

County Buildings, Stafford
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Pensions Panel

Wednesday, 9 March 2016

1.30 pm

Ivanovo Room - County Buildings

John Tradewell
Director of Strategy, Governance and Change
1 March 2016

A G E N D A

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of meeting held on 1 December 2015** (Pages 1 - 4)
4. **Pension Fund Performance and Portfolio of Investments as at 31 December 2015** (Pages 5 - 28)
Report of the Director of Finance and Resources
5. **Annual Investment Strategy for Pension Fund Cash 2016/17** (Pages 29 - 36)
Report of the Director of Finance and Resources
6. **Dates of Future Meetings**
7 June 2016
19 July 2016
8 September 2016
6 December 2016
7 March 2017

All meetings are scheduled to start at 9.30am at County Buildings, Stafford unless indicated otherwise.

7. **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)

8. **Exempt Minutes of the Meeting held on 1 December 2015** (Pages 37 - 46)
(Exemption paragraph 3)
9. **Confirmation of action taken by Director of Finance and Resources in relation to Property Purchases and Sales** (Pages 47 - 62)
(Exemption paragraph 3)

Report of the Director of Finance and Resources
10. **Pooling of LGPS Investments**
(Exemption paragraph 3)

Oral update by the Director of Finance and Resources
11. **Strategic Benchmark Review and Monitoring**
(Exemption paragraph 3)
 - a) Economic and Market Update

Presentation by Hymans Robertson
 - b) Review of Position as at 31 January 2016 (Pages 63 - 72)

Report of the Director of Finance and Resources
12. **Pension Fund Performance and Manager Monitoring for the quarter ended 31 December 2015** (Pages 73 - 122)
(Exemption paragraph 3)

(Report of Portfolio Evaluation for the quarter ended 31 December 2015 enclosed for information)
13. **Corporate Governance and Socially Responsible Investment Report Quarter 4 2015** (Pages 123 - 140)
(Exemption paragraph 3)

Report of the Director of Finance and Resources

14. **Investing in Alternative Credit**
(Exemption paragraph 3)

(Pages 141 - 154)

Report of the Director of Finance and Resources

Membership

Philip Atkins (Chairman)	Robert Marshall
Derek Davis, OBE	Shelagh McKiernan
Carolan Dobson	Stephen Sweeney
Graeme Johnston	David Thomas

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 1 December 2015

Present:

Attendance	
Derek Davis, OBE	Robert Marshall
Shelagh McKiernan	Stephen Sweeney (in the chair)

Also in attendance: Carolan Dobson (Independent Adviser), Graeme Johnston (Hymans Robertson) and David Thomas (Independent Adviser).

Apologies: Philip Atkins

PART ONE

32. Declarations of Interest

There were no declarations of interest on this occasion.

33. Minutes of meeting held on 8 September 2015

RESOLVED – That the minutes of Meeting of the Pensions Panel held on 8 September 2015 be confirmed and signed by the Chairman.

34. Pension Fund Performance and Portfolio of Investments as at 30 September 2015

The Director of Finance and Resources submitted a summary of the performance of the Pension Fund together with a portfolio of the Fund's investments as at 30 September 2015.

The Panel were informed that Global equity markets suffered bouts of extreme volatility over the third quarter of 2015. All major indices finished in negative territory with the MSCI World falling 7.72%. Markets feared that the world's second-largest economy, China, could be headed for major slow-down in growth. In August the surprise decision to devalue the yuan by Chinese authorities led many to speculate the situation was worse than feared and caused a further stock market sell-off dubbed 'Black Monday'. From June 12 to August 24, the Shanghai Composite index shed 38% of its value.

In the UK, as in all markets, equities had a disappointing time. The UK Consumer Price Index continued to hover around zero and the Bank of England followed the Federal Reserve in holding interest rates at their historical lows. Solid trade data and positive historical GDP revisions continued to suggest that the UK was in a strong position particularly versus its European peers.

Europe continued to show a modest recovery helped by the urgency around the Greek debt crisis being resolved.

The Panel noted that, given equity market performance over the quarter, it was no surprise that the Fund had generated a negative return of -3.7% (an underperformance of -0.2% against the benchmark), with the market value of the Fund standing at £3.6 billion at 30 September 2015. However, the Fund was still successfully outperforming the return of its benchmark over the financial year to date with an excess return of 0.2%. The Fund's Global Equity portfolio (-5.8%) had the biggest impact on the Fund's performance this quarter whilst Property was the best performing asset class, with a return of +2.8% over the quarter and a return of +15.4%, for the financial year to date.

Over the longer term, the Fund continued to outperform its benchmark return in the 1, 3 and 5 year time periods, with positive excess returns of 0.9% and 0.8% p.a. in the 3 and 5 year periods respectively.

RESOLVED – That the Pension Fund performance and portfolio of investments for the quarter ended 30 September 2015 be noted.

35. Dates of Future Meetings

9 March 2016 (1.30pm)

To be confirmed:

7 June 2016

19 July 2016 (Managers' Day)

8 September 2016

6 December 2016

7 March 2017

All meetings are scheduled to start at 9.30am at County Buildings, Stafford.

36. 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 paragraph 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:

37. Exempt Minutes of the Meeting held on 8 September 2015
(Exemption paragraph 3)

38. Pooling of LGPS Investments
(Exemption paragraph 3)

39. Strategic Benchmark Review and Monitoring
(Exemption paragraph 3)

- a) Economic and Market Update
- b) Review of Position as at 31 October 2015

40. Pension Fund Performance and Manager Monitoring for the quarter ended 30 September 2015

(Exemption paragraph 3)

41. Corporate Governance and Socially Responsible Investment Report Quarter 3 2015

(Exemption paragraph 3)

42. Private Equity Training and Strategy Implementation

(Exemption paragraph 3)

- a) Investing in Private Equity

- b) Review of position at 30 September 2015 and approval of strategy 2016-2019 (Phase IV)

43. Property Strategy Update

(Exemption paragraph 3)

Chairman

Local Members Interest	

PENSIONS PANEL – 9 MARCH 2016

Report of the Director of Finance and Resources

PENSION FUND INVESTMENT PERFORMANCE 2015/16

1. Purpose of Report

1.1 To provide, for information;

- i) a summary of performance of the Staffordshire Pension Fund as at 31 December 2015; and
- ii) a portfolio of the Pension Fund’s investments as at 31 December 2015.

2. Performance Summary

2.1 Period

	<u>Fund</u> %	<u>Benchmark</u> %	<u>Relative</u> <u>Performance</u> %
June 2015 Quarter	-2.4	-2.8	0.4
September 2015 Quarter	-3.7	-3.5	-0.2
December 2015 Quarter	4.8	4.9	-0.1
Financial Year to Date	-1.5	-1.6	0.1

2.2 The fourth quarter of 2015 saw a rebound from the weakness of the previous quarter with the MSCI All Countries World Index rising 5.76%. Whilst the US modestly outperformed global markets, Japan was the best performing market, rising 9.83% in local currency terms.

2.3 Q4 was a positive period for both UK equities and European equities as they enjoyed a strong start to the period. However, European equities suffered in December when Mario Draghi’s announcement of further stimulus failed to meet investor expectations and markets fell sharply as a result.

2.4 In the US, the Federal Reserve finally raised interest rates, for the first time in nearly a decade, at their December meeting. Rates were raised by a quarter percentage point to 0.5%, and the committee pledged a gradual pace of increases going forwards.

2.5 During the quarter China continued to show signs of an economic slowdown, with the effect spilling over into the price of global commodities, particularly oil, which continued to see its price fall. The Chinese authorities responded by easing monetary policy again.

3. **Fund Value**

3.1 Global equities made up the ground they lost in Q3 and returned 7.4% in Q4, whilst bonds were the poorest performing asset class for the period, returning -1.2%. The Fund value stood at £3.7 billion at 31 December 2015.

3.2 The Fund returned 4.8% this quarter albeit it marginally underperformed its benchmark by 0.1%. Over the longer term the Fund continues to outperform its strategic benchmark and has generated absolute returns of 9.9% and 7.9% per annum in the 3 and 5 year time periods respectively.

4. **Portfolio of Investments as at 31 December 2015**

4.1 A copy of the Staffordshire Pension Fund's portfolio of investments as at 31 December 2015 is attached.

Andrew Burns
Director of Finance and Resources

Contact : Melanie Stokes
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Background Documents:

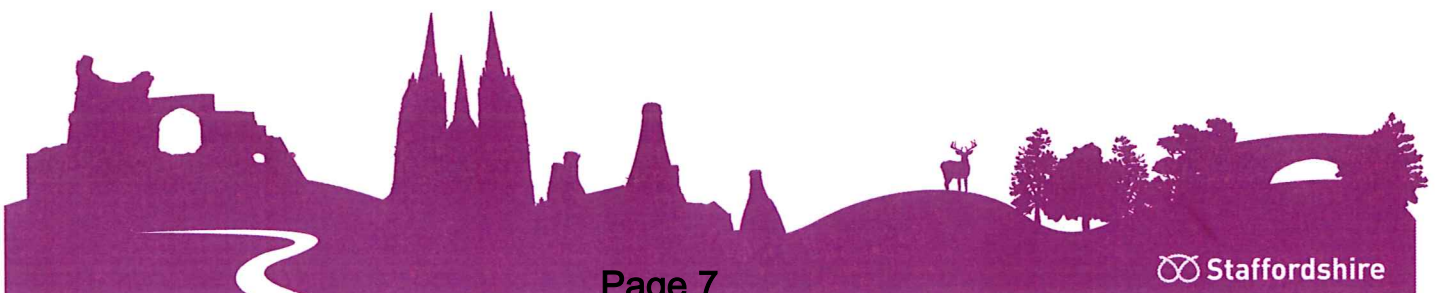
Portfolio Evaluation Performance Measurement Data



Staffordshire
Pension Fund
Local Government Pension Scheme

Investment Portfolio

31 December 2015



STAFFORDSHIRE PENSION FUND

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STAFFORDSHIRE PENSION FUND
PORTFOLIO ANALYSIS AS AT 31 DECEMBER 2015

		<u>PREVIOUS QUARTER</u> <u>MARKET VALUE</u> £	<u>CURRENT QUARTER</u> <u>BOOK COST</u> £	<u>CURRENT QUARTER</u> <u>MARKET VALUE</u> £
UK	Equities	249,487,725.36	226,824,322.56	261,072,770.43
	Cash	1,101,899.34	756,555.19	756,555.19
GLOBAL	Equities	904,819,979.54	806,149,297.56	965,998,799.58
	Cash	20,964,325.67	20,940,544.74	20,940,544.74
BONDS	Global Corporate Bonds	196,310,750.27	194,166,285.56	185,611,812.82
	Passive UK Index Linked Gilts	194,813,952.61	137,768,964.69	188,382,918.48
	Cash	76,131,912.47	59,510,906.07	59,510,906.07
PASSIVE GLOBAL	Equities	1,097,672,451.70	1,162,745,579.92	1,179,749,236.38
EMERGING MARKETS		71,718,189.14	40,600,000.00	73,977,719.59
HEDGE FUNDS	Equities	86,239,335.66	70,240,579.00	86,333,162.17
ALTERNATIVES	Equities	103,415,142.79	96,500,000.00	103,216,201.98
PROPERTY		320,955,270.00	290,152,919.00	327,439,050.00
PRIVATE EQUITY	Equities	114,286,672.34	53,156,255.01	115,425,334.56
CASH	Central Cash Fund	77,887,106.74	110,778,557.07	110,778,557.07
	Currency	953,240.34	330,128.73	330,128.73
	Private Equity	4,199,335.10	8,503,000.35	8,503,000.35
TRANSITION	Equities	0.52	0.00	0.54
	Cash	632,041.81	633,364.53	633,364.53
TOTAL INVESTMENTS		<u>3,339,719,469.93</u>	<u>3,078,304,203.30</u>	<u>3,487,207,006.53</u>
TOTAL CASH		<u>181,869,861.47</u>	<u>201,453,056.68</u>	<u>201,453,056.68</u>
TOTAL		<u><u>3,521,589,331.40</u></u>	<u><u>3,279,757,259.98</u></u>	<u><u>3,688,660,063.21</u></u>

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

<u>Fund - Standard Life (UK Equity)</u>	<u>Currency - Sterling</u>			<u>Report Date -</u>		<u>31-12-15</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>	<u>£</u>
UK EQUITIES & CONVERTIBLES						
Aerospace & Defense						
SENIOR GBP0.10	410,528	<u>1,112,785.46</u>	2.71	2.30	<u>942,982.82</u>	<u>(169,802.64)</u>
Automobiles & Parts						
GKN ORD GBP0.10	1,400,109	<u>2,867,071.58</u>	2.05	3.08	<u>4,317,936.16</u>	<u>1,450,864.58</u>
Banks						
BARCLAYS PLC ORD GBP0.25	1,999,095	4,747,104.73	2.37	2.19	4,376,018.96	(371,085.77)
HSBC HLDGS ORD USD0.50(UK REG)	1,252,993	7,720,302.88	6.16	5.36	6,718,548.47	(1,001,754.41)
LLOYDS BANKING GP ORD GBP0.1	9,098,636	5,682,927.44	0.62	0.73	6,648,373.33	965,445.89
		<u>18,150,335.05</u>			<u>17,742,940.76</u>	<u>(407,394.29)</u>
Beverages						
SABMILLER PLC ORD USD0.10	87,507	<u>2,285,586.81</u>	26.12	40.70	<u>3,561,097.37</u>	<u>1,275,510.56</u>
Capital Markets						
SVG CAPITAL ORD GBP1	262,962	<u>1,094,637.78</u>	4.16	4.93	<u>1,295,613.77</u>	<u>200,975.99</u>
Construction & Materials						
KIER GROUP ORD GBP0.01	81,269	1,054,937.66	12.98	13.91	1,130,451.79	75,514.13
POLYPIPE GROUP PLC ORD GBP0.001	1,018,199	2,520,556.63	2.48	3.49	3,553,514.51	1,032,957.88
		<u>3,575,494.29</u>			<u>4,683,966.30</u>	<u>1,108,472.01</u>
Financial Services						
CLOSE BROS GROUP ORD GBP0.25	192,271	1,617,243.57	8.41	13.37	2,570,663.27	953,419.70
JOHN LAING GROUP P ORD GBP0.10	454,662	872,378.76	1.92	2.10	954,790.20	82,411.44
		<u>2,489,622.33</u>			<u>3,525,453.47</u>	<u>1,035,831.14</u>
Fixed Line Telecommunications						
BT GROUP ORD GBP0.05	1,945,894	4,545,873.48	2.34	4.72	9,178,782.00	4,632,908.52
TELECOM PLUS ORD GBP0.05	221,445	3,055,615.01	13.80	10.71	2,371,675.95	(683,939.06)
		<u>7,601,488.49</u>			<u>11,550,457.95</u>	<u>3,948,969.46</u>
Gas, Water & Multiutilities						
NATIONAL GRID ORD GBP0.113953	602,592	5,230,566.42	8.68	9.38	5,649,300.00	418,733.58
SEVERN TRENT ORD GBP0.9789	116,412	2,482,251.90	21.32	21.77	2,534,289.24	52,037.34
UNITED UTILITIES GROUP ORD GBP0.05	266,872	2,293,733.60	8.59	9.36	2,496,587.56	202,853.96
		<u>10,006,551.92</u>			<u>10,680,176.80</u>	<u>673,624.88</u>
General Industrials						
RPC GROUP ORD GBP0.05	524,481	2,218,625.77	4.23	8.33	4,368,926.73	2,150,300.96
SMITH(DS) ORD GBP0.10	1,218,933	2,360,697.09	1.94	3.97	4,835,507.21	2,474,810.12
		<u>4,579,322.86</u>			<u>9,204,433.94</u>	<u>4,625,111.08</u>
General Retailers						
AA PLC ORD GBP0.001	825,665	2,533,687.48	3.07	3.14	2,592,588.10	58,900.62
DIXONS CARPHONE PLC ORD GBP0.001	602,759	2,263,665.43	3.76	5.00	3,013,795.00	750,129.57
INCHCAPE ORD GBP0.10	429,275	2,411,718.66	5.62	7.85	3,369,808.75	958,090.09
NEXT ORD GBP0.10	40,125	1,788,750.94	44.58	72.90	2,925,112.50	1,136,361.56
		<u>8,997,822.51</u>			<u>11,901,304.35</u>	<u>2,903,481.84</u>
Health Care Equipment & Services						
MEDICLINIC INTERNA ORD GBP0.10	129,168	<u>1,293,479.84</u>	10.01	11.08	<u>1,431,181.44</u>	<u>137,701.60</u>
Household Goods & Home Construction						
BARRATT DEVELOPMENTS ORD GBP0.10	614,707	2,715,334.59	4.42	6.26	3,848,065.82	1,132,731.23
BELLWAY GBP0.125	168,012	3,044,134.64	18.12	28.36	4,764,820.32	1,720,685.68
BERKLEY GP HOLDINGS	38,807	428,901.70	11.05	36.88	1,431,202.16	1,002,300.46
BOVIS HOMES GROUP GBP0.50	105,893	904,706.78	8.54	10.15	1,074,813.95	170,107.17
CREST NICHOLSON HL ORD GBP0.05	630,096	2,451,252.51	3.89	5.57	3,509,634.72	1,058,382.21
MCCARTHY & STONE P ORD GBP0.08	1,138,923	2,103,403.85	1.85	2.54	2,892,864.42	789,460.57
RECKITT BENCK GRP ORD GBP0.10	23,510	790,973.13	33.64	62.81	1,476,663.10	685,689.97
		<u>12,438,707.20</u>			<u>18,998,064.49</u>	<u>6,559,357.29</u>

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

<u>Fund - Standard Life (UK Equity)</u>	<u>Currency - Sterling</u>			<u>Report Date -</u>		<u>31-12-15</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>
<u>Industrial Engineering</u>						
BODYCOTE PLC ORD GBP0.1727272	282,552	1,156,232.73	4.09	5.69	1,606,308.12	450,075.39
IMI ORD GBP0.28571428	453,837	5,126,740.77	11.30	8.62	3,909,805.76	(1,216,935.01)
		<u>6,282,973.50</u>			<u>5,516,113.88</u>	<u>(766,859.62)</u>
<u>Industrial Metals & Mining</u>						
1ST QUANTUM MINLS COM NPV	209,496	<u>605,116.44</u>	2.89	2.58	<u>539,452.20</u>	<u>(65,664.24)</u>
<u>Life Insurance</u>						
AVIVA ORD GBP0.25	1,007,474	4,120,623.69	4.09	5.16	5,198,565.84	1,077,942.15
LEGAL & GENERAL GP ORD GBP0.025	647,209	676,024.35	1.04	2.68	1,733,225.70	1,057,201.35
PRUDENTIAL GBP0.05	553,114	4,484,540.99	8.11	15.31	8,468,175.34	3,983,634.35
		<u>9,281,189.03</u>			<u>15,399,966.88</u>	<u>6,118,777.85</u>
<u>Media</u>						
ENTERTAINMENT ONE ORD NPV	638,454	1,761,520.81	2.76	1.67	1,066,218.18	(695,302.63)
ITV ORD GBP0.10	1,122,373	1,902,900.33	1.70	2.77	3,104,483.72	1,201,583.39
RELX PLC	396,752	4,573,373.26	11.53	11.97	4,749,121.44	175,748.18
RIGHTMOVE ORD GBP0.01	39,215	1,592,598.35	40.61	41.25	1,617,618.75	25,020.40
		<u>9,830,392.75</u>			<u>10,537,442.09</u>	<u>707,049.34</u>
<u>Mining</u>						
ANGLO AMERICAN USD0.54945	377,522	6,039,767.00	16.00	2.99	1,130,489.63	(4,909,277.37)
BHP BILLITON PLC USD0.50	228,654	3,492,312.68	15.27	7.60	1,737,770.40	(1,754,542.28)
GLENCORE PLC ORD USD0.01	3,020,210	6,154,146.14	2.04	0.90	2,732,686.01	(3,421,460.13)
PETRA DIAMONDS ORD GBP0.10 (DI)	906,062	835,128.66	0.92	0.88	792,804.25	(42,324.41)
RIO TINTO ORD GBP0.10	218,384	6,479,908.38	29.67	19.80	4,322,911.28	(2,156,997.10)
		<u>23,001,262.86</u>			<u>10,716,661.57</u>	<u>(12,284,601.29)</u>
<u>Mobile Telecommunications</u>						
VODAFONE GROUP ORD USD0.2095238	3,143,088	<u>6,090,656.68</u>	1.94	2.21	<u>6,946,224.48</u>	<u>855,567.80</u>
<u>Nonlife Insurance</u>						
DIRECT LINE INSURANCE PLC ORD GBP	812,502	2,312,650.23	2.85	4.08	3,310,945.65	998,295.42
JARDINE LLOYD THOMPSON GROUP ORD GBP0.05	322,495	3,028,407.50	9.39	9.25	2,983,078.75	(45,328.75)
		<u>5,341,057.73</u>			<u>6,294,024.40</u>	<u>952,966.67</u>
<u>Oil & Gas Producers</u>						
BG GROUP ORD GBP0.10	501,514	4,739,740.86	9.45	9.85	4,939,912.90	200,172.04
BP ORD USD0.25	1,162,110	5,446,959.67	4.69	3.54	4,113,869.40	(1,333,090.27)
		<u>10,186,700.53</u>			<u>9,053,782.30</u>	<u>(1,132,918.23)</u>
<u>Oil Equipment, Services & Distribution</u>						
PETROFAC ORD USD0.02	222,575	<u>2,432,275.03</u>	10.93	7.96	<u>1,771,697.00</u>	<u>(660,578.03)</u>
<u>Personal Goods</u>						
BURBERRY GROUP ORD GBP0.0005	174,290	2,767,686.54	15.88	11.95	2,082,765.50	(684,921.04)
UNILEVER PLC ORD GBP0.031111	80,079	1,618,010.42	20.21	29.27	2,343,511.94	725,501.52
		<u>4,385,696.96</u>			<u>4,426,277.44</u>	<u>40,580.48</u>
<u>Pharmaceuticals & Biotechnology</u>						
ASTRAZENECA ORD USD0.25	93,625	3,304,327.40	35.29	46.17	4,322,198.13	1,017,870.73
BTG ORD GBP0.10	550,593	2,910,501.12	5.29	6.89	3,790,832.81	880,331.69
GLAXOSMITHKLINE ORD GBP0.25	175,069	2,355,992.33	13.46	13.73	2,403,697.37	47,705.04
SHIRE PLC ORD GBP0.05	127,706	4,665,477.30	36.53	46.98	5,999,627.88	1,334,150.58
		<u>13,236,298.15</u>			<u>16,516,356.19</u>	<u>3,280,058.04</u>
<u>Real Estate</u>						
DERWENT LONDON ORD GBP0.05	63,859	<u>1,716,493.56</u>	26.88	36.72	<u>2,344,902.48</u>	<u>628,408.92</u>
<u>Software & Computer Services</u>						
AVEVA GROUP ORD GBP0.03556	106,906	2,343,574.92	21.92	16.18	1,729,739.08	(613,835.84)
SAGE GROUP GBP0.01051948	726,658	3,450,182.72	4.75	6.04	4,385,381.03	935,198.31
		<u>5,793,757.64</u>			<u>6,115,120.11</u>	<u>321,362.47</u>

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

<u>Fund - Standard Life (UK Equity)</u>	<u>Currency - Sterling</u>			<u>Report Date -</u>	<u>31-12-15</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>
Support Services						
ASHTAD GROUP ORD GBP0.10	535,553	5,513,031.08	10.29	11.19	5,992,838.07	479,806.99
ATKINS WS GBP0.005	280,486	3,571,392.11	12.73	16.26	4,560,702.36	989,310.25
BABCOCK INTL GROUP ORD GBP0.60	598,889	5,200,996.43	8.68	10.16	6,084,712.24	883,715.81
CAPITA PLC ORD GBP0.02066666	150,898	1,736,383.38	11.51	12.08	1,822,847.84	86,464.46
CARILLION ORD GBP0.50	684,878	2,243,647.05	3.28	3.03	2,074,495.46	(169,151.59)
ESSENTRA PLC ORD GBP0.25	480,945	3,731,888.91	7.76	8.28	3,982,224.60	250,335.69
HOWDEN JOINERY GR ORD GBP0.10	475,204	938,756.88	1.98	5.27	2,501,949.06	1,563,192.18
INTERSERVE ORD GBP0.10	257,464	1,634,680.29	6.35	5.21	1,340,100.12	(294,580.17)
		24,570,776.13			28,359,869.75	3,789,093.62
Technology Hardware & Equipment						
ARM HLDGS ORD GBP0.0005	441,659	4,414,870.74	10.00	10.39	4,588,837.01	173,966.27
IMAGINATION TECH. GBP0.10	558,856	1,248,282.41	2.23	1.34	746,072.76	(502,209.65)
		5,663,153.15			5,334,909.77	(328,243.38)
Tobacco						
BRITISH AMERICAN TOBACCO ORD GBP0.25	56,178	1,116,280.96	19.87	37.71	2,118,472.38	1,002,191.42
IMPERIAL BRANDS PLC GBP0.10	122,498	2,697,366.42	22.02	35.87	4,393,390.77	1,696,024.35
		3,813,647.38			6,511,863.15	2,698,215.77
Travel & Leisure						
ENTERPRISE INNS ORD GBP0.025	1,029,376	1,164,822.02	1.13	1.11	1,144,666.11	(20,155.91)
GREENE KING ORD GBP0.125	152,962	992,425.78	6.49	9.30	1,422,546.60	430,120.82
INTL CONS AIRL DI	1,141,933	3,786,955.63	3.32	6.11	6,971,500.97	3,184,545.34
MITCHELLS & BUTLERS ORD GBP0.085416	658,159	2,306,920.44	3.51	3.45	2,271,306.71	(35,613.73)
RESTAURANT GROUP ORD GBP0.28125	268,928	1,802,620.45	6.70	6.86	1,843,501.44	40,880.99
THOMAS COOK GROUP ORD EUR0.01	2,329,207	2,964,983.68	1.27	1.21	2,820,669.68	(144,314.00)
TUI AG NPV (REGD)	253,145	2,465,391.46	9.74	12.11	3,065,585.95	600,194.49
WHITBREAD ORD GBP0.76797385	21,501	567,629.49	26.40	44.01	946,259.01	378,629.52
		16,051,748.95			20,466,036.47	4,434,287.52
Unit Trusts						
STANDARD LIFE INVT POOLED UK EQTY SMALLER	1,395,450	2,048,219.97	1.47	3.13	4,366,460.65	2,318,240.68
Total Investments		226,824,322.56			261,072,770.43	34,248,447.87
Cash Balance		756,555.19			756,555.19	
Total Value of Portfolio		227,580,877.75			261,829,325.62	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)		Currency - Sterling			Report Date -	31-12-15
Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £	
EUROPE						
Belgium						
AGEAS NPV	32,164	724,588.73	22.53	31.54	1,014,601.70	290,012.97
BPOST SA/NV NPV	49,079	623,529.51	12.70	16.65	817,134.79	193,605.28
DELHAIZE GROUP NPV	14,471	660,415.33	45.64	66.18	957,653.23	297,237.90
UMICORE NPV	114,389	3,700,825.63	32.35	28.50	3,259,748.11	(441,077.52)
		5,709,359.20			6,049,137.83	339,778.63
Denmark						
ISS A/S DKK1	102,700	2,001,616.40	19.49	24.56	2,522,517.16	520,900.76
NOVOZYMES A/S SER'B'DKK2 (POST CONSOLIDAT)	190,398	3,099,716.02	16.28	32.65	6,216,602.98	3,116,886.96
PANDORA A/S DKK1	12,193	409,487.89	33.58	86.12	1,050,062.04	640,574.15
		5,510,820.31			9,789,182.18	4,278,361.87
Finland						
UPM-KYMMENE CORP NPV	79,680	694,120.95	8.71	12.70	1,011,850.54	317,729.59
France						
AIRBUS GROUP SE	100,568	3,670,581.08	36.50	45.70	4,595,505.26	924,924.18
AXA EUR2.29	86,251	992,149.20	11.50	18.60	1,603,847.80	611,698.60
BNP PARIBAS EUR2	29,947	1,124,044.56	37.53	38.49	1,152,803.04	28,758.48
BNP PARIBAS EUR2	137,798	5,843,669.22	42.41	38.49	5,304,503.06	(539,166.16)
CAP GEMINI EUR8	16,446	717,801.16	43.65	63.09	1,037,566.20	319,765.04
CREDIT AGRICOLE SA EUR3	101,106	950,455.65	9.40	8.02	810,751.18	(139,704.47)
ESSILOR INTL EUR0.18	37,568	1,643,042.70	43.74	84.79	3,185,564.94	1,542,522.24
GTT EURO.01	67,088	2,538,653.31	37.84	28.72	1,926,643.18	(612,010.13)
ORANGE EUR4	91,368	929,087.84	10.17	11.41	1,042,766.55	113,678.71
RENAULT SA EUR3.81	15,731	1,095,961.50	69.67	68.27	1,073,964.09	(21,997.41)
SAFRAN SA EUR0.20	19,736	944,523.52	47.86	46.71	921,774.33	(22,749.19)
SANOFI EUR2	14,941	958,316.94	64.14	57.93	865,533.69	(97,783.25)
SANOFI EUR2	86,100	4,438,473.71	51.55	57.93	4,987,781.98	549,308.27
SCHNEIDER ELECTRIC EUR4.00	86,274	3,446,420.98	39.95	38.74	3,342,081.64	(104,339.34)
SES FDR EACH REP 1 'A' NPV	166,683	2,683,778.24	16.10	18.85	3,141,873.65	458,095.41
TELEPERFORMANCE SOCIETE EUROPEENNE	17,728	607,970.23	34.29	57.12	1,012,612.33	404,642.10
VALEO EUR3	9,988	602,489.82	60.32	105.06	1,049,367.28	446,877.46
VINCI EUR2.50	21,748	873,130.03	40.15	43.59	947,943.40	74,813.37
		34,060,549.69			38,002,883.60	3,942,333.91
Germany						
BAYER AG NPV (REGD)	18,357	1,019,585.13	55.54	85.35	1,566,722.32	547,137.19
BAYERISCHE MOTOREN WERKE A G COM	16,501	1,134,176.86	68.73	71.96	1,187,340.60	53,163.74
CONTINENTAL AG ORD NPV	6,093	497,303.08	81.62	165.50	1,008,384.13	511,081.05
CONTINENTAL AG ORD NPV	33,220	2,636,987.87	79.44	165.50	5,497,869.82	2,858,881.95
FRESENIUS MEDICAL CARE NPV	109,601	4,057,069.28	37.02	57.29	6,278,919.99	2,221,850.71
FRESENIUS MEDICAL CARE NPV	57,400	3,187,928.37	55.54	57.29	3,288,382.47	100,454.10
FRESENIUS MEDICAL CARE NPV	17,479	773,136.09	44.23	57.29	1,001,352.56	228,216.47
HEIDELBERGCEMENT NPV	19,845	901,024.71	45.40	55.73	1,106,036.71	205,012.00
OSRAM LICHT AG NPV	28,730	898,887.60	31.29	28.59	821,366.85	(77,520.75)
SAP SE	102,300	4,303,201.21	42.06	54.08	5,532,674.31	1,229,473.10
HENKEL AG & CO KGAA NON-VTG PRF NPV	57,500	4,235,344.66	73.66	76.06	4,373,501.77	138,157.11
HENKEL AG & CO KGAA NON-VTG PRF NPV	11,762	817,388.05	69.49	76.06	894,628.31	77,240.26
		24,464,032.91			32,557,179.84	8,093,146.93
Ireland						
RYANAIR LTD ORD EUR0.006	109,626	836,350.58	7.63	11.02	1,207,915.42	371,564.84
ACCENTURE PLC SHS CL A NEW	74,300	2,470,579.80	33.25	70.90	5,267,894.70	2,797,314.90
ACCENTURE PLC SHS CL A NEW	18,052	1,121,012.30	62.10	70.90	1,279,892.80	158,880.50
		4,427,942.68			7,755,702.92	3,327,760.24
Italy						
ENEL SPA EUR1	311,721	876,037.24	2.81	2.87	894,171.16	18,133.92
INTESA SANPAOLO EURO.52	630,410	1,235,843.45	1.96	2.28	1,434,769.55	198,926.10
MEDIOBANCA SPA EUR0.5	127,884	821,943.20	6.43	6.55	837,443.29	15,500.09
TELECOM ITALIA SPA NPV	1,080,387	805,240.33	0.75	0.87	935,618.89	130,378.56
		3,739,064.22			4,102,002.89	362,938.67
Netherlands						
ASML HOLDING NV EUR0.09	77,400	2,142,497.12	27.68	60.84	4,709,120.49	2,566,623.37
HEINEKEN NV EUR1.60	15,698	926,809.73	59.04	58.06	911,353.64	(15,456.09)
ING GROEP NV CVA EUR0.24	131,926	960,122.18	7.28	9.18	1,210,546.60	250,424.42
KONINKLIJKE BOSKAL EUR0.80	132,394	3,578,158.66	27.03	27.73	3,671,844.55	93,685.89
NN GROUP N.V. EUR0.12	42,120	808,722.56	19.20	23.99	1,010,464.64	201,742.08
RELX NV	77,624	858,683.48	11.06	11.45	889,055.34	30,371.86
UNILEVER NV CVA EUR0.16	53,560	1,496,442.96	27.94	29.56	1,583,145.58	86,702.62
NXP SEMICONDUCTORS N V COM STK	18,188	637,672.25	35.06	57.16	1,039,649.23	401,976.98
		11,409,108.94			15,025,180.07	3,616,071.13
Norway						
NORSK HYDRO ASA NOK1.098	362,392	924,871.63	2.55	2.54	920,285.37	(4,586.26)
STATOIL ASA	108,867	1,361,579.43	12.51	9.48	1,032,258.42	(329,321.01)
YARA INTERNATIONAL NOK1.7	24,283	717,419.10	29.54	29.35	712,705.62	(4,713.48)
		3,003,870.16			2,665,249.41	(338,620.75)

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

<u>Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)</u>	<u>Currency - Sterling</u>				<u>Report Date -</u>	<u>31-12-15</u>
	<u>Holding</u>	<u>Cost</u>	<u>Average</u>	<u>Market</u>	<u>Market</u>	<u>Unrealised</u>
		<u>Cost</u>	<u>Cost</u>	<u>Price</u>	<u>Value</u>	<u>Gain/Loss</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
WALT DISNEY CO	15,204	1,176,094.79	77.35	71.29	1,083,951.64	(92,143.15)
WELLS FARGO & CO NEW COM STK	74,870	2,140,754.95	28.59	36.88	2,761,336.05	620,581.10
WELLS FARGO & CO NEW COM STK	145,600	2,848,564.93	19.56	36.88	5,369,981.68	2,521,416.75
WESTERN UNION CO	74,990	976,986.18	13.03	12.15	911,236.11	(65,750.07)
WESTN DIGITAL CORP COM	20,993	1,020,576.69	48.62	40.74	855,302.02	(165,274.67)
XL GROUP PLC ORD USD0.01	35,460	704,952.96	19.88	26.58	942,616.73	237,663.77
ZIMMER BIOMET HLDGS INC COM	13,698	795,246.27	58.06	69.60	953,441.77	158,195.50
ZIMMER BIOMET HLDGS INC COM	77,675	4,842,955.00	62.35	69.60	5,406,525.71	563,570.71
		368,541,658.56			481,842,971.99	113,301,313.43
TOTAL NORTH AMERICA		386,446,712.19			497,286,965.35	110,840,253.16
EMERGING MARKETS						
Argentina						
ADR TENARIS S A SPONSORED ADR	221,200	5,387,451.38	24.36	16.15	3,571,856.98	(1,815,594.40)
Brazil						
ADR AMBEV SA SPONSORED ADR	314,427	1,189,876.42	3.78	3.03	951,451.54	(238,424.88)
ADR BANCO BRADESCO S A SPONSORED ADR	1,146,280	8,563,147.85	7.47	3.26	3,740,828.28	(4,822,319.57)
ADR EMBRAER S A SPONSORED ADR REPSTG 4 COM SHS	205,400	4,226,681.83	20.58	20.04	4,116,640.21	(110,041.62)
ADR ITAU UNIBANCO HLDG SA SPONSORED ADR	263,597	1,862,833.68	7.07	4.42	1,164,269.27	(698,564.41)
ADR VALE S A ADR REPSTG PFD PEF ADR	1,060,200	8,368,433.54	7.89	1.73	1,834,256.06	(6,534,177.48)
		24,210,973.32			11,807,445.36	(12,403,527.96)
Chile						
ADR SOCIEDAD QUIMICA Y MINERA DE CHILE SA SPONSORED ADR	220,857	3,975,795.28	18.00	12.90	2,848,559.31	(1,127,235.97)
China						
ANHUI CONCH CEMENT 'H' CNY1	461,000	1,012,853.89	2.20	1.83	841,451.07	(171,402.82)
CHINA CONSTRUCTION BANK 'H' CNY1	2,533,410	1,174,993.33	0.46	0.46	1,177,665.32	2,671.99
CHINA MENGNIU DAIR HKD0.1	2,680,000	2,539,338.68	0.95	1.11	2,965,539.76	426,201.08
CHINA MOBILE LTD HKD0.10	169,500	1,306,536.45	7.71	7.66	1,298,373.49	(8,162.96)
CHINA OVERSEAS LAND & INVESTMNT HKD0.10	478,000	831,533.41	1.74	2.38	1,138,200.27	306,666.86
CNOOC LTD HKD0.02	1,711,000	1,648,732.33	0.96	0.71	1,208,774.89	(439,957.44)
ENN ENERGY COMSTK	644,000	3,029,340.64	4.70	3.62	2,331,220.03	(698,120.61)
PING AN INSURANCE GROUP 'H' CNY1	407,500	1,472,726.49	3.61	3.76	1,533,973.84	61,247.35
TENCENT HLDGS LIMITED COMMON STOCK	111,100	1,180,425.02	10.62	13.35	1,483,220.73	302,795.71
ADR ALIBABA GROUP HLDG LTD-SP A	17,990	989,506.09	55.00	55.14	991,958.27	2,452.18
ADR BAIDU INC SPONSORED ADR	8,334	773,210.32	92.78	128.26	1,068,905.19	295,694.87
		15,959,196.65			16,039,282.86	80,086.21
India						
ADR HDFC BK LTD ADR REPSTG 3 SHS	29,602	613,250.31	20.72	41.79	1,237,182.44	623,932.13
ADR ICICI BK LTD	424,162	3,352,263.60	7.90	5.31	2,253,333.65	(1,098,929.95)
ADR TATA MTRS LTD SPONSORED ADR	49,585	1,008,210.05	20.33	19.99	991,430.86	(16,779.19)
AXIS BANK GDR EACH REPR 5 INR10 'REGS	41,676	819,746.98	19.67	22.83	951,487.48	131,740.50
		5,793,470.94			5,433,434.43	(360,036.51)
Indonesia						
BANK RAKYAT INDONESIA PERSER	2,063,400	1,171,606.01	0.57	0.56	1,160,285.48	(11,320.53)
ADR PERUSAHAAN PERSEROAN PERSERO P T TELEKOMUNIKIASI	36,383	906,221.66	24.91	30.12	1,096,007.33	189,785.67
		2,077,827.67			2,256,292.81	178,465.14
Israel						
ADR TEVA PHARMACEUTICAL INDS	31,086	896,708.23	28.85	44.53	1,384,412.13	487,703.90
CHECK PT SOFTWARE TECHNOLOGIES ORDILS.01	86,400	4,539,599.52	52.54	55.21	4,770,494.61	230,895.09
MOBILEYE NV EUR0.01	36,500	1,398,597.99	38.32	28.69	1,047,031.68	(351,566.31)
		6,834,905.74			7,201,938.42	367,032.68
Korea, Republic Of						
DONGBU INSURANCE KRW500	20,160	741,996.09	36.81	40.68	820,061.60	78,065.51
KIA MOTORS CORP KRW5000	28,415	786,720.11	27.69	30.44	864,836.53	78,116.42
KOREA ELEC POWER KRW5000	34,212	947,869.65	27.71	28.93	989,803.74	41,934.09
SAMSUNG ELECTRONIC KRW5000	2,631	1,732,075.42	658.33	729.07	1,918,191.74	186,116.32
SAMSUNG ELECTRONIC PFD KRW5000	12,400	4,137,397.34	333.66	631.28	7,827,932.25	3,690,534.91
		8,346,058.61			12,420,825.86	4,074,767.25
Mexico						
GRUPO FINANCIERO BANORTE S A B DE C V	901,982	2,708,614.92	3.00	3.73	3,365,785.97	657,171.05
ADR FOMENTO ECONOMICO MEXICANO SAB DE CV	92,800	4,197,253.18	45.23	62.66	5,814,560.01	1,617,306.83
GRUPO AEROPORTUARIO DEL SURESTE S.A.B DEC.V.	9,261	729,946.32	78.82	95.44	883,876.02	153,929.70
		7,635,814.42			10,064,222.00	2,428,407.58
Russian Federation						
ADR MMC NORILSK NICKEL PJSC SPONSORED ADR	90,450	1,033,771.16	11.43	8.61	779,064.22	(254,706.94)
ADR PJSC LUKOIL SPONSORED ADR	45,217	1,530,249.86	33.84	22.04	996,590.17	(533,659.69)
MAGNIT PJSC GDR REGS	32,108	1,087,539.10	33.87	27.29	876,167.83	(211,371.27)
		3,651,560.12			2,651,822.22	(999,737.90)
South Africa						
MTN GROUP LTD ZAR0.0001	467,400	4,958,841.92	10.61	5.82	2,719,614.88	(2,239,227.04)
TRUWORTHS INTERNAT ZAR0.00015	207,639	879,410.30	4.24	3.99	828,689.81	(50,720.49)
		5,838,252.22			3,548,304.69	(2,289,947.53)

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)		Currency - Sterling			Report Date -	31-12-15
Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £	
Taiwan						
TAIWAN SEMICON MAN TWD10	2,708,000	3,673,415.75	1.36	2.95	7,998,728.96	4,325,313.21
HON HAI PRECISION GDR(REP 2 SHS TWD10)REG'S	231,495	615,387.81	2.66	3.47	802,591.39	187,203.58
TAIWAN SEMICONDUCTOR MFG CO LTD SPONSORED ADR	71,379	686,652.36	9.62	15.44	1,101,751.98	415,099.62
		4,975,455.92			9,903,072.33	4,927,616.41
TOTAL EMERGING MARKETS		94,686,762.27			87,747,057.27	(6,939,705.00)
UNITED KINGDOM						
3I GROUP ORD GBP0.738636	196,902	749,760.52	3.81	4.82	948,280.03	198,519.51
ASSOCD BRIT FOODS ORD GBP0.0568	169,263	2,998,887.22	17.72	33.42	5,656,769.46	2,657,882.24
BARCLAYS PLC ORD GBP0.25	2,267,680	5,955,138.61	2.63	2.19	4,963,951.52	(991,187.09)
BARCLAYS PLC ORD GBP0.25	543,794	1,357,070.53	2.50	2.19	1,190,365.07	(166,705.46)
BARRATT DEVELOPMENTS ORD GBP0.10	152,724	619,775.45	4.06	6.26	956,052.24	336,276.79
BHP BILLITON PLC USD0.50	236,300	3,815,442.66	16.15	7.60	1,795,860.00	(2,019,562.66)
BP ORD USD0.25	986,260	3,696,279.24	3.75	3.54	3,491,360.40	(204,918.84)
BP ORD USD0.25	232,735	1,056,859.83	4.54	3.54	823,881.90	(231,977.93)
BRITISH AMERICAN TOBACCO ORD GBP0.25	222,800	4,830,581	21.68	37.71	8,401,788	3,571,206.77
BRITISH LAND CO ORD GBP0.25	120,014	863,021.52	7.19	7.86	943,310.04	80,288.52
BT GROUP ORD GBP0.05	178,638	803,904.19	4.50	4.72	842,635.45	38,731.26
COMPASS GROUP PLC ORD GBP0.10625	450,541	2,519,009.90	5.59	11.75	5,293,856.75	2,774,846.85
DIRECT LINE INSURANCE PLC ORD GBP	248,853	804,937.73	3.23	4.08	1,014,075.98	209,138.25
EXPERIAN ORD USD0.10	336,100	3,868,256.47	11.51	12.01	4,036,561.00	168,304.53
GLENCORE PLC ORD USD0.01	1,830,512	4,824,122.57	2.64	0.90	1,656,247.26	(3,167,875.31)
HSBC HLDGS ORD USD0.50(UK REG)	887,882	5,423,717.24	6.11	5.36	4,760,823.28	(662,893.96)
IMPERIAL BRANDS PLC GBP0.10	35,088	819,247.38	23.35	35.87	1,258,431.12	439,183.74
INFORMA PLC (GB) ORD GBP0.001	110,520	679,158.66	6.15	6.13	677,487.60	(1,671.06)
ITV ORD GBP0.10	405,273	517,689.19	1.28	2.77	1,120,985.12	603,295.93
KINGFISHER ORD GBP0.157142857	892,075	3,389,976.25	3.80	3.30	2,939,387.13	(450,589.12)
LLOYDS BANKING GP ORD GBP0.1	7,033,000	3,919,817.32	0.56	0.73	5,139,013.10	1,219,195.78
LLOYDS BANKING GP ORD GBP0.1	1,563,305	1,258,354.45	0.80	0.73	1,142,306.96	(116,047.49)
NEXT ORD GBP0.10	6,984	467,257.45	66.90	72.90	509,133.60	41,876.15
OCADO GROUP PLC ORD GBP0.02	825,891	3,706,654.04	4.49	3.04	2,511,534.53	(1,195,119.51)
PEARSON ORD GBP0.25	71,586	854,224.92	11.93	7.36	526,872.96	(327,351.96)
PERSIMMON ORD GBP0.10	45,514	449,196.87	9.87	20.27	922,568.78	473,371.91
PLAYTECH PLC ORD NPV	82,200	718,413.50	8.74	8.33	684,315.00	(34,098.50)
PRUDENTIAL GBP0.05	81,062	771,489.16	9.52	15.31	1,241,059.22	469,570.06
RECKITT BENCK GRP ORD GBP0.10	14,813	926,169.94	62.52	62.81	930,404.53	4,234.59
RIO TINTO ORD GBP0.10	79,701	2,372,069.38	29.76	19.80	1,577,681.30	(794,388.08)
ROLLS ROYCE HLDGS C SHS ENTITLEMENT (JANUARY	48,345,831	0.00	0.00	0.00	48,345.83	48,345.83
ROLLS ROYCE HLDGS ORD GBP0.20	521,530	4,881,036.32	9.36	5.75	2,998,797.50	(1,882,238.82)
ROYAL DUTCH SHELL 'A' SHS EURO.07(GBP)	141,848	3,280,126.26	23.12	15.26	2,164,600.48	(1,115,525.78)
ROYAL DUTCH SHELL 'B' ORD EURO.07	297,200	5,938,379.11	19.97	15.43	4,585,796.00	(1,350,583.11)
SHIRE PLC ORD GBP0.05	25,410	1,190,941.33	46.87	46.98	1,193,761.80	2,820.47
STANDARD CHARTERED PLC SHS	704,376	8,485,059.40	12.05	5.64	3,970,567.51	(4,514,491.89)
TELECITY GROUP ORD GBP0.002	404,055	3,487,057.64	8.63	12.55	5,070,890.25	1,583,832.61
VODAFONE GROUP ORD USD0.2095238	2,988,669	6,636,970.00	2.22	2.21	6,604,958.49	(32,011.51)
VODAFONE GROUP ORD USD0.2095238	2,326,800	4,255,916.93	1.83	2.21	5,142,228.00	886,311.07
VODAFONE GROUP ORD USD0.2095238	713,780	1,476,497.57	2.07	2.21	1,577,453.80	100,956.23
WPP PLC ORD GBP0.10	359,045	2,640,734.04	7.35	15.63	5,611,873.35	2,971,139.31
TOTAL UNITED KINGDOM		107,306,202.02			106,926,292.34	(379,909.68)
Total Investments		806,149,297.56			965,998,799.58	159,849,502.02
Cash Balance		20,940,544.74			20,940,544.74	
Total Value of Portfolio		827,089,842.30			986,939,344.32	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - Insight Investment (Global Corporate Bonds)

Currency - Sterling

Report Date -

31-12-15

	Cost	Average	Market	Market	Unrealised	
Cost	Cost	Price	Value	Gain/Loss		
£	£	£	£	£		
Corporate Bonds (Foreign Currency)						
ARENA BV SER 2012-1 CL A1 DUE 17/11/2044	713,205	577,185.90	0.81	0.74	526,389.22	(50,796.68)
AUST & NZ BANK GRP 4.875% BDS 144A 12/01/21	3,000,000	2,221,151.99	0.74	0.75	2,242,726.44	21,574.45
BNP PARIBAS / BNP 5 DUE 01-15-2021	3,300,000	2,316,314.60	0.70	0.75	2,477,366.58	161,051.98
BRUNEL RES MTG SEC FRN M/BKD 01/2039 EUR'A4A'	2,564,615	2,011,295.96	0.78	0.73	1,880,618.74	(130,677.22)
CMNWLTH BK OF AUST 5.5% SUB EMTN 06/08/19 EUR	2,400,000	2,240,728.27	0.93	0.85	2,035,003.20	(205,725.07)
CMO BELUGA MASTER ISSUER 2006-1 CL A3 VAR RT 28/04/2099	2,000,000	1,707,549.90	0.85	0.74	1,472,561.14	(234,988.76)
CRUSADE GBL T 06-2 FRN M/BKD 11/2037 USD'A1'	2,287,715	1,438,642.00	0.63	0.68	1,546,714.84	108,072.84
DEUTSCHE BK AG 3.25% DUE 01-11-2016	3,400,000	2,270,213.49	0.67	0.68	2,307,681.66	37,468.17
DUTCH MBS BV DUTCH 2012-17 A2 02/10/2044	2,106,554	1,878,559.35	0.89	0.75	1,580,248.13	(298,311.22)
E-MAC PROGRAM B V REMACP 2007 - NL3A A1 144A 25/07/2047	1,905,465	1,170,093.80	0.61	0.67	1,269,226.30	99,132.50
LLOYDS TSB BANK PLC 4.875% BDS 21/01/16	3,300,000	2,288,070.65	0.69	0.68	2,242,459.60	(45,611.05)
NATIONWIDE BLDG 6.75% 22/07/2020	2,500,000	2,250,906.04	0.90	0.91	2,265,653.01	14,746.97
NORDEA BK AG 4.875% DUE 05-13-2021	3,000,000	2,023,621.58	0.67	0.73	2,196,564.22	172,942.64
RABOBANK NEDERLAND 4.125% SUB MTN 14/09/22 EUR	2,700,000	2,281,315.95	0.84	0.83	2,227,620.02	(53,695.93)
SAECURE BV FRNS SR 12 CLS A1 30/07/2092	1,305,700	1,050,410.71	0.80	0.74	964,535.32	(85,875.39)
STORM 2012 IV BV FRN M/BKD 08/2054 EUR CL'A1	1,202,640	967,061.34	0.80	0.74	888,199.87	(78,861.47)
VERIZON 3.65% DUE 09-14-2018	5,000,000	3,224,559.34	0.64	0.71	3,547,360.74	322,801.40
WAL-MART STORES 3.625% DUE 07-08-2020	3,200,000	2,258,771.62	0.71	0.73	2,323,010.24	64,238.62
		34,176,452.49			33,993,939.27	(182,513.22)
Futures						
FUT MAR 16 EURX EUR-BUND	-36	0.00	0.00	-1,820.45	65,536.19	65,536.19
FUT MAR 16 LIF LONG GILT	133	0.00	0.00	-200.00	(26,600.00)	(26,600.00)
FUT MAR 16 10 YR T-NOTES	-79	0.00	0.00	-365.74	28,893.24	28,893.24
FUT MAR 16 5 YR T NOTE	-46	0.00	0.00	-180.34	8,295.71	8,295.71
		0.00			76,125.14	76,125.14
Total Investments		194,166,285.56			185,611,812.82	(8,554,472.74)
Cash Balance		59,510,906.07			59,510,906.07	
Total Value of Portfolio		253,677,191.63			245,122,718.89	

STAFFORDSHIRE PENSION FUND
PORTFOLIO VALUATION

Fund - PRIVATE EQUITY INVESTMENTS

Currency - Sterling

31-12-15

Report Date -

Date of Inception	Estimated Total Approved Investment	Cumulative Investments @ 30 Sep 2015	Quarters Transactions	Cumulative Distributions @ 30 Sep 2015	Quarters Transactions	Market Value @ 30 Sep 2015
	£	£	£	£	£	£
Jan-01	6,214,639.57	6,216,640.24	0.00	4,361,433.56	231,162.95	1,903,994.18
May-01	4,000,000.00	4,007,302.74	0.00	1,823,961.37	0.00	720,755.00
Jan-02	6,811,851.14	6,973,790.92	0.00	11,281,161.87	0.00	1,397,020.40
Apr-03	5,260,383.82	5,299,569.55	0.00	6,874,435.13	450,502.71	2,710,519.41
Feb-05	6,291,695.54	6,377,366.59	0.00	6,870,715.46	180,084.55	4,240,458.44
Mar-06	5,056,257.30	5,397,418.05	0.00	5,029,957.04	123,577.90	3,416,317.77
Sep-07	4,900,000.00	5,814,979.99	64,055.33	4,707,014.04	53,858.66	4,734,586.88
Oct-07	5,000,000.00	5,833,182.84	107,873.38	3,332,097.54	479,270.49	4,082,139.20
Sep-07	2,450,000.00	2,875,456.62	0.00	2,100,676.86	163,133.32	3,007,099.72
Sep-07	24,500,000.00	26,812,346.63	0.00	22,967,641.66	2,013,340.47	20,837,458.38
Sep-07	2,450,000.00	2,707,000.27	0.00	2,341,651.12	0.00	1,531,630.40
Apr-08	5,000,000.00	4,979,576.18	60,135.45	548,931.96	330,744.01	8,376,221.71
May-08	10,000,000.00	11,685,450.40	0.00	11,809,321.57	617,291.38	6,372,036.73
Nov-08	12,165,000.00	11,602,530.76	0.00	9,410,525.76	856,602.16	7,625,223.40
Jun-08	29,687,775.33	18,790,089.11	0.00	2,997,092.19	0.00	20,962,944.85
Feb-12	4,500,000.00	1,152,764.33	424,773.78	0.00	0.00	1,328,677.43
Apr-13	6,150,000.00	3,919,902.07	267,446.31	638,268.72	0.00	4,909,812.50
Apr-13	12,300,000.00	5,306,862.79	297,162.57	1,084,835.52	208,916.61	5,459,863.70
Apr-13	2,050,000.00	730,277.24	0.00	290,690.55	77,187.75	659,133.23
Apr-13	7,800,000.00	4,391,389.80	0.00	1,434,417.47	193,344.44	5,068,782.64
Jun-14	23,500,000.00	4,044,889.51	1,041,734.42	0.00	0.00	4,370,506.97
Sep-15	25,400,000.00	0.00	0.00	0.00	0.00	-11,759.70
Sep-15	12,700,000.00	0.00	0.00	0.00	0.00	-37,008.75
Sep-15	5,000,000.00	0.00	0.00	0.00	0.00	0.00
Sep-15	10,000,000.00	1,642,841.20	1,642,841.20	0.00	0.00	1,758,920.07
Sep-15	10,000,000.00	0.00	0.00	0.00	0.00	0.00
TOTAL PRIVATE EQUITY	249,187,602.70	146,561,627.83	3,906,022.44	99,904,829.39	5,978,997.40	115,425,334.56

* latest available valuation

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

	Currency - Sterling			Report Date -		31-12-15
Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £	
Fund - Legal & General Investment Management (Passive Global Equity)						
UK - PASSIVE						
LEGAL & GENERAL N UK EQUITY INDEX	26,747,100	264,789,162.20	9.90	10.08	269,506,458.44	4,717,296.24
GLOBAL - PASSIVE						
LEGAL & GENERAL CY UK (WORLD) EQUITY INDEX	33,189,947	67,204,449.55	2.02	2.06	68,407,467.90	1,203,018.35
LEGAL & GENERAL S NORTH AMERICA EQUITY INDEX	37,679,984	537,512,510.00	14.27	14.38	541,853,244.21	4,340,734.21
LEGAL & GENERAL T EUROPE (EX UK) EQUITY INDEX	14,262,051	152,672,402.00	10.70	10.87	155,045,607.31	2,373,205.31
LEGAL & GENERAL R JAPAN EQUITY INDEX	63,100,952	84,474,507.00	1.34	1.37	86,577,661.74	2,103,154.74
LEGAL & GENERAL W ASIA PAC EXJAP DEV EQUITY INDEX	4,986,726	53,485,647.17	10.73	11.17	55,718,703.84	2,233,056.67
LEGAL & GENERAL MIDDLE EAST/AFRICA DEV EQUITY INDEX	1,579,768	2,606,902.00	1.65	1.67	2,640,092.94	33,190.94
		897,956,417.72			910,242,777.94	12,286,360.22
TOTAL PASSIVE GLOBAL EQUITY		1,162,745,579.92			1,179,749,236.38	17,003,656.46
Fund - Legal & General Investment Management (Passive UK Index Linked Bonds)						
LEGAL & GENERAL AP OVER 5 YR INDEX-LINKED	30,736,673	137,768,964.69	4.48	6.13	188,382,918.48	50,613,953.79
TOTAL PASSIVE UK INDEX LINKED BONDS		137,768,964.69			188,382,918.48	50,613,953.79
Fund - Staffordshire Pension Fund (Emerging Markets Funds)						
FRANK RUSSELL EMERGING MARKETS EQUITY	2,208,290	40,600,000.00	18.39	33.50	73,977,719.59	33,377,719.59
TOTAL EMERGING MARKETS		40,600,000.00			73,977,719.59	33,377,719.59
Fund - Staffordshire Pension Fund (Funds of Hedge Funds)						
GOLDMAN SACHS HFP II FUND (H1)	529,258	70,240,579.00	132.72	163.12	86,333,162.17	16,092,583.17
TOTAL HEDGE FUNDS		70,240,579.00			86,333,162.17	16,092,583.17
Fund - Staffordshire Pension Fund (Diversified Alternatives Funds)						
MORGAN STANLEY AIP DIVERSIFIED ALTERNATIVES FUND	443,948	48,250,000.00	108.68	112.76	50,059,562.95	1,809,562.95
SCHRODERS SIF DIVERSIFIED COMPLETION FUND	383,886	48,250,000.00	125.69	138.47	53,156,639.03	4,906,639.03
TOTAL ALTERNATIVES		96,500,000.00			103,216,201.98	6,716,201.98

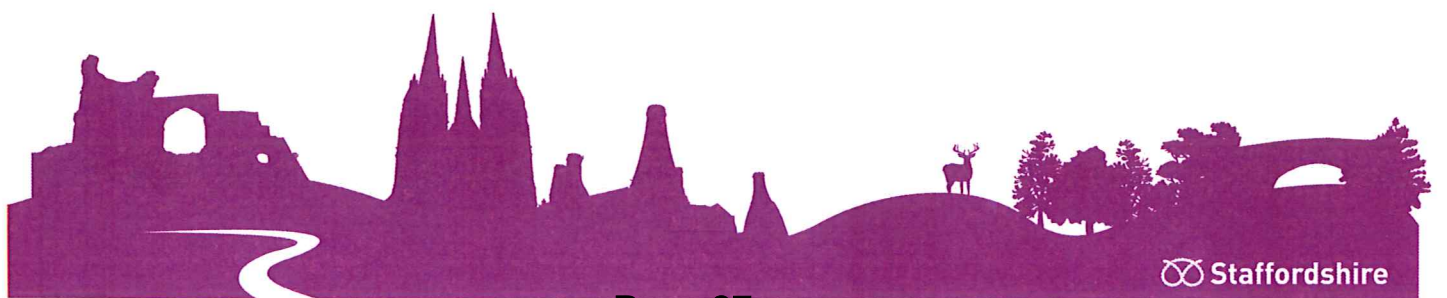
STAFFORDSHIRE PENSION FUND
PROPERTY PORTFOLIO SUMMARY

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2015	Value £ @ 31/12/2015	Lease or Fund Term	Lease Fund Expiry or Break	Rent pa £ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
Dir	BIRMINGHAM 92/93 New Street & 3/17 Ethel Street		Sun Valley Leisure	FH	Retail	5,168,899	21/06/2010	4,800,000	5,225,000	15 yrs	02/10/2021	400,000	400,000	-	03/10/2016	7.7	7.7
	BIRMINGHAM Colonnade Buildings, 98/100 New Street & 2/12 Ethel Street		L S Portfolio Investments Ltd	FH	Retail	7,487,498	30/12/2014	7,150,000	7,200,000	99 yrs	24/03/2063	450,000	450,000	-	25/03/2030	6.0	6.3
	BLETCHLEY Rushmere Retail Park, Watling Street	1 2	Wickes Building Supplies Ltd Halfords Ltd	FH	Retail WH Retail WH	5,094,683	11/04/1996	9,275,000	9,350,000	25 yrs 25 yrs	25/03/2021 25/03/2021	259,500 104,500	429,000 174,240	-	25/03/2016 29/03/2016	- 11.8	- 6.5
	BRISTOL St Annes Road		Palmer & Harvey McLane Ltd	LH	Industrial	6,489,293	17/08/2015	-	6,180,000	20 yrs	08/07/2023	424,874	424,874	-	09/07/2018	6.5	6.9
	BURY ST EDMUNDS 42/42a Buttermarket		McDonald's Real Estate LLP	FH	Retail	3,059,752	22/07/1994	2,950,000	3,100,000	35 yrs	24/12/2023	152,500	180,000	-	25/12/2018	5.9	5.8
	BURY ST EDMUNDS 45/47 Risbygate Street		B&Q PLC	FH	Retail WH	5,686,760	12/06/2013	5,150,000	5,800,000	25 yrs	10/03/2015	491,763	491,763	-	On Expiry	8.7	8.5
	CAMBRIDGE Chieftain Way, Orchard Park		Travelodge Hotels Ltd	FH	Hotel	11,386,246	15/10/2010	11,300,000	12,600,000	25 yrs	11/09/2036	0	724,500	-	12/09/2016	6.4	5.8
	CARDIFF 1/7 Queen Street	1&2 3	Santander UK PLC Vacant		Retail Retail	-	-	-	-	23 yrs	24/04/2031	188,000	188,000	-	12/02/2018	-	-
	CARDIFF 67 English Street	3a 4	Pizza Hut (UK) Ltd Lloyds TSB Bank PLC Vacant		Retail Retail	-	-	-	-	35 yrs 35 yrs	23/06/2021 23/06/2021	60,000 318,000	60,000 318,000	-	24/06/2016 24/06/2016	- 6.8	- 7.5
	CARLISLE 65 English Street		Game Retail Ltd	FH	Retail	788,026	20/01/1999	460,000	440,000	5 yrs	01/08/2017	50,000	41,500	-	On Expiry	5.3	9.4
	CARLISLE 67 English Street		Mothercare UK Ltd	FH	Retail	2,422,179	29/01/1999	3,350,000	3,550,000	10 yrs	24/03/2020	120,000	186,250	-	12/03/2015	7.7	5.2
	CHICHESTER 30 East Street		Wm Morrison Supermarkets Plc	FH	Foodstore	18,059,355	31/03/2010	17,500,000	16,675,000	35 yrs	09/04/2024	912,604	912,604	-	29/04/2014	5.1	5.5
	DOVER Bridge Street		Hilton Worldwide Ltd	FH	Hotel	18,127,519	28/07/2015	-	17,650,000	125 yrs	16/02/2094	802,500	802,500	-	17/02/2025	4.4	4.5
	EDINBURGH Grosvenor Street		Chilbrook Atkins Ltd Chilbrook Vacant Chilbrook Vacant		Office Office Office	-	-	-	-	10 yrs	13/08/2020	156,295	132,800	-	On Expiry	-	-
	EYNSHAM Oasis Park,	1-5 6 7	Southern Electricity Plc Vacant Amplivox Ltd Waterslade Ltd		Office Office Office Office	-	-	-	-	125 yrs 3 yrs 5 yrs	24/01/2116 12/02/2017 23/12/2017	165,555 202,220 90,000 33,770	0 0 45,500 21,782	-	On Expiry On Expiry 12/02/2017 23/12/2017	- - - -	- - - -

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2015	Value £ @ 31/12/2015	Lease or Fund Term	Lease Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value			
	HAYES Hayes Road,																			
	KINGSTON UPON THAMES 24/24a Market Place																			
	LANCASTER Parliament Street Retail Park,	8 9/10 11 12 13	Usborne Publishing Ltd Ice Energy Heat Pumps Ltd Bit by Bit Directors Scheme Adler & Allan Ltd Vacant Toys R Us Ltd	FH FH FH FH FH	Office Office Office Office Office Retail WH	12,639,824 16,224,160	14/10/1999 07/01/2008	5,075,000 13,575,000	5,250,000	5 yrs 999 yrs 5 yrs -	28/09/2018 31/03/2017 23/06/2986 22/12/2019 -	33,770 57,500 75 44,000 43,800 779,000	39,287 76,716 75 33,638 0 813,300	- - - - - -	29/09/2018 On Expiry On Expiry On Expiry - On Expiry	- - - - - 5.0	- - - - 6.7 6.0			
	LEEDS Killingbeck Retail Park, Killingbeck Drive																			
	LEEDS 20/26 King Edward Street & 49/51 Vicar Lane	20 22 24	Vacant Airwair International Ltd (t/a Dr Martens) VF Northern Europe Services Ltd (t/a Vans)	FH FH FH	Retail WH Retail WH Retail WH Retail WH Retail WH Retail WH Retail WH Advertising Retail Retail Retail	20,201,334	07/06/2008	15,400,000	14,800,000	5 yrs - 10 yrs 15 yrs	29/04/2014 - 22/07/2019 03/10/2018	1,088 91,250 95,000 105,000	1,000 0 98,000 105,000	- - - -	On Expiry - - On Expiry	5.7 - - -	7.8 - - -			
	LEICESTER 45 Gallowtree Gate & 47/49 Market Place	26	JD Sports Fashion PLC (t/a Size) London Lotus Ltd (t/a Chopstix) Vacant	FH	Restaurant Restaurant	6,538,408 4,768,455	25/10/2012 26/09/1997	7,425,000 850,000	7,675,000 775,000	20 yrs 20 yrs -	24/03/2021 07/03/2031 -	158,500 187,000 30,000	170,000 0 0	- - -	25/03/2016 08/03/2016 -	5.7 - 0.0	4.9 - 0.0			
	LEICESTER Unit 19, Meridian Business Park		JP Boden & Co Ltd	FH	Industrial	3,771,984	04/11/2011	4,850,000	4,800,000	-	20/06/2017	380,000	380,000	-	On Expiry	10.1	7.9			
	LONDON EC1 Cloisters Court, 22/26 Farringdon Lane	1st - 4th Gd Gd	Vacant Vacant Fuller Smith & Turner	FH	Office Restaurant Public House	2,345,862	28/02/2001	2,950,000	7,000,000	25 yrs	22/12/2030	10,250	12,500	-	23/12/2015	0.5	0.2			
	LONDON SW1 Burwood House, 14/24 Caxton Street	5th 4th 3rd 2nd 1st Gd Gd Gd Gd Gd	Gallaher Ltd Sport & Recreation Alliance William Sturges & Co William Sturges & Co BAE Systems Plc BAE Systems Plc William Sturges & Co Pret a Manger (Europe) Ltd William Sturges & Co Starbucks Coffee Co (UK) Ltd Car spaces	FH/LH	Office Office Office Office Office Office Office Retail Office Retail Garage Office	16,164,376	16/05/2011	21,950,000	24,500,000	15 yrs 15 yrs 15 yrs 15 yrs 10 yrs 15 yrs 15 yrs 15 yrs 15 yrs 15 yrs	25/12/2018 27/11/2018 28/09/2018 28/09/2018 24/03/2018 24/03/2018 28/09/2018 02/09/2027 28/09/2018 15/12/2017 -	117,500 135,375 166,760 166,485 152,000 146,620 38,118 49,665 46,000 77,500 7,345 45,000 32,962	117,500 146,000 170,260 168,985 146,620 42,000 49,665 77,500 7,345 45,000 33,962	- - - - - - - - - - - - -	On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry On Expiry 03/09/2017 On Expiry On Expiry -	- - - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -	- - - - - - - - - - - -
	LONDON WC1	5th	Orient Petroleum UK Ltd		Office					5 yrs	07/10/2017	88,125	83,662	-	On Expiry	-	-			

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2015	Value £ @ 31/12/2015	Lease or Fund Term	Lease Fund or Break	Rent pa £	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
	16 Upper Woburn Place	4th & 3rd	London Upper Woburn Place Centre Ltd		Office	-	-	-	-	10 yrs	18/11/2023	224,238	462,462	-	19/11/2018	-	-
		2nd	t/a Regus London Upper Woburn Place Centre Ltd		Office	-	-	-	-	8.33 yrs	18/11/2023	205,840	289,840	-	19/11/2018	-	-
		1st	Sue Ryder		Office	-	-	-	-	10 yrs	12/04/2018	213,745	213,745	-	12/04/2016	-	-
		Gd	PMSI UK Ltd		Office	-	-	-	-	10 yrs	05/12/2016	93,000	93,000	-	On Expiry	-	-
		Gd & LG	Prezzo Plc		Restaurant	-	-	-	-	20 yrs	04/01/2024	87,500	90,000	-	05/01/2019	-	-
		LG	Barry's Bootcamp Ltd		Gym	-	-	-	-	25 yrs	24/06/2024	75,460	87,032	-	23/07/2018	-	-
			EDF Energy Networks (LPN) Plc		Substation	19,207,152	12/08/2011	26,250,000	29,050,000	99 yrs	03/03/2106	0	0	-	-	6.9	4.5
	LONDON WC2	4th	Vacant		Office	-	-	-	-	-	-	76,335	0	-	-	-	-
	22 Stukeley Street	3rd	Vacant		Office	-	-	-	-	-	-	42,073	0	-	-	-	-
		3rd	AIG Edenspiekermann Ltd		Office	-	-	-	-	10 yrs	19/03/2020	50,827	119,493	-	20/03/2020	-	-
		2nd	Trentnet Ltd		Office	-	-	-	-	5 yrs	22/03/2017	83,250	196,064	-	23/11/2015	-	-
		1st	Prospectus Ltd		Office	-	-	-	-	10 yrs	24/11/2019	85,360	160,416	-	On Expiry	-	-
		Gd & LG	Freedom Recruitment Ltd		Office	-	-	-	-	5 yrs	01/04/2019	80,765	182,529	-	On Expiry	-	-
		Gd & LG	Zero Degrees West Ltd	FH	Office	8,533,566	16/12/1998	17,800,000	19,500,000	10 yrs	24/04/2020	49,200	116,305	-	24/04/2019	9.1	4.0
	MANCHESTER	29	Hancocks Jewellers Ltd		Retail	-	-	-	-	25 yrs	31/05/2030	120,000	120,000	-	01/06/2015	-	-
	Old Exchange Buildings,	31	Hermes (GB) Ltd		Retail	-	-	-	-	25 yrs	31/05/2023	106,000	106,000	-	01/06/2018	-	-
	29/31 King Street		Crabtree & Evelyn		Retail	-	-	-	-	20 yrs	13/07/2018	62,500	62,500	-	On Expiry	-	-
			J Barbour & Sons Ltd		Retail	-	-	-	-	15 yrs	30/06/2016	60,000	60,000	-	On Expiry	-	-
		1st	Lucinda Ellery Ltd		Retail	-	-	-	-	5 yrs	30/11/2014	17,648	17,648	-	On Expiry	-	-
		2nd	Vacant		Office	-	-	-	-	-	-	0	0	-	-	-	-
		3rd	Spencer Ogden		Office	6,591,908	11/08/2014	6,200,000	6,200,000	5 yrs	13/05/2016	29,377	29,377	-	On Expiry	-	-
		4th	Denton Corker Marshall		Office	2,146,455	11/09/1998	2,200,000	2,165,000	25 yrs	08/02/2020	0	10,955	-	On Expiry	6.2	6.6
	ROMFORD		Halifax Plc	FH	Retail	-	-	-	-	25 yrs	23/06/2020	135,000	183,500	-	29/09/2016	8.5	8.5
	26/30 South Street																
	SCUNTHORPE	1 & 2	Howden Joinery Properties Ltd		Industrial	-	-	-	-	10 yrs	10/10/2020	24,150	53,500	-	11/10/2015	-	-
	Eastgate Park,	3 & 4	TSC Foods Ltd		Industrial	-	-	-	-	25 yrs	14/08/2015	56,500	57,000	-	On Expiry	-	-
	Arkwright Way	5	Birkdale Roller Shutter Company Ltd		Industrial	-	-	-	-	5 yrs	13/10/2019	44,500	40,000	-	On Expiry	-	-
		6	Eurocell Building Plastics Ltd		Industrial	-	-	-	-	5 yrs	03/09/2015	10,500	17,950	-	On Expiry	-	-
		7	Vacant		Industrial	-	-	-	-	-	-	0	0	-	-	-	-
		8	Euro Car Parts Ltd		Industrial	-	-	-	-	10 yrs	19/02/2018	22,000	21,000	-	20/02/2017	-	-
		9	Virgin Media Ltd		Industrial	-	-	-	-	15 yrs	24/11/2024	9,720	13,450	-	25/11/2019	-	-
		10	Signet Industrial Distribution (Holdings) Ltd		Industrial	-	-	-	-	7 yrs	13/07/2018	10,500	10,500	-	On Expiry	-	-
		11	Brammer UK Ltd		Industrial	-	-	-	-	6 yrs	15/08/2015	6,000	10,250	-	On Expiry	-	-
		12	Brammer UK Ltd	FH	Industrial	2,325,419	26/09/1997	2,325,000	2,450,000	25 yrs	14/08/2015	10,500	10,500	-	On Expiry	10.1	9.6
	SOUTHAMPTON		Vodafone Ltd		Phone Mast	-	-	-	-	12 yrs	11/01/2013	0	5,034	-	On Expiry	-	-
	Centurion Park,	A	Dowding & Mills (UK) Ltd		Industrial	-	-	-	-	3 yrs	24/11/2014	104,000	114,000	-	On Expiry	-	-
	Bitterne Road	B	Vacant		Industrial	-	-	-	-	-	-	67,750	0	-	-	-	-
		C	Oyster Marine Ltd		Industrial	-	-	-	-	2.75 yrs	30/09/2014	68,780	65,000	-	On Expiry	-	-
		D	Milbrook Furnishing Industries Ltd		Industrial	-	-	-	-	3.25 yrs	30/09/2018	61,450	59,470	-	On Expiry	-	-
		E	The BSS Group Ltd		Industrial	-	-	-	-	5.5 yrs	11/12/2018	30,000	32,950	-	On Expiry	-	-
		F	Thunderbolts Ltd		Industrial	-	-	-	-	10 yrs	31/12/2016	33,000	30,500	-	On Expiry	-	-
		G	TLC (Southern) Ltd		Industrial	-	-	-	-	10 yrs	19/12/2022	29,750	33,200	-	20/12/2017	-	-
		H	SCA Support Services Ltd		Industrial	-	-	-	-	25 yrs	27/04/2015	30,000	32,227	-	On Expiry	-	-
		J	St Gobain Building Distribution Ltd		Industrial	-	-	-	-	5 yrs	16/01/2017	65,640	73,500	-	On Expiry	-	-
		K	C-JR Propulsion Ltd		Industrial	-	-	-	-	10 yrs	19/05/2015	49,000	59,963	-	On Expiry	-	-
		L	Vacant		Leisure	-	-	-	-	-	-	60,000	0	-	-	-	-

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2015	Value £ @ 31/12/2015	Lease or Fund Term	Lease Fund Expiry or Break	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
M (Land)																	
P	The Post Office				Industrial	-	-	-	-	-	-	0	0	-	-	-	-
R	Secretary of State for Transport				Industrial	-	-	-	-	20 yrs	05/02/2019	146,772	113,000	-	On Expiry	-	-
S	Meyer 9 Ltd			FH	Industrial	11,698,575	19/09/2000	10,700,000	11,225,000	10 yrs	30/11/2014	24,148	37,500	-	On Expiry	-	-
	Stone Computers Ltd			FH	Industrial	4,687,173	22/02/2011	4,575,000	5,200,000	25 yrs	01/11/2015	34,750	35,500	-	On Expiry	5.9	6.2
	STAFFORD Granite 100, Acton Gate				Industrial					15.5 yrs	25/05/2020	355,400	355,400	-	26/05/2015	7.6	6.8
	SWANSEA				Retail					10 yrs	14/11/2016	0	25,000	-	On Expiry	-	-
	263/265 Oxford Street & 8 Portland Street			LH	Retail	3,005,251	21/07/2000	1,350,000	1,400,000	19.5 yrs	17/07/2015	120,000	42,000	-	On Expiry	-	-
					Retail						27/07/2016	95,000	114,600	2,250	On Expiry	6.0	13.0
	SWINDON				Industrial					25 yrs	21/09/2025	121,000	124,050	-	22/09/2020	-	-
22 & 23	UK Storage Company (SW) Ltd				Industrial					5 yrs	28/09/2018	63,500	65,000	-	On Expiry	-	-
24	Westmead Industrial Estate, Units 22/25 & 25				Industrial					-	-	40,640	0	-	-	-	-
25	Westmead Drive, Unit R			FH	Industrial	4,024,038	15/12/1999	2,325,000	2,925,000	125 yrs	31/01/2114	26,600	27,265	-	01/02/2014	5.4	7.4
	PI Crouch, MA Clarke, PA Hopkins, & Hornbuckle Medical Trustees Ltd																
	TRURO				Retail	4,134,289	08/05/2014	3,875,000	3,675,000	15 yrs	05/11/2017	269,950	269,950	-	On Expiry	6.5	7.3
	11/12 Boscawen Street																
	TRURO				Retail	1,756,999	11/11/1992	2,200,000	2,100,000	10 yrs	26/08/2018	97,500	140,000	-	27/08/2018	8.0	6.7
	14/15 Boscawen Street																
	WARRINGTON				Industrial	2,654,601	24/03/1994	2,250,000	2,350,000	20 yrs	15/10/2016	160,000	200,000	-	25/12/2016	7.5	8.5
	Calver Road, Winwick Quay																
	WEYBRIDGE				Industrial	3,376,249	20/12/1990	5,050,000	5,500,000	15 yrs	18/02/2029	275,000	335,000	-	19/03/2019	9.9	6.1
	29 Avro Way, Brooklands Business Park																
	WOLVERHAMPTON				Industrial					999 yrs	28/09/3010	0	0	-	On Expiry	-	-
A	J Banks & Co Ltd				Industrial					-	-	154,680	0	-	-	-	-
B	Vacant				Industrial					12 yrs	12/06/2024	294,490	294,490	-	13/06/2017	-	-
C	Mann + Hummel (UK) Ltd				Industrial					-	-	0	0	-	-	-	-
Land (D)				FH	Industrial	8,197,767	21/07/2000	8,350,000	8,700,000	-	-	0	0	-	-	3.6	3.4
Total:						264,591,863		246,575,000	285,700,000			15,234,758	16,041,132	-		6.1	5.6
Ind	Ashford Investor Limited Partnership			LP	Shopping Centre	12,974,050	23/05/2002	20,675,000	23,812,500	-	March 2016	514,312	1,237,500	-	n/a	9.5	5.2
	Pyramid Capital Limited Partnership			LP	Mixed	0	18/09/2008	3,722,316	0	0	Sept 2015	0	0	-	n/a	0.0	0.0
	WELPUT			JPUT	Office	12,587,006	29/06/2007	17,521,860	17,926,550	-	July 2014	220,000	297,373	-	n/a	2.4	1.7
Total:						25,561,056		41,919,176	41,739,050			734,312	1,534,873	-		6.0	3.7
Total:						290,152,919		288,494,176	327,439,050			15,969,070	17,576,005	17,059		6.1	5.4



Local Members Interest	
NIL	

PENSIONS PANEL – 9 MARCH 2016

Report of the Director of Finance and Resources

Annual Investment Strategy for Pension Fund Cash 2016/17

Recommendation of the Chairman

1. That the Pensions Panel approves the proposed Annual Investment Strategy (AIS) for the Staffordshire Pension Fund, for the investment of internally managed Pension Fund cash.

Reasons for Recommendations

2. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 require the administering authority to formulate a policy for the management of Pension Fund cash. The Government also provides specific guidance to local authorities under the Local Government Act 2003 in completing an AIS; the relevant principles of which have been used to structure this AIS for the Staffordshire Pension Fund.

Background

3. The Pension Fund has a small strategic asset allocation to cash of 1%, 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; mainly in the short-term to provide liquidity to pay bills as they arise. It is not invested solely to seek a return and is not, therefore, usually considered as a major asset allocation decision.
4. The cash does increase from time to time, pending investment in other major asset classes e.g. property. The proposed AIS will therefore need to allow for such situations occurring. Also, the Pensions Panel will need to agree these temporary increases as part of its quarterly review of the strategic asset allocation benchmark, together with any associated ranges.
5. The proposed AIS will not deal with the segregated, relatively small working cash balances held by the custodian (Northern Trust) under the control of the investment managers or with cash arising from occasional transitional activity. Overnight, Northern Trust sweep funds into their "AAA" rated Money Market Funds (MMFs).

AIS for Pension Fund Cash 2016/17

Objectives of investment

6. The proposed main objectives for the AIS are to;
 - a) provide security of capital (i.e. ensure the return of the money and interest)
 - b) provide liquidity (i.e. pay the bills as they fall due and ensure funds are available for reinvestment when needed)
 - c) earn interest (i.e. obtain a reasonable return within the constraints outlined at a) and b)).
7. The 1% allocation to cash will by its nature need to be kept short-term. Where balances exceed this allocation, say pending investment in other asset classes, then investments will be needed that recognise their longer-term nature. It is anticipated that initially, any longer term requirements will be fulfilled through the use of 'cash plus or short bond funds' (see paragraph 18). 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 Rating Criteria and the Approved Lending List (the List)

8. Government regulations state that local authorities have to decide how they define a 'high credit rated' counterparty (i.e. a bank or a building society). In the past, the Pension Fund has relied on advice and creditworthiness services from Treasury Management Advisors, such as those appointed by the County Council.
9. Recent changes in legislation have made investing with banks and building societies more risky for local authorities; the Pension Fund falls within this classification. In January 2015, the UK implemented the Bank Recovery and Resolution Directive (BRRD) which ensures EU Member States are consistent in how they deal with the failure of banks and investment firms. With the introduction of the BRRD, instead of a government "bail out" of a bank, a "bail in" of current investors will be forced upon the bank by regulators. 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.
10. Under normal circumstances where the Fund is fully invested, there is forecast to be a low level of cash for the Pension Fund in and it is considered unlikely that the Pension Fund will need to enter into a large number of term deposits with banks or building societies, thus reducing the risk of "bail in". However, this also means, that a simplified AIS, consisting of three elements, yet still acknowledging the 'high credit rating' concept can be proposed for 2016/17.

(i) Regulation Investments

11. Government Regulations specify the type of financial instruments that can be used and they divide them into 'specified' and 'non-specified' investments.

Specified investments are investments made in sterling for a period of less than a year that are invested with;

- the UK Government
- a local authority
- a parish or community council (unlikely to be used by the Pension Fund)
- a body, or in an investment instrument, that has a 'high credit rating.'

12. The first three named investments can be used by the Pension Fund by virtue of their inclusion within the guidance; these are referred to as Regulation Investments in the remainder of this report. It is important to note that these classes of investment are not subject to "bail-in" risk as mentioned earlier in this report (see paragraph 9).

(ii) Money Market Funds (MMF's)

13. MMF's are pooled investment vehicles consisting of money market deposits and similar instruments. MMF's have been used for some time by the Pension Fund and by Northern Trust as stated earlier. They are also widely used by other public and private sector bodies.

14. MMF's proposed for use by the Pension Fund would be 'AAA' rated, the highest possible credit rating and they would have the following attributes:

- Diversified – MMF's are diversified across many different investments, far more than the Pension Fund could hope to achieve on its own account.
- Same day liquidity – this means that funds can be accessed on a daily basis.
- Ring-fenced assets – the investments are owned by the investors and not the fund management company.
- Custodian – the investments are also managed by an independent custodian, who operates at arms-length from the fund management company.

15. All treasury activity carries an element of risk and MMF's are no different. In the event of a further financial crisis, the failure of one or more of an MMF's investments could lead to a run on the MMF as investors rush to redeem their investment. This could then spread to other MMF's as investors take flight from this asset class.

16. The very low interest rate environment may threaten the ongoing continuity of MMF's. Each MMF charges a fee and this could mean that interest earned became negative after its deduction. If this problem arose then it would be a matter of moving funds to an alternative class of investment.

17. MMF's as described in these paragraphs are judged to meet the criteria of an instrument that meets the definition of a 'high credit rating'. Providing daily liquidity, the Pension Fund currently has accounts open with 5 MMF's.
18. Additionally, the Pension Fund invests in a 'cash plus' fund. 'Cash plus and short bond' funds provide a useful longer term option to investments in MMF's. Whilst they are considered to be slightly higher risk, they can enhance investment returns and provide diversification away from very short term investments. An investment period of at least six months is generally recommended. It is proposed to delegate the decision on the further use of 'cash plus and short bond' funds to the Director of Finance and Resources, after taking appropriate advice.

(iii) The Pension Fund's Banker

19. Relatively low levels of cash will be retained with Lloyds Bank each night earning interest at a market rate. It is important to note that funds are available daily and are not committed for any period of time.

Investment Diversification

20. In order to ensure diversification, it is proposed that the maximum investment limit for AAA rated diversified MMF's which are, by default, already invested across a larger number of counterparties, is the lower of 50% of total cash or £25m, per MMF. Cash plus and short bond funds will also be subject to these limits. This approach is considered reasonable for the Pension Fund's risk profile; taking into account that cash is only one asset class and the Fund already has diversification across other asset classes.
21. To allow the practical management of the treasury transactions each day, it is proposed that the choice over the investments made is delegated to the Director of Finance and Resources.

Investment duration

22. The investment arrangements set-out in this report are of short duration; with the exception of cash plus or short bond funds, investments in an MMF or with the Pension Fund's banker are liquid and available at one days notice. Other regulation investments may be invested for up to 12 months but more typically will be for periods of less than six months.
23. The Pension Fund's Approved Lending List is shown at **Appendix 2**. The maximum recommended investment duration for 2016/17 works within the definition of a specified investment which is to not invest for more than a year.

Risk

24. Cash is only a small part of the overall investments of the Pension Fund and the wider aspects of risk are taken into account in the strategic asset allocation where cash forms part of a diversified portfolio.
25. Looking at cash in isolation, then 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% allocation to cash, for day to day cash management purposes; although the AIS has the flexibility to consider yield in the use of higher risk funds.
26. Should the Pensions Panel decide at some point in the future to make a higher strategic allocation to cash, where seeking a higher return would become more important, the balance of risk and reward would need to be revisited.

Review of Strategy

27. The main circumstances where a revised strategy would be prepared include a change in:
 - the Fund's strategic asset allocation;
 - the economic environment;
 - the financial risk environment; and
 - the regulatory environment.
28. 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, therefore, that the responsibility for assessing the circumstances above will rest with the Director of Finance and Resources.

Andrew Burns
Director of Finance and Resources

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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 – 9 MARCH 2016

Staffordshire Pension Fund
Approved Lending List

Lending List – March 2016	
	Time Limit
Regulation Investments <i>(no maximum investment limit)</i>	
UK Government T-bills	6 months
UK Government Gilts	12 months
UK Local Authority	12 months
Banks	
Lloyds Bank (£5m maximum investment limit)	call only
Money Market Funds (MMFs) <i>(maximum investment limit in each individual MMF is the lower of 50% of total cash or £25m)</i>	
Goldman Sachs	call only
J P Morgan	call only
Deutsche Bank	call only
Morgan Stanley	call only
Federated	call only
Standard Life Short Duration Cash Fund	3 day notice

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