

County Buildings, Stafford
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Pensions Panel

Tuesday, 6 December 2016

9.30 am

Ivanovo Room - County Buildings

John Tradewell
Director of Strategy, Governance and Change
28 November 2016

A G E N D A

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of meeting held on 8 September 2016** (Pages 1 - 4)
4. **Pension Fund Performance and Portfolio of Investments as at 30 September 2016** (Pages 5 - 28)

Report of the Director of Finance and Resources
5. **Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016** (Pages 29 - 42)

Report of the Director of Finance and Resources
6. **Dates of Future Meetings**

7 March 2017

To be confirmed:
6 June 2017
25 July 2017 (Managers' day)
5 September 2017
5 December 2017
6 March 2018

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

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 8 September 2016** (Pages 43 - 52)
(Exemption paragraph 3)
9. **Pooling of LGPS Investments**
(Exemption paragraph 3)
Oral update by the Director of Finance and Resources
10. **Property - Confirmation of the action of the Director of Finance and Resources** (Pages 53 - 64)
(Exemption paragraph 3)
Report of the Director of Finance and Resources
11. **Strategic Benchmark Review and Monitoring**
(Exemption paragraph 3)
 - a) Strategic Asset Allocation Review 2016 (Pages 65 - 74)
Report and presentation by Hymans Robertson
 - b) Economic and Market Update (Pages 75 - 80)
Presentation by Hymans Robertson
 - c) Review of Position as at 31 October 2016 (Pages 81 - 90)
Report of the Director of Finance and Resources
12. **Pension Fund Performance and Manager Monitoring for the quarter ended 30 September 2016** (Pages 91 - 144)
(Exemption paragraph 3)
 - (i) *Report of Portfolio Evaluation for the quarter ended 30 September 2016 enclosed for information*

(ii) Global Equities

Report of the Director of Finance and Resources

13. Responsible Investments (RI) Report Quarter 3 2016 (Pages 145 - 168)

(Exemption paragraph 3)

Report of the Director of Finance and Resources

14. Manager Presentations (Pages 169 - 208)

(Exemption paragraph 3)

To receive a presentation from Russel Investments on the Fund's Emerging Market Equity Portfolio.

(Report of Russel Investments for the quarter ended 30 September 2016 enclosed for information).

Membership

Philip Atkins, OBE (Chairman)	Mike Lawrence
Derek Davis, OBE	Robert Marshall
Carolan Dobson	Shelagh McKiernan
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 8 September 2016

Attendance

Philip Atkins, OBE (Chairman)	Robert Marshall
Derek Davis, OBE	Shelagh McKiernan
Mike Lawrence	

Also in attendance: David Thomas (Independent Adviser), Ian Jenkinson (Observer) and Graeme Johnston (Hymans Robertson).

Apologies: Carolan Dobson (Independent Adviser).

PART ONE

17. Declarations of Interest

The following Member declared an interest in accordance with Standing Order 16.5:

Member	Minute Nos.	Interest	Reason
Shelagh McKiernan	29	Personal	Deferred Pensioner - Unilever

18. Minutes of the meetings held on 7 June and 19 July 2016

RESOLVED – (a) That the minutes of the Meeting of the Pensions Panel held on 7 June 2016 be confirmed and signed by the Chairman.

(b) That the minutes of the Meeting of the Pensions Panel held on 19 July 2016 be confirmed and signed by the Chairman.

19. Pension Fund Performance and Portfolio of Investments as at 30 June 2016

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 June 2016.

The Panel were informed that the Fund had a market value of £3.95bn at 30 June 2016 (and had since exceeded £4bn). It had returned 5.9% over the quarter marginally underperforming its strategic benchmark by 0.3%. The best performing asset class relative to benchmark was the Fund's allocation to alternative investments, led by private equity; and second was the Fund's small allocation to emerging markets equity which had been helped by the fall in Sterling. The Fund's underperformance this quarter was generated mainly from the Fund's UK equity portfolio, which fell sharply in the face of Brexit, with no currency impact to soften the blow.

Whilst the quarter saw the Fund marginally below its benchmark return, in the 3 and 5 year time periods the Fund continued to outperform its strategic benchmark by 0.3% and 0.6% respectively.

In response to questions from Members in relation to whether the Fund was in a position to meet its future liabilities, the Director of Finance and Resources indicated that, like many local government pension funds, Staffordshire's was currently underfunded with a funding level of 72%, based on the 20013 Actuarial Valuation. The Director added that, as part of the Fund's triennial valuation, in 2016, plans would be developed to address the underfunding.

In response to a question from Mr Jenkinson about how members of the pensions scheme were kept informed of the Fund's funding level and the plans to address the current level of underfunding, the Director indicated that, as part of this years triennial valuation, the Fund would prepare, consult on and publish a Funding Strategy Statement.

RESOLVED – That the Pension Fund Investment performance and the portfolio of investments for the quarter ended 30 June 2016 be noted.

20. Dates of Future Meetings

- 6 December 2016
- 7 March 2017

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

21. 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.

PART TWO

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

22. Exempt Minutes of the Meetings held on 7 June and 19 July 2016 (Exemption paragraph 3)

23. Pooling of LGPS Investments (Exemption paragraph 3)

24. Property - Confirmation of action of Director of Finance and Resources (Exemption paragraph 3)

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

- a) Strategic Asset Allocation Review
- b) Economic and Market Update
- c) Review of Position as at 31 July 2016

26. Pension Fund Performance and Manager Monitoring for the quarter ended 30 June 2016

(Exemption paragraph 3)

27. Corporate Governance and Socially Responsible Investment Report Quarter 2 2016

(Exemption paragraph 3)

28. Securities Lending Update

(Exemption paragraph 3)

29. Manager Presentation

(Exemption paragraph 3)

Chairman

PENSIONS PANEL – 6 DECEMBER 2016

Report of the Director of Finance and Resources

PENSION FUND INVESTMENT PERFORMANCE QUARTER 2 2016/17

1. Purpose of Report

1.1 To provide, for information;

- i) a summary of performance of the Staffordshire Pension Fund as at 30 September 2016; and
- ii) a portfolio of the Pension Fund's investments as at 30 September 2016.

2. Performance Summary

2.1 Period

	<u>Fund</u> %	<u>Benchmark</u> %	<u>Relative</u> <u>Performance</u> %
June 2016 Quarter	5.9	6.2	-0.3
September 2016 Quarter	6.9	6.1	0.8
2016/17 Financial Year to date	13.2	12.6	0.5

2.2 The MSCI World Index rose by +4.8% in local currency terms during the third quarter; both Europe and the US had positive quarters with Europe outperforming the US. Emerging Markets (EM) also outperformed domestic markets, with the MSCI EM up +7.59% in local currency terms. China and Brazil were notable outperformers.

2.3 The UK had a better than expected quarter following the Brexit vote, there was an initial boost at the beginning of the quarter as markets recovered from the sudden drop at the end of June. This was followed by a more stable period in August and September. The Bank of England cut the base rate to 25bp, from 50bp and also extended its quantitative easing programme. The pound has remained weaker against the Euro and Dollar following the Brexit vote, however, this appears to have helped to boost economic growth.

2.4 Oil Prices fell overall during the quarter, albeit they increased towards the end of the period following the agreement by OPEC to limit production. Meanwhile the US Federal Reserve (FED) held interest rates at their September meeting despite rumors they may have been raised. Prior to the US Presidential election there was still speculation that they could rise in December; this may have now changed. Inflation remained below the FED target of 2%, at 1.1%.

- 2.5 In Europe, the European Central Bank (ECB) did not extend its asset purchase scheme as some had hoped. Inflation in Europe remained very low, however manufacturing and car sales were positive. European Banks struggled, with Deutsche Bank in particular seeing a sharp fall in its share price following the announcement of a large fine from the US department for Justice.

3. **Fund Value**

- 3.1 The Fund had a market value of £4.2 billion as at 30 September 2016.
- 3.2 Over the quarter the Fund returned 6.9%, outperforming its strategic benchmark by 0.8%. This was predominantly driven by positive returns from equity markets and the fall in the value of Sterling. However, it was also helped by the fact the Fund is underweight in several lower returning asset classes, such as bonds but is overweight in the higher returning global equities. Private equity, UK equities and Property all outperformed their relative benchmarks.
- 3.3 Longer term, the Fund has outperformed its strategic benchmark by 0.5%, in the year to date and over the 3 and 5 year time periods it continues to outperform its strategic benchmark by 0.3% and 0.7% respectively.

4. **Portfolio of Investments as at 30 September 2016**

- 4.1 A copy of the Staffordshire Pension Fund's portfolio of investments as at 30 September 2016 is attached.

Andrew Burns
Director of Finance and Resources

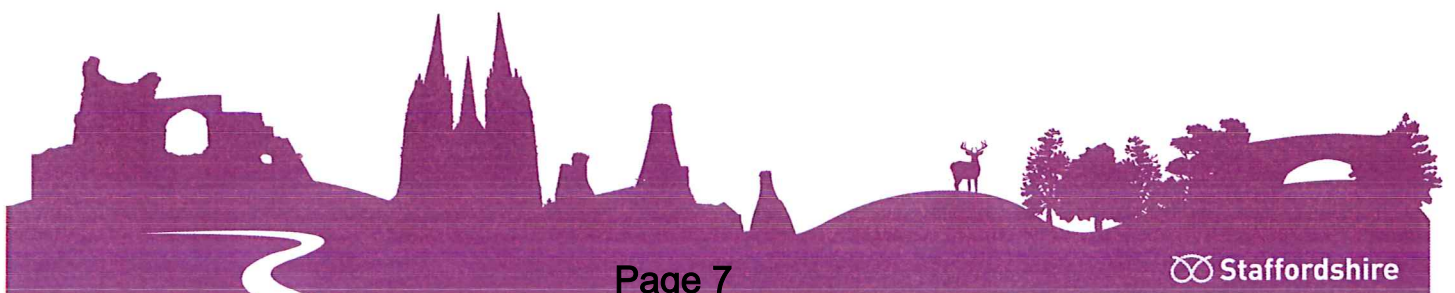
Contact : Melanie Stokes
Telephone No. (01785) 276330

Background Documents:

Portfolio Evaluation Performance Measurement Data

Investment Portfolio

30 September 2016



STAFFORDSHIRE PENSION FUND

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STAFFORDSHIRE PENSION FUND
PORTFOLIO ANALYSIS AS AT 30 SEPTEMBER 2016

		<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	239,977,831.66	233,057,939.41	267,583,089.32
	Cash	3,576,908.55	4,110,937.92	4,110,937.92
GLOBAL	Equities	1,067,539,436.43	856,521,260.94	1,162,490,214.54
	Cash	27,504,999.46	19,422,403.46	19,422,403.46
BONDS	Global Corporate Bonds	176,628,924.53	166,602,881.67	167,891,576.42
	Passive UK Index Linked Gilts	222,946,614.86	137,768,964.69	247,374,585.88
	Cash	76,533,827.69	88,217,044.97	88,217,044.97
PASSIVE GLOBAL	Equities	1,263,396,757.81	1,064,748,610.35	1,282,748,977.68
EMERGING MARKETS	Equities	87,624,762.27	40,600,000.00	98,661,287.68
HEDGE FUNDS		82,647,651.43	70,240,579.00	83,559,970.55
ALTERNATIVES	Equities	53,659,529.17	0.00	0.00
	Cash	50,401,402.82	0.00	0.00
PROPERTY		330,460,000.00	327,806,383.00	357,495,000.00
PRIVATE EQUITY		120,645,902.95	52,505,637.40	131,582,960.46
PRIVATE DEBT		12,423,056.44	60,793,757.68	60,793,757.68
CASH	Central Cash Fund	131,839,911.48	240,865,121.58	240,865,121.58
	Currency	218,509.84	0.00	0.00
	Private Equity	4,300,102.86	4,656,675.85	4,656,675.85
TRANSITION	Equities	0.59	0.00	0.61
	Cash	0.00	0.00	0.00
TOTAL INVESTMENTS		3,708,351,870.96	3,010,646,014.14	3,860,181,420.82
TOTAL CASH		243,974,259.88	357,272,183.78	357,272,183.78
TOTAL		3,952,326,130.84	3,367,918,197.92	4,217,453,604.60

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

<u>Fund - Standard Life (UK Equity)</u>	<u>Currency - Sterling</u>				<u>Report Date -</u>	<u>30-09-16</u>
	<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> £
<u>UK EQUITIES & CONVERTIBLES</u>						
<u>Aerospace & Defense</u>						
BAE SYSTEMS ORD GBP0.025	589,436	3,172,683.54	5.38	5.24	3,088,644.64	(84,038.90)
SENIOR GBP0.10	410,528	1,112,785.46	2.71	2.29	940,519.65	(172,265.81)
		<u>4,285,469.00</u>			<u>4,029,164.29</u>	<u>(256,304.71)</u>
<u>Automobiles & Parts</u>						
GKN ORD GBP0.10	1,313,503	<u>2,828,211.18</u>	2.15	3.20	<u>4,207,150.11</u>	<u>1,378,938.93</u>
<u>Banks</u>						
BARCLAYS PLC ORD GBP0.25	2,285,164	5,094,956.57	2.23	1.68	3,834,505.19	(1,260,451.38)
HSBC HLDGS ORD USD0.50(UK REG)	974,087	5,880,957.08	6.04	5.79	5,637,041.47	(243,915.61)
LLOYDS BANKING GP ORD GBP0.1	6,718,189	4,196,121.33	0.62	0.55	3,664,772.10	(531,349.23)
ROYAL BK SCOT GRP ORD GBP1	699,616	1,710,850.48	2.45	1.79	1,250,913.41	(459,937.07)
STANDARD CHARTERED PLC SHS	402,618	1,829,016.57	4.54	6.28	2,529,648.89	700,632.32
		<u>18,711,902.03</u>			<u>16,916,881.06</u>	<u>(1,795,020.97)</u>
<u>Beverages</u>						
SABMILLER PLC ORD USD0.10	89,599	<u>2,678,530.72</u>	29.89	44.95	<u>4,027,475.05</u>	<u>1,348,944.33</u>
<u>Chemicals</u>						
JOHNSON MATTHEY	112,660	2,893,006.63	25.68	32.94	3,711,020.40	818,013.77
SYNTHOMER PLC ORD GBP0.10	510,116	1,850,537.16	3.63	3.69	1,883,348.27	32,811.11
		<u>4,743,543.79</u>			<u>5,594,368.67</u>	<u>850,824.88</u>
<u>Construction & Materials</u>						
FORTERRA PLC ORD GBP0.01	1,149,702	2,081,984.52	1.81	1.68	1,931,499.36	(150,485.16)
KIER GROUP ORD GBP0.01	114,828	1,405,147.27	12.24	13.13	1,507,691.64	102,544.37
POLYPIPE GROUP PLC ORD GBP0.001	920,384	2,278,415.12	2.48	2.81	2,584,438.27	306,023.15
		<u>5,765,546.91</u>			<u>6,023,629.27</u>	<u>258,082.36</u>
<u>Financial Services</u>						
CLOSE BROS GROUP ORD GBP0.25	119,637	1,006,299.28	8.41	13.70	1,639,026.90	632,727.62
JOHN LAING GROUP P ORD GBP0.10	454,662	872,378.76	1.92	2.73	1,238,953.95	366,575.19
		<u>1,878,678.04</u>			<u>2,877,980.85</u>	<u>999,302.81</u>
<u>Fixed Line Telecommunications</u>						
BT GROUP ORD GBP0.05	2,219,720	5,695,851.47	2.57	3.89	8,635,820.66	2,939,969.19
TELECOM PLUS ORD GBP0.05	157,234	2,169,597.75	13.80	11.06	1,739,008.04	(430,589.71)
		<u>7,865,449.22</u>			<u>10,374,828.70</u>	<u>2,509,379.48</u>
<u>Gas, Water & Multiutilities</u>						
CENTRICA ORD GBP0.061728395	1,088,400	2,576,062.40	2.37	2.28	2,483,728.80	(92,333.60)
NATIONAL GRID ORD GBP0.113953	560,609	4,866,149.25	8.68	10.92	6,121,850.28	1,255,701.03
SEVERN TRENT ORD GBP0.9789	136,303	2,909,088.69	21.34	25.05	3,414,390.15	505,301.46
UNITED UTILITIES GROUP ORD GBP0.05	266,872	2,293,733.60	8.59	10.03	2,676,726.16	382,992.56
		<u>12,645,033.94</u>			<u>14,696,695.39</u>	<u>2,051,661.45</u>
<u>General Industrials</u>						
RPC GROUP ORD GBP0.05	654,552	2,906,323.62	4.44	9.60	6,283,699.20	3,377,375.58
SMITH(DS) ORD GBP0.10	1,218,933	2,360,697.09	1.94	3.84	4,684,359.52	2,323,662.43
		<u>5,267,020.71</u>			<u>10,968,058.72</u>	<u>5,701,038.01</u>
<u>General Retailers</u>						
DIXONS CARPHONE PLC ORD GBP0.001	723,283	2,796,573.83	3.87	3.69	2,665,297.86	(131,275.97)
INCHCAPE ORD GBP0.10	598,734	3,580,164.58	5.98	6.59	3,942,663.39	362,498.81
JUST EAT PLC ORD GBP0.01	242,248	1,017,720.75	4.20	5.36	1,298,449.28	280,728.53
SPORTS DIRECT INTL ORD GBP0.10	358,228	1,543,779.79	4.31	2.87	1,029,189.04	(514,590.75)
		<u>8,938,238.95</u>			<u>8,935,599.57</u>	<u>(2,639.38)</u>
<u>Health Care Equipment & Services</u>						
NMC HEALTH PLC ORD GBP0.10	110,690	<u>1,394,271.29</u>	12.60	13.70	<u>1,516,453.00</u>	<u>122,181.71</u>

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

<u>Fund - Standard Life (UK Equity)</u>	<u>Currency - Sterling</u>				<u>Report Date -</u>	<u>30-09-16</u>
	<u>Holding</u>	<u>Cost</u> <u>£</u>	<u>Average</u> <u>Cost</u> <u>£</u>	<u>Market</u> <u>Price</u> <u>£</u>	<u>Market</u> <u>Value</u> <u>£</u>	<u>Unrealised</u> <u>Gain/Loss</u> <u>£</u>
<u>Household Goods & Home Construction</u>						
BARRATT DEVELOPMENTS ORD GBP0.10	471,324	2,081,971.35	4.42	4.94	2,329,754.53	247,783.18
BELLWAY GBP0.125	99,159	1,796,617.78	18.12	23.69	2,349,076.71	552,458.93
COUNTRYSIDE PROPER ORD GBP1	619,486	1,396,240.81	2.25	2.43	1,504,112.01	107,871.20
CREST NICHOLSON HL ORD GBP0.05	418,589	1,628,430.17	3.89	4.51	1,889,092.16	260,661.99
MCCARTHY & STONE P ORD GBP0.08	720,410	1,319,003.08	1.83	1.67	1,202,364.29	(116,638.79)
RECKITT BENCK GRP ORD GBP0.10	30,236	1,250,099.90	41.34	72.65	2,196,645.40	946,545.50
REDROW ORD GBP0.10	330,709	1,361,132.31	4.12	4.00	1,322,836.00	(38,296.31)
		<u>10,833,495.40</u>			<u>12,793,381.10</u>	<u>1,960,385.70</u>
<u>Industrial Engineering</u>						
BODYCOTE PLC ORD GBP0.172722	457,552	<u>2,163,118.11</u>	4.73	5.89	<u>2,692,693.52</u>	<u>529,575.41</u>
<u>Life Insurance</u>						
AVIVA ORD GBP0.25	1,372,372	5,621,551.65	4.10	4.41	6,045,298.66	423,747.01
JRP GROUP PLC ORD GBP0.10	1,055,710	1,049,887.91	0.99	1.34	1,414,651.40	364,763.49
PHOENIX GROUP HOLD EUR0.0001 (DI)	110,112	935,930.43	8.50	8.80	968,435.04	32,504.61
PRUDENTIAL GBP0.05	584,952	4,940,866.71	8.45	13.67	7,993,369.08	3,052,502.37
		<u>12,548,236.70</u>			<u>16,421,754.18</u>	<u>3,873,517.48</u>
<u>Media</u>						
ENTERTAINMENT ONE ORD NPV	858,167	2,121,234.84	2.47	2.26	1,942,890.09	(178,344.75)
ITV ORD GBP0.10	739,964	1,254,554.17	1.70	1.87	1,385,212.61	130,658.44
RELX PLC	362,159	4,174,618.62	11.53	14.63	5,298,386.17	1,123,767.55
RIGHTMOVE ORD GBP0.01	65,430	2,625,433.52	40.13	42.22	2,762,454.60	137,021.08
WPP PLC ORD GBP0.10	181,973	2,948,781.84	16.20	18.14	3,300,990.22	352,208.38
		<u>13,124,622.99</u>			<u>14,689,933.69</u>	<u>1,565,310.70</u>
<u>Mining</u>						
ANGLO AMERICAN USD0.54945	377,522	6,039,767.00	16.00	9.68	3,652,902.87	(2,386,864.13)
BHP BILLITON PLC USD0.50	228,654	3,492,312.68	15.27	11.63	2,658,102.75	(834,209.93)
GLENORE PLC ORD USD0.01	3,299,905	6,537,693.21	1.98	2.12	7,000,748.46	463,055.25
PETRA DIAMONDS ORD GBP0.10 (DI)	906,062	835,128.66	0.92	1.30	1,175,615.45	340,486.79
RIO TINTO ORD GBP0.10	296,973	7,801,214.63	26.27	25.75	7,645,569.89	(155,644.74)
		<u>24,706,116.18</u>			<u>22,132,939.42</u>	<u>(2,573,176.76)</u>
<u>Mobile Telecommunications</u>						
VODAFONE GROUP ORD USD0.2095238	3,143,088	<u>6,090,656.68</u>	1.94	2.22	<u>6,969,797.64</u>	<u>879,140.96</u>
<u>Nonlife Insurance</u>						
DIRECT LINE INSURANCE PLC ORD GBP	812,502	2,312,650.23	2.85	3.65	2,964,007.30	651,357.07
JARDINE LLOYD THOMPSON GROUP ORD GBP0.05	322,495	3,028,407.50	9.39	10.12	3,263,649.40	235,241.90
		<u>5,341,057.73</u>			<u>6,227,656.70</u>	<u>886,598.97</u>
<u>Oil & Gas Producers</u>						
BP ORD USD0.25	1,040,692	4,840,082.49	4.65	4.50	4,683,114.00	(156,968.49)
ROYAL DUTCH SHELL 'B'ORD EUR0.07	152,242	1,921,273.43	12.62	19.97	3,040,272.74	1,118,999.31
		<u>6,761,355.92</u>			<u>7,723,386.74</u>	<u>962,030.82</u>
<u>Oil Equipment, Services & Distribution</u>						
PETROFAC ORD USD0.02	222,575	<u>2,432,275.03</u>	10.93	8.92	<u>1,984,256.13</u>	<u>(448,018.90)</u>
<u>Personal Goods</u>						
UNILEVER PLC ORD GBP0.031111	121,231	<u>2,775,329.07</u>	22.89	36.55	<u>4,430,386.90</u>	<u>1,655,057.83</u>
<u>Pharmaceuticals & Biotechnology</u>						
ASTRAZENECA ORD USD0.25	80,467	2,839,939.26	35.29	50.04	4,026,568.68	1,186,629.42
BTG ORD GBP0.10	464,800	2,456,988.96	5.29	6.34	2,946,832.00	489,843.04
GLAXOSMITHKLINE ORD GBP0.25	175,069	2,355,992.33	13.46	16.43	2,876,383.67	520,391.34
SHIRE PLC ORD GBP0.05	189,533	7,322,231.39	38.63	49.98	9,472,859.34	2,150,627.95
		<u>14,975,151.94</u>			<u>19,322,643.69</u>	<u>4,347,491.75</u>
<u>Software & Computer Services</u>						
SAGE GROUP GBP0.01051948	391,003	<u>1,856,487.91</u>	4.75	7.38	<u>2,885,602.14</u>	<u>1,029,114.23</u>

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - Standard Life (UK Equity)

Currency - Sterling

Report Date -

30-09-16

		<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>Holding</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Support Services						
AA PLC ORD GBP0.001	825,665	2,533,687.48	3.07	2.96	2,441,491.41	(92,196.07)
ASHTAD GROUP ORD GBP0.10	535,553	5,513,031.08	10.29	12.71	6,806,878.63	1,293,847.55
ATKINS WS GBP0.005	143,620	1,828,694.96	12.73	15.89	2,282,121.80	453,426.84
BABCOCK INTL GROUP ORD GBP0.60	703,830	6,111,231.02	8.68	10.35	7,284,640.50	1,173,409.48
CAPITA PLC ORD GBP0.02066666	242,286	2,738,675.52	11.30	6.70	1,623,316.20	(1,115,359.32)
ESSENTIA PLC ORD GBP0.25	663,007	4,654,601.90	7.02	4.86	3,221,551.01	(1,433,050.89)
HOWDEN JOINERY GR ORD GBP0.10	303,333	599,228.83	1.98	4.32	1,311,308.56	712,079.73
WORLDPAY GRP PLC ORD GBP0.03 144A	658,274	1,869,415.79	2.84	2.96	1,949,807.59	80,391.80
		25,848,566.58			26,921,115.70	1,072,549.12
Tobacco						
BRITISH AMERICAN TOBACCO ORD GBP0.25	106,361	3,568,103.19	33.55	49.30	5,243,597.30	1,675,494.11
IMPERIAL BRANDS PLC GBP0.10	138,478	3,308,317.77	23.89	39.74	5,502,423.33	2,194,105.56
		6,876,420.96			10,746,020.63	3,869,599.67
Travel & Leisure						
CARNIVAL PLC ORD USD1.66	69,852	2,526,198.83	36.17	37.68	2,632,023.36	105,824.53
ENTERPRISE INNS ORD GBP0.025	1,085,596	1,218,384.44	1.12	0.93	1,009,604.28	(208,780.16)
GVC HLDGS PLC ORD EURO.01	246,357	1,111,348.74	4.51	7.42	1,827,968.94	716,620.20
INTL CONS AIRL DI	1,301,846	4,532,293.36	3.48	3.99	5,191,761.85	659,468.49
MITCHELLS & BUTLERS ORD GBP0.085416	658,159	2,306,920.44	3.51	2.75	1,808,620.93	(498,299.51)
THOMAS COOK GROUP ORD EUR0.01	2,909,088	3,514,395.19	1.21	0.69	2,013,088.90	(1,501,306.29)
TUI AG NPV (REGD)	253,145	2,465,391.46	9.74	10.97	2,777,000.65	311,609.19
		17,674,932.46			17,260,068.91	(414,863.55)
Unit Trusts						
STANDARD LIFE INVT POOLED UK EQTY SMALLER	1,395,450	2,048,219.97	1.47	3.02	4,212,667.55	2,164,447.58
Total Investments		233,057,939.41			267,583,089.32	34,525,149.91
Cash Balance		4,110,937.92			4,110,937.92	
Total Value of Portfolio		237,168,877.33			271,694,027.24	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)

Currency - Sterling

Report Date -

30-09-16

	Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £
EUROPE						
Austria						
ERSTE GROUP BANK AG NPV	46,434	1,017,985.31	21.92	22.81	1,059,116.56	41,131.25
Belgium						
BPOST SA/NV NPV	39,065	496,305.56	12.70	20.84	813,981.19	317,675.63
KBC GROEP NV NPV	24,315	1,073,468.93	44.15	44.83	1,090,062.93	16,594.00
UMICORE NPV	116,279	3,792,499.92	32.62	48.30	5,616,280.66	1,823,780.74
		5,362,274.41			7,520,324.78	2,158,050.37
Denmark						
ISS A/S DKK1	102,700	2,001,616.40	19.49	31.96	3,282,492.22	1,280,875.82
NOVO-NORDISK AS DKK0.2 SER'B'	33,435	1,147,446.54	34.32	32.00	1,069,813.16	(77,633.38)
NOVOZYMES A/S SER'B'DKK2 (POST CONSOLIDAT	193,538	3,204,901.19	16.56	33.87	6,554,619.41	3,349,718.22
		6,353,964.13			10,906,924.79	4,552,960.66
Finland						
OUTOKUMPU OYJ SER'A'NPV	237,690	1,010,647.23	4.25	5.29	1,257,439.96	246,792.73
UPM-KYMMENE CORP NPV	64,118	558,554.80	8.71	16.26	1,042,840.05	484,285.25
		1,569,202.03			2,300,280.01	731,077.98
France						
AIRBUS GROUP SE	79,298	2,906,465.43	36.65	46.58	3,693,577.12	787,111.69
ARCELORMITTAL NPV	245,623	942,955.09	3.84	4.71	1,157,673.30	214,718.21
AXA EUR2.29	87,531	1,027,859.81	11.74	16.39	1,434,239.74	406,379.93
BNP PARIBAS EUR2	37,138	1,402,027.15	37.75	39.60	1,470,548.36	68,521.21
CAP GEMINI EUR8	13,570	592,275.43	43.65	75.42	1,023,473.49	431,198.06
ESSILOR INTL EUR0.18	50,328	2,763,341.35	54.91	99.32	4,998,405.05	2,235,063.70
GTT EUR0.01	67,088	2,538,653.31	37.84	22.25	1,492,489.42	(1,046,163.89)
ORANGE EUR4	107,955	1,145,401.54	10.61	12.05	1,300,989.42	155,587.88
RENAULT SA EUR3.81	13,875	929,716.03	67.01	63.28	877,946.06	(51,769.97)
SANOFI EUR2	18,198	1,144,358.74	62.88	58.52	1,064,895.88	(79,462.86)
SANOFI EUR2	86,100	4,438,473.71	51.55	58.52	5,038,330.32	599,856.61
SCHNEIDER ELECTRIC EUR4.00	22,853	1,234,198.08	54.01	53.69	1,226,972.64	(7,225.44)
SES FDR EACH REP 1 'A' NPV	255,823	4,253,606.41	16.63	18.89	4,832,508.99	578,902.58
TECHNIP NPV	22,124	833,898.18	37.69	47.30	1,046,387.66	212,489.48
TELEPERFORMANCE SOCIETE EUROPEENNE	11,950	409,817.48	34.29	82.13	981,411.79	571,594.31
TOTAL EUR1 SUB RIGHTS/RECEIPTS 28	109,430	0.00	0.00	0.00	0.00	0.00
TOTAL EUR2.5	111,230	4,115,169.72	37.00	36.48	4,057,938.16	(57,231.56)
VALEO EUR1	24,605	494,735.75	20.11	44.93	1,105,405.39	610,669.64
VINCI EUR2.50	17,937	757,863.17	42.25	58.93	1,057,071.43	299,208.26
		31,930,816.38			37,860,264.22	5,929,447.84
Germany						
BAYERISCHE MOTOREN WERKE A G COM	17,566	1,189,618.04	67.72	64.72	1,136,874.22	(52,743.82)
CONTINENTAL AG ORD NPV	6,872	634,251.50	92.30	161.91	1,112,635.39	478,383.89
CONTINENTAL AG ORD NPV	33,220	2,638,987.87	79.44	161.91	5,378,601.22	2,739,613.35
COVESTRO AG NPV	26,216	957,751.12	36.53	45.53	1,193,657.37	235,906.25
FRESENIUS MEDICAL CARE NPV	91,600	5,557,623.73	60.67	67.27	6,162,140.73	604,517.00
FRESENIUS MEDICAL CARE NPV	111,411	4,178,131.26	37.50	67.27	7,494,871.84	3,316,740.58
HEIDELBERGCEMENT NPV	14,542	660,252.02	45.40	72.75	1,057,909.16	397,657.14
HENKEL AG & CO KGAA NON-VTG PRF NPV	68,100	5,081,197.33	74.61	104.68	7,128,733.33	2,047,536.00
HENKEL AG & CO KGAA NON-VTG PRF NPV	10,892	756,928.30	69.49	104.68	1,140,178.61	383,250.31
LINDE AG NPV	8,228	839,062.70	101.98	130.89	1,076,993.54	237,930.84
MERCK KGAA NPV	12,361	863,332.20	69.84	82.97	1,025,645.75	162,313.55
OSRAM LICHT AG NPV	22,144	692,828.65	31.29	45.21	1,001,164.32	308,335.67
SAP SE	102,300	4,303,201.21	42.06	70.01	7,161,622.00	2,858,420.79
SIEMENS AG NPV(REGD)	14,036	933,924.63	66.54	90.15	1,265,292.59	331,367.96
		29,287,090.56			43,336,320.07	14,049,229.51
Ireland						
ACCENTURE PLC SHS CL A NEW	18,052	1,121,012.30	62.10	94.05	1,697,777.27	576,764.97
ACCENTURE PLC SHS CL A NEW	74,300	2,470,579.80	33.25	94.05	6,987,860.12	4,517,280.32
		3,591,592.10			8,685,637.39	5,094,045.29
Italy						
ENEL SPA EUR1	352,658	1,006,884.88	2.86	3.43	1,210,612.88	203,728.00
TELECOM ITALIA SPA NPV	1,739,803	1,210,451.48	0.70	0.64	1,112,306.31	(98,145.17)
		2,217,336.36			2,322,919.19	105,582.83
Netherlands						
ING GROEP N.V. EUR0.01	191,197	1,417,902.64	7.42	9.51	1,817,852.55	399,949.91
KONINKLIJKE AHOLD EUR0.01	50,858	488,634.66	9.61	17.55	892,732.22	404,097.56
KONINKLIJKE BOSKAL EUR0.80	96,564	2,609,626.75	27.02	27.43	2,648,639.74	39,012.99
NN GROUP N.V. EUR0.12	47,696	923,184.28	19.36	23.66	1,128,545.77	205,361.49
RELX NV	71,878	795,120.73	11.08	13.84	994,626.70	199,505.97
STEINHOFF INT H NV EUR0.5	264,197	1,277,159.24	4.83	4.42	1,167,733.31	(109,425.93)
UNILEVER NV CVA EUR0.16	49,595	1,385,662.80	27.94	35.54	1,762,362.95	376,700.35
		8,897,290.90			10,412,493.24	1,515,202.34
Norway						
NORSK HYDRO ASA NOK1.098	244,573	624,182.18	2.55	3.32	811,552.81	187,370.63
Spain						
AMADEUS IT GROUP EUR0.01	24,397	936,570.61	38.39	38.47	938,606.25	2,035.64
IBERDROLA SA EUR0.75	203,915	672,928.45	3.30	5.24	1,067,647.73	394,719.28
		1,609,499.06			2,006,253.98	396,754.92

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)

Currency - Sterling

Report Date -

30-09-16

		Cost	Average	Market	Market	Unrealised	
		Cost	Cost	Price	Value	Gain/Loss	
	Holding	£	£	£	£	£	
Sweden							
	ATLAS COPCO AB SER'A'NPV (POST SPLIT)	224,600	3,355,150.14	14.94	23.21	5,212,858.54	1,857,708.40
	ATLAS COPCO AB SER'A'NPV (POST SPLIT)	54,783	1,207,845.56	22.05	23.21	1,271,487.22	63,641.66
	SWEDISH MATCH NPV	38,438	1,054,095.41	27.42	28.29	1,087,269.71	33,174.30
			5,617,091.11			7,571,615.47	1,954,524.36
Switzerland							
	ABB LTD CHF0.12 (REGD)	62,410	874,121.17	14.01	17.32	1,080,930.19	206,809.02
	ACTELION LTD CHF0.50 (REGD)	9,230	892,741.96	96.72	133.57	1,232,864.91	340,122.95
	LONZA GROUP AG CHF1 (REGD)	7,815	386,614.53	49.47	147.39	1,151,846.89	765,232.36
	NESTLE SA CHF0.10(REGD)	116,300	3,929,170.02	33.78	60.79	7,069,890.85	3,140,720.83
	NESTLE SA CHF0.10(REGD)	16,593	847,428.19	51.07	60.79	1,008,690.45	161,262.26
	NOVARTIS AG CHF0.50 (REGD)	183,900	7,117,172.70	38.70	60.67	11,157,397.01	4,040,224.31
	ROCHE HLDGS AG GENUSSSCHEINE NPV	55,600	5,353,804.88	96.29	191.38	10,640,931.15	5,287,126.27
	ROCHE HLDGS AG GENUSSSCHEINE NPV	12,277	1,887,078.17	153.71	191.38	2,349,617.12	462,538.95
	SWISS RE AG CHF0.10	13,749	798,753.04	58.10	69.60	956,997.56	158,244.52
			22,086,884.66			36,649,166.13	14,562,281.47
TOTAL EUROPE			120,165,209.19			171,442,868.64	51,277,659.45
Japan							
	AMADA HOLDINGS CO LTD NPV	99,400	723,710.69	7.28	7.94	788,893.43	65,182.74
	ASTELLAS PHARMA NPV	90,500	939,492.76	10.38	11.96	1,082,547.06	143,054.30
	BANDAI NAMCO HOLDINGS INC	42,000	834,370.03	19.87	23.38	981,806.42	147,436.39
	DAITO TRUST CONST NPV	39,100	1,288,458.07	32.95	122.96	4,807,867.67	3,519,409.60
	FANUC CORP NPV	40,600	3,146,085.00	77.49	129.31	5,250,030.25	2,103,945.25
	FUJI HEAVY INDUSTRIES NPV	46,600	1,124,630.07	24.13	28.55	1,330,231.77	205,601.70
	ITOCHU CORP NPV	113,000	925,450.46	8.19	9.59	1,084,099.78	158,649.32
	JAPAN AIRLINES CO NPV	47,600	1,157,882.14	24.33	22.49	1,070,738.40	(87,143.74)
	JAPAN TOBACCO INC NPV	263,300	5,565,383.83	21.14	31.31	8,244,685.80	2,679,301.97
	KDDI CORP NPV	63,300	603,864.71	9.54	23.68	1,498,970.96	895,106.25
	KEYENCE CORP NPV	9,200	4,066,216.25	441.98	558.45	5,137,717.38	1,071,501.13
	KEYENCE CORP NPV	9,000	2,916,265.16	324.03	558.45	5,026,027.87	2,109,762.71
	MAZDA MOTOR CORP NPV	107,600	1,375,419.29	12.78	11.64	1,252,739.38	(122,679.91)
	MITSUBISHI ELEC CP NPV	100,000	724,063.07	7.24	9.75	974,964.57	250,901.50
	MITSUBISHI ESTATE CO LTD	286,000	3,928,254.80	13.74	14.35	4,104,870.70	176,615.90
	MITSUBISHI UFJ FIN NPV	390,300	1,539,289.34	3.94	3.84	1,498,674.71	(40,614.63)
	NIPPON TELEGRAPH & TELEPHONE CORP NPV	30,800	723,085.66	23.48	35.08	1,080,338.28	357,252.62
	NISSAN MOTOR CO LTD	709,600	4,411,572.32	6.22	7.47	5,301,100.30	889,527.98
	NITORI HOLDINGS NPV	11,400	887,265.15	77.83	91.60	1,044,295.38	157,030.23
	OBAYASHI CORP NPV	127,000	703,665.71	5.54	7.58	962,565.60	258,899.89
	ORIX CORP NPV	112,600	911,354.94	8.09	11.23	1,264,728.60	353,373.66
	OTSUKA HOLDINGS CO LTD	31,800	1,005,721.88	31.63	34.89	1,109,370.56	103,648.68
	SHIMANO INC NPV	49,100	4,810,998.39	97.98	113.42	5,569,058.42	758,060.03
	SHIN-ETSU CHEMICAL NPV	180,000	6,500,149.30	36.11	53.23	9,581,336.00	3,081,186.70
	SHIN-ETSU CHEMICAL NPV	27,100	1,174,359.81	43.33	53.23	1,442,523.36	268,163.55
	SHIONOGI & CO LTD NPV	26,500	1,024,493.07	38.66	39.17	1,037,894.44	13,401.37
	SUMITOMO MITSUI FINANCIAL GROUP NPV	59,800	1,410,534.56	23.59	25.69	1,536,559.36	126,024.80
	TOKYO ELECTRON NPV	15,400	700,887.84	45.51	67.48	1,039,246.09	338,358.25
	YAMAHA CORP NPV	47,400	668,252.45	14.10	24.71	1,171,097.79	502,845.34
TOTAL JAPAN			55,791,176.75			76,274,980.33	20,483,803.58
ASIA PACIFIC (Ex Japan)							
Australia							
	AUST & NZ BANK GRP NPV	62,005	840,105.74	13.55	16.28	1,009,256.96	169,151.22
	CHALLENGER LTD NPV	137,969	655,515.46	4.75	5.99	826,602.33	171,086.87
	CSL LTD NPV	120,038	3,435,794.31	28.62	63.03	7,566,528.73	4,130,734.42
	FORTESCUE METALS GRP LTD NPV	371,307	769,190.11	2.07	2.92	1,082,760.72	313,570.61
	GOODMAN GROUP NPV (STAPLED UNITS)	227,911	814,107.81	3.57	4.29	977,441.61	163,333.80
	SOUTH32 LTD NPV	803,860	668,732.92	0.83	1.42	1,141,278.45	472,545.53
	WOODSIDE PETROLEUM NPV	52,018	768,335.40	14.77	16.86	877,036.03	108,700.63
			7,951,781.75			13,480,904.83	5,529,123.08
Hong Kong							
	AIA GROUP LTD NPV	1,467,600	3,457,271.44	2.36	5.12	7,509,174.51	4,051,903.07
	AIA GROUP LTD NPV	215,000	904,153.75	4.21	5.12	1,100,076.67	195,922.92
	AIA GROUP LTD NPV	939,800	4,411,580.85	4.69	5.12	4,808,614.20	397,033.35
	CK PROPERTY LTD HKD1	222,500	826,282.49	3.71	5.62	1,249,977.72	423,695.23
	JARDINE MATHESON HLDGS USD0.25(SING QUOTE)	112,700	3,743,570.65	33.22	46.66	5,258,465.34	1,514,894.69
	MTR CORP HKD1	834,000	2,619,190.15	3.14	4.24	3,534,677.13	915,486.98
	SANDS CHINA LTD USD0.01	328,400	806,535.01	2.46	3.34	1,096,841.92	290,306.91
	SUN HUNG KAI PROP NPV	97,000	1,011,425.37	10.43	11.62	1,127,416.67	115,991.30
	SWIRE PACIFIC 'A' NPV	397,000	2,693,530.67	6.78	8.29	3,292,249.84	598,719.17
	WHARF(HLDGS) NPV	161,000	876,151.20	5.44	5.60	902,081.23	25,930.03
	XINYI GLASS HLDGS HKD0.1	1,606,000	814,583.62	0.51	0.70	1,117,427.57	302,843.95
			22,164,275.20			30,997,002.80	8,832,727.60
Singapore							
	CITY DEVELOPMENTS LTD	571,400	2,746,335.61	4.81	5.12	2,926,167.24	179,831.63
TOTAL ASIA PACIFIC (Ex Japan)			32,862,392.56			47,404,074.87	14,541,682.31

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)

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	Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £
North America						
Canada						
ALIMENTATION COUCH CLASS'B'S/VTG COM NPV	26,796	828,126.23	30.90	37.24	997,937.50	169,811.27
BCE INC COM NPV	29,328	953,048.24	32.50	35.49	1,040,869.42	87,821.18
BK OF NOVA SCOTIA COM NPV	30,679	1,047,297.49	34.14	40.72	1,249,291.58	201,994.09
CANADIAN IMP BANK COM NPV	14,474	732,503.36	50.61	59.59	862,482.84	129,979.48
CANADIAN PAC RY LTD COM NPV	42,185	3,878,933.03	91.95	117.55	4,958,929.18	1,079,996.15
CDN NATL RAILWAYS COM NPV	18,747	794,629.50	42.39	50.23	941,736.50	147,107.00
POTASH CORP SASK COM NPV	305,800	6,871,706.58	22.47	12.51	3,824,267.04	(3,047,439.54)
TECK RESOURCES LTD CLASS'B'SUB-VTG COM NPV	90,616	1,140,915.31	12.59	13.85	1,255,303.91	114,388.60
		16,247,159.74			15,130,817.97	(1,116,341.77)
United States						
ABBVIE INC COM USD0.01	19,645	730,534.65	37.19	48.55	953,818.36	223,283.71
ADOBE SYS INC COM	12,449	1,029,962.44	82.73	83.56	1,040,195.81	10,233.37
AETNA INC	12,951	685,452.25	52.93	88.88	1,151,033.75	465,581.50
ALLERGAN PLC COM STK	11,996	1,910,036.04	159.22	177.30	2,126,865.70	216,829.66
ALLY FINL INC COM	68,622	1,020,062.83	14.86	14.99	1,028,537.52	8,474.69
ALPHABET INC CAP STK CL C CAP STK CL C	11,421	4,100,569.51	359.04	598.38	6,834,048.04	2,733,478.53
ALPHABET INC CAP STK CL C CAP STK CL C	17,001	5,228,169.95	307.52	598.38	10,172,984.04	4,944,814.09
ALTRIA GROUP INC COM	21,061	586,711.69	27.86	48.68	1,025,163.15	438,451.46
AMAZON COM INC COM	6,939	2,442,848.23	352.05	644.58	4,472,743.37	2,029,895.14
AMAZON COM INC COM	16,394	3,837,713.95	234.09	644.58	10,567,251.03	6,729,537.08
AMDOCS ORD GBP0.01	99,500	4,013,287.24	40.33	44.53	4,431,158.24	417,871.00
AMERICAN TOWER CORP	46,150	4,065,123.37	88.09	87.24	4,026,311.85	(38,811.52)
AMERISOURCEBERGEN CORP COM	63,170	4,161,972.21	65.89	62.19	3,928,308.09	(233,664.12)
AMGEN INC COM	15,585	1,652,349.78	106.02	128.41	2,001,334.60	348,984.82
AMGEN INC COM	71,538	5,652,209.05	79.01	128.41	9,186,491.81	3,534,282.76
ANADARKO PETRO CORP COM	23,764	1,152,648.45	48.50	48.78	1,159,112.34	6,463.89
ANADARKO PETRO CORP COM	143,933	7,404,517.07	51.44	48.78	7,020,472.81	(384,044.26)
AON PLC COM	89,300	2,733,289.09	30.61	86.60	7,733,145.67	4,999,856.58
APPLE INC COM STK	60,798	3,774,194.57	62.08	87.03	5,291,157.33	1,516,962.76
APPLIED MATERIALS INC COM	45,356	1,053,445.98	23.23	23.21	1,052,720.01	(725.97)
ARAMARK COM	94,840	2,728,473.32	28.77	29.28	2,776,570.38	48,097.06
ARROW ELECTR INC COM	35,970	923,823.83	25.68	49.25	1,771,363.14	847,539.31
AT&T INC COM	70,396	1,682,272.23	23.90	31.26	2,200,755.46	518,483.23
AVNET INC COM	44,230	1,010,856.43	22.85	31.61	1,398,062.86	387,206.43
BANK NEW YORK MELLON CORP COM STK	204,100	3,381,351.59	16.57	30.70	6,265,979.50	2,884,627.91
BANK OF AMERICA CORP	249,034	2,513,730.27	10.09	12.05	3,000,293.92	486,563.65
BB&T CORP COM	199,220	4,095,097.85	20.56	29.04	5,784,894.40	1,689,796.55
BIOGEN INC COMMON STOCK	7,922	1,554,559.07	196.23	240.98	1,909,025.00	354,465.93
BLACKROCK INC COM STK	5,200	1,108,446.78	213.16	279.03	1,450,956.01	342,509.23
BOSTON SCIENTIFIC CORP COM	46,253	724,632.23	15.67	18.32	847,437.50	122,805.27
BROADCOM LIMITED COM NPV	11,255	499,028.25	44.34	132.81	1,494,774.79	995,746.54
BROADRIDGE FINL SOLUTIONS INC COM STK	21,572	792,725.16	36.75	52.19	1,125,762.72	333,037.56
CA INC COM	38,411	741,348.52	19.30	25.47	978,164.57	236,816.05
CAPITAL ONE FINL CORP COM	15,685	684,712.83	43.65	55.30	867,323.68	182,610.85
CARMAX INC COM	193,127	6,174,661.39	31.97	41.07	7,931,735.69	1,757,074.30
CBS CORP NEW CL B	31,925	1,059,480.92	33.19	42.14	1,345,322.84	285,841.92
CHARTER COMMUNICATIONS INC NEW CL A CL A	5,266	1,075,001.43	204.14	207.83	1,094,427.95	19,426.52
CHEVRON CORP COM	33,479	2,162,977.45	64.61	79.23	2,652,546.89	489,569.44
CHUBB LTD ORD CHF24.15	14,182	576,991.81	40.68	96.73	1,371,799.97	794,808.16
CIGNA CORPORATION	8,840	986,154.35	109.29	100.32	886,858.13	(79,296.22)
CISCO SYSTEMS INC	49,079	731,844.61	14.91	24.42	1,198,449.39	466,604.78
CITIGROUP INC COM NEW COM NEW	74,575	2,017,694.60	27.06	36.36	2,711,452.64	693,758.04
COGNIZANT TECH SOLUTIONS CORP CL A	133,300	5,280,421.07	39.61	36.73	4,895,875.68	(384,545.39)
COLGATE-PALMOLIVE CO COM	109,000	5,351,435.02	49.10	57.07	6,221,138.86	869,703.84
COMCAST CORP NEW-CL A	125,900	2,650,922.50	21.06	51.07	6,429,719.29	3,778,796.79
COMCAST CORP NEW-CL A	57,668	1,572,760.39	27.27	51.07	2,945,107.64	1,372,347.25
CONCHO RES INC COM STK	11,001	960,892.84	87.35	105.74	1,163,192.64	202,299.80
CORNING INC COM	57,134	990,776.85	17.34	18.21	1,040,199.38	49,422.53
COSTCO WHOLESALE CORP NEW COM	58,776	3,676,205.18	62.55	117.41	6,900,636.70	3,224,431.52
CUMMINS INC	10,464	799,436.73	76.40	98.65	1,032,302.92	232,866.19
CVS HEALTH CORP COM	128,800	3,323,370.59	25.80	68.51	8,823,642.12	5,500,271.53
CVS HEALTH CORP COM	16,813	774,515.79	46.07	68.51	1,151,800.43	377,284.64
DELPHI AUTOMOTIVE PLC	111,000	2,443,203.12	22.01	54.90	6,094,318.24	3,651,115.12
DEVON ENERGY CORP NEW COM	41,324	1,103,180.58	26.70	33.96	1,403,234.41	300,053.83
DIAMONDBACK ENERGY INC COM	17,657	1,083,207.27	61.35	74.32	1,312,245.30	229,038.03
DISH NETWORK CORP CL A COM STK	28,831	1,016,795.85	35.27	42.17	1,215,829.14	199,033.29
DOW CHEMICAL CO COM	41,607	1,310,770.55	31.50	39.90	1,660,115.97	349,345.42
DR PEPPER SNAPPLE GROUP INC COM STK	13,736	479,259.41	34.89	70.29	965,538.16	486,278.75
EATON CORP PLC COM USD0.50	23,594	1,088,594.35	46.14	50.59	1,193,503.94	104,909.59
ECOLAB INC COM STK USD1	71,804	4,233,576.81	58.96	93.70	6,728,238.80	2,494,661.99
ELECTR ARTS COM	17,696	963,606.03	54.45	65.74	1,163,385.90	199,779.87
ELECTR ARTS COM	89,820	4,323,580.08	48.14	65.74	5,905,024.95	1,581,444.87
EMERSON ELECTRIC CO COM	157,951	6,093,778.73	38.58	41.96	6,628,104.96	534,326.23
ENERGIZER HLDGS INC NEW COM	29,825	1,002,836.01	33.62	38.46	1,147,079.97	144,243.96
EOG RESOURCES INC COM	181,000	7,566,575.22	41.80	74.45	13,475,372.33	5,908,797.11
EQUINIX INC COM PAR \$0.001	27,511	5,126,887.40	186.36	277.33	7,629,589.67	2,502,702.27
EVEREST RE GROUP COM	6,582	889,955.45	135.62	146.24	959,648.22	69,692.77
EXXON MOBIL CORP COM	16,669	992,637.70	59.55	67.19	1,119,992.46	127,354.76
FACEBOOK INC CL A CL A	45,730	2,734,880.11	59.80	98.75	4,515,617.13	1,780,737.02
FACEBOOK INC CL A CL A	56,303	3,566,942.07	63.35	98.75	5,559,649.93	1,992,707.86
FIDELITY NATL INFORMATION SVCS INC COM STK	118,200	2,231,622.39	18.88	59.30	7,009,195.77	4,777,573.38
FIRST REP BK SAN FRANCISCO CALIF NEW COM	72,220	4,164,101.58	57.66	59.36	4,287,054.48	122,952.90
FISERV INC COM	64,900	1,011,200.60	15.58	76.57	4,969,670.90	3,958,470.30
FOOT LOCKER INC COM	19,713	602,709.92	30.57	52.13	1,027,686.11	424,976.19
FOUR CORNERS PTY TR INC COM	7,639	109,803.18	14.37	16.42	125,434.84	15,631.66
GILEAD SCIENCES INC	23,537	1,552,771.83	65.97	60.91	1,433,600.69	(119,171.14)
GRAINGER W W INC COM	36,125	4,787,465.56	132.52	173.09	6,252,767.03	1,465,301.47
HARRIS CORP COM	15,593	838,860.69	53.80	70.52	1,099,672.53	260,811.84
HARTFORD FINL SVCS GROUP INC COM	222,515	3,818,419.31	17.16	32.96	7,334,943.47	3,516,524.16
HCA HLDGS INC COM	111,350	3,297,149.53	29.61	58.22	6,482,986.80	3,185,837.27
HEWLETT PACKARD ENTERPRISE CO COM	83,458	841,131.81	10.08	17.51	1,461,639.23	620,507.42
HOME DEPOT INC COM	10,283	944,049.86	91.81	99.06	1,018,642.29	74,592.43

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)

Currency - Sterling

Report Date -

30-09-16

	Holding	Cost	Average Cost	Market Price	Market Value	Unrealised Gain/Loss
	£	£	£	£	£	£
HONEYWELL INTL INC COM STK	20,434	1,300,179.62	63.63	89.75	1,834,026.08	533,846.46
HORIZON PHARMA INC COMMON STOCK	71,450	924,070.84	12.93	13.96	997,219.71	73,148.87
HP INC COM	90,476	1,046,766.48	11.57	11.96	1,081,672.19	34,905.71
HUNTINGTON INGALLS INDS INC COM	8,897	1,117,577.49	125.61	118.11	1,050,791.10	(66,786.39)
IBERIABANK CORP COM	18,948	971,020.29	51.25	51.67	979,052.86	8,032.57
INGERSOLL-RAND PLC COM STK	21,788	621,998.90	28.55	52.30	1,139,550.89	517,551.99
INTERCONTINENTAL EXCHANGE INC COM	21,000	3,632,162.47	172.96	207.36	4,354,549.32	722,386.85
INTERNATIONAL BUSINESS MACHS CORP COM	13,066	1,628,640.69	124.65	122.29	1,597,793.64	(30,847.05)
INTL FLAVORS & FRAGRANCES INC COM	53,203	2,269,835.70	42.66	110.06	5,855,606.10	3,585,770.40
JOHNSON & JOHNSON COM USD1	81,800	3,233,295.95	39.53	90.94	7,438,824.68	4,205,528.73
JOHNSON & JOHNSON COM USD1	45,659	2,412,636.98	52.84	90.94	4,152,191.88	1,739,554.90
JPMORGAN CHASE & CO COM	193,976	6,953,375.85	35.85	51.26	9,943,695.80	2,990,319.95
L BRANDS INC COM	19,916	1,156,830.86	58.09	54.48	1,085,030.96	(71,799.90)
LAB CORP AMER HLDGS COM NEW	9,972	898,372.99	90.09	105.84	1,055,389.11	157,016.12
LAM RESH CORP COM	20,106	566,011.27	28.15	72.91	1,465,926.95	899,915.68
LEAR CORP COM NEW COM NEW	10,200	781,490.00	76.62	93.32	951,842.88	170,352.88
LOCKHEED MARTIN CORP COM	47,967	6,856,174.48	142.94	184.54	8,851,923.29	1,995,748.81
LOWES COS INC COM	22,762	963,886.50	42.35	55.59	1,265,314.78	301,428.28
M & T BK CORP COM	69,800	5,351,020.13	76.66	89.38	6,238,475.27	887,455.14
MACYS INC COM STK	47,798	1,421,414.06	29.74	28.52	1,363,291.58	(58,122.48)
MALLINCKRODT PLC COMMON STOCK	19,029	1,139,756.04	59.90	53.72	1,022,204.40	(117,551.64)
MARATHON OIL CORP COM	96,854	841,752.03	8.69	12.17	1,178,800.32	337,048.29
MASTERCARD INC CL A	106,621	6,093,999.76	57.16	78.34	8,353,208.88	2,259,209.12
MEDTRONIC PLC COMMON STOCK STOCK	15,700	815,151.93	51.92	66.51	1,044,249.34	229,097.41
MERCK & CO INC NEW COM	33,774	1,283,758.75	38.01	48.04	1,622,659.88	338,901.13
METLIFE INC COM STK USD0.01	44,200	1,157,427.70	26.19	34.20	1,511,782.79	354,355.09
MICROSOFT CORP COM	70,136	1,717,478.62	24.49	44.34	3,109,956.34	1,392,477.72
MOHAWK INDS INC COM	6,377	768,855.07	120.57	154.23	983,501.22	214,646.15
MOLSON COORS BREWING CO CL B CL B	17,178	1,103,691.27	64.25	84.53	1,451,997.12	348,305.85
MOODY'S CORP COM	57,280	3,791,950.03	66.20	83.36	4,774,655.83	982,705.80
MORGAN STANLEY COM STK USD0.01	62,499	1,160,791.26	18.57	24.68	1,542,507.92	381,716.66
MURPHY USA INC COM	18,407	1,092,867.60	59.37	54.93	1,011,180.46	(81,687.14)
NASDAQ INC	22,011	718,293.63	32.63	51.99	1,144,436.36	426,142.73
NAVIENT CORP COM	72,395	553,894.20	7.65	11.14	806,432.31	252,538.11
NETFLIX INC COM STK	47,600	2,865,069.27	60.19	75.87	3,611,223.74	746,154.47
NEWMONT MINING CORP NEW COM	34,020	1,168,454.81	34.35	30.25	1,028,980.52	(139,474.29)
NEXTERA ENERGY INC COM	12,027	804,507.09	66.89	94.16	1,132,519.27	328,012.18
NEXTERA ENERGY INC COM	34,550	2,998,155.47	86.78	94.16	3,253,391.59	255,236.12
NORTHROP GRUMMAN CORP COM	6,393	345,288.62	54.01	164.70	1,052,950.15	707,661.53
NVIDIA CORP COM	21,129	1,044,129.80	49.42	52.75	1,114,518.07	70,388.27
OMNICOM GROUP INC COM	12,638	720,340.43	57.00	65.43	826,966.83	106,626.40
OMNICOM GROUP INC COM	46,700	1,952,014.49	41.80	65.43	3,055,811.93	1,103,797.44
ORACLE CORP COM	268,200	5,244,448.77	19.55	30.24	8,110,003.99	2,865,555.22
ORACLE CORP COM	191,700	3,361,713.74	17.54	30.24	5,796,747.82	2,435,034.08
OWENS CORNING NEW COM STK	25,290	790,787.86	31.27	41.10	1,039,440.34	248,652.48
PACCAR INC COM	17,850	660,374.37	37.00	45.25	807,715.87	147,341.50
PARKER-HANNIFIN CORP COM	68,015	5,268,423.51	77.46	96.64	6,572,688.45	1,304,264.94
PEPSICO INC COM	120,900	4,860,173.46	40.20	83.73	10,123,396.45	5,263,222.99
PEPSICO INC COM	24,577	1,823,123.12	74.18	83.73	2,057,921.54	234,798.42
PERRIGO COMPANY LIMITED COM EUR0.001	61,900	5,940,738.80	95.97	71.08	4,399,712.52	(1,541,026.28)
PFIZER INC COM	119,761	2,138,772.72	17.86	26.07	3,122,636.46	983,863.74
PFIZER INC COM	217,000	2,877,894.05	13.26	26.07	5,658,036.52	2,780,142.47
PFIZER INC COM	239,180	5,170,627.11	21.62	26.07	6,236,355.64	1,065,728.53
PHILIP MORRIS INTL COM STK NPV	109,800	3,870,468.44	35.25	74.84	8,217,671.42	4,347,202.98
PHILIP MORRIS INTL COM STK NPV	14,353	1,018,972.28	70.99	74.84	1,074,209.82	55,237.54
PIONEER NAT RES CO COM	9,480	900,708.72	95.01	142.92	1,354,859.02	454,150.30
PNC FINANCIAL SERVICES GROUP COM STK	20,824	1,055,731.17	50.70	69.35	1,444,214.02	388,482.85
PRAXAIR INC COM	69,400	5,312,263.46	76.55	93.02	6,455,428.29	1,143,164.83
PRINCIPAL FINL GROUP INC COM STK	32,535	976,649.95	30.02	39.65	1,290,129.12	313,479.17
PROCTER & GAMBLE COM NPV	16,440	908,847.68	55.28	69.09	1,135,865.96	227,018.28
PROGRESSIVE CORP OH COM	246,180	4,339,419.24	17.63	24.25	5,969,722.40	1,630,303.16
PROLOGIS INC COM	30,061	1,072,677.12	35.68	41.22	1,239,003.71	166,326.59
PVH CORP COM USD1	13,327	892,793.85	66.99	85.07	1,133,666.96	240,873.11
PVTPL DELUXE CORP COM STK	19,090	749,253.72	39.25	51.44	981,981.29	232,727.57
QUALCOMM INC COM	41,681	1,678,761.84	40.28	52.73	2,197,958.65	519,196.81
RAYTHEON CO USD0.01	10,776	531,263.03	49.30	104.80	1,129,281.58	598,018.55
REINSURANCE GROUP AMER INC COM NEW STK	13,009	625,476.17	48.08	83.09	1,080,978.72	455,502.55
ROSS STORES INC COM	21,878	621,641.53	28.41	49.50	1,082,952.50	461,310.97
S&P GLOBAL INC COM	8,100	736,533.84	90.93	97.43	789,173.15	52,639.31
SAMSONITE INTL SA	2,157,000	4,515,927.61	2.09	2.47	5,330,958.69	815,031.08
SCHLUMBERGER LTD COM COM	77,000	3,424,751.19	44.48	60.54	4,661,493.10	1,236,741.91
SCHLUMBERGER LTD COM COM	22,566	1,108,111.96	49.11	60.54	1,366,120.17	258,008.21
SERVICEMASTER GLOBAL HLDGS INC COM	109,354	3,068,298.28	28.06	25.93	2,835,290.56	(233,007.72)
SMUCKER J M CO COM NEW	9,963	1,116,611.77	112.08	104.34	1,039,557.29	(77,054.48)
STANLEY BLACK & DECKER INC COM	11,682	596,889.10	51.09	94.67	1,105,967.86	509,078.76
STATE STR CORP COM	18,197	965,934.68	53.08	53.60	975,409.56	9,474.88
SUN TR BANKS INC COM	31,751	881,612.60	27.77	33.72	1,070,587.91	188,975.31
SYNCHRONY FINL COM	55,588	1,157,228.29	20.82	21.56	1,198,201.60	40,973.31
SYSCO CORP COM	25,437	1,002,857.83	39.43	37.73	959,713.07	(43,144.76)
TE CONNECTIVITY LTD	121,100	1,917,815.39	15.84	49.56	6,001,860.97	4,084,045.58
TERADYNE INC COM	66,957	880,767.54	13.15	16.61	1,112,341.76	231,574.22
TEXAS INSTRUMENTS INC COM	17,913	706,564.42	39.44	54.03	967,770.78	261,206.36
THE PRICELINE GROUP INC	1,098	910,256.85	829.01	1,132.79	1,243,799.77	333,542.92
THERMO FISHER CORP	9,901	892,036.33	90.10	122.45	1,212,357.92	320,321.59
THERMO FISHER CORP	54,067	4,307,096.55	79.66	122.45	6,620,397.50	2,313,300.95
TIME WARNER INC USD0.01	18,944	1,077,853.73	56.90	61.29	1,160,994.40	83,140.67
TIME WARNER INC USD0.01	103,269	2,342,286.78	22.68	61.29	6,328,902.58	3,986,615.80
TJX COS INC COM NEW	90,600	4,178,022.26	46.12	57.57	5,215,602.37	1,037,580.11
TJX COS INC COM NEW	110,170	5,122,506.01	46.50	57.57	6,342,195.51	1,219,689.50
TYSON FOODS INC CL A COM (DELAWARE)	17,587	972,325.60	55.29	57.48	1,010,947.80	38,622.20
UGI CORP NEW COM	28,660	610,280.83	21.29	34.83	998,135.72	387,854.89
UNITED CONTL HLDGS INC COM STK	37,452	1,328,804.91	35.48	40.39	1,512,783.90	183,978.99
UNITED RENTALS INC COM	16,745	1,022,843.50	61.08	60.42	1,011,789.80	(11,053.70)
UNITEDHEALTH GROUP INC COM	67,016	3,433,628.69	51.24	107.78	7,222,663.03	3,789,034.34
VALERO ENERGY CORP COM STK NEW	22,293	913,821.23	40.99	40.80	909,568.06	(4,253.17)
VARIAN MEDICAL SYSTEMS INC	100,480	4,738,620.00	47.16	76.62	7,698,824.97	2,960,204.97
VCA INC	2,800	151,185.32	53.99	53.87	150,842.17	(343.15)
VISA INC COM CL A STK	99,600	3,276,894.63	32.90	63.66	6,340,969.49	3,064,084.86

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)

Currency - Sterling

Report Date -

30-09-16

	Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £
VISA INC COM CL A STK	27,568	1,296,129.50	47.02	63.66	1,755,098.86	458,969.36
VMWARE INC CL A COM CL A COM	18,613	1,041,310.85	55.95	56.47	1,051,011.12	9,700.27
WALGREENS BOOTS ALLIANCE INC COM	49,949	1,992,894.65	39.90	62.06	3,099,990.82	1,107,096.17
WALT DISNEY CO	73,810	5,058,638.73	68.54	71.49	5,276,363.41	217,724.68
WELLS FARGO & CO NEW COM STK	31,612	903,880.67	28.59	34.09	1,077,582.18	173,701.51
WELLS FARGO & CO NEW COM STK	145,600	2,848,564.93	19.56	34.09	4,963,177.45	2,114,612.52
WESTN DIGITAL CORP COM	26,887	1,061,669.04	39.49	45.01	1,210,225.38	148,556.34
WHIRLPOOL CORP COM	7,064	916,767.18	129.78	124.83	881,830.76	(34,936.42)
WILLIS TOWERS WATSON PLC COM USD0.000115	61,696	5,311,409.85	86.09	102.21	6,305,910.15	994,500.30
ZIMMER BIOMET HLDGS INC COM	12,546	728,366.16	58.06	100.09	1,255,758.89	527,392.73
ZIMMER BIOMET HLDGS INC COM	77,675	4,842,955.00	62.35	100.09	7,774,674.92	2,931,719.92
ZIONS BANCORP COM	49,938	1,025,496.14	20.54	23.88	1,192,514.73	167,018.59
		415,364,088.78			605,338,253.76	189,974,164.98
TOTAL NORTH AMERICA		431,611,248.52			620,469,071.73	188,857,823.21
EMERGING MARKETS						
Argentina						
ADR TENARIS S A SPONSORED ADR	221,200	5,387,451.38	24.36	21.86	4,836,088.93	(551,362.45)
Brazil						
ADR AMBEV SA SPONSORED ADR	269,161	1,018,577.69	3.78	4.69	1,261,886.35	243,308.66
ADR BANCO BRADESCO S A SPONSORED ADR	901,428	6,121,827.48	6.79	6.98	6,294,034.90	172,207.42
ADR ITAU UNIBANCO HLDG SA SPONSORED ADR	142,852	1,009,531.66	7.07	8.42	1,203,079.88	193,548.22
ADR PETROLEO BRASILEIRO SA PETROBRAS SPONSORED ADR	179,128	1,263,423.47	7.05	7.18	1,286,577.45	23,153.98
		9,413,360.30			10,045,578.58	632,218.28
Chile						
ADR SOCIEDAD QUIMICA Y MINERA DE CHILE SA SPONSORED ADR	182,677	3,296,614.34	18.05	20.71	3,782,918.34	486,304.00
China						
ADR ALIBABA GROUP HOLDING LTD SP ADR	20,510	1,319,969.32	64.36	81.44	1,670,325.43	350,356.11
ADR ALIBABA GROUP HOLDING LTD SP ADR	43,540	3,136,036.86	72.03	81.44	3,545,878.56	409,841.70
ADR NETEASE INC SPONSORED ADR ADR EACH REPR 25 COM STK	5,402	893,451.25	165.39	185.36	1,001,303.66	107,852.41
ANHUI CONCH CEMENT 'H' CNY1	474,000	971,873.07	2.05	2.11	999,753.89	27,880.82
BANK OF CHINA LTD 'H' CNY1	3,425,000	1,135,068.12	0.33	0.35	1,203,426.75	68,358.63
BELLE INTERNATIONAL HKD0.01	1,648,000	916,493.94	0.56	0.53	870,211.19	(46,282.75)
CHINA CITIC BK COR 'H' CNY1	1,984,000	1,015,199.09	0.51	0.51	1,014,155.90	(1,043.19)
CHINA CONSTRUCTION BANK 'H' CNY1	2,198,410	1,070,077.91	0.49	0.57	1,254,678.22	184,600.31
CHINA MOBILE LTD HKD0.10	151,000	1,163,935.13	7.71	9.32	1,406,588.46	242,653.33
CHINA OVERSEAS LAND & INVESTMNT HKD0.10	420,000	730,636.05	1.74	2.61	1,098,379.39	365,743.34
CHINA SHENHUA ENERGY CO 'H'	669,500	980,311.22	1.46	1.50	1,007,408.49	27,097.27
CNOOC LTD HKD0.02	1,283,000	1,236,308.36	0.96	0.95	1,225,060.55	(11,247.81)
ENN ENERGY COMSTK	958,000	4,300,983.12	4.49	3.75	3,589,535.80	(711,447.32)
PING AN INSURANCE GROUP 'H' CNY1	362,500	1,310,094.12	3.61	3.99	1,446,404.91	136,310.79
SINOPHARM GROUP CO. LTD. 'H' SHS CNY1	270,000	1,032,898.30	3.83	3.70	998,265.05	(34,633.25)
TENCENT HLDGS LIMITED COMMON STOCK	111,100	1,180,425.02	10.62	21.14	2,348,818.65	1,168,393.63
		22,393,760.88			24,678,194.90	2,284,434.02
India						
ADR HDFC BK LTD ADR REPSTG 3 SHS	23,539	487,646.07	20.72	55.34	1,302,708.68	815,062.61
ADR ICICI BK LTD	144,538	789,906.60	5.47	5.75	831,176.89	41,270.29
ADR ICICI BK LTD	620,582	4,531,078.20	7.30	5.75	3,568,704.53	(962,373.67)
ADR TATA MTRS LTD SPONSORED ADR	27,730	563,833.12	20.33	30.78	853,460.60	289,627.48
		6,372,463.99			6,556,050.70	183,586.71
Indonesia						
ADR PERUSAHAAN PERSEROAN PERSERO P T TELEKOMUNIKASI	23,671	589,593.29	24.91	50.87	1,204,141.31	614,548.02
ASTRA INTL IDR50	1,988,400	802,876.87	0.40	0.49	967,619.78	164,742.91
BANK RAKYAT INDONESIA PERSER	1,120,200	636,053.63	0.57	0.72	806,125.08	170,071.45
		2,028,523.79			2,977,886.17	949,362.38
Israel						
ADR TEVA PHARMACEUTICAL INDS	32,547	1,014,458.02	31.17	35.42	1,152,800.12	138,342.10
CHECK PT SOFTWARE TECHNOLOGIES ORDILS.01	101,700	5,479,703.25	53.88	59.75	6,076,163.50	596,460.25
MOBILEYE NV EUR0.01	98,600	3,031,562.39	30.75	32.77	3,231,256.10	199,693.71
		9,525,723.66			10,460,219.72	934,496.06
Korea, Republic Of						
ADR POSCO SPONSORED ADR	24,568	868,393.95	35.35	39.32	966,076.48	97,682.53
HANKOOK TIRE CO KRW500	28,077	936,756.43	33.36	41.52	1,165,742.46	228,986.03
KIA MOTORS CORP KRW5000	28,415	786,720.11	27.69	29.46	837,164.32	50,444.21
KOREA ELEC POWER KRW5000	29,920	888,651.77	29.70	37.74	1,129,329.88	240,678.11
NAVER CORPORATION KRW5000	1,751	970,271.02	554.12	617.20	1,080,717.84	110,446.82
SAMSUNG ELECTRONIC KRW5000	1,481	974,991.91	658.33	1,116.97	1,654,235.37	679,243.46
SAMSUNG ELECTRONIC PFD KRW5000	9,400	3,136,414.12	333.66	901.69	8,475,845.54	5,339,431.42
SK HYNIX INC	42,404	1,123,753.56	26.50	28.10	1,191,511.80	67,758.24
SK INNOVATION CO.LTD KRW5000	8,946	975,925.44	109.09	112.89	1,009,873.30	33,947.86
		10,661,878.31			17,510,496.99	6,848,618.68
Mexico						
ADR COCA-COLA FEMSA S.A.B DE C.V.	18,162	1,012,411.82	55.74	57.74	1,048,614.24	36,202.42
ADR FOMENTO ECONOMICO MEXICANO SAB DE CV	82,700	3,740,440.07	45.23	70.85	5,859,666.99	2,119,226.92
GRUPO AEROPORTUARIO DEL SURESTE S.A.B DEC.V.	9,261	729,946.32	78.82	112.72	1,043,876.46	313,930.14
GRUPO FINANCIERO BANORTE S A B DE C V	663,302	2,004,339.17	3.02	4.04	2,682,737.34	678,398.17
		7,487,137.38			10,634,895.03	3,147,757.65

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)

Currency - Sterling

Report Date -

30-09-16

	Holding	Cost £	Average Cost £	Market Price £	Market Value £	Unrealised Gain/Loss £
Russian Federation						
ADR PJSC LUKOIL SPONSORED ADR	34,686	1,173,856.00	33.84	37.51	1,301,192.19	127,336.19
ADR SBERBANK RUSSIA SPONSORED ADR	156,325	554,941.63	3.55	7.25	1,133,626.93	578,685.30
MAGNIT PJSC GDR REGS	38,505	1,129,107.36	29.32	32.09	1,235,776.23	106,668.87
ROSNEFT OJSC-REG S GDR	210,626	882,618.24	4.19	4.20	885,310.14	2,691.90
YANDEX N.V. COM USD0.01 CL 'A	51,170	875,094.42	17.10	16.20	829,198.17	(45,896.25)
		4,615,617.65			5,385,103.66	769,486.01
South Africa						
FIRSTSTRAND LTD ZAR0.01	284,801	626,919.76	2.20	2.66	757,327.57	130,407.81
MTN GROUP LTD ZAR0.0001	467,400	4,958,841.92	10.61	6.58	3,073,458.50	(1,885,383.42)
SHOPRITE HLDGS LTD ZAR0.01134	105,146	1,062,369.22	10.10	10.71	1,126,576.39	64,207.17
TIGER BRANDS ZAR0.10	45,701	1,013,245.33	22.17	21.29	972,819.24	(40,426.09)
		7,661,376.23			5,930,181.70	(1,731,194.53)
Taiwan						
TAIWAN SEMICON MAN TWD10	2,407,000	3,265,107.72	1.36	4.48	10,788,338.95	7,523,231.23
TAIWAN SEMICONDUCTOR MFG CO LTD SPONSORED ADR	67,852	720,557.78	10.62	23.55	1,597,838.74	877,280.96
TAIWAN SEMICONDUCTOR MFG CO LTD SPONSORED ADR	256,060	5,222,195.65	20.39	23.55	6,029,926.71	807,731.06
		9,207,861.15			18,416,104.40	9,208,243.25
Thailand						
KASIKORN BANK PCL THB10 (NVDR)	255,600	1,126,798.23	4.41	4.17	1,064,755.05	(62,043.18)
KASIKORN BANK PLC THB10 (ALIEN MKT)	767,200	2,556,276.97	3.33	4.17	3,195,931.43	639,654.46
		3,683,075.20			4,260,686.48	577,611.28
Turkey						
TURKIYE GARANTI BK TRY1	461,077	921,481.20	2.00	2.04	940,391.80	18,910.60
TOTAL EMERGING MARKETS		102,656,325.46			126,414,797.40	23,758,471.94
UNITED KINGDOM						
3I GROUP ORD GBP0.738636	176,522	710,499.31	4.02	6.51	1,148,275.61	437,776.30
ABERDEEN ASSET MANAGEMENT	296,551	976,476.66	3.29	3.26	967,645.91	(8,830.75)
ASHMORE GROUP ORD GBP0.0001	279,317	978,769.19	3.50	3.54	987,385.60	8,616.41
ASSOC D BRIT FOODS ORD GBP0.0568	172,053	3,071,941.16	17.85	26.00	4,473,378.00	1,401,436.84
BARCLAYS PLC ORD GBP0.25	2,305,030	6,018,097.88	2.61	1.68	3,867,840.34	(2,150,257.54)
BHP BILLITON PLC USD0.50	236,300	3,815,442.66	16.15	11.63	2,746,987.50	(1,068,455.16)
BRITISH AMERICAN TOBACCO ORD GBP0.25	162,200	3,516,697.83	21.68	49.30	7,996,460.00	4,479,762.17
BRITISH AMERICAN TOBACCO ORD GBP0.25	40,591	1,869,934.91	46.07	49.30	2,001,136.30	131,201.39
BT GROUP ORD GBP0.05	308,879	1,251,791.02	4.05	3.89	1,201,693.75	(50,097.27)
BURBERRY GROUP ORD GBP0.0005	83,026	1,032,884.83	12.44	13.79	1,144,928.54	112,043.71
COMPASS GROUP PLC ORD GBP0.10625	410,541	2,295,366.78	5.59	14.95	6,137,587.95	3,842,221.17
DIAGEO ORD PLC	43,100	943,953.34	21.90	22.11	952,725.50	8,772.16
EXPERIAN ORD USD0.10	336,100	3,868,256.47	11.51	15.44	5,189,384.00	1,321,127.53
GLENCORE PLC ORD USD0.01	620,283	926,893.21	1.49	2.12	1,315,930.38	389,037.17
HSBC HLDGS ORD USD0.50(UK REG)	360,181	2,067,997.28	5.74	5.79	2,084,367.45	16,370.17
IMPERIAL BRANDS PLC GBP0.10	24,527	572,665.32	23.35	39.74	974,580.35	401,915.03
INTERTEK GROUP ORD GBP0.01	8,811	249,147.67	28.28	34.89	307,415.79	58,268.12
KINGFISHER ORD GBP0.157142857	1,143,805	4,345,023.41	3.80	3.77	4,311,001.05	(34,022.36)
LLOYDS BANKING GP ORD GBP0.1	7,973,000	4,510,315.71	0.57	0.55	4,349,271.50	(161,044.21)
NEXT ORD GBP0.10	118,583	6,328,427.41	53.37	47.76	5,663,524.08	(664,903.33)
OCADO GROUP PLC ORD GBP0.02	1,442,821	5,337,816.83	3.70	2.65	3,816,261.55	(1,521,555.28)
PERSIMMON ORD GBP0.10	61,005	737,176.97	12.08	18.15	1,107,240.75	370,063.78
RECKITT BENCK GRP ORD GBP0.10	13,650	869,765.93	63.72	72.65	991,672.50	121,906.57
RIO TINTO ORD GBP0.10	54,367	1,585,204.87	28.79	25.75	1,399,678.42	(185,526.45)
ROLLS ROYCE HLDGS ORD GBP0.20	632,807	5,767,934.40	9.11	7.20	4,556,210.40	(1,211,724.00)
ROYAL DUTCH SHELL 'A'SHS EURO.07(GBP)	90,511	2,032,940.13	22.46	19.14	1,732,380.54	(300,559.59)
ROYAL DUTCH SHELL 'B'ORD EURO.07	297,200	5,936,379.11	19.97	19.97	5,935,084.00	(1,295.11)
SHIRE PLC ORD GBP0.05	26,923	1,221,903.79	45.39	49.98	1,345,611.54	123,707.75
STANDARD CHARTERED PLC SHS	704,376	8,485,059.40	12.05	6.28	4,425,594.41	(4,059,464.99)
STANDARD CHARTERED PLC SHS	175,026	1,110,808.90	6.35	6.28	1,099,688.36	(11,120.54)
TAYLOR WIMPEY ORD GBP0.01	630,470	823,546.31	1.31	1.54	971,554.27	148,007.96
VODAFONE GROUP ORD USD0.2095238	3,444,100	6,739,655.80	1.96	2.22	7,637,291.75	897,635.95
VODAFONE GROUP ORD USD0.2095238	575,844	1,222,086.02	2.12	2.22	1,276,934.07	54,848.05
VODAFONE GROUP ORD USD0.2095238	3,171,499	7,046,601.27	2.22	2.22	7,032,799.03	(13,802.24)
WEIR GROUP ORD GBP0.125	73,741	1,048,190.27	14.21	17.00	1,253,597.00	205,406.73
WHITBREAD ORD GBP0.76797385	125,355	5,050,767.91	40.29	39.16	4,908,901.80	(141,866.11)
WHITBREAD ORD GBP0.76797385	143,276	5,294,922.32	36.96	39.16	5,610,688.16	315,765.84
WPP PLC ORD GBP0.10	68,408	1,230,793.90	17.99	18.14	1,240,921.12	10,127.22
WPP PLC ORD GBP0.10	348,445	2,562,772.28	7.35	18.14	6,320,792.30	3,758,020.02
TOTAL UNITED KINGDOM		113,434,908.46			120,484,421.57	7,049,513.11
Total Investments		856,521,260.94			1,162,490,214.54	305,968,953.60
Cash Balance		19,422,403.46			19,422,403.46	
Total Value of Portfolio		875,943,664.40			1,181,912,618.00	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - Insight Investment (Global Corporate Bonds)

Currency - Sterling

Report Date -

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Corporate Bonds (GBP)						
ABBEY NATL TRSY SV 4.125% GTD MTN 14/09/17 GBP	2,000,000	2,155,200.00	1.08	1.11	2,059,418.00	(95,782.00)
ABN AMRO BANK NV BNDS 4.875% 16 JAN 2019	2,000,000	2,255,800.00	1.13	1.09	2,188,390.00	(67,410.00)
ANGLIAN WATER SVCS 5.837% A/BKD 30/07/2022 GBP	295,000	359,141.85	1.22	1.27	375,595.77	16,453.92
ANHEUSER-BUSCH INB 9.75% GTD MTN 30/07/24 GBP	1,400,000	2,286,760.00	1.63	1.61	2,259,835.20	(26,924.80)
ANNINGTON FIN NO4 0% M/BKD 07/12/2022 GBP 'A'	4,300,000	3,131,862.00	0.73	0.90	3,882,994.60	751,132.60
ASIF II 6.375% MTN 05/10/20 GBP1000	2,337,000	2,861,422.80	1.22	1.19	2,789,356.73	(72,066.07)
AT&T INC 5.875% SNR 28/04/2017 GBP	1,900,000	2,244,660.00	1.18	1.03	1,955,461.00	(289,199.00)
BARCLAYS BANK PLC 10% SUB 21/05/2021 GBP50000	1,800,000	2,282,436.00	1.27	1.29	2,328,627.60	46,191.60
BASF SE 5.875% SNR 31/03/2017 GBP	1,900,000	2,265,579.00	1.19	1.03	1,949,580.50	(315,998.50)
BAT INTL FINANCE 6.375% GTD SNR 12/12/19GBP	1,800,000	2,255,220.00	1.25	1.18	2,120,283.00	(134,937.00)
BG ENERGY CAPITAL 5.125% GTD SNR 07/12/17 GBP	1,900,000	2,209,966.00	1.16	1.05	1,997,951.65	(212,014.35)
BHP BILLITON FINANCE LTD 3.25% 25/09/2024 GBP1000	2,300,000	2,279,530.00	0.99	1.13	2,587,934.70	308,404.70
BMW FIN NV 3.375% 14/12/2018	2,100,000	2,234,400.00	1.06	1.06	2,221,825.20	(12,574.80)
BP CAP MARKETS PLC MTN 4.325% DUE 10/12/2018	2,500,000	2,834,750.00	1.13	1.08	2,695,435.00	(139,315.00)
BRITISH TELECOM 6.625% EMTN 23/06/2017 GBP	1,900,000	2,287,258.00	1.20	1.04	1,980,155.30	(307,102.70)
CARLSBERG BREW A/S 7.25% SNR EMTN 28/11/16 GBP	1,900,000	2,300,900.00	1.21	1.01	1,917,768.80	(383,131.20)
CITIGROUP INC 7.625% SNR 03/04/2018 GBP	1,800,000	2,250,378.00	1.25	1.10	1,977,312.60	(273,065.40)
COMCAST CORP NEW 5.5% DUE 11-23-2029	2,000,000	2,266,400.00	1.13	1.42	2,830,692.00	564,292.00
CREDIT AGRICOLE LONDON 5.5% 17/12/2021	2,000,000	2,283,580.00	1.14	1.23	2,450,288.00	166,706.00
CREDIT AGRICOLE SA 7.375% SUB 18/12/2023GBP	750,000	855,203.00	1.14	1.32	991,251.75	136,048.75
DEUTSCHE TELEKOM I 7.375%-VAR SNR 04/12/19 GBP	1,700,000	2,231,766.78	1.31	1.20	2,048,333.40	(183,433.38)
E.ON INTERNATIONAL 6% GTD SNR MTN 30/10/19 GBP	1,800,000	2,234,113.00	1.24	1.15	2,076,548.40	(157,564.60)
EDF 6.875% SNR 12/12/2022 GBP	1,700,000	2,229,924.00	1.31	1.34	2,278,576.30	48,652.30
EVERSHOLT FUNDING PLC 5.831% 02/12/2020	1,900,000	2,240,632.00	1.18	1.18	2,245,841.80	5,209.80
GATWICK FUNDING LI 5.25% A/BKD 23/01/2024 GBP	2,500,000	2,837,155.00	1.13	1.26	3,138,187.50	301,032.50
GE CAP UK FDG UNLI 5.875% GTD SNR 04/11/20 GBP	1,900,000	2,276,640.80	1.20	1.21	2,289,599.75	12,958.95
GLENCORE FIN MTN 27/02/2019	2,000,000	2,284,300.00	1.14	1.11	2,212,340.00	(71,960.00)
GOLDMAN SACHS GRP 6.125% SNR 14/02/2017 GBP	2,000,000	2,270,890.80	1.14	1.02	2,038,440.00	(232,450.80)
GREAT ROLLING ST 6.25% GTD SNR 27/07/20 GBP	2,350,000	2,850,868.50	1.21	1.18	2,772,318.50	(78,550.00)
HEATHROW FUNDING 5.225%-VAR SNR 15/02/2025 GBP	2,300,000	2,662,830.00	1.16	1.23	2,832,443.10	169,613.10
HSBC BANK 6.5% SUB 07/07/2023 GBP1000	1,900,000	2,345,556.08	1.23	1.26	2,398,489.70	52,933.62
IMPERIAL TOBACCO FINANCE 7.75% 24/06/2019	1,700,000	2,212,057.00	1.30	1.18	2,004,526.10	(207,530.90)
ING BANK NV 5.375% 15/04/2021	2,600,000	3,015,080.00	1.16	1.20	3,108,071.20	92,991.20
INNOGY FINANCE BV 5.5% GTD SNR 06/07/2022 GBP	1,900,000	2,261,304.00	1.19	1.21	2,302,617.60	41,313.60
INTERSTAR MILLENNIUM 2004-4E FRN MTG/BKD14-11-2036	1,892,365	1,833,228.66	0.97	0.96	1,813,115.64	(20,113.02)
INTU (SGS) FINANCE PLC 17/03/2023	2,500,000	2,507,050.00	1.00	1.11	2,772,885.00	265,835.00
JP MORGAN CHASE & CO 4.25% MTN 25/01/2017	2,100,000	2,295,082.00	1.09	1.01	2,122,526.70	(172,555.30)
LANARK MASTER ISSUER PLC FLOATING RATE BNDS 22 DEC 2054	4,552,291	4,720,725.33	1.04	1.01	4,598,892.37	(121,832.96)
LONDON POWER NETW 5.375%-VAR SNR 11/11/16 GBP	1,392,000	1,566,389.76	1.13	1.00	1,398,726.84	(167,662.92)
MORGAN STANLEY 5.75% SNR MTN 14/2/2017 GBP	2,000,000	2,212,080.00	1.11	1.02	2,035,248.00	(176,832.00)
MOTABILITY OPERATI 5.375% GTD SNR 28/06/22 GBP	1,900,000	2,293,680.00	1.21	1.25	2,378,891.20	85,211.20
NATIONAL AUSTRALIA BANK 3.625% 08/11/2017	500,000	542,035.00	1.08	1.03	515,470.00	(26,565.00)
NATIONWIDE B/S 5.625% SNR 09/09/2019 GBP	300,000	355,269.00	1.18	1.13	340,110.30	(15,158.70)
NATL AUSTRALIA BK 7.125%-FRN SUB 12/06/23 GBP	2,000,000	2,312,140.00	1.16	1.09	2,172,090.00	(140,050.00)
NORTHUMBRIAN WTR F 6.875% GTD SNR 06/02/23 GBP	2,000,000	2,552,560.00	1.28	1.34	2,674,617.00	122,057.00
ORANGE 7.25% MTN 10/11/20 GBP(VAR)	2,015,000	2,619,579.50	1.30	1.26	2,533,818.17	(85,761.33)
PERMANENT MASTER I 0% MTN 15/07/2042 GBP	2,500,000	2,605,500.00	1.04	1.00	2,502,362.50	(103,137.50)
PORTERBROOK RAIL FIN LTD 5.5% 20/04/2019	2,500,000	2,880,000.00	1.15	1.11	2,774,217.50	(105,782.50)
REED ELSEVIER INV 5.625% GTD SNR 20/10/16 GBP	2,000,000	2,274,225.50	1.14	1.00	2,004,086.00	(270,139.50)
ROYAL BANK OF SCOT 6.625% SNR 17/09/2018GBP	1,700,000	2,074,918.00	1.22	1.10	1,877,753.70	(197,164.30)
SEGRO PLC 5.5% SNR 20/06/2018 GBP1000	1,906,000	2,161,996.84	1.13	1.08	2,049,142.51	(112,854.33)
SKY GROUP FINANCE PLC 5.75% SNR 20/10/17	1,900,000	2,234,020.00	1.18	1.05	1,997,076.70	(236,943.30)
SOCIETE GENERALE 5.4% SUB EMTN 30/01/18 GBP	2,180,000	2,278,819.40	1.05	1.05	2,295,245.70	16,426.30
SOUTHERN GAS NETWO 5.125% SNR 02/11/2018GBP	120,000	138,000.00	1.15	1.09	130,919.22	(7,080.78)
TESCO 6.125% SNR 24/02/2022 GBP	1,800,000	2,224,170.00	1.24	1.15	2,063,793.60	(160,376.40)
TOTAL CAPITAL SA 3.875% SNR MTN 14/12/18GBP	2,000,000	2,249,400.00	1.12	1.07	2,140,364.00	(109,036.00)
WALES & WEST UTL FIN PLC 4.625% 13-12-2023	2,100,000	2,372,166.00	1.13	1.23	2,579,967.60	207,801.60
WELLS FARGO BK NA 5.25% SUB EMTN 01/08/23 GBP	2,000,000	2,333,700.00	1.17	1.22	2,433,634.00	99,934.00
WESTERN POWER EAST 5.25% SNR EMTN 17/01/23 GBP	2,500,000	2,912,480.00	1.16	1.24	3,094,250.00	181,770.00
WESTPAC BKG CORP 5% SNR 21/10/2019 GBP50000	2,300,000	2,693,345.00	1.17	1.12	2,581,147.40	(112,197.60)
WPP 2008 LIMITED 6% BDS 04/04/17 GBP1000	1,900,000	2,196,134.00	1.16	1.03	1,948,773.00	(247,361.00)
XSTRATA CANADA FIN 7.375% GTD SNR 27/05/20 GBP	2,215,000	2,729,901.95	1.23	1.17	2,586,785.54	(143,116.41)
YORKSHIRE WATER SV 6% A/BKD 21/08/2019 GBP'A1'	1,900,000	2,328,260.00	1.23	1.15	2,183,822.00	(144,438.00)
		142,350,420.55			139,906,220.94	(2,444,199.61)

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - Insight Investment (Global Corporate Bonds)

Currency - Sterling

Report Date -

30-09-16

	<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> £
Corporate Bonds (Foreign Currency)						
AUST & NZ BANK GRP 4.875% BDS 144A 12/01/21	3,000,000	2,221,151.99	0.74	0.86	2,584,119.89	362,967.90
BNP PARIBAS / BNP 5 DUE 01-15-2021	3,300,000	2,316,314.60	0.70	0.86	2,842,450.59	526,135.99
BRUNEL RES MTG SEC FRN M/BKD 01/2039 EUR'A4A'	1,633,213	1,280,845.11	0.78	0.86	1,412,433.42	131,588.31
CMNWLTH BK OF AUST 5.5% SUB EMTN 06/08/19 EUR	2,400,000	2,240,728.27	0.93	1.00	2,391,062.34	150,334.07
CMO BELUGA MASTER ISSUER 2006-1 CL A3 VAR RT 28/04/2099	2,000,000	1,707,549.90	0.85	0.87	1,730,384.72	22,834.82
DUTCH MBS BV DUTCH 2012-17 A2 02/10/2044	1,865,412	1,663,516.54	0.89	0.88	1,633,526.22	(29,990.32)
E-MAC PROGRAM B V REMACP 2007 - NL3A A1 144A 25/07/2047	1,275,387	783,180.18	0.61	0.76	969,412.60	186,232.42
NATIONWIDE B/S 6.75% SUB EMTN 22/07/20 EUR	2,500,000	2,250,906.04	0.90	1.04	2,600,939.56	350,033.52
NORDEA BK AG 4.875% DUE 05-13-2021	3,000,000	2,023,621.58	0.67	0.86	2,572,115.28	548,493.70
RABOBANK 4.125% SUB MTN 14/09/22 EUR	2,700,000	2,281,315.95	0.84	1.01	2,721,595.80	440,279.85
VERIZON 3.65% DUE 09-14-2018	5,000,000	3,224,559.34	0.64	0.80	4,017,490.07	792,930.73
WAL-MART STORES 3.625% DUE 07-08-2020	3,200,000	2,258,771.62	0.71	0.83	2,667,513.88	408,742.26
		24,252,461.12			28,143,044.37	3,890,583.25
Futures						
FUT DEC 16 10 YR T-NOTES	-74	0.00	-	(102.24)	7,565.77	7,565.77
FUT DEC 16 CBT 5Y T-NOTE	-39	0.00	-	72.17	(2,814.66)	(2,814.66)
FUT DEC 16 EURX EUR-BUND	-37	0.00	-	1,012.43	(37,460.00)	(37,460.00)
FUT DEC 16 LIF LONG GILT	116	0.00	-	(1,077.41)	(124,980.00)	(124,980.00)
		0.00			(157,688.89)	(157,688.89)
Total Investments		166,602,881.67			167,891,576.42	1,288,694.75
Cash Balance		88,217,044.97			88,217,044.97	
Total Value of Portfolio		254,819,926.64			256,108,621.39	

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Fund - PRIVATE EQUITY INVESTMENTS

Currency - Sterling

30-09-16

Report Date -

	<u>Date of Inception</u>	<u>Estimated Total Approved Investment</u> £	<u>Cumulative Investments</u> @ 30 Jun 2016 £	<u>Quarters Transactions</u> £	<u>Cumulative Distributions</u> @ 30 Jun 2016 £	<u>Quarters Transactions</u> £	<u>Market Value</u> @ 30 Jun 2016 * £
LAZARD US TECHNOLOGY PARTNERS 2nd Fund	Jan-01	6,214,639.57	6,216,640.24	0.00	5,294,478.56	0.00	1,082,951.91
CAPITAL DYNAMICS UK HIGH TECHNOLOGY FUND	May-01	4,000,000.00	4,007,302.74	0.00	2,091,961.37	200,000.00	352,682.00
HARBOUR VEST European Buyout Fund (HIPEP IV)	Jan-02	6,811,851.14	6,973,790.92	0.00	12,026,359.39	0.00	825,776.30
HARBOUR VEST VII US Buyout Fund	Apr-03	5,260,383.82	5,299,569.55	0.00	7,577,844.66	225,647.60	2,417,102.96
KNIGHTSBRIDGE Venture Capital VI Series VXM	Feb-05	6,291,695.54	6,377,366.59	0.00	7,369,326.55	205,151.82	4,028,573.01
HARBOUR VEST Asia Pacific Fund (HIPEP V)	Mar-06	5,056,257.30	5,466,435.93	0.00	5,722,682.93	283,509.54	3,423,129.37
HARBOUR VEST 2007 Direct Fund	Sep-07	4,900,000.00	5,831,878.73	0.00	5,958,983.40	262,399.61	4,486,751.53
HARBOUR VEST 2007 European Buyout Companion (HIPEP V)	Oct-07	5,000,000.00	5,890,762.76	0.00	4,294,271.99	0.00	4,146,007.83
HARBOUR VEST VIII Cayman Venture Fund	Sep-07	2,450,000.00	2,926,614.78	0.00	2,528,422.98	89,034.44	2,956,000.37
HARBOUR VEST VIII Cayman Buyout Fund	Sep-07	24,500,000.00	27,665,236.21	341,639.27	26,837,261.86	1,103,571.70	21,873,527.22
HARBOUR VEST VIII US Mezzanine & Distressed Debt Fund	Sep-07	2,450,000.00	2,872,805.00	0.00	2,685,583.81	82,823.65	1,616,546.35
KNIGHTSBRIDGE Venture Capital VII LP Series VC	Apr-08	5,000,000.00	5,053,136.77	0.00	1,380,053.01	450,399.72	8,738,152.21
DOVER STREET VII Cayman Fund	May-08	10,000,000.00	11,752,382.56	0.00	13,211,213.89	251,817.50	5,446,036.46
PARTNERS Group Secondary 2008 LP	Nov-08	12,165,000.00	11,602,530.76	0.00	11,748,462.13	1,162,868.71	6,249,608.57
HARBOUR VEST Cayman Partnership Fund (HIPEP VI)	Jun-08	29,687,775.33	22,961,786.63	0.00	6,341,325.66	508,834.51	26,612,132.49
KNIGHTSBRIDGE Venture Capital VIII	Feb-12	4,500,000.00	1,612,784.89	292,309.99	74,737.39	0.00	2,027,410.39
HARBOUR VEST IX Cayman Venture Fund	Apr-13	6,150,000.00	4,618,946.52	224,963.72	1,024,233.43	55,892.60	6,088,722.78
HARBOUR VEST IX Cayman Buyout Fund	Apr-13	12,300,000.00	6,773,372.35	321,376.75	1,539,043.52	0.00	7,926,468.28
HARBOUR VEST IX Cayman Opportunities Fund	Apr-13	2,050,000.00	1,159,336.30	32,137.67	359,426.44	0.00	1,199,633.54
DOVER STREET VIII Cayman Fund	Apr-13	7,800,000.00	5,815,092.55	542,002.64	2,772,745.64	381,775.61	6,100,729.81
HARBOURVEST VII AIF Partnership	Jun-14	23,500,000.00	6,601,979.22	1,381,310.76	408,666.18	0.00	7,469,292.90
HARBOURVEST X AIF Buyout	Sep-15	25,400,000.00	1,365,834.31	708,566.62	0.00	0.00	1,565,789.32
HARBOURVEST X AIF Venture	Sep-15	12,700,000.00	885,227.35	425,139.97	0.00	0.00	914,930.50
CAPITAL DYNAMICS LGPS Collective Private Equity 15/16	Sep-15	5,000,000.00	448,251.08	175,000.00	0.00	0.00	451,749.00
PARTNERS Group Global Growth 2014 LP	Sep-15	10,000,000.00	1,941,863.73	299,022.53	0.00	0.00	2,211,513.48
PARTNERS Group Direct Equity 2016 (EUR) LP	Sep-15	10,000,000.00	1,020,873.82	147,056.55	0.00	0.00	1,071,741.88
CAPITAL DYNAMICS LGPS Collective Private Equity 16/17	Apr-16	5,000,000.00	300,000.00	300,000.00	0.00	0.00	300,000.00
TOTAL PRIVATE EQUITY		254,187,602.70	163,441,804.28	5,190,526.47	121,247,084.79	5,263,727.01	131,582,960.46

* latest available valuation

STAFFORDSHIRE PENSION FUND

PORTFOLIO VALUATION

Currency - Sterling					Report Date -	30-09-16
		Cost	Average	Market	Market	Unrealised
	Holding	£	Cost	Price	Value	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	11.33	303,079,418.88	38,290,256.68
GLOBAL - PASSIVE						
LEGAL & GENERAL CY UK (WORLD) EQUITY INDEX	29,694,036	59,979,610.82	2.02	2.35	69,883,429.38	9,903,818.56
LEGAL & GENERAL S NORTH AMERICA EQUITY INDEX	33,546,407	477,327,807.66	14.23	17.69	593,543,280.19	116,215,472.53
LEGAL & GENERAL T EUROPE (EX UK) EQUITY INDEX	12,669,508	135,381,467.44	10.69	12.38	156,870,050.67	21,488,583.23
LEGAL & GENERAL R JAPAN EQUITY INDEX	57,693,896	76,583,475.38	1.33	1.60	92,385,812.89	15,802,337.51
LEGAL & GENERAL W ASIA PAC EXJAP DEV EQUITY INDEX	4,518,482	48,296,289.62	10.69	14.29	64,587,178.13	16,290,888.51
LEGAL & GENERAL MIDDLE EAST/AFRICA DEV EQUITY INDEX	1,462,878	2,390,797.23	1.63	1.64	2,399,807.54	9,010.31
		799,959,448.15			979,669,558.80	179,710,110.65
TOTAL PASSIVE GLOBAL EQUITY		1,064,748,610.35			1,282,748,977.68	218,000,367.33
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	8.05	247,374,585.88	109,605,621.19
TOTAL PASSIVE UK INDEX LINKED BONDS		137,768,964.69			247,374,585.88	109,605,621.19
PRIVATE DEBT						
CLAREANT EUROPEAN DIRECT LENDING FUND II (GBP) SCSp	n/a	40,280,815.14	n/a	n/a	40,280,815.14	0.00
HAYFIN DIRECT LENDING FUND	n/a	9,913,126.62	n/a	n/a	9,913,126.62	0.00
HIGHBRIDGE PRIVATE LENDING OPPORTUNITIES FUND	n/a	10,599,815.92	n/a	n/a	10,599,815.92	0.00
TOTAL PRIVATE DEBT		60,793,757.68			60,793,757.68	0.00
Fund - Staffordshire Pension Fund (Emerging Markets Funds)						
FRANK RUSSELL EMERGING MARKETS EQUITY	2,214,619	40,600,000.00	18.33	44.55	98,661,287.68	58,061,287.68
TOTAL EMERGING MARKETS		40,600,000.00			98,661,287.68	58,061,287.68
Fund - Staffordshire Pension Fund (Funds of Hedge Funds)						
GOLDMAN SACHS HFP II FUND (H1)	528,361	70,240,579.00	132.94	158.15	83,559,970.55	13,319,391.55
TOTAL HEDGE FUNDS		70,240,579.00			83,559,970.55	13,319,391.55
Fund - Staffordshire Pension Fund (Diversified Alternatives Funds)						
MORGAN STANLEY AIP DIVERSIFIED ALTERNATIVES FUND	0	0.00	0.00	0.00	0.00	0.00
SCHRODERS SIF DIVERSIFIED COMPLETION FUND	0	0.00	0.00	0.00	0.00	0.00
TOTAL ALTERNATIVES		0.00			0.00	0.00

STAFFORDSHIRE PENSION FUND
PROPERTY PORTFOLIO SUMMARY

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2016	Value £ @ 30/09/2016	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 80/87 New Street & 45/51 Pirfold Street	80	Regis UK Ltd t/a Supacuts		Retail	-	-	-	-	25 yrs	23/06/2019	51,000	51,000	-	On Expiry	-	-
		81/83	Eat Ltd		Retail	-	-	-	-	25 yrs	24/03/2019	116,000	116,000	-	On Expiry	-	-
		84	Brilliant Bites Ltd		Retail	-	-	-	-	10 yrs	24/07/2026	65,000	65,000	-	25/07/2021	-	-
		84b	Birmingham Inns		Leisure	-	-	-	-	56 yrs	23/06/2023	25,000	25,000	-	24/06/2017	-	-
		85	Greggs PLC		Retail	-	-	-	-	5 yrs	07/05/2020	60,000	60,000	-	On Expiry	-	-
		87	The Royal British Legion		Retail	-	-	-	-	10 yrs	29/09/2019	77,500	77,500	-	29/09/2019	-	-
		45/46	Darker Enterprises Ltd		Retail	-	-	-	-	15 yrs	05/10/2020	40,000	40,000	-	On Expiry	-	-
		47	Yunyou Li		Retail	-	-	-	-	5 yrs	15/09/2017	12,000	12,000	-	On Expiry	-	-
		49	The Feel Good Group Ltd		Retail	-	-	-	-	10 yrs	15/12/2025	25,000	25,000	-	15/12/2020	-	-
		50	Velvet Mule		Retail	-	-	-	-	15 yrs	08/12/2030	25,000	25,000	-	08/12/2020	-	-
		51	Nine Three's Ltd t/a Mailboxes etc		Retail	-	-	-	-	10 yrs	18/12/2019	18,000	18,000	-	18/12/2019	-	-
		Pt 3rd	Adecco UK Ltd		Office	-	-	-	-	5 yrs	16/02/2020	16,150	16,150	-	On Expiry	-	-
		Pt 3rd	Thomas Pocklington Trust		Office	-	-	-	-	5 yrs	27/02/2018	11,745	11,745	-	On Expiry	-	-
		Pt 2nd	The Royal British Legion		Office	-	-	-	-	10 yrs	29/04/2024	35,800	35,800	-	29/04/2019	-	-
		Pt 2nd	Vacant		Office	-	-	-	-	-	-	0	0	-	-	-	-
		Pt 1st	Carlisle Staffing PLC		Office	-	-	-	-	9 yrs	16/05/2022	12,925	12,925	-	17/05/2016	-	-
	BIRMINGHAM 22/93 New Street & 1717 Ethel Street	Pt 1st	First Personnel Services Ltd		Office	8,477,795	19/08/2016	-	8,000,000	11 yrs	20/08/2017	24,300	24,300	-	On Expiry	7.3	7.7
			Byron Hamburgers Ltd		Retail	-	-	-	-	20 yrs	02/10/2041	250,000	250,000	-	03/10/2021	-	-
			Byron Hamburgers Ltd	FH	Retail	5,177,894	21/06/2010	5,200,000	6,000,000	15 yrs	02/10/2021	150,000	150,000	-	On Expiry	7.7	6.7
			L S Portfolio Investments Ltd	FH	Retail	7,487,498	30/12/2014	7,150,000	7,150,000	99 yrs	24/03/2063	450,000	450,000	-	25/03/2030	6.0	6.3
	BLETCHLEY Rushmere Retail Park, Walling Street	1	Wickes Building Supplies Ltd		Retail WH	-	-	-	-	25 yrs	25/03/2021	259,500	429,000	-	25/03/2016	-	-
		2	Halfords Ltd	FH	Retail WH	5,094,683	11/04/1996	9,275,000	9,050,000	25 yrs	25/03/2021	104,500	174,240	-	29/03/2016	11.8	6.7
			Palmer & Harvey McLane Ltd	LH	Industrial	6,489,293	17/08/2015	6,125,000	6,125,000	20 yrs	08/07/2023	424,874	424,874	-	09/07/2018	6.5	6.9
			McDonald's Real Estate LLP	FH	Retail	3,059,752	22/07/1994	3,075,000	2,950,000	35 yrs	24/12/2023	152,500	180,000	-	25/12/2018	5.9	6.1
			B&Q PLC	FH	Retail WH	5,666,760	12/06/2013	6,000,000	5,950,000	5 yrs	11/01/2021	491,763	491,763	-	On Expiry	8.7	8.3
			Travelodge Hotels Ltd	FH	Hotel	11,386,246	15/10/2010	12,500,000	13,600,000	25 yrs	11/09/2036	0	724,500	-	12/09/2016	6.4	5.3
	CARDIFF 1/7 Queen Street	182	Santander UK PLC		Retail	-	-	-	-	23 yrs	24/04/2031	188,000	188,000	-	12/02/2018	-	-
		3	Case Up Mobile		Retail	-	-	-	-	1 yr	07/12/2016	85,000	39,000	-	On Expiry	-	-
		3a	Pizza Hut (UK) Ltd		Retail	-	-	-	-	35 yrs	23/06/2021	60,000	60,000	-	24/06/2016	-	-
		4	Lloyds TSB Bank PLC	FH	Retail	8,371,527	02/05/2014	7,425,000	6,925,000	35 yrs	23/06/2021	318,000	318,000	-	24/06/2016	7.2	8.7
	CARDUSLE 65 English Street		Vacant	FH	Retail	1,029,700	24/06/1994	340,000	340,000	-	-	54,000	0	-	-	0.0	0.0

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2016	Value £ @ 30/09/2016	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
CARLISLE	67 English Street		Game Retail Ltd	FH	Retail	790,526	20/01/1999	440,000	415,000	5 yrs	01/08/2017	50,000	41,500	-	On Expiry	5.2	10.0
CHESTER-LE-STREET	Drum Industrial Estate		Co-Operative Group Ltd	FH	Industrial	18,335,769	18/05/2016	-	17,000,000	15 yrs	15/03/2024	1,149,922	1,149,922	-	16/03/2019	6.3	6.8
CHICHESTER	30 East Street		Mothercare UK Ltd	FH	Retail	2,422,179	29/01/1999	3,525,000	3,500,000	10 yrs	24/03/2020	120,000	186,250	-	On Expiry	7.7	5.3
DOVER	Bridge Street		Wm Morrison Supermarkets Plc	FH	Foodstore	18,059,355	31/03/2010	16,100,000	14,800,000	35 yrs	09/04/2024	912,604	912,604	-	29/04/2014	5.1	6.2
EDINBURGH	Grosvenor Street	Hotel	Park UK Holdings Ltd (t/a Hilton)	FH	Hotel	18,598,181	28/07/2015	17,650,000	18,400,000	125 yrs	16/02/2094	802,500	840,038	-	17/02/2025	4.5	4.6
EYNSHAM	Oasis Park,	Chilbrook 1	Atkins Ltd		Office	-	-	-	-	10 yrs	13/08/2020	89,508	132,800	-	On Expiry	-	-
		Chilbrook 2	Vacant		Office	-	-	-	-	-	-	43,859	0	-	-	-	-
		Chilbrook 3	Christian Witness to Israel		Office	-	-	-	-	5 yrs	08/07/2019	36,036	36,036	-	-	-	-
		Chilbrook 4	Vacant		Office	-	-	-	-	-	-	57,494	0	-	-	-	-
		Chilbrook 5	Vacant		Office	-	-	-	-	-	-	40,573	0	-	-	-	-
		Chilbrook 6	Vacant		Office	-	-	-	-	-	-	42,998	0	-	-	-	-
		Chilbrook 7	Vacant		Office	-	-	-	-	-	-	24,589	0	-	-	-	-
			Southern Electricity Plc		Office	-	-	-	-	125 yrs	24/01/2116	1	1	-	On Expiry	-	-
		1-5	Vacant		Office	-	-	-	-	-	-	202,220	0	-	-	-	-
		6	Amplifox Ltd		Office	-	-	-	-	3 yrs	12/02/2017	90,000	45,500	-	12/02/2017	-	-
		7	Waterstone Ltd		Office	-	-	-	-	5 yrs	23/12/2017	33,770	21,782	-	23/12/2017	-	-
		8	Usborne Publishing Ltd		Office	-	-	-	-	10 yrs	28/09/2018	33,770	38,287	-	29/09/2018	-	-
		9/10	Ice Energy Heat Pumps Ltd		Office	-	-	-	-	5 yrs	31/03/2017	57,500	76,716	-	On Expiry	-	-
		11	Bit by Bit Directors Scheme		Office	-	-	-	-	999 yrs	23/08/2986	75	75	-	On Expiry	-	-
		12	Adler & Allan Ltd		Office	-	-	-	-	5 yrs	22/12/2019	44,000	33,638	-	On Expiry	-	-
		13	Vacant		Office	12,729,669	14/10/1999	5,250,000	5,150,000	-	-	43,800	0	-	-	3.0	7.5
HAYES	Hayes Road,		Toys R Us Ltd	FH	Retail WH	16,224,160	07/01/2008	13,450,000	12,850,000	25 yrs	28/09/2019	779,000	813,300	-	On Expiry	5.0	6.3
KINGSTON UPON THAMES	24/24a Market Place		Links (London) Ltd	FH	Retail	1,339,621	14/04/2000	3,075,000	3,000,000	15 yrs	15/03/2022	83,250	143,000	-	16/03/2017	10.7	4.8
LANCASTER	Parliament Street		DSG Retail Ltd (t/a Currys)		Retail WH	-	-	-	-	25 yrs	28/09/2020	149,540	180,000	-	29/09/2015	-	-
	Retail Park,		Halfords Ltd		Retail WH	-	-	-	-	25 yrs	28/09/2020	74,930	96,556	-	29/09/2015	-	-
			B&M Retail Ltd	FH	Retail WH	5,106,960	18/12/1995	6,150,000	6,025,000	25 yrs	28/09/2020	100,170	142,742	-	29/09/2015	8.2	7.0
LEEDS	Killingbeck Retail Park,	A	Capetrigh Ltd		Retail WH	-	-	-	-	20 yrs	23/06/2016	195,000	200,740	-	On Expiry	-	-
	Killingbeck Drive	B	B&M Retail Ltd		Retail WH	-	-	-	-	10 yrs	14/07/2023	195,700	190,000	-	15/07/2018	-	-
		C	B&Q Plc		Retail WH	-	-	-	-	25 yrs	23/06/2016	197,340	202,400	-	On Expiry	-	-
		D	B&Q Plc	FH	Retail WH	20,201,334	06/06/2008	14,650,000	14,200,000	25 yrs	23/06/2016	604,750	604,750	-	On Expiry	5.7	8.2
LEEDS	20/26 King Edward Street & 49/51 Vicar Lane	20	Vacant		Retail	-	-	-	-	-	-	91,250	0	-	-	-	-
		22	Airwair International Ltd (t/a Dr Martens)		Retail	-	-	-	-	10 yrs	22/07/2019	95,000	98,000	-	22/07/2019	-	-
		24	VF Northern Europe Services Ltd (t/a Vans)		Retail	-	-	-	-	15 yrs	03/10/2018	105,000	105,000	-	On Expiry	-	-
		26	JD Sports Fashion PLC (t/a Size)		Retail	6,538,408	25/10/2012	7,500,000	7,375,000	20 yrs	24/03/2021	158,500	170,000	-	25/03/2016	5.7	5.1
LEICESTER			London Lotus Ltd (t/a Chopstix)		Restaurant	-	-	-	-	20 yrs	07/03/2031	187,000	0	-	08/03/2016	-	-

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	45 Gallowtree Gate & 47/49 Market Place		Vacant	FH	Restaurant	4,768,455	28/09/1997	775,000	775,000	-	-	30,000	0	-	-	0.0	0.0
	LEICESTER Unit 18, Meridian Business Park		JP Boden & Co Ltd	FH	Industrial	3,771,984	04/11/2011	4,750,000	4,500,000	-	20/06/2017	380,000	380,000	-	On Expiry	10.1	8.4
	LONDON EC1 Coisters Court, 22/26 Farringdon Lane	1st - 4th Gd	Vacant		Office	-	-	-	-	-	-	72,840	0	-	-	-	-
		Gd	Vacant		Restaurant	-	-	-	-	-	-	7,500	0	-	-	-	-
			Fuller Smith & Turner	FH	Public House	2,350,992	28/02/2001	6,900,000	6,725,000	25 yrs	22/12/2030	10,250	12,500	-	23/12/2015	0.5	0.2
	LONDON EC2 11 Old Jewry	B	Epic Systems Ltd		Store	-	-	-	-	9 yrs	13/04/2020	3,210	3,210	-	On Expiry	-	-
		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	185,000	-	-	-	-
		1st, B	Tom James International		Office	-	-	-	-	10 yrs	06/06/2020	196,000	196,000	-	-	-	-
		1st, B	Epic Systems Ltd		Office	-	-	-	-	5.8 yrs	13/04/2020	121,974	121,974	-	-	-	-
		2nd (S)	John Graham Construction		Office	-	-	-	-	5 yrs	10/01/2019	227,469	227,469	-	On Expiry	-	-
		2nd (N)	Bedell Trust UK Ltd		Office	-	-	-	-	10 yrs	24/08/2020	214,095	214,095	-	25/08/2020	-	-
		3rd	Millman Ltd (Surety Millman Inc)		Office	-	-	-	-	10 yrs	26/10/2019	342,085	342,085	-	On Expiry	-	-
		4th	Epic Systems Ltd		Office	-	-	-	-	10 yrs	13/04/2020	323,638	323,638	-	On Expiry	-	-
		5th	AIOI Motor & General Insurance		Office	-	-	-	-	10 yrs	31/03/2018	265,625	265,625	-	On Expiry	-	-
		6th (S)	Company of Europe Ltd		Office	-	-	-	-	-	-	0	0	-	-	-	-
		6th N, B	Epic Systems Ltd		Office	-	-	-	-	6.75 yrs	13/04/2020	115,367	115,367	-	On Expiry	-	-
		7th (S)	Reinstate Ltd		Office	-	-	-	-	5 yrs	18/05/2018	66,340	66,340	-	On Expiry	-	-
		7th (N), B	Intertrust (UK) Ltd		Office	-	-	-	-	6 yrs	01/03/2017	81,515	81,515	-	On Expiry	-	-
		8th (S)	Nataxis Praxem International Ltd		Office	-	-	-	-	15 yrs	09/03/2020	53,848	53,848	-	10/03/2020	-	-
		8th (N)	Millman Ltd (Surety Millman Inc)		Office	21,826,158	01/08/2016	-	20,600,000	10 yrs	26/10/2019	80,189	80,189	-	On Expiry	-	-
	LONDON SW1 Burwood House, 14/24 Caxton Street	5th	Gallaher Ltd		Office	-	-	-	-	15 yrs	25/12/2018	117,500	117,500	-	On Expiry	-	-
		4th	Sport & Recreation Alliance		Office	-	-	-	-	15 yrs	27/11/2018	135,375	146,000	-	On Expiry	-	-
		3rd	William Sturges & Co		Office	-	-	-	-	15 yrs	28/09/2018	166,760	170,260	-	On Expiry	-	-
		2nd	William Sturges & Co		Office	-	-	-	-	15 yrs	28/09/2018	166,485	168,985	-	On Expiry	-	-
		1st	BAE Systems Plc		Office	-	-	-	-	15 yrs	24/03/2018	152,000	146,620	-	On Expiry	-	-
		Gd	BAE Systems Plc		Office	-	-	-	-	10 yrs	24/03/2018	38,118	42,000	-	On Expiry	-	-
		Gd	William Sturges & Co		Office	-	-	-	-	15 yrs	28/09/2018	49,665	49,665	-	On Expiry	-	-
		Gd	Pret a Manger (Europe) Ltd		Retail	-	-	-	-	15 yrs	02/09/2027	46,000	77,500	-	03/09/2017	-	-
		Gd	William Sturges & Co		Retail	-	-	-	-	15 yrs	28/09/2018	7,345	7,345	-	On Expiry	-	-
		Gd	Starbucks Coffee Co (UK) Ltd		Retail	-	-	-	-	15 yrs	15/12/2017	45,000	45,000	-	On Expiry	-	-
		Gd	Car spaces	FH/LH	Garage	16,164,376	16/05/2011	24,300,000	24,150,000	-	-	32,962	33,962	14,809	-	6.1	6.1
	LONDON WC1 16 Upper Woburn Place	5th	Orient Petroleum UK Ltd		Office	-	-	-	-	5 yrs	07/10/2017	88,125	83,662	-	On Expiry	-	-
		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	317,000	-	On Expiry	-	-
		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	29,300,000	30,850,000	99 yrs	03/03/2106	0	0	-	-	7.4	4.6
	LONDON WC2 22 Stukeley Street	4th	Directors UK Ltd		Office	-	-	-	-	10 yrs	28/07/2022	76,335	208,125	-	29/07/2021	-	-
		3rd	Directors UK Ltd		Office	-	-	-	-	10 yrs	28/07/2022	42,073	114,500	-	29/07/2021	-	-

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		3rd	AIG Edenspiessmann 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	196,054	-	On Expiry	-	-
		1st	Prospectus Ltd		Office	-	-	-	-	10 yrs	24/11/2019	85,360	180,416	-	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	8,837,147	16/12/1998	19,900,000	20,825,000	10 yrs	24/04/2020	49,200	116,305	-	24/04/2019	12.4	5.3
	MANCHESTER	23	Hancocks Jewellers Ltd		Retail	-	-	-	-	25 yrs	31/05/2030	120,000	120,000	-	01/06/2015	-	-
	Old Exchange Buildings, 29/31 King Street	31	Hermes (GB) Ltd		Retail	-	-	-	-	25 yrs	31/05/2023	106,000	106,000	-	01/06/2018	-	-
			Crabtree & Evelyn		Retail	-	-	-	-	20 yrs	13/07/2018	62,500	62,500	-	On Expiry	-	-
			Vacant		Retail	-	-	-	-	15 yrs	30/06/2016	60,000	0	-	-	-	-
		1st	Lucinda Elvery Ltd		Retail	-	-	-	-	3 yrs	13/01/2019	17,648	18,000	-	On Expiry	-	-
		2nd	Talent International UK Ltd		Office	-	-	-	-	5 yrs	26/05/2019	0	35,552	-	On Expiry	-	-
		3rd	Spencer Ogden		Office	-	-	-	-	5 yrs	13/05/2016	29,377	29,377	-	On Expiry	-	-
		4th	Denton Corker Marshall		Office	6,501,908	11/08/2014	6,125,000	6,125,000	5 yrs	08/02/2020	0	10,955	-	On Expiry	5.8	6.2
	ROMFORD		Halifax Plc	FH	Retail	2,146,455	11/09/1998	2,145,000	2,065,000	25 yrs	23/06/2020	135,000	183,500	-	29/08/2016	8.5	8.9
	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, Arkwright Way	3 & 4	TSC Foods Ltd		Industrial	-	-	-	-	25 yrs	14/08/2015	56,500	57,000	-	On Expiry	-	-
		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	2,500,000	2,825,000	25 yrs	14/08/2015	10,500	10,500	-	On Expiry	10.1	8.3
	SOUTHAMPTON		Vodafone Ltd		Phone Mast	-	-	-	-	12 yrs	11/01/2013	0	5,034	-	On Expiry	-	-
	Centurion Park, Bitterne Road	A	Dowding & Mills (UK) Ltd		Industrial	-	-	-	-	3 yrs	24/11/2014	104,000	114,000	-	On Expiry	-	-
		B	Vacant		Industrial	-	-	-	-	-	-	67,750	0	-	-	-	-
		C	Oyster Marine Ltd		Industrial	-	-	-	-	2.75 yrs	30/09/2014	68,780	65,000	-	On Expiry	-	-
		D	Millbrook 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	-	-	-	-	5 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	CJR Propulsion Ltd		Industrial	-	-	-	-	10 yrs	19/05/2015	49,000	59,963	-	On Expiry	-	-
		L	Vacant		Leisure	-	-	-	-	-	-	60,000	0	-	-	-	-
	M (Land)		-		Industrial	-	-	-	-	-	-	0	0	-	-	-	-
		P	The Post Office		Industrial	-	-	-	-	20 yrs	05/02/2019	146,772	113,000	-	On Expiry	-	-
		R	Secretary of State for Transport		Industrial	-	-	-	-	10 yrs	30/11/2014	24,148	37,500	-	On Expiry	-	-
		S	Custom Covers (1984) Ltd	FH	Industrial	11,700,575	19/09/2000	11,200,000	11,350,000	-	-	34,750	35,500	-	On Expiry	5.9	6.1
	STAFFORD		Stone Computers Ltd	FH	Industrial	4,687,173	22/02/2011	5,350,000	5,250,000	15.5 yrs	25/05/2020	355,400	399,000	-	On Expiry	8.5	7.6
	Granite 100, Acton Gate																
	SWANSEA		Regis UK Ltd		Retail	-	-	-	-	10 yrs	16/11/2016	0	25,000	-	On Expiry	-	-
	263/265 Oxford Street & 8 Portland Street		Vacant		Retail	-	-	-	-	-	-	120,000	0	-	-	-	-
			Sportsworld Ltd (t/a Card Factory)	LH	Retail	3,005,251	21/07/2000	1,350,000	1,350,000	19.5 yrs	27/07/2016	95,000	114,600	2,250	On Expiry	4.6	10.3
	SWINDON	22 & 23	UK Storage Company (SW) Ltd		Industrial	-	-	-	-	25 yrs	21/09/2025	121,000	124,050	-	22/09/2020	-	-

Dir/Ind	Property Address or Fund	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2016	Value £ @ 30/09/2016	Lease or Fund Term	Lease or Fund Expiry	Rent pa £ @ Purchase	Current Rent pa £	Ground Rent pa £	Next Rent Review	% Yield on Cost	% Return on Value
	Westmead Industrial Estate, Units 22/25 & Westmead Drive, Unit R	24 25 R	Allied Telesis International BV Vacant PI Crouch, MA Clarke, PA Hopkins, & Hornbuckle Medical Trustees Ltd		Industrial Industrial Industrial	- - 4,024,038	- - 15/12/1999	- - 2,900,000	- - 2,750,000	5 yrs - 125 yrs	10/09/2016 - 31/01/2114	63,500 40,640 26,600	65,000 0 27,265	- - -	On Expiry - 01/02/2014	- - 5.4	- - 7.9
	TRURO 11/12 Boscawen Street		Waterstones Booksellers Ltd	FH	Retail	4,134,289	08/05/2014	3,650,000	3,500,000	15 yrs	05/11/2017	269,950	269,950	-	On Expiry	6.5	7.7
	TRURO 14/15 Boscawen Street		The White Company (UK) Ltd	FH	Retail	1,756,989	11/11/1992	2,085,000	2,025,000	10 yrs	26/08/2018	97,500	140,000	-	27/08/2018	8.0	6.9
	WARRINGTON Calver Road, Winwick Quay		QAS Co Pak Ltd	FH	Industrial	2,654,601	24/03/1994	2,325,000	2,550,000	20 yrs	15/10/2021	160,000	200,000	-	25/12/2016	7.5	7.8
	WEYBRIDGE 29 Avro Way, Brooklands Business Park		Kite Glass Ltd	FH	Industrial	3,376,249	20/12/1990	5,450,000	5,600,000	15 yrs	18/02/2029	275,000	335,000	-	19/03/2019	9.9	6.0
	WOLVERHAMPTON Vernon Park,	A B C Land (D)	J Banks & Co Ltd Vacant Mann + Hummel (UK) Ltd -		Industrial Industrial Industrial Industrial	- - - 8,197,767	- - - 21/07/2000	- - - 8,650,000	- - - 8,375,000	999 yrs - 12 yrs -	28/09/3010 - 12/06/2024 -	0 154,680 294,490 0	0 0 294,490 0	- - - -	On Expiry - 13/06/2017 -	- - - 3.6	- - - 3.5
Total						314,114,298		284,535,000	330,995,000			19,437,865	20,760,287			6.6	6.3
Ind	Ashtford Investor Limited Partnership		Owns the Designer Outlet Centre, 74 Retail Units, 1,231 car spaces	LP	Shopping Centre	13,691,185	23/05/2002	24,750,000	26,500,000	-	31/01/2017	514,312	1,608,750	-	n/a	11.8	6.1
	Vista UK Residential Real Estate		PRS Fund	LP	Residential	900	01/04/2016	0	0	0	Open Ended	0	0	-	n/a	0.0	0.0
Total:						13,692,085		24,750,000	26,500,000			514,312	1,608,750			11.7	6.1
Total:						327,806,383		309,285,000	357,495,000			19,952,177	22,369,037	17,059		6.8	6.3



PENSIONS PANEL – 6 DECEMBER 2016

Report of the Director of Finance and Resources

Local Government Pension Scheme: The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016

Recommendation of the Chair

1. That the Pensions Panel notes the content of new Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which came into force on 1 November 2016.

Background

2. In the July 2015 budget, the then Chancellor George Osborne, announced the Government's intention to work with Local Government Pension Scheme (LGPS) administering authorities to ensure that they pool investments to significantly reduce costs while maintaining overall investment performance.
3. In November 2015, the Government issued a consultation paper on Revoking and Replacing the LGPS (Management and Investment of Funds) Regulations 2009, with the aim of removing the prescriptive nature of the existing regulation, in order to allow LGPS Funds the ability to collaborate on the pooling of Fund assets. Staffordshire's response to the consultation, which was generally supportive of the proposed changes, was submitted after the approval of the Pensions Committee, at its meeting on 15 February 2016.
4. In its post-consultation commentary, published in September 2016, the DCLG reported that it had received 23,516 responses to its consultation proposals. No fewer than 23,131 of those were from individual members of the public who objected to the new powers of intervention that the government intended to grant itself, alongside its insistence that administering authorities should not pursue policies that conflict with those of the Government in the areas of foreign affairs and defence.
5. The Government's response to these objections highlighted the significant volumes of public money at stake and the fact that the deregulation achieved by the changes should be accompanied by a broader power to intervene should circumstances require.
6. On 24 October 2016, an annulment Early Day Motion (EDM 586) was tabled in the House of Commons against these regulations; no resolution was passed for the matter to be debated.

7. So, despite the objections, the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 were published and came into force on 1 November 2016. It should be noted that at an individual administering authority level, these can only be adopted if the administering authority has in place an Investment Strategy Statement (ISS) which replaces current Statement of Investment Principles (SIP) (see paragraph 10).

New Investment Regulations - What's Changed?

8. There are several key areas of reform:
 - (i) the existing 'prescribed' means of securing a diversified investment strategy are removed and instead the onus is placed on authorities to determine the balance of their investments and take account of risk;
 - (ii) the introduction of safeguards to ensure that the more flexible legislation is used appropriately and that the guidance on pooling assets is adhered to. This includes a power for the Secretary of State to intervene in the investment function of an administering authority where they consider it necessary; and
 - (iii) the obligation for administering authorities to formulate an Investment Strategy Statement (ISS) in accordance with the governments' guidance on such and publish it by 1 April 2017.
9. The new 2016 Investment Regulations can be accessed following the link below:

http://www.legislation.gov.uk/ukxi/2016/946/pdfs/ukxi_20160946_en.pdf

Investment Strategy Statement (ISS)

10. The Investment Strategy Statement (ISS) is a document that, under the new regulations, replaces and largely replicates, the current Statement of Investment Principles. Authorities are required to prepare and maintain an ISS which documents how the investment strategy for the Fund is determined and implemented. The ISS is required to cover a number of areas, specifically:
 - the requirement to invest money across a wide range of investments;
 - an assessment of the suitability of particular investments and investment types;
 - the maximum percentage authorities deem should be allocated to different asset classes or types of investment, although limits

on allocations to any asset class are not prescribed as is currently the case under the 2009 Regulations;

- the authority's attitude to risk, including the measurement and management of risk;
 - the authority's approach to investment pooling;
 - the authority's policy on social, environmental and corporate governance considerations; and
 - the authority's policy with regard to stewardship of assets, including the exercise of voting rights.
11. On 15 September 2016, the DCLG also issued 'Guidance on Preparing and Maintaining an Investment Strategy Statement' - a copy is attached at Appendix 2.
 12. This contains more detail about the Directions of the Secretary of State, the required approach to the pooling of investments and for the first time, is more explicit on matters regarding responsible investment. There is also the requirement for all authorities to become signatories to the UK Stewardship Code, and state how they implement the seven principles and guidance of the Code.
 13. The authority is required to publish its first ISS by 1 April 2017 and maintain it, with reviews taking place at least every three years. The ISS for the Staffordshire Pension Fund, which is being worked on in collaboration with LGPS Central colleagues, will be available for consideration by the Pensions Panel and Pensions Committees at their meetings in March 2017.

Andrew Burns
Director of Finance and Resources

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Background Documents:

1. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
2. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016

1. **Equalities implications:** There are no direct equalities implications arising directly from this report.
2. **Legal implications:** There are no direct legal implications arising from this report.
3. **Resource and Value for money implications:** The resource and value for money implications are included in the body of the report.
4. **Risk implications:** There are no direct risk implications arising from this report.
5. **Climate Change implications:** There are no direct climate change implications arising from this report.
6. **Health Impact Assessment screening:** Not applicable



Department for
Communities and
Local Government

Local Government Pension Scheme

Guidance on Preparing and Maintaining an Investment
Strategy Statement



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September 2016

ISBN: 978-1-4098-4897-4

Foreword

This guidance has been prepared to assist administering authorities in the local government pension scheme in England and Wales with the formulation, publication and maintenance of their Investment Strategy Statement.

New investment regulations to be introduced later this year will include a requirement for administering authorities to publish new Investment Strategy Statements by 1st April 2017 in accordance with the guidance set out below.

Administering authorities will be required to act in accordance with the provisions in this guidance when Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 comes into force.

Part 1

Introduction and background

This guidance has been prepared to assist administering authorities in the formulation, publication and maintenance of their Investment Strategy Statement required by Regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. Unless otherwise stated, references to regulations are to the 2016 Regulations.

An administering authority's duty to prepare, maintain and review their Funding Strategy Statement under Regulation 58 of the Local Government Pension Scheme Regulations 2013 ("the 2013 Regulations") is unaffected.

Statutory background

Regulation 7(1) requires an administering authority to formulate an investment strategy which must be in accordance with guidance issued by the Secretary of State.

The Investment Strategy Statement required by Regulation 7 must include:-

- a) A requirement to invest money in a wide variety of investments;
- b) The authority's assessment of the suitability of particular investments and types of investments;
- c) The authority's approach to risk, including the ways in which risks are to be measured and managed;
- d) The authority's approach to pooling investments, including the use of collective investment vehicles and shared services;
- e) The authority's policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments; and

- f) The authority's policy on the exercise of rights (including voting rights) attaching to investments.

The Investment Strategy Statement must also set out the maximum percentage of the total value of all investments of fund money that it will invest in particular investments or classes of investment. This, in effect, replaces Schedule 1 to the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 ("the 2009 Regulations").

Under Regulation 7(6) and (7), the statements must be published by 1st April 2017 and then kept under review and revised from time to time and at least every three years. Under transitional arrangements, key elements of the 2009 Regulations relating to investment policies will continue in force until such time that the Investment Strategy Statement under Regulation 7 is published.

Directions by the Secretary of State

Regulation 8 enables the Secretary of State to issue a Direction if he is satisfied that an administering authority is failing to act in accordance with this guidance.

One of the main aims of the new investment regulations is to transfer investment decisions and their consideration more fully to administering authorities within a new prudential framework. Administering authorities will therefore be responsible for setting their policy on asset allocation, risk and diversity, amongst other things. In relaxing the regulatory framework for scheme investments, administering authorities will be expected to make their investment decisions within a prudential framework with less central prescription. It is important therefore that the regulations include a safeguard to ensure that this less prescriptive approach is used appropriately and in the best long term interests of scheme beneficiaries and taxpayers.

Where there is evidence to suggest that an authority is acting unreasonably, it may be appropriate for the Secretary of State to consider intervention, but only where this is justified and where the relevant parties have been consulted. Regulation 8 includes a number of safeguards, including full consultation with the relevant authority, to ensure that the proposed power is used appropriately, proportionately and only where justified by the evidence.

The Secretary of State's power of intervention does not interfere with the duty of elected members under general public law principles to make investment decisions in the best long-term interest of scheme beneficiaries and taxpayers.

The power of Direction can be used in all or any of the following ways:-

- a) To require an administering authority to make changes to its investment strategy in a given timescale;
- b) To require an administering authority to invest assets as specified in the Direction;
- c) To transfer the investment functions of an administering authority to the Secretary of State or a person nominated by the Secretary of State; and

- d) To require an administering authority to comply with any instructions from either the Secretary of State or the appointed person in circumstances when the investment function has been transferred.

Before issuing any Direction, the Secretary of State must consult the administering authority concerned and before reaching a decision, must have regard to all relevant evidence including reports under section 13(4) of the Public Service Pensions Act 2013; reports from the scheme advisory board or from the relevant local pension board and any representations made in response to the consultation with the relevant administering authority. The Secretary of State also has the power to commission any other evidence or additional information that is considered necessary.

General

Part 2 below sets out the guidance for authorities under each of the component parts of Regulation 7. The specific requirements under each heading are shown at the end of each sub section in a text box and in bold type. It is important to note, however, that these lists are not exclusive and that administering authorities are also required to comply with general public law principles and act within a prudential framework.

Part 2

Regulation 7(2) (a) - Investment of money in a wide variety of investments

A properly diversified portfolio of assets should include a range of asset classes to help reduce overall portfolio risk. If a single investment class is not performing well, performance should be balanced by other investments which are doing better at that time. A diversified portfolio also helps to reduce volatility.

For example, the range of asset classes could include UK and overseas equities of different sectors; bonds with varying maturity; alternative investment assets such as private equity, infrastructure and cash instruments.

However, this guidance does not purport to prescribe the specific asset classes over which fund monies must be diversified. This remains a decision for individual administering authorities to make. Administering authorities are expected to be able to demonstrate that those responsible for making investment decisions have taken and acted on proper advice and that diversification decisions have been taken in the best long term interest of scheme beneficiaries.

An administering authority must also be able to demonstrate that they review their diversification policy from time to time to ensure that their overall target return is not put at risk.

Summary of requirements

In formulating and maintaining their policy on diversification, administering authorities:-

- **Must take proper advice**

- **Must set out clearly the balance between different types of investments**
- **Must identify the risks associated with their overall investment strategy**
- **Must periodically review their policy to mitigate against any such risks**

Regulation 7(2)(b) - The suitability of particular investments and types of investments

The concept of suitability is a critical test for whether or not a particular investment should be made. Although individual investment classes will have varying degrees of suitability in the context of an authority's funding and investment strategies, the overall aim of the fund must be to consider suitability against the need to meet pension obligations as they fall due.

Assessing the suitability of different investment classes involves a number of factors including, for example, performance benchmarks, appetite for risk, policy on non-financial factors and perhaps most importantly, funding strategy.

What constitutes suitability is clearly a matter for individual administering authorities to consider and decide in the light of their own funding and investment strategies, but there is a clear expectation that the assessment should be broadly consistent across all administering authorities. Administering authorities must therefore take and act on proper advice in assessing the suitability of their investment portfolio and give full details of that assessment in their Investment Strategy Statement.

Summary of requirements

In formulating their policy on the suitability of particular investments and types of investments, administering authorities:-

- **Must take proper advice**
- **Should ensure that their policy on asset allocation is compatible with achieving their locally determined solvency target**
- **Must periodically review the suitability of their investment portfolio to ensure that returns, risk and volatility are all appropriately managed and are consistent with their overall investment strategy**

Regulation 7(2)(c) - The approach to risk, including the ways in which risks are to be measured and managed

The appetite of individual administering authorities for taking risk when making investment decisions can only be a matter for local consideration and determination, subject to the aim and purpose of a pension fund to maximise the returns from investment returns within reasonable risk parameters.

Some of the key risks that an administering authority needs to be aware include financial, demographic or regulatory risks. A detailed summary of the identification of all risks and counter-measures to mitigate against them is beyond the scope of this guidance, but administering authorities will continue to have regard to the requirement under Regulation

58 of the 2013 Regulations to have regard to the “Guidance on Preparing and Maintaining a Funding Strategy Statement” published by CIPFA, which includes a section on risk and the ways in which it can be measured and managed.

Summary of requirements

In formulating their policy on their approach to risk, administering authorities:-

- **Must take proper advice**
- **Should clearly state their appetite for risk**
- **Should be aware of the risks that may impact on their overall funding and investment strategies**
- **Should take measures to counter those risks**
- **Should periodically review the assumptions on which their investment strategy is based**
- **Should formulate contingency plans to limit the impact of risks that might materialise**

Regulation 7(2)(d) - The approach to pooling investments, including the use of collective investment vehicles and shared services

All authorities must commit to a suitable pool to achieve benefits of scale. Administering authorities must confirm their chosen investment pool meets the investment reform and criteria published in November 2015, or to the extent that it does not, that Government is content for it to continue.

Any change which results in failure to meet the criteria must be reported by the administering authority, and/or pool, to the Secretary of State and the Scheme Advisory Board.

Administering authorities should set out their approach to pooling and the proportion of assets that will be invested through the pool. This must include the structure and governance arrangements and the mechanisms by which the authority can hold the pool to account.

Where services are shared or jointly procured, the administering authority must set out the rationale underpinning this and the cost benefit of this, as opposed to pooling.

Administering authorities must provide a summary of assets to be held outside of the pool, and how this demonstrates value for money. The progress of asset transfers to the pool must be reported annually against implementation plans and submitted to the Scheme Advisory Board. Where it is possible that an asset could be pooled in the future, authorities must set a date for review and criteria that need to be met before the asset will be pooled.

Summary of requirements

In formulating and maintaining their approach to pooling investment, including the use of collective investment vehicles and shared services, an administering authority must:-

- **Confirm the pooling arrangements meet the criteria set out in the November 2015 investment reform and criteria guidance at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479925/criteria_and_guidance_for_investment_reform.pdf, or have been otherwise agreed by the Government**
- **Notify the Scheme Advisory Board and the Secretary of State of any changes which result in failure to meet the criteria**
- **Set out the proportion of assets that will be invested through pooling**
- **Set out the structure and governance arrangements of the pool and the mechanisms by which the authority can hold the pool to account**
- **Set out the services that will be shared or jointly procured**
- **Provide a summary of assets that the authority has determined are not suitable for investing through the pool along with its rationale for doing so, and how this demonstrates value for money;**
- **Regularly review any assets, and no less than every 3 years, that the authority has previously determined should be held outside of the pool, ensuring this continues to demonstrate value for money**
- **Submit an annual report on the progress of asset transfers to the Scheme Advisory Board**

Regulation 7(2)(e) - How social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments

When making investment decisions, administering authorities must take proper advice and act prudently. In the context of the local government pension scheme, a prudent approach to investment can be described as a duty to discharge statutory responsibilities with care, skill, prudence and diligence. This approach is the standard that those responsible for making investment decisions must operate.

Although administering authorities are not subject to trust law, those responsible for making investment decisions must comply with general legal principles governing the administration of scheme investments. They must also act in accordance with ordinary public law principles, in particular, the ordinary public law of reasonableness. They risk challenge if a decision they make is so unreasonable that no person acting reasonably could have made it.

The law is generally clear that schemes should consider any factors that are financially material to the performance of their investments, including social, environmental and

corporate governance factors, and over the long term, dependent on the time horizon over which their liabilities arise.

However, the Government has made clear that using pension policies to pursue boycotts, divestment and sanctions against foreign nations and UK defence industries are inappropriate, other than where formal legal sanctions, embargoes and restrictions have been put in place by the Government.

Although schemes should make the pursuit of a financial return their predominant concern, they may also take purely non-financial considerations into account provided that doing so would not involve significant risk of financial detriment to the scheme and where they have good reason to think that scheme members would support their decision.

Investments that deliver social impact as well as a financial return are often described as “social investments”. In some cases, the social impact is simply in addition to the financial return; for these investments the positive social impact will always be compatible with the prudent approach. In other cases, some part of the financial return may be forgone in order to generate the social impact. These investments will also be compatible with the prudent approach providing administering authorities have good reason to think scheme members share the concern for social impact, and there is no risk of significant financial detriment to the fund.

Summary of requirements

In formulating and maintaining their policy on social, environmental and corporate governance factors, an administering authority:-

- **Must take proper advice**
- **Should explain the extent to which the views of their local pension board and other interested parties who they consider may have an interest will be taken into account when making an investment decision based on non-financial factors**
- **Must explain the extent to which non-financial factors will be taken into account in the selection, retention and realisation of investments**
- **Should not pursue policies that are contrary to UK foreign policy or UK defence policy**
- **Should explain their approach to social investments**

Regulation 7(2)(f) - The exercise of rights (including voting rights) attaching to investments

The long-term investment interests of administering authorities are enhanced by the highest standards of corporate governance and corporate responsibility amongst the companies in which they invest. Poor governance can negatively impact shareholder value.

Stewardship aims to promote the long term success of companies in such a way that the ultimate providers of capital also prosper. Stewardship activities include monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure

and corporate governance, including culture and remuneration. Engagement by administering authorities is purposeful and can identify problems through continuing dialogue with companies on these matters as well as on issues that are the immediate subject of votes at general meetings.

Engagement enables administering authorities as long term shareholders to exert a positive influence on companies to promote strong governance, manage risk, increase accountability and drive improvements in the management of environmental, social and corporate governance issues.

Administering authorities are encouraged to consider the best way to engage with companies to promote their long-term success, either directly, in partnership with other investors or through their investment managers, and explain their policy on stewardship with reference to the Stewardship Code. Administering authorities should become Signatories to the Code and state how they implement the seven principles and guidance of the Code, which apply on a “comply or explain” basis.

Concern has been expressed in the past about the scope of Regulation 12(2)(g) of the 2009 Regulations which, in effect, allowed each administering authority to decide whether or not to adopt a policy on the exercise of the rights attaching to investments, including voting rights. To increase awareness and promote engagement, Regulation 7(2)(f) now requires every administering authority to formulate a policy that reflects their stewardship responsibilities.

Summary of requirements

In formulating their policy on the exercise of rights, administering authorities:-

- **Must give reasons in their Investment Strategy Statement for not adopting a policy of exercising rights, including voting rights, attaching to investments**
- **Should, where appropriate, explain their policy on stewardship with reference to the Stewardship Code**
- **Should strongly encourage their fund managers, if any, to vote their company shares in line with their policy under Regulation 7(2)(f)**
- **May wish to appoint an independent proxy voting agent to exercise their proxy voting and monitor the voting activity of the managers, if any, and for reports on voting activity to be submitted annually to the administering authority**
- **Should publish a report of voting activity as part of their pension fund annual report under Regulation 57 of the 2013 Regulations**

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