standard Investment diversification

33. Diversification of Non-Standard Investments is equally important, as it is with Standard Investments. The current Non-Standard cash-plus MMF investments have been treated comparably to short term MMFs and given an investment limit of £40m each, as detailed in **Appendix 2**.
34. Changes to Non-Standard Investments limits will depend on the nature of the investment and the future forecast for Fund cash balances. Therefore, it is planned these would be judged on a case by case basis and delegated to the County Treasurer (S151), as Chair of the Treasury Management Panel.

#### Risk

35. Cash is only a small component of the overall investments of the Fund and the wider aspects of risk are considered in the ISS, where cash forms a small part of the Strategic Asset Allocation.
36. Looking at cash in isolation, treasury management usually recognises that the two prime risk areas are security and liquidity. It is considered that focussing

primarily on these two risks is appropriate for the Fund's relatively low 1.0% allocation to cash, for day to day cash management purposes. However, the AIS does provide the flexibility to consider higher yields using Non-Standard Investments.

37. Should the Pensions Panel decide to make a higher strategic allocation to cash at some point in the future, where seeking a higher return would become more important, the balance of risk and reward would need to be revisited and the AIS reviewed.

#### Review of Strategy

38. The main circumstances where a revised strategy would be prepared, include a significant change in;
- the Fund's Strategic Asset Allocation;
  - the economic environment;
  - the financial risk environment; and
  - the regulatory environment.
39. Whilst the Pensions Panel will be responsible for approving any revised strategy, it may be necessary for action to be taken quickly. It is proposed that the responsibility for assessing the circumstances above and taking urgent action, remains with the County Treasurer (S151), as Chair of the Treasury Management Panel.

**John Tradewell**  
**Director for Corporate Services**

**Rob Salmon**  
**County Treasurer (S151)**

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#### Report Author

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## Appendix 1

**Equalities implications:** There are no equalities implications arising directly from this report.

**Legal implications:** There are no direct legal implications arising from this report.

**Resource and Value for money implications:** All resource and value for money implications are covered in the body of this report.

**Risk implications:** Risk is inherent in an AIS and is dealt with throughout the report.

**Climate Change implications:** There are no direct climate change implications arising from this report.

**Health Impact Assessment Screening:** There are no direct implications arising from this report



## PENSIONS PANEL – 1 MARCH 2022

Staffordshire Pension Fund  
Approved Lending List

Lending List – March 2022	
Standard Investments	Time limit
<b><i>UK Government (no maximum investment limit)</i></b>	
UK Government T-bills	6 months
UK Government Gilts	12 months
UK Local Authorities <b>(£10m maximum investment limit per Local Authority)</b>	12 months
<b><i>Banks</i></b>	
Lloyds Bank (£10m maximum investment limit)	call only
<b><i>Money Market Funds (MMFs) (maximum investment limit in each individual MMF is the lower of 50% of total cash or £40m)</i></b>	
Goldman Sachs	call only
Aviva	call only
Morgan Stanley	call only
HSBC	call only
Federated	call only
Non-Standard Investments	Time Limit
<b><i>Collective Investment Schemes (Cash-plus MMF's - maximum investment limit £40m)</i></b>	
Aberdeen Short Duration Fund	3 Days
Royal London Cash Plus Fund	3 Days



**PENSIONS PANEL – 1 MARCH 2022**

**Report of the Director for Corporate Services**

**PENSION FUND INVESTMENT PERFORMANCE Q4 2021**

**1. Purpose of Report**

1.1 To provide, for information;

- i) a summary of performance of the Staffordshire Pension Fund at 31 December 2021; and
- ii) a portfolio of the Pension Fund’s investments at 31 December 2021 (Appendix 1).

**2. Performance Summary**

2.1 Period

	<u>Fund</u> %	<u>Benchmark</u> %	<u>Relative</u> <u>Performance</u> %
June 2021 Quarter	6.0	5.6	+0.4
September 2021 Quarter	2.3	2.0	+0.3
December 2021 Quarter	5.1	5.2	-0.1
Year to date 2021/22	14.2	13.4	+0.8

2.2 Global equity markets rose strongly over the quarter, with the MSCI World index rising 8.1% in local terms and finishing the year 24.2% higher. Optimism initially grew, with the ongoing vaccine rollout, but this was tempered towards the end of the quarter with the emergence of the Covid-19 Omicron variant.

2.3 In the US, equities rose, buoyed by strong economic data but inflationary pressures continued to grow, with CPI up to 6.8% year on year in November. As a result, the Federal Reserve (Fed) adopted a more hawkish tone and indicated there would be several interest rate rises in 2022.

2.4 In the UK, equities rose over the quarter but at a slower rate than in the US or European markets. GDP was lower than forecast due to an increase in Covid infection rates and increasing inflation concerns, which had reached a 10-year CPI high, of 5.1%, in November. This led to the Bank of England raising interest rates in December by 0.15% to 0.25%.

2.5 In Europe, the European Central Bank (ECB) confirmed it would end its Pandemic emergency purchase program in March 2022, and despite inflation

hitting an annual rate of 4.9% in November, it did not indicate there would be interest rate rises in 2022 as a result.

- 2.6 Emerging Markets fell overall, during the quarter, with the MSCI Emerging Markets Index falling by 1.3%. Economic data from China remained weak, increasing market expectations of more central-bank stimulus and a possible easing of regulatory pressures in 2022.

### 3. **Fund Value**

- 3.1 The Fund had a market value of £7.0 billion at 31 December 2021, its highest reported value to date.
- 3.2 Over the quarter the Fund returned 5.1%, which was a marginal underperformance of 0.1% versus the Fund's Strategic Asset Allocation benchmark return of 5.2%. The best performing asset class relative to its benchmark was Private Equity, returning 9.7% over the quarter against a benchmark return of 3.0%. Property was a detractor from performance along with the overallocation to cash during the quarter.
- 3.4 The Fund has outperformed its Strategic Asset Allocation benchmark return over a 3, 5 and 10-year period. Annualised returns over 10 years are 10.7% per annum, well above the investment return assumptions used by the Actuary as part of the triennial valuation.

### 4. **Portfolio of Investments at 31 December 2021**

- 4.1 A copy of the Staffordshire Pension Fund's portfolio of investments at 31 December 2021 is attached at Appendix 1.

**John Tradewell**  
**Director for Corporate Services**

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Contact: Melanie Stokes, Assistant Director for Treasury & Pensions  
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Background Documents:  
Portfolio Evaluation Performance Measurement Data



**Staffordshire**  
**Pension Fund**  
Local Government Pension Scheme

# Investment Portfolio

31 December 2021



## STAFFORDSHIRE PENSION FUND

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**STAFFORDSHIRE PENSION FUND**  
**PORTFOLIO ANALYSIS AS AT 31 DECEMBER 2021**

		<u>PREVIOUS QUARTER</u> <u>MARKET VALUE</u> £	<u>CURRENT QUARTER</u> <u>BOOK COST</u> £	<u>CURRENT QUARTER</u> <u>MARKET VALUE</u> £
<b>GLOBAL SUSTAINABLE</b>	<b>Equities</b>	269,882,721.63	249,649,718.91	287,449,807.61
	<b>Cash</b>	3,357,105.07	4,354,388.23	4,354,388.23
<b>GLOBAL ACTIVE</b>	<b>Equities</b>	1,696,505,060.57	1,205,079,688.41	1,787,107,561.66
	<b>Cash</b>	11,306,547.77	14,215,734.20	14,215,734.20
<b>GLOBAL PASSIVE</b>	<b>Equities</b>	2,153,964,158.43	1,519,924,573.89	2,278,744,896.20
<b>FACTOR BASED</b>	<b>Equities</b>	235,131,266.45	218,608,485.74	249,528,804.64
<b>REGULATORY CAPITAL (SHARE)</b>		1,315,000.00	1,315,000.00	1,315,000.00
<b>PRIVATE EQUITY</b>		316,206,108.90	114,526,400.07	332,346,506.56
<b>PRIVATE DEBT</b>		291,683,739.29	309,298,734.79	315,299,012.97
<b>PROPERTY</b>		526,461,558.73	482,965,361.00	541,012,245.00
<b>ALTERNATIVES</b>	<b>Hedge Funds</b>	6,187,461.10	0.00	3,728,116.81
	<b>Infrastructure</b>	17,963,100.01	18,227,887.33	18,034,482.94
<b>BONDS</b>	<b>Global Corporate Bonds</b>	430,623,527.88	420,120,515.93	431,379,744.81
	<b>Passive UK Index Linked Gilts</b>	433,354,070.25	257,768,964.69	456,812,178.43
<b>CASH</b>	<b>Central Cash Fund</b>	194,275,913.62	224,802,694.64	224,802,694.64
	<b>Regulatory Capital (Loan)</b>	685,000.00	685,000.00	685,000.00
	<b>Private Equity</b>	11,424,245.96	18,356,753.64	18,356,753.64
	<b>Private Debt</b>	(2.11)	2,002,341.00	2,002,341.00
	<b>Infrastructure</b>	0.00	(1,006.60)	(1,006.60)
<b>TRANSITION</b>	<b>Equities</b>	0.59	0.00	0.58
	<b>Cash</b>	77,679.25	0.00	0.00
<b>TOTAL INVESTMENTS</b>		<u>6,379,277,773.83</u>	<u>4,801,839,718.99</u>	<u>6,702,758,358.21</u>
<b>TOTAL CASH</b>		<u>221,126,489.56</u>	<u>260,061,516.88</u>	<u>264,415,905.11</u>
<b>TOTAL</b>		<u><b>6,600,404,263.39</b></u>	<u><b>5,061,901,235.87</b></u>	<u><b>6,967,174,263.32</b></u>

## STAFFORDSHIRE PENSION FUND

## PORTFOLIO VALUATION

<b>Funds - Impax Asset Management</b>	<b>Currency - Sterling</b>				<b>Report Date -</b>	<b>31-12-2021</b>
	<b>Cost</b>	<b>Average Cost</b>	<b>Market Price</b>	<b>Market Value</b>	<b>Unrealised Gain/Loss</b>	
<b>Holding</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
<b>EUROPE</b>						
<b>France</b>						
SCHNEIDER ELECTRIC EUR0.00	33,286	<u>4,752,225.10</u>	142.77	144.80	<u>4,819,742.79</u>	<u>67,517.69</u>
<b>Germany</b>						
EVOTEC SE NPV	230,676	6,848,419.70	29.69	35.68	8,231,239.03	1,382,819.33
HANNOVER RUECK SE ORD NPV(REGD)	31,437	4,239,104.31	134.84	140.34	4,411,856.19	172,751.88
		<u>11,087,524.01</u>			<u>12,643,095.22</u>	<u>1,555,571.21</u>
<b>Netherlands</b>						
ASML HOLDING NV EUR0.09	13,269	5,916,573.72	445.89	593.35	7,873,125.19	1,956,551.47
KONINKLIJKE DSM NV EUR1.50	53,361	6,942,519.96	130.10	166.24	8,870,804.78	1,928,284.82
WOLTERS KLUWER EUR0.12	67,767	4,521,008.28	66.71	86.98	5,894,566.71	1,373,558.43
		<u>17,380,101.96</u>			<u>22,638,496.68</u>	<u>5,258,394.72</u>
<b>Portugal</b>						
JERONIMO MARTINS EUR1	347,208	<u>4,332,073.80</u>	12.48	16.88	<u>5,859,487.77</u>	<u>1,527,413.97</u>
<b>Switzerland</b>						
ALCON INC	88,300	5,238,757.62	59.33	65.42	5,776,922.78	538,165.16
LONZA GROUP AG CHF1 (REGD)	14,145	6,536,785.13	462.13	617.13	8,729,251.40	2,192,466.27
		<u>11,775,542.75</u>			<u>14,506,174.18</u>	<u>2,730,631.43</u>
<b>TOTAL EUROPE</b>		<u>49,327,467.62</u>			<u>60,466,996.64</u>	<u>11,139,529.02</u>
<b>Japan</b>						
KDDI CORP NPV	259,500	5,796,894.59	22.34	21.56	5,593,572.32	(203,322.27)
KEYENCE CORP NPV	16,600	5,741,793.88	345.89	463.42	7,692,728.74	1,950,934.86
KUBOTA CORP NPV	456,800	7,599,889.69	16.64	16.37	7,478,528.34	(121,361.35)
<b>TOTAL JAPAN</b>		<u>19,138,578.16</u>			<u>20,764,829.40</u>	<u>1,626,251.24</u>
<b>ASIA PACIFIC (Ex Japan)</b>						
<b>Hong Kong</b>						
AIA GROUP LTD NPV	1,006,600	<u>8,996,549.27</u>	8.94	7.44	<u>7,492,520.10</u>	<u>(1,504,029.17)</u>
<b>TOTAL ASIA PACIFIC (Ex Japan)</b>		<u>8,996,549.27</u>			<u>7,492,520.10</u>	<u>(1,504,029.17)</u>
<b>North America</b>						
<b>United States</b>						
ANALOG DEVICES INC COM	64,361	7,166,260.79	111.34	129.77	8,352,270.02	1,186,009.23
APTIV PLC COM USD	59,826	5,803,464.85	97.01	121.78	7,285,834.08	1,482,369.23
BECTON DICKINSON & CO COM	30,268	5,531,185.33	182.74	185.67	5,619,842.80	88,657.47
CADENCE DESIGN SYS INC COM	65,871	6,605,477.98	100.28	137.58	9,062,763.44	2,457,285.46
CINTAS CORP COM	18,123	6,181,323.67	341.08	327.20	5,929,764.34	(251,559.33)
COOPER COS INC COM NEW COM NEW	13,453	4,266,118.05	317.11	309.31	4,161,098.16	(105,019.89)
DANAHER CORP COM	23,689	4,106,941.82	173.37	242.91	5,754,304.19	1,647,362.37
ECOLAB INC COM STK USD1	51,363	8,099,651.65	157.69	173.20	8,896,042.88	796,391.23
EQUINIX INC COM PAR \$0.001	14,415	7,561,797.70	524.58	624.49	9,002,017.57	1,440,219.87
IQVIA HLDGS INC COM USD0.01	54,671	8,564,276.35	156.65	208.31	11,388,293.99	2,824,017.64
LINDE PLC COM USD0.001	43,557	8,928,590.38	204.99	255.77	11,140,647.79	2,212,057.41
MASTERCARD INC CL A	40,561	10,862,017.36	267.79	265.29	10,760,365.79	(101,651.57)
MICROSOFT CORP COM	50,777	9,384,280.07	184.81	248.31	12,608,305.50	3,224,025.43
TE CONNECTIVITY LTD	52,048	4,802,612.80	92.27	119.12	6,199,877.22	1,397,264.42
THERMO FISHER CORP	20,496	7,043,536.61	343.65	492.63	10,096,902.82	3,053,366.21
UNITED RENTALS INC COM	17,229	4,369,586.72	253.62	245.33	4,226,825.64	(142,761.08)
VERISK ANALYTICS INC COM USD0.001	34,031	4,501,205.89	132.27	168.87	5,746,915.76	1,245,709.87
VERTEX PHARMACEUTICALS INC COM	36,941	5,134,114.44	138.98	162.13	5,989,326.30	855,211.86
VISA INC COM CL A STK	36,796	5,921,894.45	160.94	160.00	5,887,305.23	(34,589.22)
		<u>124,834,336.91</u>			<u>148,108,703.52</u>	<u>23,274,366.61</u>
<b>TOTAL NORTH AMERICA</b>		<u>124,834,336.91</u>			<u>148,108,703.52</u>	<u>23,274,366.61</u>
<b>EMERGING MARKETS</b>						
<b>India</b>						
ADR HDFC BK LTD ADR REPSTG 3 SHS	212,370	<u>10,550,420.42</u>	49.68	48.04	<u>10,202,602.44</u>	<u>(347,817.98)</u>
<b>Taiwan</b>						
ADR TAIWAN SEMICONDUCTOR MANUFACTURING SPON ADS	96,956	<u>7,981,416.43</u>	82.32	88.83	<u>8,612,186.13</u>	<u>630,769.70</u>
<b>TOTAL EMERGING MARKETS</b>		<u>18,531,836.85</u>			<u>18,814,788.57</u>	<u>282,951.72</u>
<b>UNITED KINGDOM</b>						
ASHTREAD GROUP ORD GBP0.10	104,645	4,820,608.75	46.07	59.42	6,218,005.90	1,397,397.15
CRODA INTL ORD GBP0.10609756	84,985	5,710,992.00	67.20	101.20	8,600,482.00	2,889,490.00
HISCOX ORD GBP0.065 (DI)	495,901	4,118,504.68	8.31	8.61	4,268,715.81	150,211.13
PRUDENTIAL GBP0.05	556,086	8,290,353.79	14.91	12.75	7,087,316.07	(1,203,037.72)
UNILEVER PLC ORD GBP 0.031111	142,440	5,880,490.88	41.28	39.51	5,627,449.60	(253,041.28)
<b>TOTAL UNITED KINGDOM</b>		<u>28,820,950.10</u>			<u>31,801,969.38</u>	<u>2,981,019.28</u>
<b>Total Investments</b>		249,649,718.91			287,449,807.61	37,800,088.70
<b>Cash Balance</b>		4,354,388.23			4,354,388.23	
<b>Total Value of Portfolio</b>		<u>254,004,107.14</u>			<u>291,804,195.84</u>	



## STAFFORDSHIRE PENSION FUND

## PORTFOLIO VALUATION

<u>Funds - JP Morgan Asset Management, Longview Partners (Global Equity)</u>		<u>Currency - Sterling</u>			<u>Report Date -</u>	<u>31-12-2021</u>
<u>Holding</u>	<u>Cost</u>	<u>Average</u>	<u>Market</u>	<u>Market</u>	<u>Unrealised</u>	
	<u>£</u>	<u>Cost</u>	<u>Price</u>	<u>Value</u>	<u>Gain/Loss</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	
<b>EUROPE</b>						
<b>Belgium</b>						
BEKAERT SA NPV	60,341	<u>1,833,311.39</u>	30.38	32.86	<u>1,982,929.15</u>	<u>149,617.76</u>
<b>Denmark</b>						
CARLSBERG SER'B'DKK20	26,424	3,167,539.38	119.87	127.51	3,369,204.95	201,665.57
ISS A/S DKK1	186,200	3,414,460.55	18.34	14.11	3,610,437.08	(787,023.47)
NOVO-NORDISK AS DKK0.2 SERIES'B'	24,670	1,859,243.58	75.36	82.97	2,046,911.77	187,668.19
SCANDINAVIAN TOBAC DKK1	146,149	1,687,642.03	11.55	15.50	2,265,212.87	577,570.84
		<u>10,128,885.54</u>			<u>10,308,766.67</u>	<u>179,881.13</u>
<b>Finland</b>						
VALMET OYJ NPV	85,410	<u>1,942,083.20</u>	22.74	31.67	<u>2,704,919.08</u>	<u>762,835.88</u>
<b>France</b>						
ANTIN INFRASTRUCTU EUR0.01	46,986	1,239,242.41	26.37	28.97	1,361,010.39	121,767.98
BNP PARIBAS EUR2	70,759	2,534,623.65	35.82	51.02	3,610,312.50	1,075,688.85
CAPGEMINI EUR8	13,689	2,273,366.29	166.07	180.93	2,476,811.01	203,444.72
CIE DE ST-GOBAIN EUR4	12,703	618,165.50	48.66	51.95	659,872.89	41,707.39
LVMH MOET HENNESSY LOUIS VUITTON SE EUR0.30	9,666	5,208,970.37	538.90	610.39	5,900,041.59	691,071.22
SANOFI EUR2	159,000	9,704,237.39	61.03	74.37	11,825,150.37	2,120,912.98
TOTALENERGIES SE	104,288	3,236,485.00	31.03	37.47	3,907,824.91	671,339.91
		<u>24,815,090.61</u>			<u>29,741,023.66</u>	<u>4,925,933.05</u>
<b>Germany</b>						
ALLIANZ SE NPV(REGD)(VINKULIERT)	12,945	2,288,736.60	176.80	174.34	2,256,876.85	(31,859.75)
DAIMLER TRUCK HLDG NPV	14,461	213,445.14	14.76	27.11	392,035.35	178,590.21
DEUTSCHE POST AG NPV(REGD)	69,158	3,336,959.89	48.25	47.47	3,283,009.21	(53,950.68)
HENKEL AG & CO KGAA NON-VTG PRF NPV	56,175	4,874,238.83	86.77	59.73	3,355,295.80	(1,518,943.03)
MERCEDES-BENZ GROUP AG	28,921	1,100,872.21	38.06	56.75	1,641,230.67	540,358.46
SIEMENS AG NPV(REGD)	27,676	3,010,943.97	108.79	128.19	3,547,801.76	536,857.79
		<u>14,825,196.64</u>			<u>14,476,249.64</u>	<u>(348,947.00)</u>
<b>Ireland</b>						
ACCENTURE PLC SHS CL A NEW	3,485	982,948.72	282.05	306.07	1,066,637.12	83,688.40
GLANBIA ORD EUR0.06	124,911	1,523,187.16	12.19	10.47	1,307,799.03	(215,388.13)
ICON PLC COM	6,199	1,245,153.41	200.86	228.65	1,417,424.16	172,270.75
		<u>3,751,289.29</u>			<u>3,791,860.31</u>	<u>40,571.02</u>
<b>Italy</b>						
AZIMUT HLDG S.P.A NPV	217,374	4,773,470.16	21.96	20.72	4,504,292.91	(269,177.25)
CNH INDUSTRIAL NV COM EUR0.01	125,335	1,550,457.45	12.37	14.33	1,796,303.67	245,846.22
INTESA SANPAOLO NPV	661,284	1,100,107.07	1.66	1.91	1,262,560.94	162,453.87
STELLANTIS N.V COM EUR0.01	181,336	1,296,138.63	7.15	14.00	2,539,229.02	1,243,090.39
		<u>8,720,173.31</u>			<u>10,102,386.54</u>	<u>1,382,213.23</u>
<b>Netherlands</b>						
ASML HOLDING NV EUR0.09	9,517	3,388,287.52	356.02	593.35	5,646,886.16	2,258,598.64
HEINEKEN NV EUR1.60	159,000	12,298,264.30	77.35	83.00	13,197,497.92	899,233.62
ING GROEP N.V. EUR0.01	373,133	2,594,312.90	6.95	10.28	3,835,216.69	1,240,903.79
KON AHOLD DELHAIZE EUR0.01	214,337	4,637,336.23	21.64	25.30	5,423,032.60	785,696.37
WOLTERS KLUWER EUR0.12	70,492	4,817,433.50	68.34	86.98	6,131,594.97	1,314,161.47
		<u>27,735,634.45</u>			<u>34,234,228.34</u>	<u>6,498,593.89</u>
<b>Norway</b>						
EQUINOR ASA NOK2.50	133,225	<u>2,618,595.44</u>	19.66	19.75	<u>2,631,272.26</u>	<u>12,676.82</u>
<b>Spain</b>						
IBERDROLA SA EUR0.75	324,109	<u>3,261,144.09</u>	10.06	8.74	<u>2,832,798.55</u>	<u>(428,345.54)</u>
<b>Sweden</b>						
NORDEA BANK ABP NPV	140,662	<u>1,302,229.57</u>	9.26	9.01	<u>1,267,484.79</u>	<u>(34,744.78)</u>
<b>Switzerland</b>						
BUCHER INDUSTRIES CHF0.20 (REGD)	1,658	625,801.83	377.44	365.45	605,910.09	(19,891.74)
JULIUS BAER GRUPPE CHF0.02 (REGD)	26,770	1,271,564.51	47.50	49.57	1,327,104.00	55,539.49
KUEHNE&NAGEL INTL CHF1 (REGD)	10,474	2,201,949.91	210.23	238.55	2,498,604.34	296,654.43
NESTLE SA CHF0.10(REGD)	66,384	5,764,948.51	86.84	103.26	6,855,139.46	1,090,190.95
ROCHE HLDGS AG GENUSSSCHEINE NPV	23,353	5,793,410.89	248.08	307.19	7,173,706.06	1,380,295.17
SONOVA HOLDING AG COMMON STOCK	1,412	330,934.29	234.37	289.93	409,375.78	78,441.49
STRAUMANN HLDG CHF0.10 (REGD)	2,602	2,822,322.69	1,084.67	1,569.56	4,083,983.95	1,261,661.26
UBS GROUP AG CHF0.10 (REGD)	254,063	2,404,751.59	9.47	13.31	3,380,350.15	975,598.56
ZEHNDER GROUP CHF0.05 (REGD) 'A'	6,495	446,337.95	68.72	75.44	489,977.29	43,639.34
ZURICH INSURANCE GROUP AG CHF0.10	9,342	2,661,993.18	284.95	324.45	3,030,965.87	368,972.69
		<u>24,324,015.35</u>			<u>29,855,116.99</u>	<u>5,531,101.64</u>
<b>TOTAL EUROPE</b>		<u>125,257,648.88</u>			<u>143,929,035.98</u>	<u>18,671,387.10</u>

## STAFFORDSHIRE PENSION FUND

## PORTFOLIO VALUATION

<u>Funds - JP Morgan Asset Management, Longview Partners (Global Equity)</u>	<u>Currency - Sterling</u>			<u>Report Date -</u>	<u>31-12-2021</u>	
<u>Holding</u>	<u>Cost</u>	<u>Average</u>	<u>Market</u>	<u>Market</u>	<u>Unrealised</u>	
	<u>£</u>	<u>Cost</u>	<u>Price</u>	<u>Value</u>	<u>Gain/Loss</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	
<b>Japan</b>						
ARCS COMPANY LTD NPV	47,700	890,793.71	18.67	13.68	652,324.10	(238,469.61)
ASAHI GROUP HOLDINGS LTD NPV	107,400	3,873,060.59	36.06	28.68	3,080,735.74	(792,324.85)
BML INC NPV	92,500	2,342,156.84	25.32	22.92	2,120,176.25	(221,980.59)
BRIDGESTONE CORP NPV	82,800	2,680,208.02	32.37	31.73	2,627,253.49	(52,954.53)
DENTSU GROUP INC NPV	21,800	612,959.80	28.12	26.29	573,052.67	(39,907.13)
HITACHI TRANSPORT NPV	40,800	1,252,136.27	30.69	34.62	1,412,563.92	160,427.65
ITOCHU CORP NPV	136,500	1,874,329.09	13.73	22.56	3,078,808.47	1,204,479.38
KAMIGUMI CO LTD NPV	84,100	1,265,476.81	15.05	13.96	1,174,378.41	(91,098.40)
KDDI CORP NPV	68,000	1,566,246.02	23.03	21.56	1,465,753.06	(100,492.96)
KINTETSU WORLD EXP NPV	131,400	1,482,735.99	11.28	19.17	2,518,956.92	1,036,220.93
mitsui chemicals NPV	24,000	601,552.62	25.06	19.81	475,470.86	(126,081.76)
NIPPON TELEGRAPH & TELEPHONE CORP NPV	152,000	2,759,941.89	18.16	20.20	3,069,787.61	309,845.72
NOMURA RL EST INC NPV	60,100	1,055,167.73	17.56	16.97	1,019,958.73	(35,209.00)
OKAMURA CORP NPV	251,700	2,370,160.14	9.42	8.25	2,075,287.98	(294,872.16)
ORIX CORP NPV	212,800	2,700,831.73	12.69	15.05	3,202,811.73	501,980.00
SEKISUI HOUSE NPV	130,300	2,159,472.29	16.57	15.83	2,062,622.22	(96,850.07)
SHIMAMURA CO NPV	20,000	1,544,598.47	77.23	61.93	1,238,686.23	(305,912.24)
SOFTBANK CORP NPV	109,500	1,146,408.80	10.47	9.33	1,021,132.34	(125,276.46)
SONY GROUP CORPORA NPV	44,100	3,250,438.23	73.71	92.81	4,092,713.54	842,275.31
SUMITOMO MITSUI FINANCIAL GROUP NPV	70,900	1,703,833.72	24.03	25.28	1,792,368.07	88,534.35
SUMITOMO RUBBER NPV	172,700	1,662,688.91	9.63	7.51	1,297,699.50	(364,989.41)
TSUBAKIMOTO CHAIN NPV	62,000	1,391,084.34	22.44	20.26	1,256,125.29	(134,959.05)
<b>TOTAL JAPAN</b>		<b>40,186,282.01</b>			<b>41,308,667.13</b>	<b>1,122,385.12</b>
<b>ASIA PACIFIC (Ex Japan)</b>						
<b>Australia</b>						
ILUKA RESOURCES NPV	149,376	577,815.83	3.87	5.42	809,847.92	232,032.09
JB HI-FI NPV	88,746	1,715,274.73	19.33	25.94	2,301,849.82	586,575.09
METCASH LIMITED NPV	1,127,781	2,489,691.03	2.21	2.42	2,724,197.31	234,506.28
SOUTH32 LTD NPV	633,523	1,325,361.06	2.09	2.15	1,363,666.06	38,305.00
		<b>6,108,142.65</b>			<b>7,199,561.11</b>	<b>1,091,418.46</b>
<b>Hong Kong</b>						
AIA GROUP LTD NPV	243,200	2,046,711.02	8.42	7.44	1,810,233.35	(236,477.67)
CHOW TAI FOOK JEWELRY HKD1	1,810,200	2,583,450.19	1.43	1.33	2,403,383.19	(180,067.00)
		<b>4,630,161.21</b>			<b>4,213,616.54</b>	<b>(416,544.67)</b>
<b>Singapore</b>						
DBS GROUP HLDGS NPV	94,300	1,597,489.29	16.94	17.89	1,686,656.51	89,167.22
UTD O/S BANK NPV	331,600	4,707,688.70	14.20	14.73	4,885,011.35	177,322.65
		<b>6,305,177.99</b>			<b>6,571,667.86</b>	<b>266,489.87</b>
<b>TOTAL ASIA PACIFIC (Ex Japan)</b>		<b>17,043,481.85</b>			<b>17,984,845.51</b>	<b>941,363.66</b>
<b>North America</b>						
<b>Canada</b>						
BK OF NOVA SCOTIA COM NPV	46,842	2,088,500.18	44.59	52.34	2,451,788.87	363,288.69
CANADIAN IMP BANK COM NPV	7,313	607,790.13	83.11	86.18	630,263.85	22,473.72
CANFOR CORP COM NPV	89,613	1,391,013.46	15.52	18.74	1,679,254.75	288,241.29
CI FINANCIAL CORP COMSTK	97,688	1,724,344.03	17.65	15.45	1,509,679.36	(214,664.67)
EQUITABLE GP INC COM NPV	18,434	581,860.37	31.56	40.28	742,478.50	160,618.13
GEORGE WESTON COM NPV	27,774	2,104,643.75	75.78	85.72	2,380,850.70	276,206.95
HOME CAPITAL GROUP COM	27,096	647,543.82	23.90	22.84	618,771.99	(28,771.83)
LOBLAWS COS LTD COM NPV	10,940	659,970.89	60.33	60.58	662,714.96	2,744.07
NATL BK OF CANADA COM NPV	81,278	3,345,852.35	41.17	56.37	4,581,548.20	1,235,695.85
ROYAL BK OF CANADA COM NPV	57,385	3,612,164.08	62.95	78.47	4,502,925.17	890,761.09
TFI INTERNATIONAL COM NPV	32,963	1,001,484.14	30.38	82.92	2,733,375.82	1,731,891.68
		<b>17,765,167.20</b>			<b>22,493,652.17</b>	<b>4,728,484.97</b>
<b>United States</b>						
ABBVIE INC COM USD0.01	81,461	4,898,809.15	60.14	99.97	8,143,392.95	3,244,583.80
ADOBE SYS INC COM	11,882	4,165,262.73	350.55	418.66	4,974,570.06	809,307.33
AGILENT TECHNOLOGIES INC COM	48,587	4,337,978.66	89.28	117.87	5,726,984.37	1,389,005.71
AIRBNB INC CL A COM USD0.0001 CL A	13,057	1,088,538.90	83.37	122.92	1,604,976.02	516,437.12
ALLSCRIPTS HEALTHCARE SOLUTIONS INC	148,360	1,860,254.56	12.54	13.62	2,020,924.95	160,670.39
ALPHABET INC CAP STK USD0.001 CL C	10,224	6,426,550.35	628.57	2,136.36	21,842,121.88	15,415,571.53
ALPHABET INC CAPITAL STOCK USD0.001 CL A	6,658	6,700,001.07	1,006.31	2,138.90	14,240,829.04	7,540,827.97
AMAZON COM INC COM	6,771	8,489,494.73	1,253.80	2,461.77	16,668,621.56	8,179,126.83
AMERICAN EXPRESS CO	106,555	8,255,223.11	77.47	120.79	12,870,461.60	4,615,238.49
AMGEN INC COM	7,377	959,643.53	130.09	166.10	1,225,297.03	265,653.50
ANTHEM INC COM	11,944	3,262,737.54	273.17	342.23	4,087,652.81	824,915.27
AON PLC	68,600	2,697,520.49	39.32	221.91	15,222,721.01	12,525,200.52
APPLE INC COM STK	207,687	5,957,781.27	28.69	131.10	27,228,009.80	21,270,228.53
ARROW ELECTR INC COM	44,170	1,472,803.50	33.34	99.13	4,378,681.72	2,905,878.22
AVAYA HLDGS CORP COM	63,762	1,381,826.69	21.67	14.62	932,103.44	(449,723.25)
BANK NEW YORK MELLON CORP COM STK	358,000	9,034,422.22	25.24	42.88	15,351,351.81	6,316,929.59
BANK OF AMERICA CORP	234,640	3,700,803.61	15.77	32.85	7,707,285.49	4,006,481.88
BATH & BODY WORKS INC COM USD0.5 WI	22,579	1,021,258.87	45.23	51.53	1,163,415.63	142,156.76
BECTON DICKINSON & CO COM	69,402	12,658,948.10	182.40	185.67	12,885,830.91	226,882.81
BERRY GLOBAL GROUP INC COM USD0.01	57,140	2,376,929.44	41.60	54.47	3,112,546.71	735,617.27
BIOMERIE INC COMMON STOCK	14,757	3,265,973.09	221.32	177.13	2,613,975.55	(651,997.54)
BLOCK H & R INC COM	37,033	642,386.80	17.35	17.39	644,171.00	1,784.20
BOOKING HLDGS INC COM	2,069	3,150,862.64	1,522.89	1,771.37	3,664,961.06	514,098.42
BOX INC CL A CL A	44,987	886,293.12	19.70	19.34	869,880.35	(16,412.77)
BRISTOL MYERS SQUIBB CO COM	140,389	6,537,929.57	46.57	46.03	6,462,588.88	(75,340.69)
CAPITAL ONE FINL CORP COM	28,181	1,852,885.24	65.75	107.12	3,018,775.88	1,165,890.64
CDW CORP COM	17,602	2,500,523.20	142.06	151.19	2,661,255.34	160,732.14
CHARTER COMMUNICATIONS INC NEW CL A CL A	9,754	3,975,469.30	407.57	481.35	4,695,127.11	719,657.81
CHARTER COMMUNICATIONS INC NEW CL A CL A	25,102	5,971,116.29	237.87	481.35	12,082,948.60	6,111,832.31
CIGNA CORP NEW COM	2,754	456,417.37	165.73	169.54	466,906.10	10,488.73
CITIGROUP INC COM NEW COM NEW	82,007	3,330,110.40	40.61	44.59	3,656,393.64	326,283.24
CITIZENS FINL GROUP INC COM	87,145	2,130,518.12	24.45	34.89	3,040,053.86	909,535.74
COMMVAULT SYS INC COM STK	48,503	2,684,214.86	55.34	50.88	2,468,032.42	(216,182.44)
CONOCOPHILLIPS COM	35,222	1,062,907.00	30.18	53.29	1,877,015.59	814,108.59
CSX CORP COM STK	129,692	2,503,304.95	19.30	27.76	3,600,294.47	1,096,989.52

## STAFFORDSHIRE PENSION FUND

## PORTFOLIO VALUATION

<u>Funds - JP Morgan Asset Management, Longview Partners (Global Equity)</u>	<u>Currency - Sterling</u>			<u>Report Date -</u>	<u>31-12-2021</u>	
<u> Holding</u>	<u> Cost</u>	<u> Average</u>	<u> Market</u>	<u> Market</u>	<u> Unrealised</u>	
	<u> £</u>	<u> Cost</u>	<u> Price</u>	<u> Value</u>	<u> Gain/Loss</u>	
		<u> £</u>	<u> £</u>	<u> £</u>	<u> £</u>	
DARDEN RESTAURANTS INC COM	28,092	2,847,345.05	101.36	111.22	3,124,352.00	277,006.95
DEERE & CO COM	16,517	4,130,929.48	250.10	253.16	4,181,412.17	50,482.69
DELL TECHNOLOGIES INC COM USD0.01 CL C WI COMMON STOCK	33,630	1,081,955.35	32.17	41.47	1,394,659.80	312,704.45
DIGITALBRIDGE GROUP INC COM USD0.01 CL A	186,742	912,755.32	4.89	6.15	1,148,481.48	235,726.16
DROPBOX INC CL A CL A	133,211	3,113,380.85	23.37	18.12	2,413,524.09	(699,856.76)
EATON CORP PLC COM USD0.50	40,374	3,417,022.41	84.63	127.59	5,151,488.92	1,734,466.51
EBAY INC COM USD0.001	63,877	1,631,086.08	25.53	49.10	3,136,195.64	1,505,109.56
ELI LILLY & CO COM	36,067	5,361,215.69	148.65	203.94	7,355,329.47	1,994,113.78
EOG RESOURCES INC COM	63,791	2,440,594.23	38.26	65.58	4,183,656.92	1,743,062.69
EXXON MOBIL CORP COM	70,404	3,002,022.20	42.64	45.18	3,180,641.92	178,619.72
FIDELITY NATL INFORMATION SVCS INC COM STK	109,300	3,970,871.96	36.33	80.59	8,808,072.74	4,837,200.78
FISERV INC COM	145,110	9,766,750.66	67.31	76.63	11,119,617.40	1,352,866.74
FLUENCE ENERGY INC CL A CL A	128,968	2,633,343.35	20.42	26.25	3,385,951.30	752,607.95
FREEMPORT-MCMORAN INC	87,961	2,305,425.17	26.21	30.81	2,710,038.95	404,613.78
FRONTDOOR INC COM	39,527	754,343.45	19.08	27.06	1,069,559.19	315,215.74
FTI CONSULTING INC COM	44,926	4,396,649.53	97.86	113.27	5,088,815.69	692,166.16
GARTNER INC COM	2,736	666,553.22	243.62	246.83	675,329.07	8,775.85
GEN MTRS CO COM	41,653	1,775,620.52	42.63	43.29	1,803,030.91	27,410.39
GOLDMAN SACHS GROUP INC COM	15,606	2,738,436.56	175.47	282.44	4,407,748.43	1,669,311.87
GRAINGER W W INC COM	42,425	7,682,148.50	181.08	382.62	16,232,662.98	8,550,514.48
HASHICORP INC COM USD0.000015 CL A	4,479	271,115.63	60.53	67.22	301,058.09	29,942.46
HCA HEALTHCARE INC COM	75,350	2,773,764.65	36.81	189.69	14,292,827.77	11,519,063.12
HENRY SCHEIN INC COMMON STOCK	223,809	9,194,590.48	41.08	57.24	12,811,038.05	3,616,447.57
INFOSYS LIMITED ADR	321,556	2,333,349.25	7.26	18.69	6,008,772.39	3,675,423.14
IQVIA HLDGS INC COM USD0.01	83,541	7,123,053.04	85.26	208.31	17,402,086.46	10,279,033.42
IRONWOOD PHARMACEUTICALS INC COM CL A	287,358	2,844,551.80	9.90	8.61	2,473,767.24	(370,784.56)
JOHNSON CTLS INTL PLC COM USD0.01	17,895	941,890.19	52.63	60.03	1,074,268.04	132,377.85
L3HARRIS TECHNOLOGIES INC COM	83,578	11,503,795.99	137.64	157.44	13,158,235.01	1,654,439.02
LAB CORP AMER HLDGS COM NEW	18,975	3,558,597.98	187.54	231.98	4,401,885.86	843,287.88
LAM RESH CORP COM	12,920	1,851,551.51	143.31	530.95	6,859,919.02	5,008,367.51
LIVANOVA PLC ORD GBP1.00 (DI)	11,010	625,389.47	56.80	64.55	710,697.50	85,308.03
MANPOWERGROUP INC	14,010	1,171,542.81	83.62	71.86	1,006,750.49	(164,792.32)
MARSH & MCLENNAN CO'S INC COM	111,320	11,325,849.31	101.74	128.33	14,285,976.57	2,960,127.26
MASTERCARD INC CL A	20,571	3,819,717.52	185.68	265.29	5,457,249.20	1,637,531.68
MCKESSON CORP	33,222	3,343,377.08	100.64	183.52	6,096,933.76	2,753,556.68
MEDTRONIC PLC COMMON STOCK STOCK	29,438	2,605,239.70	88.50	76.38	2,248,411.44	(356,828.26)
MEDTRONIC PLC COMMON STOCK STOCK	126,930	8,150,793.68	64.21	76.38	9,694,641.76	1,543,848.08
META PLATFORMS INC	30,677	3,674,124.09	119.77	248.33	7,618,005.97	3,943,881.88
MICROSOFT CORP COM	113,228	8,627,184.70	76.19	248.31	28,115,351.73	19,488,167.03
MORGAN STANLEY COM STK USD0.01	81,392	2,595,800.75	31.89	72.47	5,898,658.59	3,302,857.84
NEXTERA ENERGY INC COM	20,331	1,317,966.25	64.82	68.93	1,401,382.13	83,475.88
NORTONLIFE LOCK INC	150,208	2,934,876.71	19.54	19.18	2,881,172.10	(53,704.61)
NVIDIA CORP COM	43,536	5,246,784.87	120.52	217.14	9,453,558.28	4,206,773.41
NXP SEMICONDUCTORS N V COM STK	16,815	2,310,262.13	137.39	168.17	2,827,804.95	517,542.82
OLD DOMINION FREIGHT LINE INC COM	12,064	1,763,522.31	146.18	264.59	3,192,067.63	1,428,545.32
ORACLE CORP COM	64,197	3,540,247.37	55.15	64.39	4,133,500.65	593,253.28
ORACLE CORP COM	200,800	5,029,494.21	25.05	64.39	12,929,061.03	7,899,566.82
PALO ALTO NETWORKS INC COM USD0.0001	16,966	4,339,440.85	255.77	411.06	6,974,040.73	2,634,599.88
PENSKE AUTOMOTIVE GROUP INC COM STK	23,758	1,758,184.05	74.00	79.16	1,880,713.63	122,529.58
PERFICIENT INC COM STK	8,429	609,872.47	72.35	95.46	804,596.20	194,723.73
PFIZER INC COM	92,796	4,079,489.94	43.96	43.60	4,045,629.88	(33,860.06)
PRESTIGE CONSUMER HEALTHCARE INC COM	39,316	1,575,857.14	40.08	44.78	1,760,504.43	184,647.29
PROCTER & GAMBLE COM NPV	53,911	4,987,075.13	92.51	120.77	6,510,953.32	1,523,878.19
PROGRESS SOFTWARE CORP COM	19,217	627,505.49	32.65	35.64	684,856.97	57,351.48
PROLOGIS INC COM	29,562	2,803,935.73	94.85	124.30	3,674,597.03	870,661.30
PULTE GROUP INC	109,123	2,501,218.73	22.92	42.20	4,605,168.31	2,103,949.58
QORVO INC COM	14,482	1,370,566.00	94.64	115.46	1,672,147.23	301,581.23
QUALCOMM INC COM	7,080	990,872.01	139.95	135.01	955,900.55	(34,971.46)
REGENERON PHARMACEUTICALS INC COM	1,280	633,208.46	494.69	466.26	596,807.22	(36,401.24)
SCIENCE APPLICATIONS INTL CORP NEW COM USD0.0001	22,016	1,511,029.04	68.63	61.72	1,358,719.26	(152,309.78)
SLM CORP COM	170,957	2,482,996.76	14.52	14.52	2,482,722.83	(273.93)
SS&C TECHNOLOGIES HLDGS INC COM	41,565	1,967,302.91	47.33	60.53	2,515,780.17	548,477.26
STATE STR CORP COM	213,884	12,198,456.92	57.03	68.66	14,685,821.21	2,487,364.29
STEEL DYNAMICS INC COM	49,978	2,368,134.13	47.38	45.83	2,290,327.61	(77,806.52)
SYNCHRONY FINL COM	93,757	2,334,279.39	24.90	34.25	3,211,183.07	876,903.68
SYNEOS HEALTH INC COM	17,833	1,250,322.96	70.11	75.81	1,351,908.38	101,585.42
SYSCO CORP COM	209,430	10,510,634.84	50.19	57.99	12,145,686.65	1,635,051.81
TARGA RES CORP COM	81,894	1,653,973.77	20.20	38.57	3,158,582.63	1,504,608.86
TARGET CORP COM STK	11,277	913,967.99	81.05	170.87	1,926,943.55	1,012,975.56
TENET HEALTHCARE CORP COM NEW	39,850	777,794.89	19.52	60.31	2,403,445.13	1,625,650.24
TESLA INC COM USD0.001	8,781	4,015,978.63	457.35	780.23	6,851,182.76	2,835,204.13
TJX COS INC COM NEW	228,380	9,813,143.18	42.97	56.05	12,801,216.97	2,988,073.79
T-MOBILE US INC COM	56,158	5,245,957.91	93.41	85.63	4,808,744.77	(437,213.14)
TRANE TECHNOLOGIES PLC COM USD1	21,218	2,864,457.11	135.00	149.16	3,164,880.37	300,423.26
TRI POINTE HOMES INC	119,822	1,781,280.47	14.87	20.59	2,467,300.63	686,020.16
UNITED RENTALS INC COM	18,387	1,933,233.13	105.14	245.33	4,510,920.14	2,577,687.01
UNITED STS STL CORP NEW COM	37,380	634,440.37	16.97	17.58	657,106.38	22,666.01
UNITED THERAPEUTICS CORP DEL COM STK	18,508	2,319,972.77	125.35	159.53	2,952,643.76	632,670.99
UNITEDHEALTH GROUP INC COM	15,554	3,709,795.65	238.51	370.73	5,766,388.56	2,056,592.91
UNITEDHEALTH GROUP INC COM	44,216	2,265,448.95	51.24	370.73	16,392,351.58	14,126,902.63
US FOODS HLDG CORP COM	226,100	5,469,905.13	24.19	25.72	5,814,214.20	344,309.07
VICTORIAS SECRET & CO COM	32,930	1,428,046.91	43.37	41.01	1,350,313.46	(77,733.45)
VISA INC COM CL A STK	37,673	4,079,883.99	108.30	160.00	6,027,623.93	1,947,739.94
VMWARE INC CL A COM CL A COM	14,818	1,129,550.43	76.23	85.56	1,267,754.23	138,203.80
VOYA FINL INC COM	34,914	1,426,185.05	40.85	48.96	1,709,289.50	283,104.45
ZIMMER BIOMET HLDGS INC COM	56,640	5,689,819.92	100.46	93.79	5,312,521.74	(377,298.18)
		<b>424,857,742.73</b>			<b>684,067,298.39</b>	<b>259,209,555.66</b>
<b>TOTAL NORTH AMERICA</b>		<b>442,622,909.93</b>			<b>706,560,950.56</b>	<b>263,938,040.63</b>

## STAFFORDSHIRE PENSION FUND

## PORTFOLIO VALUATION

Funds - JP Morgan Asset Management, Longview Partners (Global Equity)		Currency - Sterling			Report Date -	31-12-2021
Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £	
<b>EMERGING MARKETS</b>						
<b>China</b>						
ENN ENERGY COMSTK	84,900	971,984.05	11.45	13.90	1,180,272.23	208,288.18
KUNLUN ENERGY CO COMSTK	3,610,000	2,380,810.73	0.66	0.69	2,499,038.94	118,228.21
LENOVO GROUP LIMITED HKD0.025	1,226,000	1,237,255.14	1.01	0.85	1,040,272.04	(196,983.10)
PICC PROPERTY & CA 'H'CN1	902,000	624,554.18	0.69	0.60	544,119.66	(80,434.52)
TENCENT HLDGS LIMITED COMMON STOCK	99,600	1,747,901.16	17.55	43.26	4,308,577.19	2,560,676.03
TINGYI(CAYMAN ISL) USD 0.005	2,600,000	3,809,235.34	1.47	1.52	3,944,430.46	135,195.12
WANT WANT CHINA HO USD0.02	958,000	642,910.42	0.67	0.68	649,571.52	6,661.10
		<b>11,414,651.02</b>			<b>14,166,282.04</b>	<b>2,751,631.02</b>
<b>India</b>						
ADR HDFC BK LTD ADR REPSTG 3 SHS	60,778	996,924.19	16.40	48.04	2,919,874.61	1,922,950.42
ADR WIPRO LTD SPONSORED ADR REPSTG 1 SH SPONSORED ADR	88,927	618,864.91	6.96	7.21	640,796.97	21,932.06
		<b>1,615,789.10</b>			<b>3,560,671.58</b>	<b>1,944,882.48</b>
<b>Indonesia</b>						
BK CENTRAL ASIA IDR12.50	6,746,000	<b>2,619,698.87</b>	0.39	0.38	<b>2,551,027.46</b>	<b>(68,671.41)</b>
<b>Korea, Republic Of</b>						
SAMSUNG ELECTRONIC KRW100	61,123	2,286,931.30	37.42	48.63	2,972,438.52	685,507.22
SAMSUNG ENGINEER KRW5000	82,152	1,223,205.04	14.89	14.22	1,168,422.95	(54,782.09)
		<b>3,510,136.34</b>			<b>4,140,861.47</b>	<b>630,725.13</b>
<b>Mexico</b>						
WAL-MART DE MEX COM NPV	964,012	<b>2,578,229.43</b>	2.67	2.75	<b>2,646,276.75</b>	<b>68,047.32</b>
<b>Russian Federation</b>						
ADR PJSC LUKOIL SPONSORED ADR	28,488	<b>1,374,716.92</b>	48.26	66.30	<b>1,888,753.52</b>	<b>514,036.60</b>
<b>South Africa</b>						
SIBANYE STILLWATER NPV	409,270	<b>808,754.36</b>	1.98	2.27	<b>929,598.69</b>	<b>120,844.33</b>
<b>Taiwan</b>						
LITE-ON TECHNOLOGY TWD10	1,951,000	2,512,642.74	1.29	1.70	3,321,642.31	808,999.57
REALTEK SEMICOND TWD10	345,000	2,069,849.03	6.00	15.48	5,339,763.28	3,269,914.25
TAIWAN SEMICON MAN TWD10	309,000	3,219,287.82	10.42	16.41	5,071,173.99	1,851,886.17
		<b>7,801,779.59</b>			<b>13,732,579.58</b>	<b>5,930,799.99</b>
<b>Thailand</b>						
SIAM COMMERCIAL BK THB10 (NVDR)	1,487,100	<b>3,883,203.30</b>	2.61	2.81	<b>4,174,163.01</b>	<b>290,959.71</b>
<b>TOTAL EMERGING MARKETS</b>		<b>35,606,958.93</b>			<b>47,790,214.10</b>	<b>12,183,255.17</b>
<b>UNITED KINGDOM</b>						
ALLFUNDS GROUP EUR0.0025	80,094	799,804.76	9.99	14.52	1,163,106.63	363,301.87
ANGLO AMERICAN USD0.54945	75,642	1,530,943.35	20.24	30.16	2,281,362.72	750,419.37
ASTRAZENECA ORD USD0.25	66,513	5,487,241.93	82.50	86.78	5,771,998.14	284,756.21
BP ORD USD0.25	1,311,489	3,327,128.89	2.54	3.31	4,334,471.15	1,007,342.26
COMPASS GROUP ORD GBP0.1105	769,850	8,768,510.91	11.39	16.51	12,710,223.50	3,941,712.59
DIAGEO ORD PLC	85,232	3,344,961.02	39.25	40.36	3,439,963.52	95,002.50
DIAGEO ORD PLC	93,381	2,819,737.64	30.20	40.36	3,768,857.16	949,119.52
LEGAL & GENERAL GP ORD GBP0.025	810,179	2,196,468.41	2.71	2.98	2,410,282.53	213,814.12
NATWEST GROUP PLC ORD GBP1	1,351,860	2,172,067.15	1.61	2.26	3,051,148.02	879,080.87
SHELL PLC	272,276	3,295,221.51	12.10	16.22	4,417,405.82	1,122,184.31
WHITBREAD ORD GBP0.76797385	173,664	5,162,916.87	29.73	29.95	5,201,236.80	38,319.93
		<b>38,905,002.44</b>			<b>48,550,055.99</b>	<b>9,645,053.55</b>
<b>Total Investments</b>		699,622,284.04			1,006,123,769.27	306,501,485.23
<b>Cash Balance</b>		14,215,734.20			14,215,734.20	
<b>Total Value of Portfolio</b>		<b>713,838,018.24</b>			<b>1,020,339,503.47</b>	

**STAFFORDSHIRE PENSION FUND**

**PORTFOLIO VALUATION**

**Fund - PRIVATE EQUITY INVESTMENTS**

**Currency - Sterling**

**Report Date -**

**31-12-21**

	<u>Date of Inception</u>	<u>Estimated Total Approved Investment</u> £	<u>Cumulative Investments @ 30 Sep 2021</u> £	<u>Quarters Transactions</u> £	<u>Cumulative Distributions @ 30 Sep 2021</u> £	<u>Quarters Transactions</u> £	<u>Market Value @ 30 Sep 2021 *</u> £
LAZARD US TECHNOLOGY PARTNERS 2nd Fund	Jan-01	6,214,640	6,216,640.24	0.00	5,559,412.40	0.00	1,477,659.14
KNIGHTSBRIDGE Post Venture IV	Mar-01	6,462,852	6,462,851.80	0.00	5,372,562.28	0.00	0.00
CAPITAL DYNAMICS UK HIGH TECHNOLOGY FUND	May-01	4,000,000	4,007,302.74	0.00	2,293,409.28	0.00	0.00
HARBOURVEST European Buyout Fund (HIPEP IV)	Jan-02	6,811,851	6,973,790.92	0.00	12,921,475.29	0.00	0.00
HARBOURVEST VII US Buyout Fund	Apr-03	5,260,384	5,299,569.55	0.00	10,218,206.56	122,188.33	25,431.08
KNIGHTSBRIDGE Venture Capital VI Series VXM	Feb-05	6,291,696	6,377,366.59	0.00	11,876,900.21	740,124.40	2,928,256.32
HARBOURVEST Asia Pacific Fund (HIPEP V)	Mar-06	5,056,257	5,466,435.93	0.00	8,514,791.74	299,300.53	598,396.47
HARBOURVEST 2007 Direct Fund	Sep-07	4,900,000	5,890,514.49	0.00	11,115,015.59	0.00	366,493.81
HARBOURVEST 2007 European Buyout Companion (HIPEP V)	Oct-07	5,000,000	5,890,762.76	0.00	9,265,508.70	65,576.25	91,106.96
HARBOURVEST VIII Cayman Venture Fund	Sep-07	2,450,000	2,946,946.59	0.00	5,801,778.25	203,272.24	2,114,963.16
HARBOURVEST VIII Cayman Buyout Fund	Sep-07	24,500,000	29,442,158.83	0.00	53,539,120.03	733,007.09	6,474,213.45
HARBOURVEST VIII US Mezzanine & Distressed Debt Fund	Sep-07	2,450,000	2,933,800.44	0.00	4,124,704.37	53,150.01	300,181.66
KNIGHTSBRIDGE Venture Capital VII LP Series VC	Apr-08	5,000,000	5,234,642.34	0.00	10,982,551.28	670,391.01	10,483,899.51
DOVER STREET VII Cayman Fund	May-08	10,000,000	11,727,495.90	0.00	17,242,273.12	156,386.79	946,160.72
PARTNERS Group Secondary 2008 LP	Nov-08	12,165,000	11,602,530.76	0.00	17,769,069.07	0.00	1,203,175.49
HARBOURVEST Cayman Partnership Fund (HIPEP VI)	Jun-08	29,687,775	29,168,600.70	0.00	36,518,400.60	3,780,037.96	31,329,384.01
KNIGHTSBRIDGE Venture Capital VIII	Feb-12	4,500,000	4,421,106.97	0.00	2,975,181.69	793,037.80	15,556,828.63
HARBOURVEST IX Cayman Venture Fund	Apr-13	6,150,000	5,876,782.26	0.00	10,019,972.89	1,249,594.29	13,901,898.04
HARBOURVEST IX Cayman Buyout Fund	Apr-13	12,300,000	10,925,857.52	0.00	13,247,437.26	870,707.04	12,894,541.79
HARBOURVEST IX Cayman Opportunities Fund	Apr-13	2,050,000	1,712,446.03	0.00	1,549,416.13	0.00	1,431,941.79
DOVER STREET VIII Cayman Fund	Apr-13	7,800,000	7,204,944.03	0.00	11,175,166.00	972,661.87	2,327,545.17
HARBOURVEST VII AIF Partnership	Jun-14	23,500,000	25,190,145.07	288,485.81	15,810,441.10	3,083,940.71	39,058,217.22
HARBOURVEST X AIF Buyout	Jun-15	25,400,000	17,663,820.85	431,359.85	6,987,277.03	629,070.76	24,815,209.73
HARBOURVEST X AIF Venture	Jun-15	12,700,000	11,292,221.52	143,786.62	4,475,808.45	1,121,578.77	32,348,521.92
CAPITAL DYNAMICS LGPS Collective Private Equity 15/16	Feb-15	5,000,000	4,185,000.00	0.00	1,175,000.00	250,000.00	4,915,149.00
PARTNERS Group Global Growth 2014 LP	Mar-14	10,000,000	9,303,211.59	0.00	3,398,038.69	2,110,438.23	18,681,749.74
PARTNERS Group Direct Equity 2016 (EUR) LP	Jul-15	10,000,000	10,562,730.51	0.00	7,021,290.52	5,830,378.02	14,124,158.37
CAPITAL DYNAMICS LGPS Collective Private Equity 16/17	May-16	5,000,000	3,825,000.00	250,000.00	855,000.00	100,000.00	4,093,817.00
HARBOURVEST Dover Street IX AIF L.P.	Dec-16	8,333,333	6,338,665.34	143,848.66	4,553,271.66	606,638.97	6,555,459.41
KNIGHTSBRIDGE KVC IX Cayman LP	Jan-17	8,333,333	5,185,080.65	356,779.14	158,496.72	0.00	10,074,658.65
HARBOURVEST HIPEP VIII Partnership AIF Fund	Mar-17	28,333,333	11,938,888.10	1,474,680.92	1,790,300.54	0.00	18,492,325.66
CAPITAL DYNAMICS LGPS Collective PE Vehicle 17/18	Apr-17	10,000,000	7,100,000.00	0.00	200,000.00	0.00	8,313,796.00
HARBOURVEST Partners XI AIF LP	Apr-18	33,333,333	13,810,419.63	3,153,645.24	2,204,106.46	1,354,793.84	21,231,944.05
CAPITAL DYNAMICS LGPS Collective PE Vehicle 18/19	Oct-18	10,000,000	3,700,000.00	600,000.00	0.00	0.00	4,313,617.00
LGPS CENTRAL PE Primary Partnership 2018 LP	Mar-19	10,000,000	4,356,845.47	709,491.21	435,139.28	166,663.33	5,766,694.00
HARBOURVEST 2020 Global Feeder AIF	Sep-20	32,083,333	8,323,416.25	3,627,803.72	282,059.92	0.00	11,159,255.96
PARTNERS Group Direct Equity 2019 Fund	Oct-20	10,183,280	3,261,965.53	0.00	108,232.11	0.00	3,540,233.58
KNIGHTSBRIDGE Venture KVC X	Apr-21	8,333,333	216,864.84	216,864.84	0.00	0.00	409,622.07
<b>TOTAL PRIVATE EQUITY</b>		<b>419,583,734</b>	<b>322,036,822.74</b>	<b>11,396,746.01</b>	<b>311,536,815.22</b>	<b>25,962,938.24</b>	<b>332,346,506.56</b>

\* latest available valuation

**STAFFORDSHIRE PENSION FUND**

**PORTFOLIO VALUATION**

**Fund - PRIVATE DEBT INVESTMENTS**

**Currency - Sterling**

**Report Date -**

**31-12-21**

	<u>Estimated Total Approved Investment</u> £	<u>Cumulative Investments @ 30 Sep 2021</u> £	<u>Quarters Transactions</u> £	<u>Cumulative Distributions @ 30 Sep 2021</u> £	<u>Quarters Transactions</u> £	<u>Market Value @ 30 Sep 2021 *</u> £
BARINGS European Private Loan Fund III	45,000,000	13,500,000.00	13,500,000.00	0.00	0.00	<b>13,695,030.00</b>
CLAREANT European Direct Lending Fund II	80,000,000	83,639,448.99	0.00	40,707,751.43	2,402,706.47	<b>42,121,535.00</b>
CLAREANT European Direct Lending Fund III	60,000,000	53,571,838.85	0.00	5,130,345.91	0.00	<b>46,495,082.29</b>
HAYFIN Direct Lending Fund II	80,000,000	83,761,115.05	0.00	39,521,880.57	4,042,946.62	<b>45,948,030.44</b>
HAYFIN Direct Lending Fund III	75,000,000	66,275,165.60	0.00	9,428,587.25	0.00	<b>60,211,086.91</b>
HIGHBRIDGE Private Lending Opportunities Fund	47,111,688	50,627,319.68	0.00	17,141,684.32	1,849,726.26	<b>35,167,326.71</b>
HIGHBRIDGE Specialty Loan Fund II	32,615,784	28,244,739.86	0.00	5,311,950.89	1,463,911.05	<b>21,883,453.57</b>
HIGHBRIDGE Specialty Loan Fund V	80,932,341	46,921,307.12	15,163,318.62	0.00	0.00	<b>49,777,468.05</b>
<b>TOTAL PRIVATE DEBT</b>	<b>500,659,812</b>	<b>426,540,935.15</b>	<b>28,663,318.62</b>	<b>117,242,200.37</b>	<b>9,759,290.40</b>	<b>315,299,012.97</b>

\* latest available valuation

**STAFFORDSHIRE PENSION FUND**

**PORTFOLIO VALUATION**

Currency - Sterling Report Date - 31-12-2021

<u> Holding </u>	<u> Cost </u> £	<u> Average </u> <u> Cost </u> £	<u> Market </u> <u> Price </u> £	<u> Market </u> <u> Value </u> £	<u> Unrealised </u> <u> Gain/Loss </u> £
<b>Fund - Legal &amp; General Investment Management (Passive Global Equity)</b>					
<b><u>UK - PASSIVE</u></b>					
LEGAL & GENERAL N UK EQUITY INDEX	26,747,100	<u>275,332,531.82</u>	10.29	15.43	<u>412,812,073.02</u> <u>137,479,541.20</u>
<b><u>GLOBAL - PASSIVE</u></b>					
LEGAL & GENERAL GPBE ALL WORLD EQUITY INDEX	671,326,844	<u>1,244,592,042.07</u>	1.85	2.78	<u>1,865,932,823.18</u> <u>621,340,781.11</u>
<b><u>TOTAL PASSIVE GLOBAL EQUITY</u></b>		<b><u>1,519,924,573.89</u></b>			<b><u>2,278,744,896.20</u></b> <b><u>758,820,322.31</u></b>
<b>Fund - Legal &amp; General Investment Management (Passive UK Index Linked Bonds)</b>					
LEGAL & GENERAL AP OVER 5 YR INDEX-LINKED	45,757,633	257,768,964.69	5.63	9.98	456,812,178.43    199,043,213.74
<b><u>TOTAL PASSIVE UK INDEX LINKED BONDS</u></b>		<b><u>257,768,964.69</u></b>			<b><u>456,812,178.43</u></b> <b><u>199,043,213.74</u></b>
<b>Fund - LGPS Central (Active Global Equity Pooled)</b>					
LGPS CENTRAL GLOBAL EQ ACTIVE MULTI MANAGER FD	5,054,584.12	505,457,404.37	100.00	154.51	780,983,792.39    275,526,388.02
<b><u>TOTAL ACTIVE POOLED GLOBAL EQUITIES</u></b>		<b><u>505,457,404.37</u></b>			<b><u>780,983,792.39</u></b> <b><u>275,526,388.02</u></b>
<b>Fund - LGPS Central (Factor Based Equities)</b>					
LGPS CENTRAL GLOBAL MULTI FACTOR EQUITY INDEX FUND	2,139,307.31	218,608,485.74	102.19	116.64	249,528,804.64    30,920,318.90
<b><u>TOTAL FACTOR BASED EQUITIES</u></b>		<b><u>218,608,485.74</u></b>			<b><u>249,528,804.64</u></b> <b><u>30,920,318.90</u></b>
<b>Fund - LGPS Central (Active Global Corporate Bonds Pooled)</b>					
LGPS CENTRAL GLOBAL ACTIVE CORPORATE BOND MULTI MANAGER	4,201,205.15	420,120,515.93	100.00	102.68	431,379,744.81    11,259,228.88
<b><u>TOTAL ACTIVE POOLED CORPORATE BONDS</u></b>		<b><u>420,120,515.93</u></b>			<b><u>431,379,744.81</u></b> <b><u>11,259,228.88</u></b>
<b>Fund - Staffordshire Pension Fund (Funds of Hedge Funds)</b>					
GOLDMAN SACHS HFP II FUND (H1)	33,298	0.00	0.00	111.96	3,728,116.81    3,728,116.81
<b><u>TOTAL HEDGE FUNDS</u></b>		<b><u>0.00</u></b>			<b><u>3,728,116.81</u></b> <b><u>3,728,116.81</u></b>
<b>Fund - Staffordshire Pension Fund (Infrastructure)</b>					
IFM GLOBAL INFRASTRUCTURE FUND	n/a	0.00	n/a	n/a	0.00    0.00
BLACKROCK - GLOBAL RENEWABLE POWER INFRASTRUCTURE FUND	n/a	2,820,550.90	n/a	n/a	2,578,825.98    (241,724.92)
EQUITIX FUND VI LP	n/a	15,407,336.43			15,455,656.96    48,320.53
<b><u>TOTAL INFRASTRUCTURE</u></b>		<b><u>18,227,887.33</u></b>			<b><u>18,034,482.94</u></b> <b><u>(193,404.39)</u></b>

\* latest available valuation

**STAFFORDSHIRE PENSION FUND  
PROPERTY PORTFOLIO SUMMARY**

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2021	Value £ @ 31/12/2021	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
Dir	BARDON Interlink Park		Belron UK Ltd	FH	Industrial	18,293,947	30/10/2019	19,000,000	22,600,000	11 yrs	12/05/2030	894,739	894,739	-	13/05/2025	4.9	4.0
	BIRMINGHAM 80/87 New Street & 45/51 Pinfold Street	80 New 81/83 New 84 New 84b New 85 New 87 New 45/46 47 Pinfold 49 Pinfold 50 Pinfold 51 Pinfold Pt 3rd Pt 3rd Pt 3rd Pt 2nd Pt 2nd Pt 1st Pt 1st Pt 1st	Vacant (Under Offer) Vacant (Under Offer) Empire Property Midland Ltd (t/a Simply Local) Birmingham Inns Ltd Greggs Plc The Royal British Legion Fox and Chance Ltd Yunyou Li The Feel Good Group Ltd GBC1 Consulting Ltd Nine Three's Ltd (t/a Mail Boxes etc)		Retail Retail Retail Leisure Retail Retail Retail Retail Retail Retail Retail Office Office Office Office Office Office Office Office	- - - - - - - - - - - - - - - - - - - -	- - - - - - - - - - - - - - - - - - - -	- - - - - - - - - - - - - - - - - - - - -	- - 5 yrs 56 yrs 5 yrs 10 yrs 5 yrs 5 yrs 10 yrs 15 yrs 10 yrs - - - 10 yrs - - - - - -	- - 29/09/2026 23/06/2028 07/05/2020 29/09/2024 03/08/2026 15/09/2022 15/12/2025 25/07/2026 18/12/2024 - - - 29/04/2024 - - - - - -	51,000 116,000 65,000 25,000 60,000 77,500 40,000 12,000 25,000 25,000 18,000 16,150 0 11,745 35,800 0 12,925 0 -	0 0 50,000 25,000 60,000 77,500 36,000 12,000 25,000 20,000 18,000 0 0 0 37,700 0 0 0 0 -	- - - - - - - - - - - - - - - - - - - - -	- - 29/09/2026 24/06/2025 On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry	- - - - - - - - - - - - - - - - - - - - - -	- - - - - - - - - - - - - - - - - - - - - -	
	BIRMINGHAM 92/93 New Street & 37 Ethel Street	92/93 New 3 Ethel 5 Ethel 5a Ethel 5b Ethel 7 Ethel 9 Ethel 11 Ethel 13/17 Ethel	Lord 3 Ltd (t/a Fat Burgers) J Wang & J Ni (t/a Twist Café) Vacant for Redevelopment La Galleria Birmingham Ltd Vacant for Redevelopment Invicta Hydrogen System Ltd Cloudo Kids Ltd Autograph Ltd Autograph Ltd		Retail Retail Offices Restaurant Retail Retail Retail Retail Retail	- - - - - - - - -	- - - - - - - - -	- - - - - - - - -	3 yrs 8 yrs - 7.5 yrs - 0.5 yrs 8.25 yrs 3.75 yrs 5 yrs	21/12/2023 28/09/2021 - 28/09/2021 - 21/08/2021 28/09/2021 13/09/2019 13/09/2019	226,850 27,000 400 30,000 21,000 24,000 17,250 22,000 30,000	0 27,000 0 30,000 0 20,004 17,250 22,000 30,000	- - - - - - - - -	On Expiry On Expiry - On Expiry - On Expiry On Expiry On Expiry On Expiry	- - - - - - - - 0.6	- - - - - - - - 0.9	
	BIRMINGHAM Colonnade Buildings, 98/100 New Street & 2/12 Ethel Street	98 New 99 New 100 New 8 Ethel 8a Ethel 10 Ethel 12 Ethel	Wagamama Ltd Vacant Vacant Curzon Projects Ltd T-Lites Ltd (t/a Tablites) Harvey & Thompson Ltd Vacant (Under Offer) HSBC Bank Pension Trust Ltd Car Spaces		Retail Retail Retail Office Retail Retail Retail Retail Rent Charge Parking	- - - - - - - - - -	- - - - - - - - - -	- - - - - - - - - -	20 yrs - - 99 yrs 5 yrs 5 yrs - 99 yrs - -	30/09/2029 - - 11/03/2063 11/02/2022 24/12/2021 - 23/06/2058 24/03/2063	215,000 0 157,000 5 10,000 32,000 42,500 10,000 -	215,000 0 0 5 10,000 32,000 0 10,000 -	- - - - - - - - -	01/10/2024 - - On Expiry On Expiry On Expiry - On Expiry On Expiry	- - - - - - - - -	- - - - - - - - 3.4	- - - - - - - - 5.3
	BLETCHLEY Rushmere Retail Park, Watling Street	1 2	Wickes Building Supplies Ltd Halfords Ltd		Retail WH Retail WH	- 5,094,683	- 11/04/1996	- 7,500,000	- 7,800,000	25 yrs 25 yrs	25/03/2026 25/03/2021	259,500 104,500	429,000 174,240	- -	25/03/2021 -	- 11.8	- 7.7
	BRISTOL St Annes Road		Vacant	FH	Industrial	6,520,622	17/08/2015	5,525,000	5,525,000	-	-	424,874	0	-	-	0.0	0.0
	BROMSGROVE Bromsgrove Retail Park, Birmingham Road	1 2 3&4 5B 5A	T J Morris Ltd (t/a Home Bargains) Iceland Foods Ltd (t/a Food Warehouse) Lidl Great Britain Ltd Pure Gym Ltd Greggs Plc		Retail WH Retail WH Retail WH Leisure Retail WH	- - - - 13,774,835	- - - - 07/01/2021	- - - - 13,400,000	- - - - 15,600,000	15 yrs 10 yrs 25 yrs 15 yrs 10 yrs	21/08/2033 19/08/2028 18/06/2033 28/07/2029 03/03/2028	185,000 180,000 346,783 120,000 30,000	185,000 180,000 346,783 120,000 30,000	- - - - -	22/08/2023 22/08/2023 18/06/2023 29/07/2024 On Expiry	- - - - -	- - - - -
	BURY ST EDMUNDS 42/42a Buttermarket		McDonald's Real Estate LLP	FH	Retail	3,059,752	22/07/1994	1,650,000	1,650,000	35 yrs	24/12/2023	152,500	180,000	-	On Expiry	5.9	10.9



Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2021	Value £ @ 31/12/2021	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
	BURY ST EDMUNDS 45/47 Risbygate Street		B&Q Ltd	FH	Retail WH	5,666,760	12/06/2013	4,900,000	5,500,000	5 yrs	11/01/2024	491,763	438,955	-	On Expiry	7.7	8.0
	CAMBRIDGE Chieftain Way Orchard Park		Travelodge Hotels Ltd	FH	Hotel	11,386,246	15/10/2010	14,100,000	14,500,000	25 yrs	11/09/2036	0	937,462	-	12/09/2026	8.2	6.5
	CARDIFF 1/7 Queen Street	1 & 2	Santander UK Plc		Retail	-	-	-	-	23 yrs	24/04/2031	188,000	188,000	-	12/02/2023	-	-
		3	Anabatic Ltd (t/a Thirty Nine)		Retail	-	-	-	-	15 yrs	04/06/2022	85,000	55,000	-	05/06/2022	-	-
		3a	Pizza Hut (UK) Ltd		Retail	-	-	-	-	35 yrs	23/06/2021	60,000	60,000	-	On Expiry	-	-
		4	Vacant	FH	Retail	8,371,527	02/05/2014	4,150,000	4,150,000	-	-	318,000	0	-	-	3.6	7.3
	CHESTER-LE-STREET Drum Industrial Estate		Co-Operative Group Ltd	FH	Industrial	18,335,769	18/05/2016	21,800,000	23,800,000	15 yrs	15/03/2024	1,149,922	1,219,000	-	On Expiry	6.6	5.1
	CHICHESTER 30 East Street		Signet Trading Ltd (t/a Ernest Jones)	FH	Retail	2,422,179	29/01/1999	1,600,000	1,700,000	10 yrs	24/03/2020	120,000	186,250	-	On Expiry	7.7	11.0
	CHORLEY Unit 9, Revolution Park		G A Pet Food Partners Ltd	FH	Industrial	21,564,300	19/11/2018	22,000,000	25,200,000	12 yrs	30/09/2028	1,008,730	1,008,730	-	01/10/2021	4.7	4.0
	DOVER Bridge Street		Wm Morrison Supermarkets Plc	FH	Foodstore	18,059,355	31/03/2010	16,700,000	17,750,000	35 yrs	09/04/2044	912,604	750,000	-	29/04/2024	4.2	4.2
	EDINBURGH 11 Grosvenor Street		Dragonglass UK Holding Ltd (t/a Grosvenor Hotel)	FH	Hotel	18,598,181	28/07/2015	19,050,000	19,050,000	125 yrs	16/02/2094	802,500	840,038	-	17/02/2025	4.5	4.4
	GRANTHAM Dysart Road Retail Park Dysart Road																
		Chilbrook 1	Adlens Ltd		Office	-	-	-	-	10 yrs	21/12/2026	57,494	79,536	-	06/10/2021	-	-
		Chilbrook 2	Vacant		Office	-	-	-	-	-	-	40,573	0	-	-	-	-
		Chilbrook 3	Vacant		Office	-	-	-	-	-	-	24,589	0	-	-	-	-
		Chilbrook 4	Passion Radio (Oxford) Ltd		Office	-	-	-	-	10 yrs	14/01/2024	42,898	34,550	-	14/01/2024	-	-
		Chilbrook 5	Vacant		Office	-	-	-	-	-	-	89,508	0	-	-	-	-
		Chilbrook 6	International Mission to Jewish People		Office	-	-	-	-	5 yrs	08/07/2024	22,927	36,036	-	On Expiry	-	-
		Chilbrook 7	Vacant		Office	-	-	-	-	-	-	43,859	0	-	-	-	-
		Limbrook 1	Vacant		Office	-	-	-	-	-	-	23,554	0	-	-	-	-
		Limbrook 2	Vacant		Office	-	-	-	-	-	-	30,699	0	-	-	-	-
		Limbrook 3	Vacant		Office	-	-	-	-	-	-	27,411	0	-	-	-	-
		Limbrook 4	Vacant		Office	-	-	-	-	-	-	24,225	0	-	-	-	-
		Limbrook 5	Vacant		Office	-	-	-	-	-	-	58,998	0	-	-	-	-
		Limbrook 6	Vacant		Office	-	-	-	-	-	-	16,909	0	-	-	-	-
		Limbrook 7	Vacant		Office	-	-	-	-	-	-	20,424	0	-	-	-	-
		6	Vacant		Office	-	-	-	-	-	-	90,000	0	-	-	-	-
		7	Waterslade Ltd		Office	-	-	-	-	0.5 yrs	25/03/2021	33,770	43,565	-	On Expiry	-	-
		8	Usborne Publishing Ltd		Office	-	-	-	-	10 yrs	28/09/2023	33,770	39,288	-	29/09/2018	-	-
		9&10	Vacant		Office	-	-	-	-	-	-	57,500	0	-	-	-	-
		11	Philip Williams Trust		Office	-	-	-	-	999 yrs	23/06/2986	75	75	-	On Expiry	-	-
		12	Vacant		Office	-	-	-	-	-	-	44,000	0	-	-	-	-
		13	Adaptix Ltd		Office	-	-	-	-	2 yrs	08/07/2023		24,770	-	On Expiry	-	-
			Southern Electricity Plc		Substation	-	-	-	-	125 yrs	24/01/2116	1	1	-	On Expiry	-	-
			Passion Radio (Oxford) Ltd	FH	Car Spaces	14,419,594	14/10/1999	7,450,000	7,600,000	-	14/01/2024	0	2500	-	On Expiry	1.7	3.4
	GRANTHAM Dysart Road Retail Park Dysart Road	1	T J Morris Ltd (t/a Home Bargains)		Retail WH	-	-	-	-	10 yrs	19/01/2030	240,000	240,000	-	20/01/2025	-	-
		2	Matalan Retail Ltd		Retail WH	-	-	-	-	20 yrs	09/07/2026	330,000	330,000	-	10/07/2021	-	-
		3	NBC Apparel (t/a TK Maxx)		Retail WH	-	-	-	-	19 yrs	23/06/2025	200,000	200,000	-	On Expiry	-	-
		4	DSG Retail Ltd (t/a Currys PC World)	FH	Retail WH	14,817,455	01/03/2017	13,750,000	14,900,000	10 yrs	24/10/2029	212,829	187,500	-	25/10/2024	6.5	6.4
	HAYES Hayes Road		Lidl Great Britain Ltd	FH	Retail WH	16,434,693	07/01/2008	13,150,000	18,250,000	15 yrs	24/06/2036	779,000	730,000	-	25/06/2026	4.4	4.0
	LANCASTER Parliament Street Retail Park	1	Currys Group Ltd		Retail WH	-	-	-	-	25 yrs	28/09/2020	149,540	183,200	-	On Expiry	-	-
		2	Halfords Ltd		Retail WH	-	-	-	-	5 yrs	27/05/2026	74,930	97,305	-	On Expiry	-	-
		3	B&M Retail Ltd	FH	Retail WH	5,106,960	18/12/1995	3,900,000	4,600,000	5 yrs	02/11/2026	100,170	115,000	-	On Expiry	7.7	8.6
	LEEDS	A	Vacant		Retail WH	-	-	-	-	-	-	195,000	0	-	-	-	-

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2021	Value £ @ 31/12/2021	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
	Killingbeck Retail Park	B	B&M Retail Ltd		Retail WH	-	-	-	-	10 yrs	14/07/2023	195,700	200,000	-	On Expiry	-	-
	Killingbeck Drive	C	B&Q Ltd		Retail WH	-	-	-	-	10 yrs	27/07/2027	197,340	202,400	-	28/07/2022	-	-
	York Road	D	B&Q Ltd	FH	Retail WH	20,201,334	06/06/2008	12,650,000	13,200,000	10 yrs	27/07/2027	604,750	604,750	-	28/07/2022	5.0	7.6
	LEEDS	20	Cooper Bros Business Group Ltd (t/a Vintage Bros)		Retail	-	-	-	-	TaW	-	91,250	35,880	-	On Expiry	-	-
	20/26 King Edward Street	22	Airwair International Ltd (t/a Dr Martens)		Retail	-	-	-	-	10 yrs	22/07/2024	95,000	70,000	-	On Expiry	-	-
	& 49/51 Vicar Lane	24	VF Northern Europe Services Ltd (t/a Vans)		Retail	-	-	-	-	15 yrs	03/10/2023	105,000	75,000	-	On Expiry	-	-
		26	JD Sports Fashion Plc (t/a The Hip Store)		Retail	6,561,408	25/10/2012	3,550,000	3,350,000	20 yrs	24/03/2026	158,500	115,000	-	On Expiry	4.5	8.8
	LONDON EC2	B	Vacant		Store	-	-	-	-	-	-	3,210	0	-	On Expiry	-	-
	11 Old Jewry	B, LG, G	Goodman City Ltd		Restaurant	-	-	-	-	21.5 yrs	31/01/2032	162,500	162,500	-	-	-	-
		LG, G	Bank of China (UK) Ltd		Bank	-	-	-	-	20 yrs	31/01/2032	185,000	246,000	-	24/01/2022	-	-
		1st (E), B	Tom James International		Office	-	-	-	-	5 yrs	22/01/2026	196,000	129,160	-	On Expiry	-	-
		1st (W), B	Vacant		Office	-	-	-	-	-	-	121,974	0	-	-	-	-
		2nd (S)	John Graham Construction		Office	-	-	-	-	10 yrs	11/01/2024	227,469	227,469	-	11/01/2021	-	-
		2nd (N)	Saville Notaries LLP		Office	-	-	-	-	11 years	21/06/2027	214,095	173,315	-	22/06/2026	-	-
		3rd	Milliman LLP (Surety Milliman Inc)		Office	-	-	-	-	12 yrs	26/10/2024	342,085	349,000	-	27/10/2024	-	-
		4th	Vacant		Office	-	-	-	-	-	-	323,638	0	-	On Expiry	-	-
		5th	Vacant		Office	-	-	-	-	-	-	265,625	0	-	-	-	-
		6th (S)	Bedell Cristin London Partnership		Office	-	-	-	-	10 yrs	21/12/2021	0	125,366	-	22/12/2021	-	-
		6th (N), B	Vacant		Office	-	-	-	-	-	-	115,367	0	-	-	-	-
		7th (S)	Masento Group		Office	-	-	-	-	3 yrs	24/06/2023	66,340	57,780	-	On Expiry	-	-
		7th (N), B	Laven Partners		Office	-	-	-	-	5 yrs	18/05/2022	81,515	101,674	-	On Expiry	-	-
		8th (S)	Pramex International Ltd		Office	-	-	-	-	15 yrs	09/03/2025	53,848	53,848	-	10/03/2020	-	-
		8th (N)	Milliman LLP (Surety Milliman Inc)	LH	Office	16,772,750	01/08/2016	16,200,000	15,650,000	12 yrs	26/10/2024	80,189	73,000	-	27/10/2024	10.1	10.9
	LONDON SW1	5th	Vacant (Under Development)		Office	-	-	-	-	-	-	117,500	0	-	-	-	-
	Burwood House	4th	Vacant (Under Development)		Office	-	-	-	-	-	-	135,375	0	-	-	-	-
	24 Caxton Street	3rd	Vacant (Under Development)		Office	-	-	-	-	-	-	166,760	0	-	-	-	-
		2nd	William Sturges & Co		Office	-	-	-	-	5 yrs	28/09/2023	166,485	219,540	-	On Expiry	-	-
		1st	BAE Systems Plc		Office	-	-	-	-	15 yrs	24/03/2023	152,000	188,786	-	On Expiry	-	-
		Gd	BAE Systems Plc		Office	-	-	-	-	10 yrs	24/03/2023	38,118	41,213	-	On Expiry	-	-
		Gd	BAE Systems Plc		Office	-	-	-	-	2.5 yrs	24/03/2023	49,665	49,095	-	On Expiry	-	-
		Gd	Pret a Manger (Europe) Ltd		Retail	-	-	-	-	15 yrs	02/09/2027	46,000	82,000	-	03/09/2022	-	-
		Gd	William Sturges & Co		Office	-	-	-	-	5 yrs	28/09/2023	7,345	9,900	-	On Expiry	-	-
		Gd	Starbucks Coffee Company (UK) Ltd		Retail	-	-	-	-	10 yrs	15/12/2027	45,000	63,500	-	16/12/2022	-	-
		Gd	London Underground Ltd		Pt Garage	-	-	-	-	20 yrs	28/09/2025	15,000	15,000	-	29/09/2020	-	-
		Gd	London Underground Ltd		Pt Garage	-	-	-	-	98 yrs	17/10/2025	463	463	-	On Expiry	-	-
		Gd	Car spaces	FH/LH	Parking	16,178,626	16/05/2011	23,000,000	23,000,000	-	-	17,499	5,000	14,809	On Expiry	4.1	2.9
	LONDON W1	47/48 4th/6th	Vacant		Office	-	-	-	-	-	-	216,529	0	-	-	-	-
	47/48 Berners Street & 11 Wells Mews	47/48 3rd	El Capital LLP		Office	-	-	-	-	10 yrs	08/01/2025	92,820	92,820	-	On Expiry	-	-
		47/48 1st/2nd	Vacant		Office	-	-	-	-	-	-	188,457	0	-	-	-	-
		47/48 Gd/LG	Fashion Box UK Ltd		Showroom	-	-	-	-	10 yrs	31/12/2023	231,500	231,500	-	18/04/2023	-	-
		11 4th	Eccles Fisher Associates Ltd		Office	-	-	-	-	10 yrs	30/01/2022	20,000	20,000	-	On Expiry	-	-
		11 3rd	Vacant		Office	-	-	-	-	-	-	25,515	0	-	-	-	-
		11 2nd	TGR Retail Ltd		Office	-	-	-	-	5 yrs	12/07/2021	35,000	35,000	-	On Expiry	-	-
		11 1st	Maslows UK Services Ltd		Office	10,538,452	15/01/2020	8,850,000	8,800,000	5 yrs	01/11/2020	31,000	31,000	600	On Expiry	3.9	4.7
	LONDON WC1	5th	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	9.33 yrs	18/11/2027	88,125	115,132	-	19/11/2022	-	-
	16 Upper Woburn Place	3rd & 4th	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	224,238	640,303	-	19/11/2023	-	-
		2nd	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	8.33 yrs	18/11/2027	205,840	344,810	-	19/11/2023	-	-
		1st	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	213,745	396,462	-	19/11/2022	-	-
		Gd (Pt)	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	93,000	152,000	-	19/11/2022	-	-
		Gd (Pt)	London Upper Woburn Place Centre Ltd (t/a Regus)		Office	-	-	-	-	10 yrs	18/11/2027	0	22,075	-	19/11/2022	-	-
		Gd & LG	Prezzo Trading Ltd		Restaurant	-	-	-	-	20 yrs	18/11/2027	87,500	142,000	-	05/01/2024	-	-
		LG	Barry's Bootcamp Ltd		Gym	-	-	-	-	25 yrs	18/11/2027	75,460	98,116	-	23/07/2023	-	-
		B	EDF Energy Networks (LPN) Plc		Substation	19,770,540	12/08/2011	35,900,000	36,200,000	99 yrs	03/03/2106	0	0	-	-	9.7	5.3
	LONDON WC2	4th	Directors UK Ltd		Office	-	-	-	-	10 yrs	28/07/2026	76,335	208,125	-	On Expiry	-	-
	22 Stukeley Street	3rd	Vacant		Office	-	-	-	-	-	-	42,073	0	-	-	-	-

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2021	Value £ @ 31/12/2021	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
		3rd	ALG Edenspiekermann Ltd		Office	-	-	-	-	10 yrs	19/03/2025	50,827	119,493	-	20/03/2020	-	-
		2nd	Trentnet Ltd		Office	-	-	-	-	5 yrs	22/03/2021	83,250	222,800	-	On Expiry	-	-
		1st	Prospectus Ltd		Office	-	-	-	-	3 yrs	22/11/2023	85,360	192,705	-	On Expiry	-	-
		Gd & LG	Vacant		Office	-	-	-	-	-	-	80,765	0	-	-	-	-
		Gd & LG	Vacant	FH	Office	8,988,216	16/12/1998	22,750,000	23,340,000	-	-	49,200	0	-	-	8.3	3.2
MANCHESTER		29	Hancocks Jewellers Ltd		Retail	-	-	-	-	10 yrs	01/06/2022	120,000	70,000	-	02/06/2022	-	-
Old Exchange Buildings, 29/31 King Street		31	The Brogue Trader Ltd (t/a Loake Shoemakers)		Retail	-	-	-	-	10 yrs	02/09/2028	106,000	60,000	-	03/09/2023	-	-
		1/2 St A	Framed Opticians Ltd		Retail	-	-	-	-	10 yrs	24/06/2024	62,500	57,500	-	25/06/2024	-	-
		3/4 St A	Vacant		Retail	-	-	-	-	-	-	60,000	0	-	-	-	-
		1st	Lucinda Ellery Ltd		Retail	-	-	-	-	5 yrs	02/02/2022	17,648	22,500	-	On Expiry	-	-
		2nd	Talent International (UK) Ltd		Office	-	-	-	-	5 yrs	26/05/2021	0	35,552	-	27/08/2019	-	-
		3rd & Pt 4th	Vacant		Office	-	-	-	-	5 yrs	-	29,377	0	-	-	-	-
		Pt 4th	Denton Corker Marshall		Office	6,591,908	11/08/2014	3,650,000	3,650,000	5 yrs	08/02/2020	0	10,955	-	-	3.9	7.0
NOTTINGHAM			National Car Parks Ltd		Car Park	23,738,525	19/07/2018	16,900,000	16,900,000	34.9 yrs	21/05/2037	996,200	1,061,885	-	29/06/2021	4.5	6.3
NCP Nottingham City 73 Mount Street																	
ROMFORD			Halifax Plc	FH	Retail	2,146,455	11/09/1998	2,450,000	2,550,000	25 yrs	23/06/2030	135,000	183,500	-	24/06/2020	8.5	7.2
26/30 South Street																	
SOUTHAMPTON			Cornerstone Telecoms Infrastructure Ltd		Phone Mast	-	-	-	-	10 yrs	12/10/2026	0	5,750	-	13/10/2019	-	-
Centurion Park Buterne Road		A	Sulzer Electro Mechanical Services (UK) Ltd		Industrial	-	-	-	-	5 yrs	24/03/2022	104,000	131,617	-	On Expiry	-	-
		B	Nottingham Rehab Ltd		Industrial	-	-	-	-	7 yrs	31/07/2025	67,750	93,000	-	01/08/2025	-	-
		C	Vacant		Industrial	-	-	-	-	-	-	68,780	0	-	-	-	-
		D	Vacant		Industrial	-	-	-	-	-	-	61,450	0	-	-	-	-
		E	Vauxhall Trade Parts Ltd		Industrial	-	-	-	-	5 yrs	12/03/2023	30,000	42,500	-	On Expiry	-	-
		F	Bufab (UK) Ltd		Industrial	-	-	-	-	3 yrs	31/12/2024	33,000	43,899	-	On Expiry	-	-
		G	TLC (Southern) Ltd		Industrial	-	-	-	-	10 yrs	19/12/2022	29,750	41,780	-	On Expiry	-	-
		H	Toolstation Ltd		Industrial	-	-	-	-	5 yrs	17/12/2023	30,000	45,862	-	On Expiry	-	-
		J	He-Man Dual Controls Ltd		Industrial	-	-	-	-	10 yrs	24/10/2028	65,640	100,000	-	25/10/2023	-	-
		K	CJR Propulsion Ltd		Industrial	-	-	-	-	10 yrs	26/11/2027	49,000	66,424	-	27/11/2022	-	-
		L	CJR Propulsion Ltd		Industrial	-	-	-	-	10 yrs	26/11/2027	60,000	69,015	-	27/11/2022	-	-
		M (Land)			Industrial	-	-	-	-	-	-	0	0	-	-	-	-
		P	The Post Office		Industrial	-	-	-	-	20 yrs	05/02/2029	146,772	145,850	-	05/02/2024	-	-
		R	Secretary of State for Transport		Industrial	-	-	-	-	3 yrs	31/01/2023	24,148	55,600	-	On Expiry	-	-
		S	Screwfix Direct Ltd	FH	Industrial	13,265,222	19/09/2000	15,900,000	19,100,000	10 yrs	26/09/2022	34,750	47,084	-	27/09/2022	6.7	4.7
STAFFORD			Stone Computers Ltd	FH	Industrial	3,677,968	22/02/2011	8,750,000	10,100,000	15.5 yrs	25/05/2030	355,400	475,000	-	26/05/2025	12.9	4.7
Granite 100, Acton Gate																	
STOKE ON TRENT			Hadleigh Industrial Estates Ltd	FH	Industrial	25,704,500	25/08/2021	-	26,000,000	99 yrs	16/10/2059	918,500	918,500	-	-	3.6	3.5
Hadleigh Park Blythe Bridge																	
SWINDON		22 & 23	UK Storage Company (SW) Ltd		Industrial	-	-	-	-	25 yrs	21/09/2025	121,000	145,404	-	22/09/2025	-	-
Westmead Industrial Estate, Units 22/25 & Unit R, Westmead Drive		24	Network Rail Infrastructure Ltd		Industrial	-	-	-	-	10 yrs	19/01/2026	63,500	91,589	-	20/01/2026	-	-
		25	West Swindon Parish Council		Industrial	-	-	-	-	5 yrs	21/02/2026	40,640	55,920	-	On Expiry	-	-
		R	PI Crouch, MA Clarke, PA Hopkins, & Hornbuckle Medical Trustees Ltd	FH	Industrial	4,651,783	15/12/1999	5,100,000	6,500,000	125 yrs	31/01/2114	26,600	27,265	-	01/02/2024	6.9	4.9
TRURO		11 & 12	Waterstones Booksellers Ltd		Retail	-	-	-	-	10 yrs	25/12/2026	269,950	230,000	-	25/12/2021	-	-
11/15 Boscawen Street		13	Superdrug Stores Plc		Retail	-	-	-	-	25 yrs	24/12/2022	154,000	154,000	-	On Expiry	-	-
		14 & 15	The White Company (UK) Ltd	FH	Retail	8,427,238	11/11/1992	4,500,000	4,500,000	10 yrs	26/08/2023	97,500	140,000	-	On Expiry	6.2	11.6
WARRINGTON			QAS Group Ltd	FH	Industrial	2,654,601	24/03/1994	4,650,000	5,750,000	20 yrs	15/10/2021	160,000	220,000	-	On Expiry	8.3	3.8
Calver Road Winwick Quay																	
WEYBRIDGE			Kite Glass Ltd	FH	Industrial	3,376,249	20/12/1990	10,000,000	13,200,000	15 yrs	28/09/2028	275,000	395,000	-	29/09/2023	11.7	3.0
29 Avro Way Brooklands Business Park																	

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2021	Value £ @ 31/12/2021	Lease or Fund Term	Lease or Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
	WOLVERHAMPTON Vernon Park,	A	J Banks & Co Ltd		Industrial	-	-	-	-	999 yrs	28/09/3010	0	0	-	On Expiry	-	-
		B	DHL Supply Chain Ltd		Industrial	-	-	-	-	5 yrs	31/08/2022	154,680	177,744	-	On Expiry	-	-
		C	Mann + Hummel (UK) Ltd		Industrial	-	-	-	-	12 yrs	12/06/2024	294,490	330,000	-	On Expiry	-	-
		Land (D)	-	FH	Industrial	8,480,404	21/07/2000	11,200,000	13,000,000	-	-	0	0	-		6.0	3.9
<b>Total:</b>	<b>Direct Property</b>					<b>426,025,482</b>		<b>410,775,000</b>	<b>469,765,000</b>			<b>23,907,823</b>	<b>23,866,157</b>			<b>5.6</b>	<b>5.1</b>
Ind	Ashford Investor Limited Partnership		LP owns the Ashford Designer Outlet Centre,	LP	Shopping Centre	19,243,685	23/05/2002	32,755,000	33,762,000	-	28/02/2032	514,312	0	-	n/a	0.0	0.0
	Hearthstone Residential Fund 1			LP	Residential	19,791,540		17,891,899	19,043,264			0	473,370	-	n/a	2.4	2.5
	Gresham House RESi			LP	Residential	17,904,654		0	18,441,981			0	0	-	n/a	0.0	0.0
<b>Total:</b>	<b>Indirects</b>					<b>56,939,879</b>		<b>50,646,899</b>	<b>71,247,245</b>			<b>514,312</b>	<b>473,370</b>			<b>0.8</b>	<b>0.7</b>
<b>Total:</b>	<b>Portfolio</b>					<b>482,965,361</b>		<b>461,421,899</b>	<b>541,012,245</b>			<b>24,422,135</b>	<b>24,339,527</b>	<b>15,409</b>		<b>5.0</b>	<b>4.5</b>





**PENSIONS PANEL – 1 MARCH 2022**

**Report of the Director for Corporate Services**

**RESPONSIBLE INVESTMENT & ENGAGEMENT (RI&E) REPORT  
QUARTER 4 2021**

**Recommendations of the Chairman**

1. That the Pensions Panel note the content of the Responsible Investment (RI) report, including the Climate Stewardship Plan (Appendix 1) and Local Authority Pension Fund Forum (LAPFF) Quarterly Engagement Report (Appendix 2).

**Introduction & Background**

2. The United Nations Principles of Responsible Investing (UNPRI) define RI as ‘an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns’.



**Environmental**

- Resource utilisation
- Sustainability
- Pollution
- Carbon emissions



**Social**

- Community
- Human Rights
- Employees
- Customers
- Suppliers



**Governance**

- Stakeholder alignment
- Ownership structure
- Regulatory controls
- Board accountability
- Transparency

3. The Pensions Panel recognises its role in promoting RI and endorses the UNPRI, whilst the Fund’s equity managers are encouraged to sign up to them to ensure they incorporate ESG issues into their investment process. Currently all the Fund’s equity managers are signatories to the UNPRI, including those within the LGPS Central Active External Global Equity Multi Manager sub-fund.
4. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 require the Pension Fund to have an Investment Strategy Statement (ISS) which must refer to the way in which the authority takes RI into account in the selection, non-selection, retention and realisation of investments. The latest version of the ISS includes investment beliefs,

specific to RI. The latest version of the ISS is available on the Pension Fund's website [www.staffspf.org.uk](http://www.staffspf.org.uk).

5. In 2020, the Financial Reporting Council launched an updated UK Stewardship Code. The Code took effect from 1 January 2020 and aims to improve stewardship practices by setting a substantially higher standard than before. Under the 2016 Regulations, the Fund was accepted as a Tier 1 signatory of the UK Stewardship Code in 2017 and reaffirmed in 2018. Existing signatories to the Code are required to submit a Stewardship Report that meets the FRC's new reporting expectations. Further information will be brought to the Panel in 2022 on the work the Fund does, to meet the criteria of the enhanced UK Stewardship Code.
6. The Fund's 2018 Statement of Compliance with the UK Stewardship Code, as well as individual investment manager's RI policies and the UNPRI, are available on the Staffordshire Pension Fund website. [www.staffspf.org.uk](http://www.staffspf.org.uk).

### **Climate Change Strategy (CCS)**

7. In February 2022, the Pensions Committee approved the Fund's first Climate Change Strategy (CCS) which sets out the Fund's approach to managing the risks and opportunities presented by climate change, with the ultimate aim of achieving a net-zero carbon investment portfolio by 2050. To guide and monitor the Fund's decarbonisation roadmap, a series of 2030 targets have been included in the CCS. The CCs will shortly be available on the Fund's website [www.staffspf.org.uk](http://www.staffspf.org.uk).

### **Climate Stewardship Plan and Engagement**

8. Following the production of the Climate Risk report by LGPS Central Ltd, which was presented to the Pensions Committee in March 2021, Fund Officers have produced a Climate Stewardship Plan, see Appendix 1. The plan is a working document for 2021/22, which will be updated periodically for review by the Panel as part of this RI&E report. A new Climate Stewardship Plan for 2022/23 was approved by the Pensions Committee, alongside the Fund's CCS, in February 2022. Engagement activity will be reported against the new Climate Stewardship Plan, from the June 2022 Pensions Panel.
9. As the Fund appoints external investment managers, engagement with individual companies is delegated to these managers and the investment managers of pooled funds, in which the Fund also invests (e.g., LGPS Central Funds) and jointly as part of LAPFF. Information on manager engagement and voting is requested routinely, as part of the quarterly reporting the Fund receives from each of the managers. In Q4 2021 engagement topics included:
  - Meeting with a major online retailer to discuss human rights issues, such as warehouse safety and controls around facial recognition.
  - A conference call with a scientific technologies company over governance issues and human rights issues. The manager gained reassurances that there were procedural measures in place to ensure their products did not end up in the wrong hands.



- Filing a shareholder proposal at a pharmaceutical companies' AGM requesting public disclosure of how government funding is being considered in the pricing of its Covid 19 vaccine.
- Meeting with a multi-national bank to discuss its climate strategy.

### **LAPFF Quarterly report**

10. LAPFF's Q4 2021 Engagement Report is attached for information at Appendix 2. Staffordshire joined LAPFF in March 2013, to reaffirm its commitment to RI&E matters. Pensions Panel Members are encouraged to read the report as it highlights the good work LAPFF does in engaging with organisations on behalf of its members

### **LGPS Central Ltd Quarterly Stewardship Report Q4 2021**

11. Members are asked to note that there is no Quarterly Stewardship Report from LGPS Central Limited this quarter. LGPS Central's Stewardship activities for the quarter ending December 2021 will be covered within their Annual Statement of Compliance with the UK Stewardship Code, which is submitted annually in April, and will be reported to the June 2022 Pensions Panel.

### **Quarterly voting summary**

12. The Pensions Panel receives quarterly updates from the Fund's investment managers on details of votes cast on corporate resolutions. The following table summarises the voting activity of the Fund's investment managers in Q4 2021.

### **Investment Manager Voting Activity Q3 2021**

	<b>Total resolutions</b>	<b>Vote with management</b>	<b>Votes against management</b>	<b>Abstain</b>
<b>Impax</b>	15	14	1	0
<b>JP Morgan</b>	142	126	16	0
<b>Longview</b>	50	44	6	0
<b>Legal &amp; General</b>	7,583	6,133	1,309	141
<b>LGPS Central – Global Equity Fund</b>	294	262	32	0
<b>LGPS Central- Global Multifactor Fund</b>	1,386	1,092	232	62

**John Tradewell**  
**Director for Corporate Services**

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Contact: Melanie Stokes, Assistant Director for Treasury & Pensions  
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Telephone No.: (01785) 276330 / 895411

Background Documents:

LAPFF Quarterly Engagement Report  
LGPS Central Ltd Quarterly Stewardship Report

**Equalities implications:** There are no direct equalities implications arising from this report.

**Legal implications:** There are no direct legal implications arising from this report.

**Resource and Value for money implications:** The resource and value for money implications are included in the body of the report. Specific consideration should be given to any effect on investment returns.

**Risk implications:** There is a risk that any screening of investments may result in the Pension Fund not maximising investment returns.

**Climate Change implications:** There are no direct climate change implications arising from this report, but the wider climate change issue is considered through the Fund's voting and engagement activities.

**Health Impact Assessment Screening:** There are no direct implications arising from this report.



# Climate Stewardship Plan

## April 2021



## Staffordshire Pension Fund Climate Stewardship Plan

Staffordshire Pension Fund ('the Fund') recognises that climate change presents a risk which could be financially material, and which must be addressed under the scope of the Fund's fiduciary duty.

Given the Fund's long-dated liabilities and the timeframe in which climate risks could materialise, a holistic approach to risk management covering all sectors and all relevant asset classes is warranted.

To mitigate the worst economic impacts of climate change, there must be a large, swift, and globally co-ordinated policy response. The issue faced by diversified investors (such as pension funds) is not limited to the oil & gas and power generation sectors, but also to the vast number of downstream sectors, whose products and services are derived from, or reliant on, fossil fuel extraction. Investors focussing exclusively on primary energy suppliers could fail to identify material climate risks in other sectors and to limit the demand.

Following the production of the Fund's Climate Risk Report, as presented to the Pensions Committee on 23 March 2021, a Climate Stewardship Plan (CSP) has been produced.

The Fund believes it is possible for companies with current high emission levels to change, reduce their emissions and thrive in a low carbon economy and that the support and stewardship of investors is key to influencing this.

The CSP focuses on the investments having most impact / of most relevance to Fund's climate risk, which improves upon the existing approach to climate-related engagement in terms of prioritisation. The companies recommended for engagement have been identified based on the following factors:

- Perceived level of climate risk, considering carbon risk metrics;
- Weight of the company in the portfolio;
- Likelihood of achieving change; and
- Ability to leverage investor partnerships.

The fund managers recommended for engagement have been identified based on the following factors:

- Perceived level of climate risk, considering carbon risk metrics and climate scenario analysis;
- Size (by AUM) of the portfolio; and
- Whether the mandate is expected to be long-term.

Although we have highlighted certain managers for specific monitoring questions, the option remains open to assess all external equity investment managers using the questions and scoring system in the "Addressing climate risks and opportunities in the investment process" guidebook, published by the Institutional Investors Group on Climate Change (IIGCC). Progress updates are recommended to be reported to the

Pensions Panel each quarter as part of the Responsible Investment report and a new CSP will be presented annually to the Pensions Committee, along with the Climate Strategy, the first version of which is currently being produced.

**Table 1. Companies recommended for engagement**

<b>Company</b>	<b>Sector</b>	<b>Portfolio</b>	<b>Issue/Objective</b>	<b>Vehicle</b>	<b>Engagement Carried out</b>
<b>BP</b>	Energy	<ul style="list-style-type: none"> <li>• LGIM UK Equities</li> <li>• LGIM All World Equities</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery on Net Zero Commitment</li> </ul>	LGIM, Standard Life, CA100+, LAPFF	LAPFF Q4 21-Met with BP representatives to get more background on the company’s energy transition plan, which includes a 40% reduction of production over 10 years and goal of 50GW of renewable capacity by 2050.
<b>China Resources Cement</b>	Materials	<ul style="list-style-type: none"> <li>• JP Morgan Asset Management</li> <li>• LGIM All World Equities</li> </ul>	<ul style="list-style-type: none"> <li>• Lowering of carbon footprint</li> <li>• Better, more up to date GHG disclosure</li> </ul>	LGIM, JPMorgan, LAPFF	JP Morgan-April 2021 - discussion on high carbon emitting stocks held. JP Morgan do not now hold China Resources Cement, which was the stock with the biggest carbon footprint in their portfolio.
<b>Electricity Generating Public Company</b>	Utilities	<ul style="list-style-type: none"> <li>• JP Morgan Asset Management</li> <li>• LGIM All World Equities</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of robust GHG emissions reduction target(s)</li> </ul>	LGIM, JPMorgan, LAPFF	JP Morgan-July 2021 – Further discussions held with JP Morgan on high carbon emitting stocks. JP Morgan also do not now hold Electricity Generating Public Company.
<b>Glencore</b>	Materials	<ul style="list-style-type: none"> <li>• LGPS Central GEAMMF: Harris</li> <li>• LGIM UK Equities</li> <li>• LGIM All World Equities</li> </ul>	<ul style="list-style-type: none"> <li>• Paris-aligned business model including scope 3 emissions</li> <li>• Lobbying and trade associations</li> </ul>	LGIM, Standard Life, LGPS Central via CA 100+, LAPFF	<p>Standard Life- Q1 2021- Glencore is conscious that their exposure to thermal coal is unattractive to many investors. The exposure is running down naturally, but investor attitudes may encourage a more active response in due course.</p> <p>Harris Q4 21-Met with new Glencore Chair to discuss governance, culture,</p>

					and strategy, in addition to the reduction of 'tail' assets within the portfolio. Harris February 2022 - At the annual LGPS Central GEAMMF Manager-day Harris were questioned on their position in Glencore. Harris was content with Glencore's transition plans and planned reduction in thermal coal exposure in the longer run. Harris also pointed out that in the longer run, Glencore will be a key player in providing the materials for the low carbon transition (i.e., Cobalt)
<b>Lafargeholcim</b>	Materials	<ul style="list-style-type: none"> <li>• LGIM All World Equity</li> <li>• LGPS Central GEAMMF: Harris</li> </ul>	<ul style="list-style-type: none"> <li>• Paris-aligned carbon target</li> <li>• Continued reduction in clinker-cement ratio</li> </ul>	LGIM, LGPS Central via CA 100+, LAPFF	
<b>NextEra Energy</b>	Utilities	<ul style="list-style-type: none"> <li>• LGIM All World Equity</li> <li>• LGPS Central GEAMMF: Schroders</li> <li>• LGPS Central GEAMMF: Union</li> </ul>	<ul style="list-style-type: none"> <li>• Improved carbon risk management quality (measured by TPI score)</li> <li>• Better, more up to date, GHG disclosure</li> <li>• Lobbying and trade associations</li> </ul>	LGIM, LGPS Central via CA100, LAPFF	LAPFF Q3 21- sent correspondence to NextEra Energy regarding Climate change and reported a substantial improvement from them.
<b>Rio Tinto</b>	Materials	<ul style="list-style-type: none"> <li>• LGIM UK Equities</li> <li>• LGIM All World Equities</li> <li>• JP Morgan Global Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Paris-aligned business model including scope 3 emissions</li> <li>• Developing methodology for assessing Paris-alignment of diversified miners</li> <li>• Lobbying and trade associations</li> </ul>	LGIM, JP Morgan, Standard Life, CA100+, LAPFF	LAPFF – In Q1 2021 LAPFF engaged with BHP and Rio Tinto on the joint venture, Resolution Copper, to ensure that the project is being undertaken responsibly. Concerns have been raised about the type of engagement the companies have

					had with communities affected by the project.
<b>Shell</b>	Energy	<ul style="list-style-type: none"> <li>• LGIM UK Equities</li> <li>• LGIM All World Equities</li> </ul>	<ul style="list-style-type: none"> <li>• Alignment of Net Carbon footprint with the Paris Agreement</li> </ul>	LGIM, Standard life, CA100+, LAPFF	<p>LAPFF – In Q1 2021 LAPFF continued to engage with Shell. In addition to its own engagement, LAPFF is engaging via the CA100+ group of investors on Shell. Last year, 2020, LAPFF recommended voting for a shareholder resolution at the Shell AGM that requested specific targets for Shell’s claimed climate change ambitions.</p> <p>Schroders - February 2021 – At the annual LGPS Central GEAMMF Manager-day Schroders were questioned on their position in Shell. Schroders are content with Shell’s climate transition plans and that they are in line with Schroders own Climate Transition Action Plan.</p> <p>Schroders are also not including any returns from fossil fuels past 2030 in their analysis of Shell.</p>
<b>The Southern Company</b>	Utilities	<ul style="list-style-type: none"> <li>• LGIM All World Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Integration of climate risk into the company’s long-term business model</li> <li>• Reduction targets in line with a 2-degree scenario</li> </ul>	LGIM, CA100+, LAPFF	
<b>Vistra Corporation</b>	Utilities	<ul style="list-style-type: none"> <li>• JP Morgan Asset Management</li> <li>• LGIM All World Equities</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery on Net Zero commitment</li> </ul>	LGIM, JPMorgan, LAPFF	



Table 2. Investment managers recommended for engagement

Investment Manager	Portfolio	Issue	Engagement Carried out
Standard Life Investments	UK Equity Fund	<ul style="list-style-type: none"> <li>Stewardship activities with Anglo American and Glencore</li> </ul>	Staffordshire Pension Fund mandate with Standard Life terminated in April 2021
JP Morgan	Global Equity Fund	<ul style="list-style-type: none"> <li>Approach to climate risk management</li> <li>Engagement activities with China Resources Cement, Electricity Generating Public Company, Vistra Corp and NK Lukoil</li> </ul>	<p>April 2021 - discussion on high carbon emitting stocks held. JP Morgan no longer hold China Resources Cement, which was the stock with the biggest carbon footprint in their portfolio. Follow on conversations held in May 2021 on JP Morgan's approach to ESG generally, and how climate risk is factored into this analysis – JP Morgan plan to discuss this further with Staffordshire Pensions Panel Members when they next meet (occurred September 2021)</p> <p>July 2021 – Further discussions held with JP Morgan on their portfolio and high carbon emitting stocks. JP Morgan have now sold the top 5 carbon emitting stocks held at 31 March 2020, as identified in the LGPS Central Climate Risk Report.</p>
LGIM	All World Equity	<ul style="list-style-type: none"> <li>Voting and engagement with key fossil fuel stocks</li> </ul>	<p>October 2021- LGIM launched the fifth engagement cycle of the Climate Impact Pledge, where they analyse and directly engage with around 60 companies in 15 climate-critical sectors on their strategic approach to climate change, and to what extent they are aligning their businesses with the constraints and opportunities of a net-zero transition. November 2021 – A meeting was held with LGIM on their global low carbon passive indices. The meeting covered how the indices were constructed and the ongoing engagement and monitoring undertaken by LGIM to maintain the indices.</p>
LGIM	UK Equity Fund	<ul style="list-style-type: none"> <li>Stewardship activities with Glencore, BHP, Anglo American and CRH</li> </ul>	November 2021 – A meeting was held with LGIM on their global low carbon passive indices. The meeting covered how the indices were constructed and the ongoing engagement and monitoring undertaken by LGIM to maintain the indices.

<b>LGPS Central</b>	Global Equity Active Multi-Manager Fund	<ul style="list-style-type: none"> <li>Clarity on how LGPS Central manages climate risks for the portfolio Engagement with Glencore, LafargeHolcim and NextEra Energy</li> </ul>	<p>January 2021 – LGPS Central have created a voting watch list which includes the companies identified as high-risk in all Partner Funds, Climate Risk Reports. This is to ensure that the voting on climate related issues, reflects the risks identified in Partner Funds Climate Risk Reports.</p> <p>October 2021 – After discussions between LGPS Central and Partner Funds, carbon metrics will now be included in all performance reports going forwards where feasible (i.e. equity reports).</p> <p>Harris Q4 2021-Met with new Glencore Chair to discuss governance, culture, and strategy, in addition to the reduction of ‘tail’ assets within the portfolio.</p>
<b>Longview Partners</b>	Global Equity Fund	<ul style="list-style-type: none"> <li>Clarity on Longview's climate change beliefs and tools used to monitor climate risk</li> </ul>	<p>April 2021 – discussions with Longview held regarding their approach to climate change. Despite low carbon footprint of portfolio, Longview aiming to participate more prominently in climate change debate. Longview also confirmed they are looking to sign up to a well know industry pressure group on climate change.</p> <p>July 2021 – Longview confirmed they have joined the IIGCC in June 2021. Also During quarter 2 2021 Longview engaged with Glass Lewis, the proxy voting advisor, on the topic of “Say on Climate” (which calls for greater disclosure of carbon emissions and transition plans by companies and requests an annual advisory vote on the plans and progress), which is broadly in line with IIGCC thinking. Longview encouraged Glass Lewis to incorporate the principles of “Say on Climate” into their voting advice to clients.</p> <p>September 2021- Longview have been approved as signatory to the new 2020 UK Stewardship code and become co-signatory to the “2021 Global Investor Statement to Governments on the Climate Crisis”. The statement calls on governments to raise their climate ambition and implement meaningful policies to tackle climate change</p>

## Contact Us

In writing or in person

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**Quarterly  
Engagement  
Report**

October-December  
2021



**Rio Tinto, BHP,  
Anglo American,  
Roche, National  
Grid, LAPFF  
Conference**

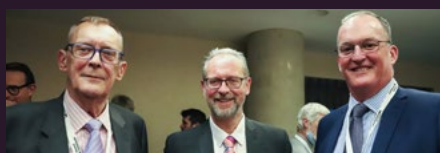


# LAPFF CONFERENCE 2021



**“We heard many fantastic presentations on a wide range of topics at the LAPFF Annual Conference this year. What struck me was the systemic nature of many of these problems. Systemic problems take a long time to fix, but LAPFF is in it for the long haul.”**

CLlr Doug McMurdo:



LAPFF held its 2021 conference in Bournemouth from 8–10 December. There was an opportunity to attend both in-person and online this year in light of Covid developments. Maintaining the in-person presence whilst allowing for a hybrid experience of speakers dialling in and attendees watching online allowed the whole event to run smoothly and provided a good experience.

The conference provided for a wide variety of interesting speakers and events. Across the three days, invited speakers presented on issues from COP26 to accountancy, a just transition to Covid. It was a privilege to introduce guest speakers from Brazil who described the harrowing impacts of the tailings dams collapses on their lives and communities. Broadcaster David Olusoga provided a gripping account of the untold stories of black British history.



# HUMAN RIGHTS



## Mining and Human Rights Report

**Objective:** Over the last couple of years, LAPFF has engaged intensively with mining companies on their human rights practices. The engagement has focused on the participation of affected stakeholders in mining company activities and decision-making. Based on these engagements with mining companies and affected stakeholders, LAPFF aimed to produce a report on its views regarding mining companies and human rights.

**Achieved:** LAPFF engaged business and human rights expert, Professor Robert McCorquodale, to lead on drafting the report. As sections of the report were drafted, they went to the LAPFF Executive and Business meetings for approval.

Although the reports were written

from an investor perspective, they have been presented through a human rights lens. As such, the first report covered the basics of the international human rights law framework. The second report followed with an explanation of how this framework applies to the mining sector, with examples of how human rights can be violated by mining companies and case studies based on human rights-related litigation in the mining sector. The third report presented LAPFF’s views on engagements with top holdings – Anglo American, BHP, Glencore, Rio Tinto, and Vale – including how LAPFF understands these companies to be engaging with affected stakeholders.

**In Progress:** The last two reports will go to the first LAPFF Executive and

Business meetings in January 2022. The fourth report sets out examples of where LAPFF believes that the five companies mentioned have not met their human rights responsibilities. The fifth report contains a conclusion and recommendations for LAPFF members and other investors, for companies, and for public officials.

These five reports have also been consolidated into a single draft report that LAPFF has circulated for comment to the five companies addressed and to affected communities whose accounts have been included in the report. After comments have been received, they will be assessed and integrated as appropriate before the report is released publicly.

## MINING



Vale's tailings dam in Brumadinho

### MINING COMPANY ESG UPDATES

**Objective:** LAPFF engages with mining companies on all environmental, social, and governance (ESG) areas, not just human rights. Therefore, LAPFF participated in ESG updates from Vale, Rio Tinto and Anglo American, both to ensure it had updated information for the mining and human rights paper and to track updates on areas such as climate planning and health and safety.

**Achieved:** All companies covered climate and human rights as primary topics of discussion. Industry-wide, there continues to be work to align with the global standard on tailings dam safety and make mining safer and more sustainable generally. The companies also discussed their climate plans, particularly in anticipation of greater interest in the 'say on climate' votes, an initiative for which LAPFF has provided significant support.

LAPFF was particularly keen to hear Anglo American's discussion around the company's decision to divest from the Cerrejon joint venture. Both Anglo American and BHP have now indicated that they are withdrawing from this thermal coal project, leaving Glencore as the sole owner.

The withdrawal raises significant ques-

tions about how companies can best pull out of coal without leaving these assets in the hands of other companies or entities that might choose to continue operating the assets rather than winding them down. To this end, LAPFF also participated in a Climate Action 100+ (CA100+) collaborative call with Anglo American. The discussion covered the company's commitment to carbon neutrality in its operations and initiatives to reduce emissions through its value chain.

Vale continued to refer to cultural and operational changes stemming from its Brumadinho tailings dam collapse. However, the company representatives again failed to address the Mariana tailings dam collapse outside of Vale's relationship to the Renova Foundation, the joint venture between BHP and Vale established to undertake compensation and reparations in relation to Mariana, and a general reference to Samarco operations re-starting. It was explained that the company's upstream tailings dams will not be de-characterised until 2035 at the earliest, although company officials stressed that safety measures would be taken at these dams in the meantime.

**In Progress:** LAPFF is continuing to engage with mining companies on all aspects of their ESG work, in particular climate and human rights. There will

likely be focus on specific aspects of company operations, such as joint ventures, and on say on climate votes. Affected community engagements have also pointed to concerns about just transition considerations, so this area will also likely feature more prominently in LAPFF's work, especially because it was felt that the companies did not speak to this issue adequately.

### BHP

**Objective:** Never having met BHP CEO, Mike Henry, LAPFF Chair Cllr Doug McMurdo wanted a meeting to discuss BHP's imminent unification process and the on-going human rights concerns related to the Samarco tailings dam collapse in Brazil and the joint venture Resolution Copper project with Rio Tinto in Arizona.

**Achieved:** LAPFF detected some progress in relation to BHP's approach to community engagement. Prior to BHP's 2021 AGM, LAPFF had not heard any company representatives refer to the need for free, prior and informed consent (FPIC) in relation to any of BHP's projects. However, BHP Chair, Ken Mackenzie, and Mr Henry have been clear since the October 2021 AGM that they expect FPIC to be met



## COMPANY ENGAGEMENT

in relation to their Resolution Copper project before that project can proceed. LAPFF also shared its experience of engaging with Brazilian communities affected by the Samarco tailings dam collapse and found Mr Henry receptive to this feedback.

LAPFF also issued a voting alert opposing BHP's climate plan, which was put to a vote this year in line with the 'say on climate' initiative. While LAPFF was pleased to see BHP put its plan to a vote, LAPFF's view is that the plan had significant shortcomings. For example, there was a fear that the company could rely too heavily on unproven technologies such as carbon capture and storage (CCS) in the plan. The plan also appeared to contradict BHP's assertion that the company will benefit from a very quick transition to a green economy. The plan could have moved the company much further much more quickly but did not.

**In Progress:** LAPFF will continue to engage with BHP in relation to both Resolution Copper and Samarco. Cllr McMurdo also asked BHP if it would put annual say on climate resolutions to a vote. Although BHP has committed to say on climate votes every three years, LAPFF will continue to engage with BHP on its climate developments more frequently.

### Renova Silent in Wake of Engagement Request

**Objective:** Communities in Brazil affected by the Mariana and Brumadinho tailings dam failures have long said that one of the big obstacles to obtaining appropriate reparations and compensation is the Renova Foundation. Renova is a foundation established by BHP, Vale, and Brazilian authorities solely to provide reparations and compensations to victims of the dam collapse at Mariana. Therefore, Cllr McMurdo has had a couple of meetings with Renova CEO, Andre de Freitas, to discuss this issue, and he sought another meeting.

**Achieved:** To date, Mr de Freitas has been very responsive and willing to discuss Renova's progress and challenges. However, there appear to have been only three houses built in the last year (up to 10 from seven houses) and Mr de Freitas has not yet responded to LAPFF's latest request to meet.

**In Progress:** Although many affected community members are keen for Renova to be disbanded and replaced with a more effective entity, LAPFF will continue to engage with the organisation to push for faster progress.

### ArcelorMittal

**Objective:** To provide an updated assessment of ArcelorMittal's progress against the second iteration of the Climate Action 100+ benchmark and flag up areas that the company could improve in terms of metrics and disclosure.

**Achieved:** A formal letter was sent from LAPFF and other lead investors in the CA100+ initiative, setting out the approach to the 2022 and 2023 proxy season moving towards the 2023/24 reporting cycle deadline for target companies to have achieved alignment to the goals of the initiative. A reply from the chair, Lakshmi Mittal, confirmed that they are collaborating with the Science Based Target Initiative (SBTI) on a new Paris aligned methodology for the steel sector working towards a net-zero by 2050 target. The only indicator not met was a 2025 carbon emissions target, as much of the 2030 group target will be weighted towards the second half of the decade.

**In Progress:** A meeting in December sought for publication of a more granular report on lobbying with a trade association overview as well as information on the shareholder consultation for a transition plan to be put to the 2022 AGM.

### BP

**Objective:** To discuss detailed aspects of the company's energy transition plan and if a 'Say on Climate' is planned for the 2022 AGM.

**Achieved:** Company representatives provided more background to the company's plan which includes a reduction of production of 40% over 10 years and a goal of 50GW of renewable generating capacity by 2050. BP already operates the UK's largest public network of EV charging points and plans to install more in existing petrol stations. The company has installed some of the first charging stations in India and is working with large fleets in China. On a 'say on climate'

resolution, this is being considered for 2022. It was noted they had achieved at least 'partial' scoring on all elements of the CA100+ benchmark.

**In Progress:** A further meeting with the LAPFF chair is planned for early 2022.

### Standard Chartered

**Objective:** A meeting was held with Standard Chartered chair, José Viñals, to determine how the bank is progressing working with clients to reduce carbon emissions and align with the bank's net zero by 2050 policy. Member concerns had been relayed to the chair about the bank's funding of Adaro, a major coal supplier which Standard Chartered's own analysis shows its activities to be aligned with an increase of 5-6°C in global warming.

**Achieved:** The company issued a roadmap for its progress to net zero in October which included 2030 targets to reduce financed emissions for thermal coal mining and oil and gas power, as well as plans to mobilise US\$300 billion in green and transition finance by 2030. There was further engagement in November, which confirmed an absolute target for coal, and that no investments would support any project expanding capacity.

**In Progress:** We have remained in touch with NGO contacts who have considered filing a resolution to the 2022 AGM asking for commitments not yet evident in the company's current transition plans. The company confirmed it will put a Say on Climate/Transition plan to the vote at the 2022 AGM.

### Lyondell Basell

**Objective:** As part of collaborative engagement with CA100+ investors, a meeting was held with company representatives to discuss analysis of progress against the second iteration of the CA100+ benchmark. The aim was to identify if any short-term actions were possible to improve the score and what further commitments could be provided.

**Achieved:** company representatives confirmed that any further updates would not be until the publication of the sustainability report in April 2022. In

## COMPANY ENGAGEMENT

the first iteration of the benchmark, six indicators were not met and four were only ‘partially’ met. Encouragement was given for more disclosure in relation to lobbying activities.

**In Progress:** Topics of Paris Aligned accounting and audit disclosure and a related ‘underpin’ for remuneration were raised, with further discussions in 2022 proposed.

### National Grid

**Objective:** Correspondence was sent on behalf of the CA100+ initiative with an updated assessment of progress against the second CA100+ benchmark. The letter identified short-term priority actions to improve the benchmark score and a commitment for fully aligned disclosure with the benchmark by the end of 2023.

**Achieved:** The company gave further detail of net zero alignment with International Energy Agency’s (IEA) 2035 date for all relevant electricity emissions, noting the assumption of a zero-carbon power grid by 2035.

**In Progress:** A meeting in December covered disclosure on lobbying activities and further discussion on Paris Aligned accounting and audit disclosure.

### Barratt Developments

**Objective:** The property sector is a major contributor to carbon emissions. A large chunk of these emissions come from buildings when in use but building materials and the building process itself generate greenhouse gas. As a result, the sector is facing higher environmental standards from government. It also means that housebuilding is a sector which LAPFF wants to continue to engage, especially the largest housebuilders such as Barratt Developments.

**Achieved:** Cllr Doug McMurdo secured a meeting with the chair of Barratt Developments. LAPFF gained assurances about plans Barratts are making towards achieving net zero for homes and for their operations. The engagement discussed how they were going to meet the government’s future homes standard and work being undertaken with their supply chain. The discussion also covered



achieving the transition to net zero in a just way as well as the company’s exposure to concerns around leasehold contracts.

**In Progress:** LAPFF will continue to engage with Barratts and other housebuilders to ensure targets they have set are being met.

### Pharmaceutical Company Engagements

**Objective:** LAPFF wrote to five pharmaceutical companies for engagement meetings to discuss whether Covid has forced them to change their business models or business strategies. While the companies were generally receptive, only Roche came back to offer a meeting.

**Achieved:** In addition to meeting Roche, LAPFF was able to meet with Johnson & Johnson through a collaborative investor discussion. It is clear that the companies have treated Covid as a test of their existing business models and strategies. At this point, there appear to have been more operational changes, such as how staff work together online and determining the right balance of working from home and working from offices, than there have been business model or strategy changes. There might be further developments to consider in respect of business model and strategy before companies can decide whether they are well-placed with their existing structures or whether they need to make adjustments in the longer-term.

**In Progress:** LAPFF will write again in the new year to the companies that have not yet granted meetings. Timing is critical

as all of the companies are contributing in one way or another to the pandemic response, so company representatives might be more or less available depending on when Covid waves hit and when certain drugs are released in response.

### Chipotle

**Objective:** LAPFF has been in dialogue with Chipotle since 2019 regarding the company’s approach to water stewardship and managing the water stress within its value chain. When the dialogue was first initiated the company was committed to the shared objective of mitigating water related risks and committed to measuring water usage as well as any water sources significantly affected by water withdrawal moving forwards. As of 2021, Chipotle is yet to conduct a water risk assessment for its full value chain.

**Achieved:** In response to the lack of progress, LAPFF worked with the Greater Manchester Pension Fund to file a resolution to request that Chipotle provide an assessment to identify, in light of the growing pressures on water supply quality and quantity posed by climate change, its total water risk exposure, and policies and practices to reduce this risk and prepare for water supply uncertainties associated with climate change.

**In Progress:** LAPFF maintains dialogue with Chipotle and on this issue and will continue to work constructively with the company to ensure it is taking the necessary steps to manage water risk effectively.

# COMPANY ENGAGEMENT

## COLLABORATIVE ENGAGEMENTS COLLABORATIVE INVESTOR MEETINGS

### Say on Climate

In October, the LAPFF chair, together with TCI Fund Management and Sarasin and Partners, wrote to the FTSE All-share to ask that boards set out their strategy to manage the transition to a net zero emissions business and to provide annual provision for shareholders to vote on such plans. The letter was not sent to investment trusts and those companies that had already made a commitment to an annual vote for shareholders.

As at end December, 64 responses had been received, from brief acknowledgements of receipt, to lengthy iterations of strategies for transition. A good number of companies noted it would be subject to discussion by the board, and other companies in engagement meetings have noted they will be reviewing the proposition.

### The Asia Collaborative Engagement Platform for Energy Transition

Collaborative engagement, working with Asia Research and Engagement (ARE) and the Asia Transition Platform, has continued with some of Asia's largest listed financial institutions and buyers and producers of fossil fuels. During the quarter, LAPFF executive members Cllr Caron and Sian Kunert engaged with Sumitomo Mitsui Financial Group (SMFG) and Mizuho respectively. At Mizuho, bank representatives were asked for more details on sustainability experience and expertise of board members, as well as an insight into a time-line for the phase out of coal power financing. At SMFG, discussions also covered mechanisms to ensure sustainability experience on the Board as well as target setting and referencing the International Energy Agency Net Zero scenario.

### Collaborative letters on Paris-aligned accounts

Following-up on correspondence with companies in November 2020, LAPFF has joined in further communications with

companies, led by Sarasin & Partners and in conjunction with other investors to share feedback on climate-related financial disclosures in the most recent set of company financial accounts. Correspondence aimed to encourage the companies to address outstanding concerns in audited accounts issued in 2022. Copies were also provided to the lead audit partner to emphasise the expectation that they alert shareholders where the accounts are not consistent with a 1.5°C outcome.

### Powering Past Coal Alliance

As a partner to the Powering Past Coal Alliance, LAPFF supported a statement made on 4 November, which was the COP26 'Energy Day'. This statement, signed by countries, regions, corporates and investors supported the shared vision of accelerating a transition away from unabated coal power generation. It recognised the imperative to urgently scale-up the deployment of clean power to accelerate the energy transition as well as promoting the idea that this transition should be 'just and inclusive'.

### Major investors demand ambitious methane regulations in the U.S.

Through its membership of CERES, LAPFF joined a group of international investors calling for action to cut methane emissions in the US. Methane is a potent greenhouse gas, twenty five times more powerful than carbon dioxide in its heating impact. More than half of global methane emissions stem from human activities in three sectors: fossil fuels (35 per cent of human-caused emissions) waste (20 per cent) and agriculture (40 per cent).

### The Institutional Investors Group on Climate Change (IIGCC)

LAPFF continues to participate in regular calls with IIGCC and its investor members, receiving and providing updates on EU constituents of the CA100+ initiative. Results of the CA100+ benchmarking process are being discussed with companies with the review period culminating at the end of December. Sector meetings are helpful in providing

peer best practice examples as 'pointers' for other companies in the sector.

### Investor Alliance on Human Rights

The Investor Alliance on Human Rights (IAHR) circulated an investor letter calling for the UK and the EU to implement mandatory human rights and environmental due diligence (mHREDD). It followed with another letter asking that stakeholder engagement be placed at the heart of this legislation. LAPFF signed onto both letters.

### Conflict Minerals Investor Letter

Stewart Investors initiated a collaborative investor letter on conflict minerals in semi-conductor supply chains requesting that a number of companies improve labour and environmental standards through their supply chain practices. A total of 160 investors with collective assets under management of US\$6.59 trillion signed onto the letter. The letter went to 29 companies in the semi-conductor supply chain, and investors are waiting for a more complete set of responses before deciding if and how to take the engagement forward.

### Investors for Opioid and Pharmaceutical Accountability (IOPA)

LAPFF has continued to support IOPA, which continually engages with US pharmaceutical companies and retail pharmacies, encouraging better levels of corporate governance. IOPA has been looking at its potential campaigns for 2022 and LAPFF will aim to engage and support where it can.

## POLICY ENGAGEMENT

### APPG Just Transition Inquiry

The LAPFF-supported All-Party Parliamentary Group (APPG) for local authority pension funds' report into a just transition was successfully launched this quarter. The APPG had undertaken an inquiry during 2021 examining the role investors can play, with the support of government, in ensuring the transition to net zero considers the social implications



# COMPANY ENGAGEMENT



for employees, consumers, communities and supply chains. The APPG, chaired by Clive Betts MP, heard evidence from LAPFF members, investors, companies, trade unions and from the Climate Change Committee.

The inquiry found that just transition presented investors with financial risks. The consensus view from the inquiry was that if the transition to net zero is seen as unfair and unjust there would be public resistance and a lack of co-operation. As such, failing to consider the uneven impact of climate action on people and places risks support for decarbonising the economy. That in turn would create economy wide and company specific risks for investors.

The final report covered actions investors can take individually and collectively, including having a commitment on the issue in policy documents, understanding the risks and opportunities through quantitative metrics and qualitative evidence from affected stakeholders, importance of setting expectations and engaging companies on them, how capital allocation can help mitigate the risks and maximise the opportunities, and how funds can report impact. The report also set out what governments could do to support investors, such as having a clear and comprehensive just transition commitment, requiring greater company disclosure, identifying and supporting investment opportunities, and establishing a just transition commission.

The launch of the report included

presentations from the pensions minister, Guy Opperman MP, Rachel McEwen from SSE and LAPFF chair, Cllr Doug McMurdo. The report was well received gaining media coverage and with SSE publicly supporting the report. A copy of the report can be found on the LAPFF website.

## City of London’s Taskforce on Socio Economic Diversity

LAPFF Vice Chair, John Gray, was appointed to the Taskforce’s Advisory Board this year and in this quarter, attended an in person event to discuss a number of issues that both the advisory board and working groups are looking to overcome. Questions of whether mandatory reporting by government or regulators were asked, and what role sector bodies can play. The role of membership bodies seeking to progress change in this area were discussed as well as what members of the taskforce believed would convince senior leadership to improve socio-economic diversity. LAPFF’s work on diversity will continue in 2022 and will incorporate aspects of socio-economic diversity alongside other aspects.

## COLLABORATIVE COMMUNITY MEETINGS

### Brazilian community members

It has now been over six years since the Samarco tailings dam collapse in

Mariana, Brazil. LAPFF issued a press release on 5 November to remember the anniversary of the tragedy. As the anniversary fell during COP 26, the press release focused on the need for a just transition to a zero carbon economy. The press release followed a webinar with a representative of the affected communities and a meeting with the Brazilian prosecutor working on this case.

Subsequently, Cllr McMurdo met with four members of the affected Mariana communities to discuss their current situation. Unfortunately, little progress has been made in respect of either housing or other reparations. The community members continued to express despair about their respective situations and the slow progress being made by the Renova Foundation.

One representative of the Mariana communities and one representative from Brumadinho also presented at the LAPFF Conference. It was notable that both representatives were clear about not being anti-mining; the communities just want mining to be sustainable and respectful of their human rights. The need for a just transition by the mining industry was also raised during this conference session.

### Arizona community members

Cllr McMurdo also met with Roger Featherstone (pictured below) of the Arizona Mining Reform Coalition. Roger has met consistently with LAPFF over the



# ENGAGEMENT

last few years and has raised concerns not only about the cultural heritage impacts of the BHP-Rio Tinto Resolution Copper project but also about the water impacts. LAPFF heard again that there has been no real assessment of the projects impact on water resources by the companies, but the impact could be huge. Roger also raised the question of whether a new mine is needed to access the copper reserves in the area. He noted that BHP has shut down a number of mines in the area before the reserves had been depleted, and in particular the San Manuel mine.



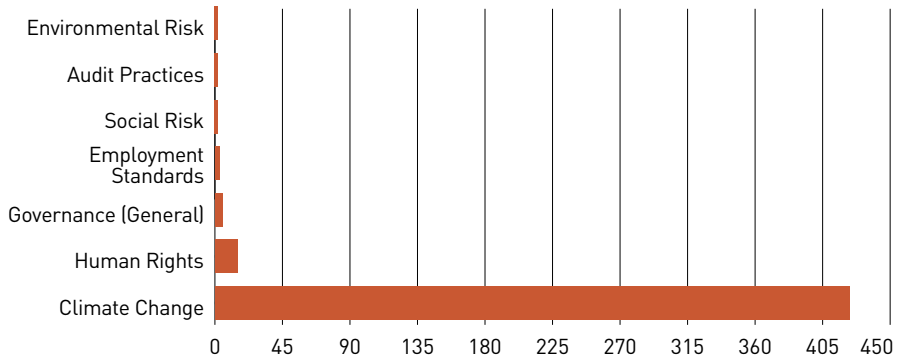
## Resolution Copper: Water and Financial Materiality

On the back of the conversation with Roger Featherstone, LAPFF held a webinar with Roger and Henry C Munoz, a retired BHP miner in the area. Both Roger and Henry spoke about the anticipated impacts of Resolution Copper on the water and ecosystem of the surrounding areas. This webinar is available for viewing by LAPFF members on the member section of the LAPFF website.

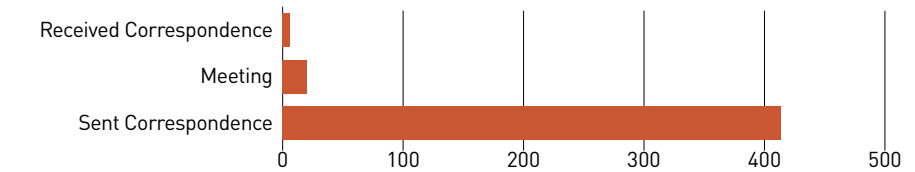
# ENGAGEMENT DATA

During the quarter, there was correspondence with the FTSE all-share (excluding investment trusts) pressing for an annual 'Say on Climate' vote

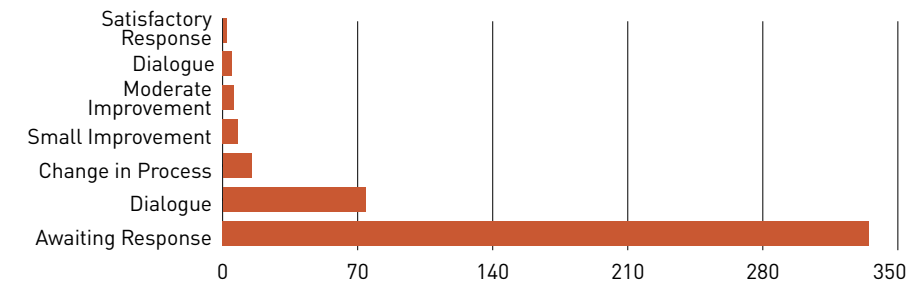
### ENGAGEMENT TOPICS



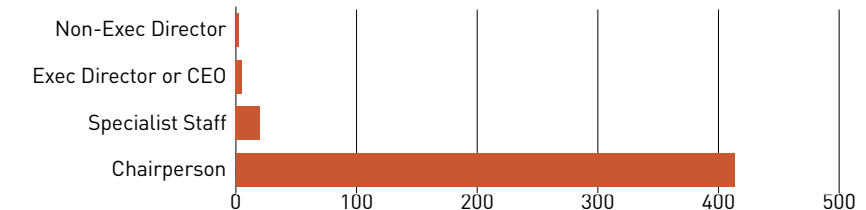
### ACTIVITY



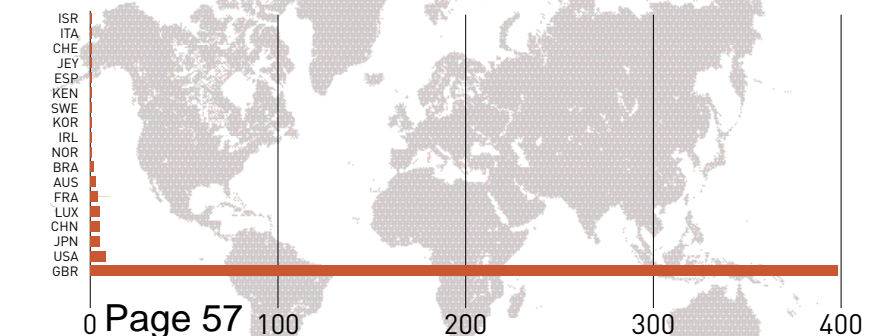
### MEETING ENGAGEMENT OUTCOMES



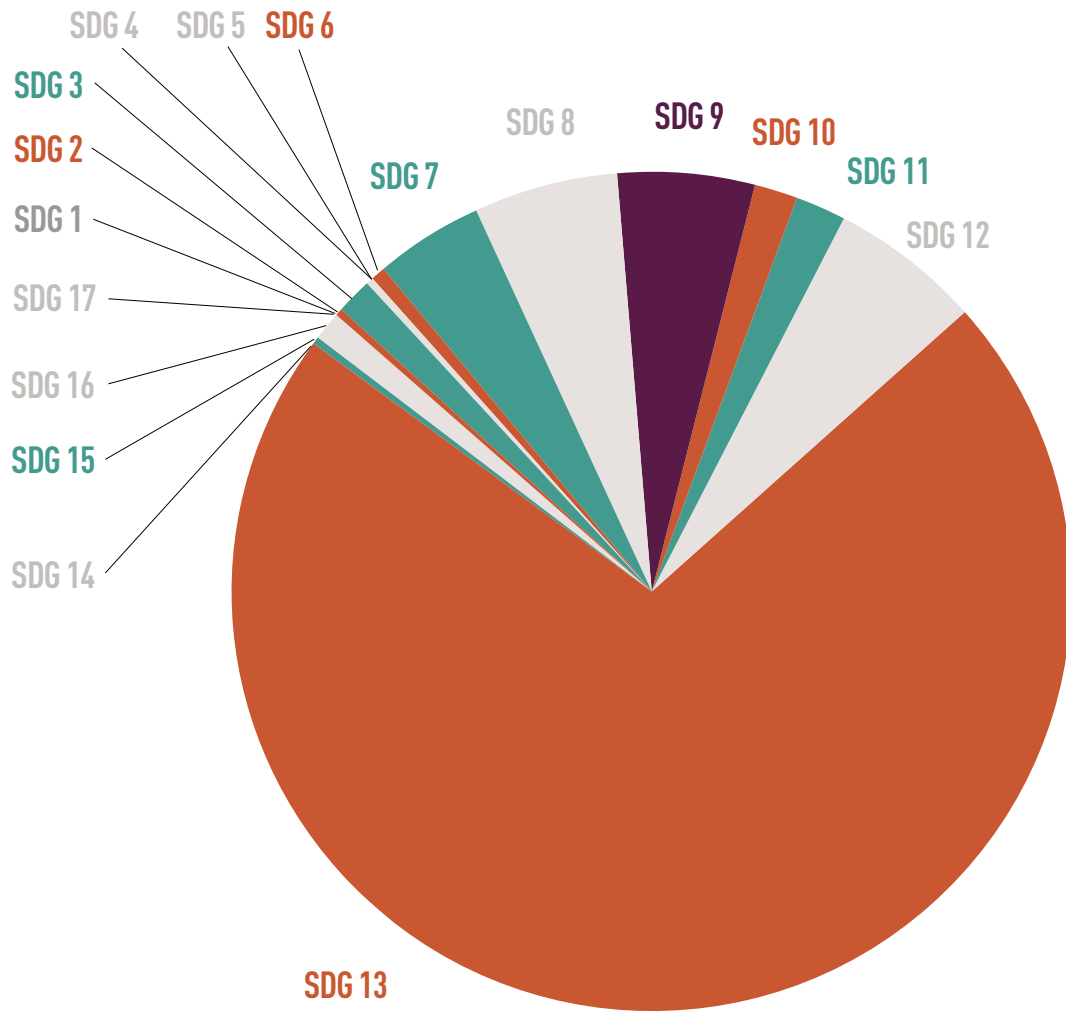
### POSITION ENGAGED



### COMPANY DOMICILES



# ENGAGEMENT DATA



## LAPFF SDG ENGAGEMENTS

SDG 1: No Poverty	1
<b>SDG 2: Zero Hunger</b>	<b>1</b>
<b>SDG 3: Good Health and Well-Being</b>	<b>9</b>
SDG 4: Quality Education	2
SDG 5: Gender Equality	0
<b>SDG 6: Clean Water and Sanitation</b>	<b>2</b>
<b>SDG 7: Affordable and Clean Energy</b>	<b>26</b>
SDG 8: Decent Work and Economic Growth	33
<b>SDG 9: Industry, Innovation, and Infrastructure</b>	<b>31</b>
<b>SDG 10: Reduced Inequalities</b>	<b>10</b>
<b>SDG 11: Sustainable Cities and Communities</b>	<b>12</b>
SDG12: Responsible Production and Consumption	34
<b>SDG 13: Climate Action</b>	<b>425</b>
SDG 14: Life Below Water	0
<b>SDG 15: Life on Land</b>	<b>2</b>
SDG 16: Peace, Justice, and Strong Institutions	6
SDG 17: Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development	0

## MEDIA COVERAGE

### CLIMATE

European pension players turn to Asia to drive climate 'breakthroughs'

<https://www.ipe.com/news/european-pension-players-turn-to-asia-to-drive-climate-breakthroughs/10055439.article>

Allow a vote on your climate plan, local govt pensions tell UK companies

<https://www.reuters.com/business/environment/allow-vote-your-climate-plan-local-govt-pensions-tell-uk-companies-2021-10-07/>

<https://timesofindia.indiatimes.com/world/uk/allow-a-vote-on-your-climate-plan-local-govt-pensions-tell-uk-companies/articleshow/86838700.cms>

<https://www.todayonline.com/world/allow-vote-your-climate-plan-local-govt-pensions-tell-uk-companies>

London CIV launches passive equity Paris-aligned fund

<https://www.pensions-expert.com/Investment/London-CIV-launches-passive-equity-Paris-aligned-fund>

<https://www.room151.co.uk/blogs/lgps-cop26-the-expected-the-needed-and-the-opportunities/>

### BHP VOTE

BHP faces knife-edge vote on climate change plan

<https://www.ft.com/content/c7c1c225-9178-4fd5-8db1-4a86450d8f3d>

Mood lukewarm on BHP climate change plan ahead of AGM

<https://www.nasdaq.com/articles/mood-lukewarm-on-bhp-climate-change-plan-ahead-of-agm-2021-10-14>

BHP's London investors endorse climate change plan

<https://www.reuters.com/business/environment/mood-lukewarm-bhp-climate-change-plan-ahead-agm-2021-10-14/>

BHP gets Australian shareholder support for climate plan

<https://www.reuters.com/article/bhp-group-au-agm-idCNL1N2S20EQ>

### JUST TRANSITION

MPs urge pension schemes to cushion economic effects of UK's net zero plan

<https://www.theguardian.com/environment/2021/oct/20/mps-urge-pension-schemes-cushion-economic-effects-uk-net-zero-plan>

LGPS must consider net-zero impact to avoid social downturn, MPs say

<https://www.pensions-expert.com/Investment/LGPS-must-consider-net-zero-impact-to-avoid-social-downturn-MPs-say?ct=true>

### ISRAEL-PALESTINE

LGPS urged to divest from 'Israeli settlement economy'

<https://www.pensions-expert.com/DB-Derisking/LGPS-urged-to-divest-from-Israeli-settlement-economy>

## LOCAL AUTHORITY PENSION FUND FORUM MEMBERS

Avon Pension Fund  
Barking and Dagenham Pension Fund  
Barnet Pension Fund  
Bedfordshire Pension Fund  
Berkshire Pension Fund  
Bexley (London Borough of)  
Brent (London Borough of)  
Bromley Pension Fund  
Cambridgeshire Pension Fund  
Camden Pension Fund  
Cardiff & Glamorgan Pension Fund  
Cheshire Pension Fund  
City of London Corporation Pension Fund  
Clwyd Pension Fund (Flintshire CC)  
Cornwall Pension Fund  
Croydon Pension Fund  
Cumbria Pension Fund  
Derbyshire Pension Fund  
Devon Pension Fund  
Dorset Pension Fund  
Durham Pension Fund  
Dyfed Pension Fund  
Ealing Pension Fund  
East Riding Pension Fund

East Sussex Pension Fund  
Enfield Pension Fund  
Environment Agency Pension Fund  
Essex Pension Fund  
Falkirk Pension Fund  
Gloucestershire Pension Fund  
Greater Gwent Pension Fund  
Greater Manchester Pension Fund  
Greenwich Pension Fund  
Gwynedd Pension Fund  
Hackney Pension Fund  
Hammersmith and Fulham Pension Fund  
Haringey Pension Fund  
Harrow Pension Fund  
Havering Pension Fund  
Hertfordshire Pension Fund  
Hounslow Pension Fund  
Isle of Wight Pension Fund  
Islington Pension Fund  
Kingston upon Thames Pension Fund  
Lambeth Pension Fund  
Lancashire County Pension Fund  
Leicestershire Pension Fund  
Lewisham Pension Fund

Lincolnshire Pension Fund  
London Pension Fund Authority  
Lothian Pension Fund  
Merseyside Pension Fund  
Merton Pension Fund  
Newham Pension Fund  
Norfolk Pension Fund  
North East Scotland Pension Fund  
North Yorkshire Pension Fund  
Northamptonshire Pension Fund  
Nottinghamshire Pension Fund  
Oxfordshire Pension Fund  
Powys Pension Fund  
Redbridge Pension Fund  
Rhondda Cynon Taf Pension Fund  
Shropshire Pension Fund  
Somerset Pension Fund  
South Yorkshire Pension Authority  
Southwark Pension Fund  
Staffordshire Pension Fund  
Strathclyde Pension Fund  
Suffolk Pension Fund  
Surrey Pension Fund  
Sutton Pension Fund

Swansea Pension Fund  
Teesside Pension Fund  
Tower Hamlets Pension Fund  
Tyne and Wear Pension Fund  
Waltham Forest Pension Fund  
Wandsworth Borough Council Pension Fund  
Warwickshire Pension Fund  
West Midlands Pension Fund  
West Yorkshire Pension Fund  
Westminster Pension Fund  
Wiltshire Pension Fund  
Worcestershire Pension Fund

#### Pool Company Members

Border to Coast Pensions Partnership  
Brunel Pensions Partnership  
LGPS Central  
Local Pensions Partnership  
London CIV  
Northern LGPS  
Wales Pension Partnership





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