



County Buildings, Stafford DDI (01785) 276133
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Pensions Panel

Tuesday, 7 March 2017 **9.30 am** Ivanovo Room - County Buildings

> John Tradewell Director of Strategy, Governance and Change 27 February 2017

AGENDA

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2. **Declarations of Interest**

3. Minutes of meeting held on 6 December 2016 (Pages 1 - 4)

4. **Pension Fund Investment Performance 201617** (Pages 5 - 30)

Report of the Director of Finance and Resources

5. Annual Investment Strategy for Pension Fund Cash 2017/18 (Pages 31 - 38)

Report of the Director of Finance and Resources

6. **Investment Strategy Statement.** (Pages 39 - 58)

Report of the Director of Finance and Resources

7. Dates of Future Meetings

To be confirmed:

6 June 2017 25 July 2017 (Global Managers Day) 5 September 2017 5 December 2017 6 March 2018

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

8. **Exclusion of the Public**

The Chairman to move:-

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

PART TWO

(All reports in this section are on pink paper)

9. **Exempt Minutes of the Meeting held on 6 December 2016**

(Pages 59 - 68)

(Exemption paragraph 3)

10. Pooling of LGPS Investments

(Exemption paragraph 3)

Oral update by the Director of Finance and Resources

11. Strategic Benchmark Review and Monitoring

(Exemption paragraph 3)

a) Market Update

(Pages 69 - 74)

Presentation by Hymans Robertson

b) Review of Position as at 31 January 2017

(Pages 75 - 86)

Report of the Director of Finance and Resources

12. Pension Fund Performance and Manager Monitoring for the quarter ended 31 December 2016

(Pages 87 - 124)

(Exemption paragraph 3)

(Report of Portfolio Evaluation for the quarter ended 31 December 2016 enclosed for information)

13. Responsible Investment Report (RI) Quarter 4 2016

(Pages 125 - 140)

(Exemption paragraph 3)

Report of the Director of Finance and Resources

14. **Property**

(Exemption paragraph 3)

a) Confirmation of action taken by the Director of Finance and

(Pages 141 -

Resources

Report of the Director of Finance and Resources

150)

b) Property Investment Strategy for the year commencing 1 April 2017

(Pages 151 - 176)

Presentation by Colliers Capital

(Report of Colliers International for the year commencing 1 April 2017 enclosed for information)

15. Managers Presentations

(Pages 177 - 198)

(Exemption paragraph 3)

To receive a presentation from Insight Investments on the Fund's Corporate Bond portfolio.

(Report of Insight Investments for the quarter ended 31 December 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 6 December 2016

Attendance

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

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

Apologies: Robert Marshall and Carolan Dobson (Independent Adviser)

PART ONE

30. Declarations of Interest

There were no Declarations of Interest on this occasion.

31. Minutes of meeting held on 8 September 2016

RESOLVED – That the minutes of the Meeting of the Pensions Panel held on 8 September 2016 be confirmed and signed by the Chairman.

32. Pension Fund Performance and Portfolio of Investments as at 30 September 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 September 2016.

The Panel were informed that the Fund had a market value of £4.2bn at 30 September 2016. It had returned 6.9% over the quarter marginally 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 was underweight in several lower returning asset classes, such as bonds and overweight in the higher returning global equities. Private equity, UK equities and Property all outperformed their relative benchmarks.

With regard to the longer term, the Fund had outperformed its strategic benchmark by 0.5% in the year to date and over the 3 and 5 year time periods it continued to outperform its strategic benchmark by 0.3% and 0.7% respectively.

In response to a question from Mr. Davis as to whether he thought the market value of the Fund had reached its peak, Mr. Thomas expressed the opinion that the Fund had reached a point where it was not likely to grow as quickly as it had done, more recently.

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

33. Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016

The Panel considered a report from the Director of Finance and Resources informing them of the content of the new Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which came into force on 1 November 2016.

They were informed that 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.

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 conflicted with those of the Government in the areas of foreign affairs and defence. 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.

The Panel noted that, under the new Regulations there were several key areas of reform:

- (i) the existing 'prescribed' means of securing a diversified investment strategy were removed and instead the onus was 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 was used appropriately and that the guidance on pooling assets was adhered to. This included a power for the Secretary of State to intervene in the investment function of an administering authority where he considered 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.

The Director explained that the Investment Strategy Statement (ISS) would replace the current Statement of Investment Principles. Authorities were required to prepare and maintain an ISS which documents how the investment strategy for the Fund is determined and implemented. 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 was being worked on in collaboration with LGPS Central colleagues, would be available for consideration by the Pensions Panel and Pensions Committee at their meetings in March 2017.

RESOLVED – That the content of the new Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which came into force on 1 November 2016, be noted.

34. 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.

35. 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:

36. Exempt Minutes of the Meeting held on 8 September 2016 (Exemption paragraph 3)

37. Pooling of LGPS Investments

(Exemption paragraph 3)

38. Property - Confirmation of the action of the Director of Finance and Resources

(Exemption paragraph 3)

39. Strategic Benchmark Review and Monitoring

(Exemption paragraph 3)

40. Pension Fund Performance and Manager Monitoring for the quarter ended 30 September 2016

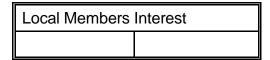
(Exemption paragraph 3)

41. Responsible Investments (RI) Report Quarter 3 2016

(Exemption paragraph 3)

42. Manager Presentations (Exemption paragraph 3)

Chairman



PENSIONS PANEL - 7 MARCH 2017

Report of the Director of Finance and Resources

PENSION FUND INVESTMENT PERFORMANCE 2016/17

1. Purpose of Report

- 1.1 To provide, for information;
 - i) a summary of performance of the Staffordshire Pension Fund as at 31 December 2016; and
 - ii) a portfolio of the Pension Fund's investments as at 31 December 2016.

2. **Performance Summary**

2.1	<u>Period</u>	Fund %	Benchmark %	Relative Performance %
	June 2016 Quarter	5.9	6.2	-0.3
	September 2016 Quarter	6.9	6.1	8.0
	December 2016 Quarter	4.0	4.1	-0.1
	2016/17 Financial Year to date	17.8	17.2	0.5

- 2.2 The MSCI **World** Index rose by +4.78% in local currency terms during the fourth quarter of 2016. The US underperformed Europe with the S&P 500 rising 3.65% and MSCI Europe rising 5.44%. Emerging market performance was mixed; Mexico and China were two of the weaker markets with Russia by far the strongest.
- 2.3 In the **UK** there was continued uncertainty surrounding exiting the European Union with the High Court ruling that parliament must be consulted. Despite ongoing uncertainty, UK economic growth indicators generally impressed the market during the quarter. The FTSE rose to all-time highs of over 7000 by the end of the quarter. The Pound weakened sharply at the beginning of the quarter following suggestion Article 50 would be triggered by March 2017, but firmed towards the end of the period following resilient economic data.
- 2.4 In the **US** the Dow Jones index rose to new all-time highs, of 20,000, as investors priced in lower tax rates and higher government spending following

Trump's election. Expectations for further inflation on the back of his fiscal plans also heightened with the Federal Reserve increasing interest rates in December. Inflation increased to 1.7% year on year, and unemployment fell to 4.6%. The US Dollar rose to a 14 year high against the euro at the end of the year and continued to rise against the pound.

- 2.5 **Emerging Markets** were hit by the strength of the US Dollar and concerns about Trump's protectionist policies with regard to trade deals. These headlines broadly overshadowed positive policy developments and economic data. Brazil introduced a spending growth limit and Russia continued efforts to reduce their budget deficit to 3%.
- 2.6 In **Europe**, the European Central Bank (ECB) extended its quantitative easing program until the end of 2017. Whilst in Italy a referendum on constitutional reform was rejected resulting in the resignation of Prime Minister Matteo Renzi. After the referendum, Moody's cut Italy's sovereign rating outlook to negative from stable. The Euro weakened over the quarter given concerns over the European banking system, particularly following the outcome of the referendum in Italy. Inflation remained flat at 0.6% year on year for November.

3. Fund Value

- 3.1 The Fund had a market value of £4.4 billion as at 31 December 2016.
- 3.2 Over the quarter the Fund returned 4.0%, marginally underperforming its strategic benchmark by -0.1%. This was primarily due to stock selection generated within the equity pool where global equity managers had mixed performance success. The Emerging Markets and UK Equity portfolios had positive quarters and outperformed their benchmarks. Asset allocation also contributed a minor underperformance primarily due to being overweight cash; a low returning asset class.
- 3.3 The Fund has outperformed its strategic benchmark by 0.5%, in the year to date and longer term, over the 3 and 5 year time periods it continues to outperform its strategic benchmark by 0.3% and 0.7% respectively. The high returning Private Equity portfolio and outperformance generated by the Property portfolios were both contributors to the outperformance over the year to date.

4. Portfolio of Investments as at 31 December 2016

4.1 A copy of the Staffordshire Pension Fund's portfolio of investments as at 31 December 2016 is attached.

Andrew Burns
Director of Finance and Resources

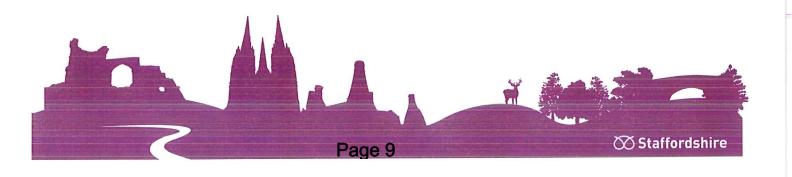
Contact: Melanie Stokes Telephone No. (01785) 276330

Background Documents:
Portfolio Evaluation Performance Measurement Data



Investment Portfolio

31 December 2016



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<u>Fund</u>	Page Number
Standard Life Investments (UK Equity)	1
Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)	4
Insight Investment (Global Corporate Bonds)	10
Staffordshire Pension Fund (Private Equity)	12
Legal & General Investment Management (Passive Global Equity) Legal & General Investment Management (Passive UK Index Linked Gilts) Staffordshire Pension Fund (Private Debt) Staffordshire Pension Fund (Emerging Markets Funds) Staffordshire Pension Fund (Funds of Hedge Funds)	13
Colliers International (Property)	14

STAFFORDSHIRE PENSION FUND PORTFOLIO ANALYSIS AS AT 31 DECEMBER 2016

		PREVIOUS QUARTER MARKET VALUE £	CURRENT QUARTER BOOK COST £	$\frac{\text{CURRENT QUARTER}}{\text{MARKET VALUE}} \\ \underline{\frac{E}{2}}$
ик	Equities Cash	267,583,089.32 4,110,937.92	237,987,528.59 2,604,508.99	281,661,610.67 2,604,508.99
GLOBAL	Equities Cash	1,162,490,214.54 19,422,403.46	887,976,686.05 32,167,626.13	1,211,550,930.36 32,167,626.13
BONDS	Global Corporate Bonds Passive UK Index Linked Gilts Cash	167,891,576.42 247,374,585.88 88,217,044.97	323,753,612.82 137,768,964.69 4,619,724.24	325,909,215.53 240,029,443.09 4,619,724.24
PASSIVE GLOBAL	Equities	1,282,748,977.68	1,064,748,610.35	1,364,206,948.70
EMERGING MARKETS	Equities	98,661,287.68	40,600,000.00	100,661,124.51
HEDGE FUNDS		83,559,970.55	70,240,579.00	86,144,112.73
PROPERTY		357,495,000.00	325,666,525.00	353,295,000.00
PRIVATE EQUITY		131,582,960.46	55,112,541.26	139,317,822.22
PRIVATE DEBT		60,793,757.68	65,486,961.29	65,486,961.29
CASH	Central Cash Fund Private Equity	240,865,121.58 4,656,675.85	174,015,355.65 7,026,145.74	174,015,355.65 7,026,145.74
TRANSITION	Equities Cash	0.61 0.00	0.00 0.00	0.64 24,283.48
TOTAL INVESTMENTS		3,860,181,420.82	3,209,342,009.05	4,168,263,169.74
TOTAL CASH		357,272,183.78	220,433,360.75	220,457,644.23
TOTAL		4,217,453,604.60	3,429,775,369.80	4,388,720,813.97

Fund - Standard Life (UK Equity)	Cur	rency - Sterling		L.	Report Date -	31-12-16
	Holding	Cost	Average Cost	Market Price	Market Value	Unrealised Gain/Loss £
UK EQUITIES & CONVERTIBLES	<u>Holding</u>	<u>£</u>	£	<u>£</u>	<u>£</u>	<u> </u>
Aerospace & Defense						
BAE SYSTEMS ORD GBP0.025 SENIOR GBP0.10	727,769 167,873	3,921,204.48 455,039.94	5.39 2.71	5.92 1.94	4,304,753.64 326,177.24	383,549.16 (128,862.70)
		4,376,244.42			4,630,930.88	254,686.46
Automobiles & Parts						
GKN ORD GBP0.10	1,038,794	2,236,712.67	2.15	3.32	3,445,679.70	1,208,967.03
Banks						
BARCLAYS PLC ORD GBP0.25 HSBC HLDGS ORD USD0.50(UK REG) LLOYDS BANKING GP ORD GBP0.1 ROYAL BK SCOT GRP ORD GBP1 STANDARD CHARTERED PLC SHS	3,484,888 846,286 5,060,984 699,616 402,618	7,201,411.72 5,109,370.77 3,161,045.77 1,710,850.48 1,829,016.57	2.07 6.04 0.62 2.45 4.54	2.23 6.57 0.63 2.25 6.64	7,786,982.24 5,559,252.73 3,163,621.10 1,571,337.54 2,671,773.05 20,752,966.66	585,570.52 449,881.96 2,575.33 (139,512.94) 842,756.48
Beverages						
BRITVIC ORD GBP0.2	225,957	1,243,967.85	5.51	5.67	1,281,176.19	37,208.34
	223,937	1,243,967.05	5.51	5.07	1,201,170.13	07,200.04
Chemicals	105.011	0.044.400.44	00.50	04.00	4 000 000 00	050 040 04
JOHNSON MATTHEY SYNTHOMER PLC ORD GBP0.10	125,811 742,955	3,344,489.41 2,715,732.15	26.58 3.66	31.82 3.83	4,003,306.02 2,842,545.83	658,816.61 126,813.68
		6,060,221.56			6,845,851.85	785,630.29
Construction & Materials						
POLYPIPE GROUP PLC ORD GBP0.001 KIER GROUP ORD GBP0.01 FORTERRA PLC ORD GBP0.01	898,097 118,500 946,858	2,223,243.54 1,454,513.64 1,714,656.23	2.48 12.27 1.81	3.24 13.73 1.74	2,908,936.18 1,627,005.00 1,649,900.07	685,692.64 172,491.36 (64,756.16)
		<u>5,392,413.41</u>			6,185,841.25	793,427.84
Financial Services						
CLOSE BROS GROUP ORD GBP0.25 JOHN LAING GROUP P ORD GBP0.10	119,637 454,662	1,006,299.28 872,378.76	8.41 1.92	14.45 2.71	1,728,754.65 1,231,224.70	722,455.37 358,845.94
		1,878,678.04			2,959,979.35	1,081,301.31
Fixed Line Telecommunications						
BT GROUP ORD GBP0.05 TELECOM PLUS ORD GBP0.05	2,364,062 157,234	6,195,298.43 2,169,597.75	2.62 13.80	3.67 11.76	8,673,743.48 1,849,071.84	2,478,445.05 (320,525.91)
į.	×	<u>8,364,896.18</u>			10,522,815.32	2,157,919.14
Gas, Water & Multiutilities						
CENTRICA ORD GBP0.061728395 NATIONAL GRID ORD GBP0.113953 SEVERN TRENT ORD GBP0.9789 UNITED UTILITIES GROUP ORD GBP0.05	1,088,400 560,609 136,303 266,872	2,576,062.40 4,866,149.25 2,909,088.69 2,293,733.60	2.37 8.68 21.34 8.59	2.34 9.52 22.22 9.01	2,547,944.40 5,334,755.24 3,028,652.66 2,404,516.72	(28,118.00) 468,605.99 119,563.97 110,783.12
		12,645,033.94			13,315,869.02	670,835.08
General Industrials						
RPC GROUP ORD GBP0.05 SMITH(DS) ORD GBP0.10	654,552 1,147,421	2,906,323.62 2,222,200.41	4.44 1.94	10.65 4.08	6,970,978.80 4,682,625.10	4,064,655.18 2,460,424.69
General Retailers		5,128,524.03			11,653,603.90	6,525,079.87
SE AND ANDRES THE HELL THE SECOND SEC			5.00	7.00	1 000 110 00	000 040 40
INCHCAPE ORD GBP0.10 JUST EAT PLC ORD GBP0.01 DIXONS CARPHONE PLC ORD GBP0.001 SPORTS DIRECT INTL ORD GBP0.10	598,734 16,413 723,283 358,228	3,580,164.58 68,953.51 2,796,573.83 1,543,779.79	5.98 4.20 3.87 4.31	7.02 5.84 3.55 2.79	4,203,112.68 95,769.86 2,564,761.52 998,023.21	622,948.10 26,816.35 (231,812.31) (545,756.58)
		<u>7,989,471.71</u>			7,861,667.27	(127,804.44)
Health Care Equipment & Services						
NMC HEALTH PLC ORD GBP0.10	170,430	<u>2,230,840.94</u>	13.09	15.44	2,631,439.20	400,598.26

Fund - Standard Life (UK Equity)	Cur	rency - Sterling			Report Date -	31-12-16
	Heldien	Cost	Average Cost	Market Price	<u>Market</u> <u>Value</u> <u>£</u>	Unrealised Gain/Loss £
Household Goods & Home Construction	<u>Holding</u>	£	£	£	Ē	<u> </u>
BARRATT DEVELOPMENTS ORD GBP0.10 BELLWAY GBP0.125 COUNTRYSIDE PROPER ORD GBP0.01 CREST NICHOLSON H ORD GBP0.05 MCCARTHY & STONE P ORD GBP0.08 REDROW ORD GBP0.10 RECKITT BENCK GRP ORD GBP0.10	339,700 60,783 549,430 390,934 720,410 244,290 30,236	1,500,550.94 1,101,300.13 1,238,343.70 1,520,844.36 1,319,003.08 1,005,448.93 1,250,099.90	4.42 18.12 2.25 3.89 1.83 4.12 41.34	4.62 24.76 2.49 4.53 1.61 4.29 68.86	1,570,772.80 1,504,987.08 1,366,981.84 1,770,931.02 1,159,860.10 1,048,004.10 2,082,050.96	70,221.86 403,686.95 128,638.14 250,086.66 (159,142.98) 42,555.17 831,951.06
Industrial Engineering		8,935,591.04			<u>10,503,587.90</u>	<u>1,567,996.86</u>
BODYCOTE PLC ORD GBP0.1727272	522,549	2,549,200.73	4.88	6.44	3,365,215.56	<u>816,014.83</u>
Life Insurance		<u> </u>				
AVIVA ORD GBP0.25 JRP GROUP PLC ORD GBP0.10 PHOENIX GROUP HOLD EUR0.0001 (DI) PRUDENTIAL GBP0.05	1,372,372 1,055,710 346,975 655,746	5,621,551.65 1,049,887.91 2,533,582.09 5,959,357.87	4.10 0.99 7.30 9.09	4.86 1.50 7.35 16.28	6,675,217.41 1,578,286.45 2,550,266.25 10,672,266.15	1,053,665.76 528,398.54 16,684.16 4,712,908.28
Media		<u>15,164,379.52</u>			<u>21,476,036.26</u>	<u>6,311,656.74</u>
RIGHTMOVE ORD GBP0.01 ENTERTAINMENT ONE ORD NPV ITV ORD GBP0.10 WPP PLC ORD GBP0.10 RELX PLC	80,161 968,033 739,964 201,808 362,159	3,205,355.44 2,362,451.64 1,254,554.17 3,308,036.89 4,174,618.62	39.99 2.44 1.70 16.39 11.53	39.03 2.30 2.06 18.16 14.49	3,128,683.83 2,229,380.00 1,527,285.70 3,664,833.28 5,247,683.91	(76,671.61) (133,071.64) 272,731.53 356,796.39 1,073,065.29
		14,305,016.76			15,797,866.72	1,492,849.96
Mining						
ANGLO AMERICAN USD0.54945 BHP BILLITON PLC USD0.50 GLENCORE PLC ORD USD0.01 PETRA DIAMONDS ORD GBP0.10 (DI) RIO TINTO ORD GBP0.10	334,623 228,654 3,293,241 906,062 296,973	5,353,449.48 3,492,312.68 6,629,800.00 835,128.66 7,801,214.63	16.00 15.27 2.01 0.92 26.27	11.60 13.07 2.77 1.57 31.59	3,881,626.80 2,987,364.51 9,133,803.91 1,419,799.15 9,379,892.21	(1,471,822.68) (504,948.17) 2,504,003.91 584,670.49 1,578,677.58
		<u>24,111,905.45</u>			<u>26,802,486.58</u>	<u>2,690,581.13</u>
Mobile Telecommunications						
VODAFONE GROUP ORD USD0.2095238	3,744,570	<u>7,316,035.85</u>	1.95	2.00	7,483,523.15	<u>167,487.30</u>
Nonlife Insurance DIRECT LINE INSURANCE PLC ORD GBP JARDINE LLOYD THOMPSON GROUP ORD GBP0.05	812,502 312,022	2,312,650.23 2,930,060.20	2.85 9.39	3.69 9.85	3,001,382.39 3,071,856.59	688,732.16 141,796.39
		5,242,710.43			6,073,238.98	830,528.55
Oil & Gas Producers						
BP ORD USD0.25 ROYAL DUTCH SHELL 'B'ORD EUR0.07	1,128,552 152,242	5,271,240.43 1,921,273.43	4.67 12.62	5.10 23.54	5,751,100.99 3,583,776.68	479,860.56 1,662,503.25
		7,192,513.86			9,334,877.67	<u>2,142,363.81</u>
Oil Equipment, Services & Distribution						
PETROFAC ORD USD0.02	189,488	2,070,703.95	10.93	8.69	<u>1,646,650.72</u>	(424,053.23)
Personal Goods	404.004		00.00	00.00	0.004.500.00	4 040 004 04
UNILEVER PLC ORD GBP0.031111	121,231	<u>2,775,329.07</u>	22.89	32.93	<u>3,991,530.68</u>	<u>1,216,201.61</u>
Pharmaceuticals & Biotechnology	400,000	7.750.400.00	20.40	40.04	0.007.007.00	4 524 574 00
SHIRE PLC ORD GBP0.05 ASTRAZENECA ORD USD0.25 BTG ORD GBP0.10 GLAXOSMITHKLINE ORD GBP0.25	198,292 103,532 464,800 175,069	7,756,422.32 3,906,135.80 2,456,988.96 2,355,992.33	39.12 37.73 5.29 13.46	46.84 44.38 5.90 15.62	9,287,997.28 4,594,232.50 2,742,320.00 2,734,577.78	1,531,574.96 688,096.70 285,331.04 378,585.45
		16,475,539.41			19,359,127.56	<u>2,883,588.15</u>
Software & Computer Services						
SAGE GROUP GBP0.01051948	576,017	3,033,921.25	5.27	6.55	3,772,911.35	738,990.10

Fund - Standard Life (UK Equity)	<u>c</u>	Currency - Sterling			Report Date -	31-12-16
Support Services	Holding	<u>Cost</u> <u>£</u>	Average Cost £	Market Price £	<u>Market</u> <u>Value</u> <u>£</u>	Unrealised Gain/Loss £
ESENTRA PLC ORD GBP0.25 BABCOCK INTL GROUP ORD GBP0.60 AA PLC ORD GBP0.01 WORLDPAY GRP PLC ORD GBP0.03 144A ATKINS WS GBP0.05 ASHTEAD GROUP ORD GBP0.10 HOWDEN JOINERY GR ORD GBP0.10	792,951 822,022 825,665 658,274 92,938 400,205 245,097	5,321,078.43 7,244,698.03 2,533,687.48 1,869,415.79 1,183,367.58 4,119,746.50 484,184.67 22,756,178.48	6.71 8.81 3.07 2.84 12.73 10.29 1.98	4.61 9.53 2.77 2.70 14.58 15.80 3.84	3,655,504,11 7,833,869,66 2,287,917.72 1,776,681,53 1,355,036,04 6,323,239,00 940,682,29 24,172,930,35	(1,665,574.32) 589,171.63 (245,769,76) (92,734.26) 171,668.46 2,203,492.50 456,497.62
<u>Tobacco</u>						
BRITISH AMERICAN TOBACCO ORD GBP0.25 IMPERIAL BRANDS PLC GBP0.10	113,283 197,399	3,886,397.36 5,329,559.50 9,215,956.86	34.31 27.00	46.22 35.43	5,235,373.85 6,992,859.58 12,228,233.43	1,348,976.49 1,663,300.08 3,012,276.57
Travel & Leisure		3,213,330.00			12,220,200.40	0,012,210,01
INTL CONS AIRL DI CARNIVAL PLC ORD USD1.66 EI GROUP PLC ORD GBP0.025 GVC HLDGS PLC ORD EUR0.01 MITCHELLS &BUTLERS ORD GBP0.085416 THOMAS COOK GROUP ORD EUR0.01 TUI AG NPV (REGD)	1,301,846 76,970 997,622 302,550 658,159 2,909,088 253,145	4,532,293.36 2,795,594.92 1,119,649.60 1,501,380.93 2,306,920.44 3,514,395.19 2,465,391.46	3.48 36.32 1.12 4.96 3.51 1.21 9.74	4.41 41.25 1.22 6.43 2.51 0.87 11.63	5,739,839.01 3,175,012.50 1,212,110.73 1,943,883.75 1,651,320.93 2,536,724.74 2,944,076.35	1,207,545.65 379,417.58 92,461.13 442,502.82 (655,599.51) (977,670.45) 478,684.89
		18,235,625.90			19,202,968.01	967,342.11
Unit Trusts STANDARD LIFE INVT POOLED UK EQTY SMALLER	1,395,450	2,048,219.97	1.47	3.13	<u>4,362,605.16</u>	<u>2,314,385.19</u>
Total Investments		237,987,528.59			281,661,610.67	43,674,082.08
Cash Balance		2,604,508.99			2,604,508.99	
Total Value of Portfolio	_	240,592,037.58			284,266,119.66	

	PORTFOLIO V	ALUATION				
Funds - Aberdeen Asset Management, JP Morgan Asset	Cur	rency - Sterling			Report Date -	31-12-16
Management, Longview Partners, Sarasin & Partners (Global Equity)			Augraga	Market	Market	Unrealised
		Cost	Average Cost	Market Price	<u>Market</u> <u>Value</u>	Gain/Loss
EUROPE	<u>Holding</u>	£	£	£	£	£
Austria ERSTE GROUP BANK AG NPV	39,630	868,819.35	21.92	23.75	941,268.05	72,448.70
	33,030	000,019.55	21.32	25.75	341,200.03	12,440.10
Belgium KBC GROEP NV NPV	20,600	909,457.53	44.15	50.22	1,034,475.34	125,017.81
UMICORE NPV	116,279	3,792,499.92	32.62	46.22	5,374,694.99	1,582,195.07
		4,701,957.45			6,409,170.33	1,707,212.88
		4,101,001.40			0,400,170.00	111071212.00
Denmark ISS A/S DKK1	102,700	2,001,616.40	19.49	27.37	2,810,734.66	809,118.26
NOVO-NORDISK AS DKK0.2 SERIES'B'	61,148	1,901,201.15	31.09	29.24	1,787,945.83	(113,255.32)
NOVOZYMES A/S SERIES'B'DKK2 (POST CONSOLIDAT VESTAS WIND SYSTEM DKK1	193,538 22,234	3,204,901.19 1,292,623.46	16.56 58.14	27.95 52.69	5,410,138.32 1,171,584.02	2,205,237.13 (121,039.44)
VEOTAG WIND GTGTEM DIKT	22,234	1,292,023.40	30.14	32.03	1,171,304.02	(121,000.44)
		8,400,342.20			11,180,402.83	2,780,060.63
Finland						
OUTOKUMPU OYJ SER'A'NPV UPM-KYMMENE CORP NPV	169,438 64,118	720,442.78 558,554.80	4.25 8.71	7.26 19.92	1,230,096.57 1,277,423.48	509,653.79 718,868.68
OFW-KTWIWIENE CORF NEV	04,110	556,554.60	0.71	19.92	1,277,423.40	7 10,000.00
		1,278,997.58			2,507,520.05	1,228,522.47
France						
ARBUS EUR1	79,298	2,906,465.43	36.65	53.64	4,253,559.23	1,347,093.80 451,492.05
ARCELORMITTAL NPV AXA EUR2.29	210,014 87,531	806,250.92 1,027,859.81	3.84 11.74	5.99 20.47	1,257,742.97 1,792,072.96	764,213.15
BNP PARIBAS EUR2	37,138	1,402,027.15	37.75	51.69	1,919,493.89	517,466.74
CAP GEMINI EUR8	13,570	592,275.43	43.65	68.42	928,404.95	336,129.52
CHRISTIAN DIOR SE EUR2 ESSILOR INTL EUR0.18	7,099 50,328	1,118,630.89 2,763,341.35	157.58 54.91	170.08 91.63	1,207,395.58 4,611,750.41	88,764.69 1,848,409.06
GTT EUR0.01	67,088	2,703,541.33	37.84	35.08	2,353,357.49	(185,295.82)
NATIXIS EUR1.6(POST SUBDV)	207,942	863,352.56	4.15	4.58	951,395.47	88,042.91
RENAULT SA EUR3.81	13,875	929,716.03	67.01	72.14	1,000,910.32	71,194.29
SANOFI EUR2 SANOFI EUR2	40,091 95,700	2,593,344.82	64.69 52.97	65.64 65.64	2,631,644.99 6,281,919.28	38,300.17 1,212,461.70
SCHNEIDER ELECTRIC EUR4.00	22,853	5,069,457.58 1,234,198.08	54.01	56.43	1,289,627.99	55,429.91
SES FDR EACH REP 1 'A' NPV	255,823	4,253,606.41	16.63	17.86	4,569,399.49	315,793.08
TECHNIP NPV	22,124	833,898.18	37.69	57.88	1,280,594.02	446,695.84
TELEPERFORMANCE SOCIETE EUROPEENNE TOTAL EUR2.5	11,950	409,817.48	34.29	81.35	972,108.81	562,291.33 751,818.87
TOTAL EUR2.5 (STK DIV 04/01/2017)	166,400 166,400	6,168,317.86 0.00	37.07 0.00	41.59 0.00	6,920,136.73 0.00	0.00
VALEO EUR1	24,605	494,735.75	20.11	46.62	1,146,963.56	652,227.81
VINCI EUR2.50	17,937	757,863.17	42.25	55.23	990,622.44	232,759.27
		36,763,812.21			46,359,100.58	9,595,288.37
Germany BAYERISOUS MOTOREN WERKE & GOOD	17.500	4 400 040 04	07.70	75 70	100071011	111 100 10
BAYERISCHE MOTOREN WERKE A G COM CONTINENTAL AG ORD NPV	17,566 39,020	1,189,618.04 3,503,198.96	67.72 89.78	75.76 156.81	1,330,746.44 6,118,577.92	141,128.40 2,615,378.96
COVESTRO AG NPV	23,061	842,489.27	36.53	55.64	1,283,058.82	440,569.55
FRESENIUS MEDICAL CARE NPV	91,600	5,557,623.73	60.67	68.67	6,290,361.38	732,737.65
FRESENIUS MEDICAL CARE NPV HEIDELBERGCEMENT NPV	111,411	4,178,131.26 660,252.02	37.50	68.67	7,650,823.71	3,472,692.45
HENKEL AG & CO KGAA NON-VTG PRF NPV	14,542 68,100	5,081,197.33	45.40 74.61	75.65 96.67	1,100,167.89 6,583,235.58	439,915.87 1,502,038.25
HENKEL AG & CO KGAA NON-VTG PRF NPV	14,268	1,068,623.68	74.90	96.67	1,379,289.36	310,665.68
LINDE AG NPV	3,098	315,923.21	101.98	133.25	412,798.77	96,875.56
MERCK KGAA NPV SAP SE	12,361 94,800	863,332.20 3,987,717.25	69.84 42.06	84.63 70.69	1,046,165.51 6,701,086.07	182,833.31 2,713,368.82
SIEMENS AG NPV(REGD)	14,036	933,924.63	66.54	99.70	1,399,394.87	465,470.24
		00 400 004 50			44 005 700 20	42 442 674 74
Ireland		<u>28,182,031.58</u>			41,295,706.32	<u>13,113,674.74</u>
ACCENTURE PLC SHS CL A NEW ACCENTURE PLC SHS CL A NEW	18,052 65,900	1,121,012.30 2,191,267.96	62.10 33.25	94.79 94.79	1,711,189.20 6,246,807.45	590,176.90 4,055,539.49
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	00,000		55.25	0 0		
		3,312,280.26			7,957,996.65	4,645,716.39
<u>Italy</u> ENEL SPA EUR1	304,586	869,633.01	2.86	3.57	1,088,856.59	219,223.58
TELECOM ITALIA SPA NPV	1,241,358	863,663.09	0.70	0.71	886,903.93	23,240.84
		1,733,296.10			1,975,760.52	242,464.42
Notherlands		1,733,296.10			1,975,760.52	242,404.42
Netherlands ING GROEP N.V. EUR0.01	191,197	1,417,902.64	7.42	11.41	2,182,059.33	764,156.69
KONINKLIJKE BOSKAL EUR0.01	96,564	2,609,626.75	27.02	28.16	2,719,265.65	109,638.90
NN GROUP N.V. EURO.12	47,696	923,184.28	19.36	27.48	1,310,763.87	387,579.59 185,945.94
RELX NV	71,878	795,120.73	11.06	13.65	981,066.67	105,945.94
		5,745,834.40			7,193,155.52	1,447,321.12
Norway NORSK LIVERO ASA NOKA 000	044.5==	*******	0.5-	0.00	0.40.057.40	205 40 100
NORSK HYDRO ASA NOK1.098	244,573	624,182.18	2.55	3.88	949,677.16	325,494.98
<u>Spain</u>			-			,
AMADEUS IT GROUP EURO.01 IBERDROLA SA EURO.75	24,397 203,915	936,570.61 672,928.45	38.39 3.30	36.85 5.32	899,026.62 1,085,100.71	(37,543.99) 412,172.26
	200,010		0.50	5.52		
		1,609,499.06			1,984,127.33	374,628.27

	PORTFOLIO V	ALUATION				
Funds - Aberdeen Asset Management, JP Morgan Asset	Curr	rency - Sterling			Report Date -	31-12-16
Management, Longview Partners, Sarasin & Partners (Global Equity)	Holding	Cost £	Average Cost £	Market Price £	Market <u>Value</u> £	Unrealised Gain/Loss £
Sweden					_	
ATLAS COPCO AB SER'A'NPV (POST SPLIT)	224,600	3,355,150.14	14.94 22.05	24.72	5,552,281.53	2,197,131.39 146,431.55
ATLAS COPCO AB SER'A'NPV (POST SPLIT) BOLIDEN AB NPV	54,783 54,108	1,207,845.56 1,031,544.22	19.06	24.72 21.19	1,354,277.11 1,146,712.81	115,168.59
SKANSKA AB SER'B'NPV	50,069	916,537.43	18.31	19.16	959,418.45	42,881.02
		6,511,077.35			9,012,689.90	2,501,612.55
Switzerland	FF 000	770 447 07	44.04	47.40	940,852.18	170 404 21
ABB LTD CHF0.12 (REGD) ACTELION LTD CHF0.50 (REGD)	55,008 9,572	770,447.97 970,318.17	14.01 101.37	17.10 175.58	1,680,631.68	170,404.21 710,313.51
LONZA GROUP AG CHF1 (REGD)	7,815	386,614.53	49.47	140.38	1,097,090.76	710,476.23
NESTLE SA CHF0.10(REGD) NESTLE SA CHF0.10(REGD)	116,300 27,351	3,929,170.02 1,431,321.44	33.78 52.33	58.17 58.17	6,764,897.13 1,590,943.26	2,835,727.11 159,621.82
NOVARTIS AG CHF0.50 (REGD)	207,300	8,389,607.90	40.47	59.00	12,231,473.31	3,841,865.41
ROCHE HLDGS AG GENUSSCHEINE NPV	62,300	6,551,302.05	105.16	185.21	11,538,756.77	4,987,454.72
ROCHE HLDGS AG GENUSSCHEINE NPV SWISS RE AG CHF0.10	15,933 13,749	2,587,611.67 798,753.04	162.41 58.10	185.21 76.84	2,950,995.37 1,056,476.13	363,383.70 257,723.09
UBS GROUP CHF0.10 (REGD)	90,683	1,135,410.70	12.52	12.70	1,151,722.44	16,311.74
4		26,950,557.49			41,003,839.03	14,053,281.54
TOTAL EUROPE		126,682,687.21			178,770,414.27	52,087,727.06
<u>Japan</u> AMADA HOLDINGS CO LTD NPV	99,400	723,710.69	7.28	9.05	900,062.26	176,351.57
ASTELLAS PHARMA NPV	90,500	939,492.76	10.38	11.26	1,019,474.88	79,982.12
BANDAI NAMCO HOLDINGS INC DAIKIN INDUSTRIES NPV	42,000 13,600	834,370.03 1,057,995.91	19.87 77.79	22.38 74.49	939,841.60 1,013,016.72	105,471.57 (44,979.19)
DAITO TRUST CONST NPV	39,100	1,288,458.07	32.95	121.98	4,769,482.77	3,481,024.70
FANUC CORP NPV	40,600	3,146,085.00	77.49	137.49	5,582,076.27	2,435,991.27
FUJI HEAVY INDUSTRIES NPV ITOCHU CORP NPV	37,500 113,000	905,013.47 925,450.46	24.13 8.19	33.11 10.77	1,241,673.35 1,216,874.57	336,659.88 291,424.11
JAPAN AIRLINES CO NPV	47,600	1,157,882.14	24.33	23.70	1,127,907.06	(29,975.08)
JAPAN TOBACCO INC NPV KDDI CORP NPV	263,300 63,300	5,565,383.83 603.864.71	21.14 9.54	26.67 20.53	7,022,793.43 1,299,863.38	1,457,409.60 695,998.67
KEYENCE CORP NPV	9,200	4,066,216.25	441.98	556.48	5,119,621.47	1,053,405.22
KEYENCE CORP NPV	9,000	2,916,265.16	324.03	556.48	5,008,325.35	2,092,060.19
MATSUMOTOKIYOSHI H NPV MAZDA MOTOR CORP NPV	24,000 107,600	1,021,736.28 1,375,419.29	42.57 12.78	39.97 13.27	959,200.47 1,427,499.01	(62,535.81) 52,079.72
MITSUBISHI CORP NPV	52,900	978,213.19	18.49	17.28	913,967.34	(64,245.85)
MITSUBISHI ELEC CP NPV	100,000	724,063.07	7.24	11.31	1,130,654.77	406,591.70
MITSUBISHI ESTATE CO LTD MITSUBISHI UFJ FIN NPV	286,000 390,300	3,928,254.80 1,539,289.34	13.74 3.94	16.15 5.00	4,618,823.63 1,950,416.33	690,568.83 411,126.99
NH FOODS LTD NPV	45,000	938,843.40	20.86	21.89	985,116.36	46,272.96
NIPPON TELEGRAPH & TELEPHONE CORP NPV NISSAN MOTOR CO LTD	27,100 709,600	636,221.47 4,411,572.32	23.48 6.22	34.08 8.16	923,641.22 5,787,778.42	287,419.75 1,376,206.10
NITORI HOLDINGS NPV	11,400	887,265.15	77.83	92.70	1,056,785.79	169,520.64
OBAYASHI CORP NPV	127,000	703,665.71	5.54	7.75	984,311.48	280,645.77
ORIX CORP NPV OTSUKA HOLDINGS CO LTD	112,600 31,800	911,354.94 1,005,721.88	8.09 31.63	12.66 35.34	1,425,078.80 1,123,767.46	513,723.86 118,045.58
SHIMANO INC NPV	49,100	4,810,998.39	97.98	127.26	6,248,222.40	1,437,224.01
SHIN-ETSU CHEMICAL NPV	161,100	5,817,633.62	36.11	62.91	10,135,258.09	4,317,624.47
SHIN-ETSU CHEMICAL NPV SHIONOGI & CO LTD NPV	27,100 26,500	1,174,359.81 1,024,493.07	43.33 38.66	62.91 38.85	1,704,937.89 1,029,513.39	530,578.08 5,020.32
SOFTBANK GROUP CORP	27,000	1,301,849.09	48.22	53.88	1,454,724.93	152,875.84
SUMITOMO MITSUI FINANCIAL GROUP NPV TOKYO ELECTRON NPV	59,800 15,400	1,410,534.56 700,887.84	23.59 45.51	30.95 76.64	1,850,596.34 1,180,217.63	440,061.78 479,329.79
TOTAL JAPAN		59,432,565.70			83,151,524.86	23,718,959.16
ASIA PACIFIC (Ex Japan)						
<u>Australia</u> AUST & NZ BANK GRP NPV	62,005	840,105.74	13.55	17.83	1,105,322.52	265,216.78
CHALLENGER LTD NPV	137,969	655,515.46	4.75	6.59	908,763.61	253,248.15
CSL LTD NPV FORTESCUE METALS GRP LTD NPV	120,038 362,361	3,435,794.31	28.62 2.30	58.84 3.45	7,063,156.29	3,627,361.98 416,415.41
GOODMAN GROUP NPV (STAPLED UNITS)	227,911	834,303.86 814,107.81	3.57	4.18	1,250,719.27 952,265.20	138,157.39
SOUTH32 LTD NPV	631,543	525,382.02	0.83	1.61	1,017,744.39	492,362.37
WOODSIDE PETROLEUM NPV	52,018	768,335.40 7,873,544.60	14.77	18.26	949,848.19 13,247,819.47	181,512.79 5,374,274.87
Hong Kong		7,073,344.00			13,247,019.47	<u>5,574,274.07</u>
AIA GROUP LTD NPV	1,467,600	3,457,271.44	2.36	4.57	6,702,118.82	3,244,847.38
AIA GROUP LTD NPV AIA GROUP LTD NPV	215,000 1,157,200	904,153.75 5,602,626.97	4.21 4.84	4.57 4.57	981,844.88 5,284,608.82	77,691.13 (318,018.15)
CK PROPERTY LTD HKD1	188,500	700,019.10	3.71	4.96	935,595.75	235,576.65
JARDINE MATHESON HLDGS USD0.25(SING QUOTE)	112,700	3,743,570.65	33.22	44.71	5,039,190.31	1,295,619.66
MTR CORP HKD1 SANDS CHINA LTD USD0.01	834,000 328,400	2,619,190.15 806,535.01	3.14 2.46	3.94 3.52	3,281,963.63 1,155,205.94	662,773.48 348,670.93
SWIRE PACIFIC 'A' NPV	397,000	2,693,530.67	6.78	7.73	3,068,611.67	375,081.00
WHARF(HLDGS) NPV	161,000	876,151.20	5.44	5.38	866,325.12	(9,826.08)
XINYI GLASS HLDGS HKD0.1	1,372,000	695,895.84	0.51	0.66	907,966.30	212,070.46
Singapore		<u>22,098,944.78</u>			28,223,431.24	<u>6,124,486.46</u>
CITY DEVELOPMENTS LTD	571,400	2,746,335.61	4.81	4.64	2,650,314.67	(96,020.94)
TOTAL ASIA PACIFIC (Ex Japan)		32,718,824.99			44,121,565.38	11,402,740.39

	PORTFOLIO VA	LUATION				
Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)	Curre	ncy - Sterling			Report Date -	31-12-16
management, congrew Faithers, Salasin & Faithers (Global Equity)			Average	Market	Market	Unrealised
	Holding	Cost £	Cost £	Price £	<u>Value</u> <u>£</u>	Gain/Loss £
North America		_	_	_	_	
<u>Canada</u>						
ALIMENTATION COUCH CLASS'B'S/VTG COM NPV	26,796	828,126.23	30.90 34.14	36.74 45.12	984,473.89 1,283,184.24	156,347.66 312,251.84
BK OF NOVA SCOTIA COM NPV CANADIAN IMP BANK COM NPV	28,442 14,474	970,932.40 732,503.36	50.61	66.12	956,974.10	224,470.74
CANADIAN PAC RY LTD COM NPV	42,185	3,878,933.03	91.95	115.54	4,874,157.68	995,224.65
CDN NATL RAILWAYS COM NPV POTASH CORP SASK COM NPV	18,747 305,800	794,629.50 6,871,706.58	42.39 22.47	54.53 14.66	1,022,274.65 4,482,544.26	227,645.15 (2,389,162.32)
TECK RESOURCES LTD CLASS'B'SUB-VTG COM NPV	61,650	853,207.71	13.84	16.22	999,678.47	146,470.76
		14,930,038.81			14,603,287.29	(326,751.52)
United States						
ACTIVISION BLIZZARD INC COM STK	157,280	5,511,084.91	35.04	29.22	4,596,270.19	(914,814.72)
ADOBE SYS INC COM AETNA INC	12,449 12,951	1,029,962.44 685,452.25	82.73 52.93	83.32 100.36	1,037,206.86 1,299,764.21	7,244.42 614,311.96
ALLERGAN PLC. COM STK	11,022	1,750,867.05	158.85	169.96	1,873,289.69	122,422.64
ALLISON TRANSMISSION HOLDING ALLY FINL INC COM	27,943 68,622	745,536.45 1,020,062.83	26.68 14.86	27.27 15.39	761,866.02 1,056,278.51	16,329.57 36,215.68
ALPHABET INC CAP STK CL C CAP STK CL C	11,421	4,100,569.51	359.04	624.63	7,133,862.29	3,033,292.78
ALPHABET INC CAP STK CL C CAP STK CL C ALTRIA GROUP INC COM	13,502 38,721	4,152,152.85 1,480,615.68	307.52 38.24	624.63 54.72	8,433,710.58 2,118,977.24	4,281,557.73 638,361.56
AMAZON COM INC COM	5,149	1,812,685.62	352.05	606.86	3,124,736.73	1,312,051.11
AMAZON COM INC COM	11,574	2,709,387.66	234.09	606.86	7,023,830.44	4,314,442.78
AMDOCS ORD GBP0.01 AMERICAN EXPRESS CO	99,500 12,875	4,013,287.24 636,125.15	40.33 49.41	47.14 59.95	4,690,547.86 771,885.31	677,260.62 135,760.16
AMERICAN TOWER CORP	46,150	4,065,123.37	88.09	85.53	3,947,017.68	(118,105.69)
AMERISOURCEBERGEN CORP COM	86,580	5,543,459.40	64.03	63.28	5,478,647.47	(64,811.93) 141,709.79
AMGEN INC COM AMGEN INC COM	15,544 91,558	1,697,555.72 8,000,997.11	109.21 87.39	118.33 118.33	1,839,265.51 10,833,728.21	2,832,731.10
ANADARKO PETRO CORP COM	31,808	1,560,533.26	49.06	56.43	1,794,984.03	234,450.77
ANADARKO PETRO CORP COM AON PLC COM	143,933 89,300	7,404,517.07 2,733,289.09	51.44 30.61	56.43 90.26	8,122,404.32 8,060,235.35	717,887.25 5,326,946.26
APPLE INC COM STK	77,027	5,336,765.97	69.28	93.73	7,219,898.73	1,883,132.76
APPLIED MATERIALS INC COM	45,356	1,053,445.98	23.23	26.12	1,184,508.75	131,062.77
ARAMARK COM ARROW ELECTR INC COM	229,060 35,970	6,752,193.73 923,823.83	29.48 25.68	28.91 57.70	6,621,635.46 2,075,556.35	(130,558.27) 1,151,732.52
AT&T INC COM	65,204	1,785,688.82	27.39	34.42	2,244,265.24	458,576.42
AVNET INC COM	44,230	1,010,856.43	22.85	38.53	1,704,196.55	693,340.12 24,382.87
AXIS CAPITAL HOLDINGS LTD COM USD0.0125 BANK NEW YORK MELLON CORP COM STK	18,340 204,100	944,380.05 3,381,351.59	51.49 16.57	52.82 38.34	968,762.92 7,826,050.08	4,444,698.49
BANK OF AMERICA CORP	230,556	2,405,144.04	10.43	17.89	4,123,568.98	1,718,424.94
BIOGEN INC COMMON STOCK BROADCOM LIMITED COM NPV	8,558 11,255	1,696,897.50 499,028.25	198.28 44.34	229.50 143.06	1,964,049.56 1,610,121.40	267,152.06 1,111,093.15
CA INC COM	38,411	741,348.52	19.30	25.71	987,591.61	246,243.09
CAMPBELL SOUP CO COM	17,295	818,831.15	47.34	48.94	846,379.42	27,548.27 422,687.74
CAPITAL ONE FINL CORP COM CARMAX INC COM	15,685 105,977	684,712.83 3,388,299.36	43.65 31.97	70.60 52.11	1,107,400.57 5,522,485.80	2,134,186.44
CARNIVAL CORP COM PAIRED	17,740	734,035.26	41.38	42.13	747,415.91	13,380.65
CBS CORP NEW CL B CELGENE CORP COM	31,925 24,391	1,059,480.92 2,105,744.45	33.19 86.33	51.49 93.68	1,643,724.89 2,284,836.71	584,243.97 179,092.26
CHARTER COMMUNICATIONS INC NEW CL A CL A	6,588	1,358,419.94	206.20	233.01	1,535,076.37	176,656.43
CHEVRON CORP COM	33,479	2,162,977.45 576,991.81	64.61 40.68	95.25 106.92	3,188,992.53 1,516,388.94	1,026,015.08 939,397.13
CHUBB LTD ORD CHF24.15 CIGNA CORPORATION	14,182 9,557	1,014,194.91	106.12	100.92	1,031,690.47	17,495.56
CITIGROUP INC COM NEW COM NEW	74,575	2,017,694.60	27.06	48.10	3,586,770.21	1,569,075.61
COGNIZANT TECH SOLUTIONS CORP CL A COLGATE-PALMOLIVE CO COM	133,300 148,140	5,280,421.07 7,612,599.28	39.61 51.39	45.34 52.96	6,044,429.74 7,845,492.16	764,008.67 232,892.88
COMCAST CORP NEW-CL A	125,900	2,650,922.50	21.06	55.88	7,035,483.92	4,384,561.42
COMCAST CORP NEW-CL A	32,603	889,170.89	27.27	55.88	1,821,905.34	932,734.45 219,645.92
CONCHO RES INC COM STK CORNING INC COM	11,001 57,134	960,892.84 990,776.85	87.35 17.34	107.31 19.64	1,180,538.76 1,122,196.65	131,419.80
COSTCO WHOLESALE CORP NEW COM	58,776	3,676,205.18	62.55	129.58	7,615,931.79	3,939,726.61
CUMMINS INC CVS HEALTH CORP COM	10,464 128,800	799,436.73 3,323,370.59	76.40 25.80	110.61 63.86	1,157,378.70 8,225,313.66	357,941.97 4,901,943.07
DEAN FOODS CO NEW COM NEW COM USD0.01 (POST REV SPLIT)	67,524	1,096,406.97	16.24	17.63	1,190,201.79	93,794.82
DELPHI AUTOMOTIVE PLC	120,800	2,960,934.12	24.51	54.51	6,584,292.20	3,623,358.08
DEVON ENERGY CORP NEW COM DIAMONDBACK ENERGY INC COM	33,600 16,077	896,981.60 986,278.72	26.70 61.35	36.96 81.79	1,241,866.32 1,314,888.32	344,884.72 328,609.60
DISH NETWORK CORP CL A COM STK	28,831	1,016,795.85	35.27	46.88	1,351,661.04	334,865.19
OOLLAR GEN CORP NEW COM	15,427	858,315.77	55.64	59.94	924,758.61 1,926,720.94	66,442.84 615,950.39
OOW CHEMICAL CO COM OR PEPPER SNAPPLE GROUP INC COM STK	41,607 13,736	1,310,770.55 479,259.41	31.50 34.89	46.31 73.38	1,007,925.56	528,666.15
AST WEST BANCORP INC COM	28,922	924,841.93	31.98	41.14	1,189,742.55	264,900.62
ATON CORP PLC COM USD0.50 COLAB INC COM STK USD1	23,594 71,804	1,088,594.35 4,233,576.81	46.14 58.96	54.30 94.87	1,281,043.65 6,811,690.66	192,449.30 2,578,113.85
LECTR ARTS COM	18,296	1,003,436.47	54.84	63.74	1,166,182.23	162,745.76
LI LILLY & CO COM	22,142	1,305,360.55	58.95	59.52	1,317,965.63	12,605.08
MERSON ELECTRIC CO COM NERGIZER HLDGS INC NEW COM	157,951 25,780	6,093,778.73 866,826.90	38.58 33.62	45.12 36.10	7,126,426.55 930,721.40	1,032,647.82 63,894.50
COG RESOURCES INC COM	136,700	5,714,645.49	41.80	81.82	11,184,697.22	5,470,051.73
QUINIX INC COM PAR \$0.001	27,511	5,126,887.40	186.36	289.25	7,957,518.15	2,830,630.75
VEREST RE GROUP COM XELON CORP COM	6,562 29,750	889,955.45 829,687.43	135.62 27.89	175.13 28.72	1,149,206.42 854,471.40	259,250.97 24,783.97
EXXON MOBIL CORP COM	16,669	992,637.70	59.55	73.05	1,217,613.45	224,975.75
FACEBOOK INC CL A CL A FACEBOOK INC CL A CL A	41,841 36,543	2,502,298.68 2,315,094.47	59.80 63.35	93.11 93.11	3,895,769.38 3,402,478.44	1,393,470.70 1,087,383.97
IDELITY NATL INFORMATION SVCS INC COM STK	115,800	2,186,310.26	18.88	61.21	7,088,668.08	4,902,357.82
FIRST REP BK SAN FRANCISCO CALIF NEW COM	91,590	5,541,004.99	60.50	74.57	6,829,687.44	1,288,682.45
FISERVINC COM FOOT LOCKER INC COM	64,900 19,713	1,011,200.60 602,709.92	15.58 30.57	86.01 57.37	5,582,141.03 1,130,947.02	4,570,940.43 528,237.10
OUR CORNERS PPTY TRINC COM	7,639	109,803.18	14.37	16.61	126,858.17	17,054.99
	21,814	1,417,841.45	65.00 145.36	57.95	1,264,193.47 2,428,121.83	(153,647.98) 606,756.04
	40 500					
GOLDMAN SACHS GROUP INC COM	12,530 36.125	1,821,365.79 4,787,465.56		193.78 187.96		
GILEAD SCIENCES INC GOLDMAN SACHS GROUP INC COM GRAINGER W W INC COM HALLIBURTON CO COM	36,125 88,530	4,787,465.56 3,402,125.62	132.52 38.43	187.96 43.77	6,789,974.45 3,875,359.60	2,002,508.89 473,233.98
GOLDMAN SACHS GROUP INC COM GRAINGER W W INC COM	36,125	4,787,465.56	132.52	187.96	6,789,974.45	2,002,508.89

PORTFOLIO VALUATION

Funds - Aberdeen Asset Management, JP Morgan Asset	<u>c</u>	currency - Sterling			Report Date -	31-12-16
Management, Longview Partners, Sarasin & Partners (Global Equity)		Cost	Average Cost	Market Price	<u>Market</u> Value	<u>Unrealised</u> <u>Gain/Loss</u>
	Holding	£	£	£	<u>£</u>	£
HARTFORD FINL SVCS GROUP INC COM	222,515 113,750	3,818,419.31 3,607,586.40	17.16 31.72	38.56 59.90	8,580,779.84 6,814,045.79	4,762,360.53 3,206,459.39
HCA HLDGS INC COM HEWLETT PACKARD ENTERPRISE CO COM	65,667	661,825.14	10.08	18.73	1,229,745.08	567,919.94
HOME DEPOT INC COM	24,166	2,322,177.75	96.09	108.51	2,622,245.41	300,067.66
HOME DEPOT INC COM	47,314	4,855,592.14	102.62	108.51	5,134,027.95	278,435.81
HONEYWELL INTL INC COM STK HP INC COM	12,636 73,686	799,721.19 852,513.76	63.29 11.57	93.76 12.01	1,184,704.99 884,959.60	384,983.80 32,445.84
HUNTINGTON INGALLS INDS INC COM	8,897	1,117,577.49	125.61	149.06	1,326,215.81	208,638.32
INGERSOLL-RAND PLC COM STK	21,788	621,998.90	28.55	60.73	1,323,167.28	701,168.38
INTERCONTINENTAL EXCHANGE INC COM	105,000	3,632,162.47	34.59	45.66	4,794,319.17	1,162,156.70 89,420.13
INTERNATIONAL BUSINESS MACHS CORP COM JOHNSON & JOHNSON COM USD1	9,231 81,800	1,150,618.57 3,233,295.95	124.65 39.53	134.33 93.24	1,240,038.70 7,626,899.82	4,393,603.87
JOHNSON & JOHNSON COM USD1	39,438	2,083,917.24	52.84	93.24	3,677,135.39	1,593,218.15
JOHNSON CTLS INTL PLC COM USD0.01	30,210	1,108,258.41	36.69	33.33	1,007,040.83	(101,217.58)
JPMORGAN CHASE & CO COM	168,726	6,048,249.75	35.85 42.12	69.83 39.96	11,782,760.26 1,062,929.91	5,734,510.51 (57,345.16)
KOHLS CORP COM KROGER CO COM	26,598 53,220	1,120,275.07 1,447,085.41	27.19	27.93	1,486,361.31	39,275.90
LAM RESH CORP COM	15,663	440,934.75	28.15	85.57	1,340,225.08	899,290.33
LEAR CORP COM NEW COM NEW	10,200	781,490.00	76.62	107.13	1,092,683.29	311,193.29
LEIDOS HLDGS INC COM LINCOLN NATL CORP COM	21,035 22,277	851,320.22 926,207.13	40.47 41.58	41.39 53.63	870,578.23 1,194,753.30	19,258.01 268,546.17
LOCKHEED MARTIN CORP COM	52,967	7,814,956.93	147.54	202.27	10,713,853.48	2,898,896.55
M & T BK CORP COM	69,800	5,351,020.13	76.66	126.60	8,836,494.87	3,485,474.74
MACYS INC COM STK	47,798	1,421,414.06	29.74	28.98	1,385,219.54 994,676.65	(36,194.52) 56,893.80
MANPOWERGROUP INC MARATHON OIL CORP COM	13,830 82,857	937,782.85 720,104.98	67.81 8.69	71.92 14.01	1,160,729.00	440,624.02
MARRIOTT INTL INC NEW COM STK CL A	12,791	853,477.16	66.72	66.91	855,873.40	2,396.24
MASTERCARD INC CL A	106,621	6,093,999.76	57.16	83.56	8,909,172.61	2,815,172.85
MEDNAX INC COM	43,360 56,507	2,289,167.98 2,454,384.09	52.79 43.44	53.95 47.64	2,339,155.78 2,692,159.88	49,987.80 237,775.79
MERCK & CO INC NEW COM METLIFE INC COM STK USD0.01	33,269	871,186.93	26.19	43.61	1,450,950.15	579,763.22
MICROSOFT CORP COM	78,929	2,150,407.37	27.24	50.29	3,969,286.17	1,818,878.80
MOHAWK INDS INC COM	5,713	688,798.65	120.57	161.60	923,216.07 1,352,803.23	234,417.42 249,111.96
MOLSON COORS BREWING CO CL B CL B MOODYS CORP COM	17,178 57,280	1,103,691.27 3,791,950.03	64.25 66.20	78.75 76.29	4,369,996.39	578,046.36
MORGAN STANLEY COM STK USD0.01	64,068	1,260,747.12	19.68	34.19	2,190,647.21	929,900.09
NAVIENT CORP COM	61,283	506,067.52	8.26	13.30	814,858.39	308,790.87
NETFLIX INC COM STK NEXTERA ENERGY INC COM	33,960 12,027	2,044,070.43 804,507.09	60.19 66.89	100.19 96.68	3,402,458.90 1,162,744.74	1,358,388.47 358,237.65
NORTHROP GRUMMAN CORP COM	6,393	345,288.62	54.01	188.22	1,203,321.38	858,032.76
NVIDIA CORP COM	15,033	742,884.34	49.42	86.38	1,298,606.04	555,721.70
OMNICOM GROUP INC COM	12,638	720,340.43	57.00	68.88	870,489.43	150,149.00
OMNICOM GROUP INC COM ORACLE CORP COM	46,700 268,200	1,952,014.49 5,244,448.77	41.80 19.55	68.88 31.12	3,216,636.85 8,345,640.62	1,264,622.36 3,101,191.85
ORACLE CORP COM	191,700	3,361,713.74	17.54	31.12	5,965,172.66	2,603,458.92
OWENS CORNING NEW COM STK	22,983	718,650.75	31.27	41.73	959,012.32	240,361.57
PARKER-HANNIFIN CORP COM	62,915 98,100	4,873,378.89 3,943,614.69	77.46 40.20	113.30 84.68	7,128,313.61 8,306,724.26	2,254,934.72 4,363,109.57
PEPSICO INC COM PEPSICO INC COM	29,502	2,249,990.48	76.27	84.68	2,498,113.96	248,123.48
PERRIGO COMPANY LIMITED COM EURO.001	61,900	5,940,738.80	95.97	67.36	4,169,414.82	(1,771,323.98)
PFIZER INC COM	152,437	2,969,061.21	19.48	26.29	4,006,922.80	1,037,861.59 2,826,116.45
PFIZER INC COM PFIZER INC COM	217,000 343,660	2,877,894.05 7,900,749.53	13.26 22.99	26.29 26.29	5,704,010.50 9,033,365.20	1,132,615.67
PHILIP MORRIS INTL COM STK NPV	85,800	3,024,464.41	35.25	74.04	6,352,804.30	3,328,339.89
PIONEER NAT RES CO COM	9,969	1,047,081.09	105.03	145.73	1,452,772.21	405,691.12
PNC FINANCIAL SERVICES GROUP COM STK PRAXAIR INC COM	20,824 69,400	1,055,731.17 5,312,263.46	50.70 76.55	94.65 94.84	1,971,088.28 6,581,950.11	915,357.11 1,269,686.65
PRINCIPAL FINL GROUP INC COM STK	32,535	976,649.95	30.02	46.83	1,523,469.63	546,819.68
PROCTER & GAMBLE COM NPV	16,440	908,847.68	55.28	68.05	1,118,662.49	209,814.81
PROGRESSIVE CORP OH COM	246,180	4,339,419.24	17.63	28.73 42.72	7,072,707.24 1,284,279.79	2,733,288.00 211,602.67
PROLOGIS INC COM PVH CORP COM USD1	30,061 9,343	1,072,677.12 625,900.27	35.68 66.99	73.03	682,322.98	56,422.71
QUALCOMM INC COM	37,386	1,505,774.58	40.28	52.77	1,972,700.52	466,925.94
QUANTA SVCS INC COM	28,159	764,510.00	27.15	28.20	794,190.29	29,680.29
QUINTILES IMS HOLDINGS INC COM USD0.01	102,480 30,003	6,156,091.07 883,055.97	60.07 29.43	61.55 27.81	6,307,291.41 834,300.30	151,200.34 (48,755.67)
RANGE RES CORP COM RAYTHEON CO USD0.01	10,776	531,263.03	49.30	114.92	1,238,370.19	707,107.16
REINSURANCE GROUP AMER INC COM NEW STK	13,009	625,476.17	48.08	101.83	1,324,746.17	699,270.00
ROSS STORES INC COM	21,878	621,641.53	28.41	53.09	1,161,491.45	539,849.92 (31,581.73)
S&P GLOBAL INC COM SAMSONITE INTL SA	8,100 2,157,000	736,533.84 4,515,927.61	90.93	87.03 2.31	704,952.11 4,987,124.82	471,197.21
SCHLUMBERGER LTD COM COM	77,000	3,424,751.19	44.48	67.94	5,231,376.62	1,806,625.43
SCHLUMBERGER LTD COM COM	22,566	1,108,111.96	49.11	67.94	1,533,133.05	425,021.09
SERVICEMASTER GLOBAL HLDGS INC COM SMUCKER J M CO COM NEW	109,354 9,963	3,068,298.28 1,116,611.77	28.06 112.08	30.49 103.64	3,333,764.02 1,032,543.10	265,465.74 (84,068.67)
STANLEY BLACK & DECKER INC COM	13,155	797,832.45	60.65	92.82	1,221,014.91	423,182.46
STATE STR CORP COM	18,197	965,934.68	53.08	62.90	1,144,556.27	178,621.59
SUN TR BANKS INC COM	35,317	1,039,259.16 823,050.25	29.43 92.66	44.39 138.92	1,567,707.37 1,233,912.71	528,448.21 410,862.46
SVB FINANCIAL GROUP COMMON STOCK SWIFT TRANSN CO CL A CL A COM STK	8,882 39,650	795,311.47	20.06	19.71	781,672.87	(13,638.60)
SYNCHRONY FINL COM	58,669	1,237,583.50	21.09	29.35	1,722,109.66	484,526.16
SYSCO CORP COM	25,437	1,002,857.83	39.43	44.81	1,139,842.84	136,985.01
TE CONNECTIVITY LTD TERADYNE INC COM	121,100 56,990	1,917,815.39 749,659.37	15.84 13.15	56.07 20.56	6,789,793.78 1,171,485.55	4,871,978.39 421,826.18
TEXAS INSTRUMENTS INC COM	17,913	706,564.42	39.44	59.05	1,057,833.30	351,268.88
THE PRICELINE GROUP INC	1,098	910,256.85	829.01	1,186.47	1,302,742.69	392,485.84
THERMO FISHER CORP	8,192	738,062.99	90.10	114.19	935,452.02 6,094,026.88	197,389.03 1,842,693.87
THERMO FISHER CORP TIME WARNER INC USD0.01	53,367 29,402	4,251,333.01 1,794,857.47	79.66 61.05	114.19 78.12	2,296,908.74	502,051.27
TJX COS INC COM NEW	90,600	4,178,022.26	46.12	60.80	5,508,662.28	1,330,640.02
T-MOBILE US INC COM	29,808	1,216,230.70	40.80	46.54	1,387,333.16	171,102.46
TWENTY-FIRST CENTURY FOX INC CL A	54,183 28,660	1,210,671.96 610,280.83	22.34 21.29	22.69 37.29	1,229,548.37 1,068,792.06	18,876.41 458,511.23
UGI CORP NEW COM UNITED CONTL HLDGS INC COM STK	28,660	818,138.21	35.48	58.98	1,360,045.37	541,907.16
UNITED RENTALS INC COM	17,104	1,034,614.48	60.49	85.44	1,461,449.82	426,835.34
UNITEDHEALTH GROUP INC COM	55,816	2,859,786.01	51.24	129.52	7,229,226.21 1,232,596.51	4,369,440.20 318,775.28
VALERO ENERGY CORP COM STK NEW VARIAN MEDICAL SYSTEMS INC	22,293 100,480	913,821.23 4,738,620.00	40.99 47.16	55.29 72.66	1,232,596.51 7,300,688.00	2,562,068.00
VALIDATE WILDIOAL OT OT LIVE INC		Page 18	-11.10	, 2.00	.,555,566.66	-,,
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	FORTI OLIO VA	ALUATION				
Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)	Curre	ency - Sterling			Report Date -	31-12-16
managonioni, Eurigioni i antiono, Caraoni a i antiono (Giossa Equity)		Cost	Average	Market Price	<u>Market</u> Value	<u>Unrealised</u> <u>Gain/Loss</u>
	Holding	Cost £	Cost £	£	£	£
VCA INC	17,641	957,685.59	54.29	55.56	980,095.29	22,409.70
VERIZON COMMUNICATIONS COM VISA INC COM CL A STK	45,106 126,900	1,828,515.54 5,011,790.69	40.54 39.49	43.20 63.14	1,948,576.44 8,012,575.41	120,060.90 3,000,784.72
VISA INC COMICE A STK	27,568	1,296,129.50	47.02	63.14	1,740,667.29	444,537.79
VMWARE INC CL A COM CL A COM	18,613	1,041,310.85	55.95	63.72	1,185,935.83	144,624.98
WALGREENS BOOTS ALLIANCE INC COM WALT DISNEY CO	49,949 73,810	1,992,894.65 5,058,638.73	39.90 68.54	66.98 84.34	3,345,429.19 6,225,451.24	1,352,534.54 1,166,812.51
WELLS FARGO & CO NEW COM STK	44,653	1,385,086.98	31.02	44.60	1,991,524.32	606,437.34
WELLS FARGO & CO NEW COM STK	145,600	2,848,564.93	19.56	44.60	6,493,761.70	3,645,196.77
WESTN DIGITAL CORP COM WILLIS TOWERS WATSON PLC COM USD0.000115	21,569	851,680.72 5,716,470.04	39.49 86.75	54.99 98.96	1,186,107.45 6,521,072.74	334,426.73 804,602.70
ZIMMER BIOMET HLDGS INC COM	65,896 81,375	5,152,960.19	63.32	83.52	6,796,342.56	1,643,382.37
ZIONS BANCORP COM	43,110	905,290.23	21.00	34.83	1,501,602.03	596,311.80
ZIONS BANCORP COM	126,570	3,503,371.72	27.68	34.83	4,408,670.13	905,298.41
		437,263,187.85			642,602,348.31	205,339,160.46
TOTAL NORTH AMERICA		452,193,226.66			657,205,635.60	205,012,408.94
EMERGING MARKETS						
Argentina						
ADR TENARIS S A SPONSORED ADR	191,700	4,668,962.16	24.36	28.90	5,540,086.23	871,124.07
Brazil						
ADR BANCO BRADESCO S A SPONSORED ADR REPSTG PFD SHS	901,428	6,121,827.48	6.79	7.05	6,354,095.83 1.026.735.52	232,268.35
ADR ITAU UNIBANCO HLDG SA SPONSORED ADR REPSTG 500 PFD ADR VALE S A ADR	123,413 173,998	857,810.40 1,069,965.45	6.95 6.15	8.32 6.17	1,073,010.05	168,925.12 3,044.60
,,	0.5055	Sen master and				
		8,049,603.33			<u>8,453,841.40</u>	404,238.07
China ADR ALIBABA GROUP HOLDING LTD SPONSORED ADS	20,510	1,319,969.32	64.36	71.06	1,457,518.91	137,549.59
ADR ALIBABA GROUP HOLDING LTD SPONSORED ADS	43,540	3,136,036.86	72.03	71.06	3,094,118.65	(41,918.21)
ADR NETEASE INC SPONSORED ADR ADR EACH REPR 25 COM STK	4,432	733,020.35	165.39	174.27	772,376.45	39,356.10
ANHUI CONCH CEMENT 'H'CNY1 BANK OF CHINA LTD 'H'CNY1	474,000 3,425,000	971,873.07 1,135,068.12	2.05 0.33	2.20 0.36	1,043,967.93 1,229,830.84	72,094.86 94,762.72
BELLE INTERNATIONA HKD0.01	1,648,000	916,493.94	0.56	0.46	750,015.19	(166,478.75)
CHINA CONSTRUCTION BANK'H'CNY1	2,198,410	1,070,077.91	0.49	0.62	1,369,964.72	299,886.81
CHINA MOBILE LTD HKD0.10 CHINA OVERSEAS LAND & INVESTMNT HKD0.10	121,500 354,000	936,543.83 615,821.81	7.71 1.74	8.58 2.15	1,042,496.15 759,349.04	105,952.32 143,527.23
CHINA SHENHUA ENERGY CO 'H'	412,000	603,268.45	1.74	1.52	627,879.69	24,611.24
CNOOC LTD HKD0.02	1,283,000	1,236,308.36	0.96	1.01	1,299,046.67	62,738.31
ENN ENERGY COMSTK	958,000	4,300,983.12	4.49	3.33	3,189,940.30	(1,111,042.82)
PING AN INSURANCE GROUP 'H' CNY1 SINOPHARM GROUP CO. LTD. 'H'SHS CNY1	362,500 270,000	1,310,094.12 1,032,898.30	3.61 3.83	4.05 3.34	1,468,135.36 900,452.88	158,041.24 (132,445.42)
TENCENT HLDGS LIMITED COMMON STOCK	111,100	1,180,425.02	10.62	19.80	2,199,924.38	1,019,499.36
		20,498,882.58			21,205,017.16	706,134.58
India						
ADR HDFC BK LTD ADR REPSTG 3 SHS	23,539	487,646.07	20.72	49.11	1,155,947.59	668,301.52
ADR ICICI BK LTD ADR ICICI BK LTD	105,958 620,582	579,065.18 4,531,078.20	5.47 7.30	6.06 6.06	642,273.69 3,761,712.10	63,208.51 (769,366.10)
, in the second	320,002	1,001,0101				
		5,597,789.45			5,559,933.38	(37,856.07)
Indonesia	44 400	540 700 04	40.45	00.00	074 500 00	450 047 40
ADR PERUSAHAAN PERSEROAN PERSERO P T TELEKOMUNIKIASI BANK RAKYAT INDONESIA PERSER	41,168 1,120,200	512,702.81 636,053.63	12.45 0.57	23.60 0.70	971,520.23 785,613.28	458,817.42 149,559.65
	1,1-1,-1					
		<u>1,148,756.44</u>			<u>1,757,133.51</u>	608,377.07
Israel	44.007	1 000 005 00	00.44	00.04	4 004 405 07	445 000 45
ADR TEVA PHARMACEUTICAL INDS CHECK PT SOFTWARE TECHNOLOGIES ORDILS.01	41,637 101,700	1,336,835.32 5,479,703.25	32.11 53.88	29.34 68.35	1,221,495.87 6,951,469.02	-115,339.45 1,471,765.77
MOBILEYE NV EURO.01	98,600	3,031,562.39	30.75	30.85	3,041,826.01	10,263.62
		0.040.400.00			44 044 700 00	1,366,689.94
		<u>9,848,100.96</u>			<u>11,214,790.90</u>	1,300,003.94
Korea, Republic Of ADR POSCO SPONSORED ADR	37,566	1,416,519.41	37.71	42.53	1,597,615.39	181,095.98
HANKOOK TIRE CO KRW500	26,165	910,429.57	34.80	38.86	1,016,853.19	106,423.62
SAMSUNG ELECTRONIC KRW5000	1,596	1,291,915.53	809.47	1,207.44	1,927,068.70	635,153.17
SAMSUNG ELECTRONIC PFD KRW5000 SK HYNIX INC	9,400 42,404	3,136,414.12 1,123,753.56	333.66 26.50	960.19 29.95	9,025,755.58 1,270,058.93	5,889,341.46 146,305.37
SK INNOVATION CO.LTD KRW5000	8,946	975,925.44	109.09	98.16	878,164.84	-97,760.60
		8,854,957.63			15,715,516.63	6,860,559.00
Maxico		0,004,001.00			1011.1010.00	2,223,000.00
Mexico ADR FOMENTO ECONOMICO MEXICANO SAB DE CV	101,400	4,939,276.83	48.71	61.68	6,253,951.06	1,314,674.23
GRUPO AEROPORTUARIO DEL SURESTE S.A.B DEC.V.	5,731	451,713.89	78.82	116.45	667,368.31	215,654.42
GRUPO FINANCIERO BANORTE S A B DE C V	663,302	2,004,339.17	3.02	4.02	2,665,585.69	661,246.52
		7,395,329.89			9,586,905.06	2,191,575.17
Russian Federation						
ADR PJSC LUKOIL SPONSORED ADR	40,893	1,419,445.03	34.71	45.42	1,857,253.55	437,808.52
ADR SBERBANK RUSSIA SPONSORED ADR MAGNIT PJSC GDR REGS	175,987 32,778	821,181.22 961,170.78	4.67 29.32	9.37 35.73	1,649,277.40 1,171,164.02	828,096.18 209,993.24
ROSNEFT OIL CO GDR EACH REPR 1 ORD 'REGS'	210,626	882,618.24	4.19	5.26	1,107,974.84	225,356.60
YANDEX N.V. COM USD0.01 CL 'A	51,170	875,094.42	17.10	16.29	833,611.61	(41,482.81)
		4,959,509.69			6,619,281.42	1,659,771.73

Boulk African Modelina Mode	Funds - Aberdeen Asset Management, JP Morgan Asset Management, Longview Partners, Sarasin & Partners (Global Equity)		Currency - Sterling			Report Date -	31-12-16
Seath Affice Control				Cost	Price	Value	Gain/Loss
FRISTRAD LTD ZARDO 11							
SHOPPITE HLOSS LTD ZARD G1194 105,146 1,062,369.22 1,010 1,015 1,066,922.30 1,77,177,177,177,177,177,177,177,177,17			626,919.76			896,159.65	
STEININGF INT IN VELICIOS 46,701 1,277,19024 483 4,191 1,105,947.7 (171,277.07) 1,073,947.3 4,801 1,105,947.7 (2,723.8) 1,105,947.8							
Tablana							
Talward Schilcon Man TWID10	TIGER BRANDS ZAR0.10						
TAMMA SEMICON MAN TWO OF COLTO SPONSORED ADR CO. 255,000 2,749,90.42 13.6 4.50 9,550,712.78 38,810.205 TAMMA SEMICONDUCTOR MIRG COLTO SPONSORED ADR CO. 256,000 5,221,195.65 20.59 23.27 5,957,775.74 735,580.00 14,743,743,743 10.00 23.27 5,957,775.74 735,580.00 14,743,743,743 10.00 23.27 5,957,775.74 735,580.00 14,743,743,743 10.00 23.27 5,957,775.74 735,580.00 14,743,743,743 10.00 23.27 5,957,775.74 735,580.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,743,743 10.00 14,743,7			9,915,189.71			8,506,365.02	(1,408,824.69)
TAMMA SEMICONDUCTOR MFG COLLTO SPONSORED ADR TURKY CARANTI BK TRY1 TURKY CARANTI BK TRY1 TURKY CARANTI BK TRY1 481,077 \$221,481,20 \$20,000 \$10 CROUP ORD GERD 738836 \$176,592 \$710,499,31 \$402 \$710,499,31 \$402 \$70,494 \$114,427,148,89 \$812,215,579 \$116,898,326,595 \$111,000 \$10 CROUP ORD GERD 738836 \$176,592 \$74,285 \$20,441,23 \$402 \$10,479,411,100 \$10 CROUP ORD GERD 738836 \$174,025 \$20,400,411,200 \$10 CROUP ORD GERD 738836 \$174,025 \$20,400,411,200 \$20	<u>Taiwan</u>						
TANIMAN SEMICONDUCTOR MFG COLTD SPONSORED ARE 25,000 25,27 5,987,778.74 735,580.00							
Tabiland KASIKORNEANK PLC THEID (ALIEN MKT) Turkey TURKIVE GARANTI BK TRY1 TOTAL EMERGING MARKETS ***BOS.255.96.55** ***DEFINE COLOR OF THE COLO							
Tubiliand Tubi	TAIWAN GENICONDUCTOR WIL G CO ETD GFONGORED ADR	230,000	3,222,193.03	20.55	25.21	0,937,773.74	755,560.05
Table Tabl			8,727,658.35			16,893,208.35	<u>8,165,550.00</u>
TURKIYE GARANTI BIK TRY1 TURKIYE GARANTI BIK TRY1 TOTAL EMERGING MARKETS 95.025.549.65 116.899.485.69 21.873,938.04 UNITED KINGDOM UNITED KINGDOM 176.522 710,499.31 4.02 7.04 1.242,714.88 532,215.57 ANGLO AMERICAN USDO SHMS 74,285 926,441.22 12.47 11.10 801,706.00 10,472.23 ANGLO AMERICAN USDO SHMS 74,285 926,441.23 12.47 11.10 801,706.00 10,472.23 ANGLO AMERICAN USDO SHMS 74,285 926,441.23 12.47 11.10 801,706.00 10,472.23 ANGLO AMERICAN USDO SHMS 10,428,714 11.10 801,706.00 10,472.23		4 056 000	4 420 220 20	0.50	4.04	F 020 000 C7	E00 7E2 44
TOTAL EMERGING MARKETS 95.025.549.65 10.00 1.75 808,325.98 1113,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,155.29 10.00 1.75 808,325.98 112,1	RASIKORNBANK PLC THB10 (ALIEN MKT)	1,256,200	4,439,328.26	3.53	4.01	5,039,080.67	599,752.41
No. Company		404.077	004 404 00	0.00	4.75	200 205 00	(440.455.04)
NITED KINGDOM 31 GROUP ORD GBP0.738638 176,522 710,499.31 4.02 7.04 1.242,714.88 532,215.57 74,285 926,441.23 11.00 881,706.00 (64,735.23) ASSOCID BRIT FOODS ORD GBP0.0588 172,055 3.071,941.16 17.85 2.745 4.722,854.85 1,850,913.68 1,8	TORRITE GARANTI BR TRYT	461,077	921,481.20	2.00	1.75	808,325.96	[113,155.24]
SIGROUP ORD GBP0.788938 176,522	TOTAL EMERGING MARKETS		95,025,549.65			116,899,485.69	21,873,936.04
ANGLO AMERICAN USD.0.54945 ASSCOD BIRT FOODS ORD GEP0.0588 172.053 ASSCOD BIRT FOODS ORD GEP0.258 BARCLAYS PLC ORD GEP0.258 2,305,030 6,016,097.88 2,61 1,62,300 3,815,4426 BIRT FOODS ORD GEP0.25 BIRT SHAMERICAN TOBACCO ORD GEP0.25 BIRT GEP0.058 BIRT GEP0							
ASSOC BRIT FOODS ORD GBP0.0568 172.053 3,071.941,16 17.65 27.45 4,722,845,485 1,659,915.06 18ARCILAYS PLC ORD GBP0.25 2,305,030 3,815,442.66 16.15 13.07 3,067,259.50 (728,183.16) 18H PBILLITON PLC USD0.50 180,000 3,815,442.66 16.15 13.07 3,067,259.50 (728,183.16) 18H PBILLITON PLC USD0.50 184,000 3,816,442.66 16.15 13.07 3,067,259.50 (728,183.16) 18H PBILLITON PLC USD0.50 184,000 3,516,697.00 45.22 2,889,417.28 51,120.26 18H PBILLITON PLC USD0.50 184,000 3,516,697.00 45.22 2,889,417.28 51,120.26 18H PBILLITON PLC USD0.50 439,739 1,738,957.00 45.22 2,889,417.28 51,120.26 18H PBILLITON PLC USD0.50 439,739 1,738,957.00 45.22 2,889,417.28 51,120.26 18H PBILLITON PLC USD0.50 183,026 1,038,984.83 12.44 14.97 1,242,899.22 21,011.39 18H PBILLITON PLC USD0.50 183,026 1,038,984.83 12.44 14.97 1,242,899.22 21,0014.39 18H PBILLITON PLC USD0.50 183,000 3,868,256.47 11.51 15.74 5,290,214.00 1,421,957.53 18H PBILLITON PLC USD0.50 185,000 3,869,256.47 11.51 15.74 5,290,214.00 1,421,957.53 18H PBILLITON PLC USD0.50 185,000 185,000 3,869,256.47 11.51 15.74 5,290,214.00 1,421,957.53 18H PBILLITON PLC USD0.50 (MR REG) 405,226 2,342,098.61 5.78 6.57 2,661,942.73 131,984.12 18H PBILLITON PLC USD0.50 (MR REG) 405,226 2,342,098.61 5.78 6.57 2,661,942.73 131,984.12 18H PBILLITON PLC USD0.50 (MR REG) 405,226 2,342,098.61 5.78 6.57 2,661,942.73 131,944.12 18H PBILLITON PLC USD0.50 (MR REG) 405,226 2,342,098.61 5.78 6.57 2,661,942.73 131,944.12 18H PBILLITON PLC USD0.50 (MR REG) 405,226 2,342,098.61 5.78 6.57 2,661,942.73 131,944.12 18H PBILLITON PLC USD0.50 (MR REG) 405,226 2,342,098.61 5.78 6.57 2,661,942.73 131,944.12 18H PBILLITON PLC USD0.50 (MR REG) 405,226 2,342,098.61 5.78 6.57 2,661,942.73 131,944.12 18H PBILLITON PLC USD0.50 (MR REG) 405,226 41 419 2.77 1,451,000 41,0							
BARCLAYS PLC ORD GBP0.25							
BHP BILLITON PLC USDO.50 BRITISH AMERICAN TOBACCO ORD GBP0.25 16.200 3.516.697.83 21.68 46.22 2.746,073.00 3.967.259.50 3.726.83.16) BRITISH AMERICAN TOBACCO ORD GBP0.25 16.200 3.516.697.83 21.68 46.22 2.989.417.28 51.120.26 BURBERRY GROUP DRD GBP0.005 83.026 1.738.959.70 2.45.42 46.22 2.989.417.28 51.120.26 BURBERRY GROUP DRD GBP0.005 83.026 1.738.959.70 2.980.84 1.738.959.70 2.980.84 2							
BRITISH AMERICAN TOBACCO ORD GBP0.25			and the second s				
BI GROUP ORD GBP0.05 BI 39.739 1,738,959.11 3,95 3,97 1,728,959.11 3,95 3,97 1,728,959.11 3,95 3,97 1,728,959.11 3,95 3,97 1,728,959.11 3,95 3,97 1,728,959.11 3,95 3,97 1,97 1,98,98.13 1,728,959.13 1,98,98.13 1,728,959.13 1,98,98.13 1,728,959.13 1,98,98.13 1,728,959.13 1,98,98.13 1,98,19	BRITISH AMERICAN TOBACCO ORD GBP0.25						
BURBERRY GROUP DRD GBP0.0005 COMPASS GROUP PLC ORD GBP0.10925 410,541 2,285,386,78 5,59 15,01 6,162,220,41 3,868,853,867 EXPERIAN ORD USDO.10 33,81,00 3,888,258,47 11,51 15,74 5,290,214.00 1,421,987,53 CLENCORE PLC ORD USDO.50 (LENCORE PLC ORD USDO.50 465,228 2,342,098,61 5,78 6,57 2,661,942,73 319,844,12 MPERIAL BRANDS PLC GBP0.10 24,527 1,458,905 1,458							
COMPASS GROUP PLC ORD GBP0.10625							
EXPERIAN ORD USD0 10 GLENCORE PLC ORD USD0 01 558,855 615,024 149 2,77 1549,987,12 744,847,70 HSBC PLC ORD USD0 50(UK REG) 405,228 2,342,038.61 5,78 6,57 2,861,942,73 318,844,12 MPERAL BRANDS PLC GBP0,10 245,27 572,865,32 23,35 35,43 868,886,89 298,203.68 KINGFISHER ORD GBP0,157142857 1,143,805 4,345,023.41 3,80 3,50 4,005,748,92 3,382,744.9) LLOYDS BANKING GP ORD GBP0.1 18,583 6,328,427.41 5,337,816,83 3,70 0,638 1,565,634,76 5,320,793,22 0,000							
GLENCORE PLC ORD USDO.01 HSBC HLDGS ORD USDS DOJUK REG) 405,228 2,342,098.61 5,78 6,57 2,681,942.73 319,844.12 IMPERIAL BRANDS PLC GBP0.10 24,527 572,865.32 23,55 34,38 888,888.98 296,203,68 1,434,5023.41 2,380 1,408,754.49 1,409,760 5,123,575.44 0,57 0,63 5,655,654.76 532,079,32 INEXT ORD GBP0.10 1,143,805 1,409,7600 1,143,805 1,23,575.44 0,57 0,63 5,655,654.76 532,079,32 INEXT ORD GBP0.10 1,142,821 1,33,781,683 3,70 2,64 3,810,490,26 1,142,821 3,37,816,83 3,70 2,64 3,810,490,26 1,142,821 3,37,816,83 3,70 2,64 3,810,490,26 1,152,732,55 1,723,781,697 1,208 1,776,697 1,083,448,80 1,409,726,97 1,208 1,776,697 1,083,448,80 1,409,726,97 1,776,97 1,083,448,80 1,808,721,83 1,809,009 1,909,12 1,909,122 1,909,122 1,900 1,909,122 1,900 1,909,122 1,909,122 1,900 1,909,122 1,9							
MPERIAL BRANDS PLC GBP0.10			835,102.42				
KINGFISHER ORD GBP0.157142857 LLOYDS BANKING OP ORD GBP0.1 LOYDS BANKING OP ORD GBP0.1 118,583 6,328,427.41 53.37 49.83 5,908,990.89 (419,436.52) NEXT ORD GBP0.10 118,583 6,328,427.41 53.37 49.83 5,908,990.89 (419,436.52) NEXT ORD GBP0.10 61,005 737,176.77 12.08 17.76 1,003,448.80 346,2271.83 PRUDENTIAL GBP0.05 1316,590 4,311,890.00 13.62 16,28 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,448.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 17.76 1,08 1,488.80 1,489.18							
LLOYDS BANKING GP ORD GBP0.1 NEXT ORD GBP0.10 118,583 6,328,427.41 53.37 49.83 5,908,990.89 (419,436,52) CCADG GROUP PLC ORD GBP0.02 1,442,821 5,337,816.83 3.70 2,64 3,810,490.26 (1,527,326,57) PERSIMMON ORD GBP0.10 61,005 737,176.97 12,08 17.76 1,083,448.80 346,271.83 PRUDENTIAL GBP0.05 316,590 4,311,890.00 13,62 RIO TINTO ORD GBP0.10 54,387 1,585,204.87 28,79 31,59 1,717,181.70 151,976.83 RIO TINTO ORD GBP0.10 54,387 1,585,204.87 28,79 31,59 1,717,181.70 151,976.83 RIO TINTO ORD GBP0.10 54,387 1,585,204.87 28,79 31,59 1,717,181.70 151,976.83 RIO TINTO ORD GBP0.10 29,109,122 ROLLS ROYCE HLDGS C SHS ENTITLEMENT (JAN2017 29,109,122 ROLLS ROYCE HLDGS ORD GBP0.20 632,807 5,767,934.40 9,111 6,68 4,227,150.76 (1,540,783.64) ROYAL DUTCH SHELL 'RSHS EURO.07(GBP) 117,599 2,580,973.62 21.95 22.43 2,637,157.59 56,183.96 SHIRE PLC ORD GBP0.05 39,166 1,797,341.63 4,589 46.84 1,834,535.44 37,193.81 RSHS PLC ORD GBP0.05 STANDARD CHARTERED PLC SHS 704,339 1ESCO ORD GBP0.05 52,064 681,941.85 1,311 1,54 801,368.24 119,426.39 1ESCO ORD GBP0.05 154,109,100 8,059,970.64 1,98 1,99 1,90 1,90 1,90 1,90 1,90 1,90 1,90							
NEXT ORD GBP0.10 OCADO GROUP PLC ORD GBP0.02 1,442,821 5,337,818,83 3,70 2,244 3,810,490,226 (1,527,326,57) PERSIMMON ORD GBP0.10 61,005 737,176,97 12.08 17,76 1,083,448,80 346,271,83 PRUDENTIAL GBP0.05 110,080,448,80 346,271,83 PRUDENTIAL GBP0.05 1316,590 4,311,890,00 13.62 16.28 15,152,502,25 840,612,25 8							
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PRUDENTIAL GBP0.05 RIO TINTO ORD GBP0.10 S4,367 RIO SERVICE HLDGS C SHS ENTITLEMENT (JAN2017 29,109,122 0.00 0.00 0.00 0.9,109,122 29,109,122 ROLLS ROYCE HLDGS ORD GBP0.20 ROYAL DUTCH SHELL "SHS EURO.07(GBP) 117,599 2,580,973.62 21.95 22.43 2,637,157.58 56,183.96 ROYAL DUTCH SHELL "BYORD EURO.07 219,300 4,380,376.64 19.97 23.54 5,162,322.00 781,945.36 SHIRE PLC ORD GBP0.05 STANDARD CHARTERED PLC SHS 704,376 8,485,059.40 12.05 6.64 4,674,239.14 (3,810,820.26) TAYLOR WIMPEY ORD GBP0.01 522,064 681,941.85 1.31 1.54 801,368.24 119,426.39 TESCO ORD GBP0.05 TESCO ORD GBP0.05 TESCO ORD GBP0.05 TODA FOR GROUP ORD USD0.2095238 4,109,100 8,059,970.64 1.96 2.00 8,212,06.35 152,065.71 VODAFONE GROUP ORD USD0.2095238 4,233,319 9,441,817.04 2.23 2.00 8,460,288.02 (981,529.02) WEIR GROUP ORD USD0.2095238 4,9682 706,204.00 14.21 18.90 938,998.00 232,785.80 WHITEREAD ORD GBP0.15 686,008 DRO.15 686,008 0.306,209.10 WHITEREAD ORD GBP0.16 689,01 175,755 6,942,739.71 39.50 37.76 6,636,508.80 (306,230.91) WHITEREAD ORD GBP0.17 688,008 122,785.80 WPP PLC ORD GBP0.10 68,408 1,230,793.90 17.99 18.16 1,242,289.28 11,495.38 WPP PLC ORD GBP0.10 68,408 1,230,793.90 17.99 18.16 1,242,289.28 11,495.38 WPP PLC ORD GBP0.10 348,445 2,562,772.28 7.35 18.16 6,327,761.20 3,764,886.92 TOTAL UNITED KINGDOM **TOTAL UNITED KINGDOM** **							
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ROLLS ROYCE HLDGS C SHS ENTITLEMENT (JAN2017 29,109,122 0.00 0.00 0.00 29,109,12 29,109,12 29,109,12 ROYCE HLDGS ORD GBP0.20 632,807 5,767,934,40 9.11 6.68 4,227,150.76 (1,540,783.64) ROYAL DUTCH SHELL 'A'SHS EUR0.07(GBP) 117,599 2,580,973.62 21,95 22.43 2,637,157.58 56,183,968 ROYAL DUTCH SHELL 'B'ORD EUR0.07 219,300 4,380,376.64 19.97 23.54 5,162,322.00 781,945.36 SHIRE PLC ORD GBP0.05 39,166 1,797,341.63 45.89 46.84 1,834,535.44 37,193.81 STANDARD CHARTERED PLC SHS 704,376 8,485,059.40 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 4,674,239.14 (3,810,820.26 174) 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.80,138.82 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.64 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.81,941.85 1.31 1.54 801,388.24 119,426.39 12.05 6.81,941.85 1.31 1.31 1.54 801,388.24 119,426.39 12.05 6.81,941.85 1.31 1.31 1.54 801,388.24 1.31 1.31 1.54 801,388.24 1.31 1.31							
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STANDARD CHARTERED PLC SHS TAYLOR WIMPEY ORD GBP0.01 522,064 681,941,855 1.31 1.54 801,388.24 119,426.39 119,509,70,64 1.96 2.00 8.212,036.35 152,065.71 100,040 11,168,437.15 12,109,100 8.059,970.64 1.96 2.00 8.460,288.02 (981,529,02) 8.460,288.02 (981,529,02) 8.460,288.02 (981,529,02) 8.460,288.02 (981,529,02) 119,475,755 119,4							
TAYLOR WIMPEY ORD GBP0.01 TESCO ORD GBP0.05 TESC							
VODAFONE GROUP ORD USD0.2095238	TAYLOR WIMPEY ORD GBP0.01		681,941.85				
VODAFONE GROUP ORD USD0.2095238							
WEIR GROUP ORD GBP0.125 WHITBREAD ORD GBP0.76797385 WHITBREAD ORD GBP0.76797385 175,755 6,942,739.71 39.50 37.76 6,636,508.80 (306,230.91) WHORD CROWN GBP0.10 180,776 6,88,08 1,230,793.90 17.99 18.16 1,242,289.28 1,495.38 WPP PLC ORD GBP0.10 348,445 2,562,772.28 7.35 18.16 6,327,761.20 3,764,988.92 TOTAL UNITED KINGDOM 121,923,831.84 131,402,304.56 9,478,472.72 Total Investments 887,976,686.05 1,211,550,930.36 323,574,244.31 Cash Balance 32,167,626.13							
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WHITBREAD ORD GBP0.76797385 180,776 6,885,604.02 36,98 37.76 6,826,101.76 140,497.74 WPP PLC ORD GBP0.10 68,408 1,230,793.90 17.99 18.16 1,242,289.28 11,495.38 MPP PLC ORD GBP0.10 348,445 2,562,772.28 7.35 18.16 6,327,761.20 3,764,988.92 TOTAL UNITED KINGDOM 121,923,831.84 131,402,304.56 9,478,472.72 Total Investments 887,976,686.05 1,211,550,930.36 323,574,244.31 Cash Balance 32,167,626.13 32,167,626.13							
WPP PLC ORD GBP0.10 348,445 2,562,772.28 7.35 18.16 6,327,761.20 3,764,988.92 TOTAL UNITED KINGDOM 121,923,831.84 131,402,304.56 9,478,472.72 Total Investments 887,976,686.05 1,211,550,930.36 323,574,244.31 Cash Balance 32,167,626.13 32,167,626.13		180,776	6,685,604.02		37.76	6,826,101.76	140,497.74
TOTAL UNITED KINGDOM 121,923,831.84 131,402,304.56 9,478,472.72 Total Investments 887,976,686.05 1,211,550,930.36 323,574,244.31 Cash Balance 32,167,626.13 32,167,626.13							
Cash Balance 32,167,626.13 32,167,626.13		2.2,710				# 151	
	Total Investments		887,976,686.05			1,211,550,930.36	323,574,244.31
Total Value of Portfolio 920,144,312.18 1,243,718,556.49	Cash Balance		32,167,626.13			32,167,626.13	
	Total Value of Portfolio	-	920,144,312.18			1,243,718,556.49	

Fund - Insight Investment (Global Corporate Bonds)	Currency - Ster	ing			Report Date -	31-12-16
		Cost	Average Cost	Market Price	Market Value	<u>Unrealised</u> <u>Gain/Loss</u>
Corneyate Panda (CDD)	Holding	£	£	£	£	£
Corporate Bonds (GBP)						
ABBEY NATL TRSY SV 4.125% GTD MTN 14/09/17 GBP ABN AMRO BANK NV BNDS 4.875% 16 JAN 2019	2,000,000 2,000,000	2,155,200.00 2,255,800.00	1.08 1.13	1.02 1.09	2,047,562.00 2,173,292.00	(107,638.00) (82,508.00)
ANGLIAN WATER SVCS 5.837% A/BKD 30/07/2022 GBP	1,381,000	1,696,135.75	1.23	1.24	1,708,302.52	12,166.77
ANHEUSER-BUSCH INB 9.75% GTD SNR 30/07/24 GBP	1,900,000	3,048,010.00	1.60	1.55	2,937,582.40	(110,427.60)
ANNINGTON FIN NO4 0% M/BKD 07/12/2022 GBP 'A' ASIF II 6.375% MTN 05/10/20 GBP1000	4,300,000 2,337,000	3,131,862.00 2,861,422.80	0.73 1.22	0.89 1.19	3,814,990.10 2,770,943.51	683,128.10 (90,479.29)
BARCLAYS BANK PLC 10% SUB 21/05/2021 GBP50000	2,900,000	3,702,514.00	1.28	1.13	3,700,733.50	(1,780.50)
BAT INTL FINANCE 6.375% GTD SNR 12/12/19GBP	1,800,000	2,255,220.00	1.25	1.16	2,088,109.80	(167,110.20)
BAT INTL FINANCE 7.25% GTD SNR 12/03/24 GBP BG ENERGY CAPITAL 5.125% GTD SNR 07/12/17 GBP	1,500,000 1,900,000	2,047,040.00 2,209,966.00	1.36 1.16	1.34 1.04	2,013,930.00 1,979,655.60	(33,110.00) (230,310.40)
BHP BILLITON FINANCE LTD 3.25% 25/09/2024 GBP1000	4,200,000	4,374,301.00	1.04	1.10	4,608,899.40	234,598.40
BK OF AMERICA CORP 6.125% SNR 15/09/2021GBP	4,000,000	4,810,934.00	1.20	1.20	4,798,720.00	(12,214.00)
BK OF SCOTLAND PLC 9.375% SUB 15/05/2021GBP	2,100,000	2,693,733.00	1.28 1.06	1.29 1.05	2,707,882.80 2,208,332.70	14,149.80 (26,067.30)
BMW FIN NV 3.375% 14/12/2018 BP CAP MARKETS PLC MTN 4.325% DUE 10/12/2018	2,100,000 2,500,000	2,234,400.00 2,834,750.00	1.13	1.03	2,676,270.00	(158,480.00)
BRITISH TELECOM 6.625% EMTN 23/06/2017 GBP	1,900,000	2,287,258.00	1.20	1.03	1,952,143.60	(335,114.40)
CITIGROUP INC 7.625% SNR 03/04/2018 GBP	1,800,000	2,250,378.00	1.25	1.09	1,953,273.60	(297,104.40)
COMCAST CORP NEW 5.5% DUE 11-23-2029 CRED SUIS GP FUN LTD 3.0% 27/05/2022	2,000,000 1,500,000	2,266,400.00 1,524,900.00	1.13 1.02	1.35 1.03	2,705,528.00 1,542,997.50	439,128.00 18,097.50
CREDIT AGRICOLE LONDON 5.5% 17/12/2021	2,000,000	2,283,580.00	1.14	1.20	2,403,112.00	119,532.00
CREDIT AGRICOLE SA 7.375% SUB 18/12/2023GBP	950,000	1,117,881.00	1.18	1.29	1,222,696.55	104,815.55
DAIMLER AG MTN 1.0% 1.0% 20/12/2019 DEUTSCHE TELEKOM I 7.375%-VAR SNR 04/12/19 GBP	4,774,000 1,700,000	4,758,293.54 2,231,766.78	1.00 1.31	1.00 1.19	4,791,300.98 2,017,906.80	33,007.44 (213,859.98)
E.ON INTERNATIONAL 6% GTD SNR MTN 30/10/19 GBP	1,800,000	2,234,113.00	1.24	1.14	2,052,905.40	(181,207.60)
EDF 6.875% SNR 12/12/2022 GBP	1,700,000	2,229,924.00	1.31	1.29	2,198,497.80	(31,426.20)
ENEL FINANCE INTL 5.625% MTN 14/08/2024 GBP ESB FINANCE DAC 6.5% GTD SNR 05/03/2020 GBP	3,400,000 1,200,000	4,259,206.00 1,396,512.00	1.25 1.16	1.22 1.17	4,149,336.20 1,399,659.00	(109,869.80) 3,147.00
EVERSHOLT FUNDING PLC 5.831% 02/12/2020	1,900,000	2,240,632.00	1.18	1.17	2.217.714.20	(22,917.80)
EVERSHOLT FUNDING PLC 6.359% 02/12/2025	1,500,000	1,986,375.00	1.32	1.32	1,979,589.00	(6,786.00)
FCE BANK 2.727% SNR 03/06/2022 GBP	3,500,000	3,623,415.20	1.04	1.04	3,635,413.25 3,019,772.50	11,998.05 182,617.50
GATWICK FUNDING LI 5.25% A/BKD 23/01/2024 GBP GE CAP UK FDG UNLI 5.125% SNR 24/05/2023GBP	2,500,000 1,500,000	2,837,155.00 1,835,865.00	1.13 1.22	1.21 1.22	1,829,304.00	(6,561.00)
GE CAP UK FDG UNLI 5.875% GTD SNR 04/11/20 GBP	1,900,000	2,276,640.80	1.20	1.19	2,251,762.20	(24,878.60)
GLENCORE FIN MTN 27/02/2019	2,000,000	2,284,300.00	1.14	1.10	2,200,551.00	(83,749.00)
GOLDMAN SACHS GRP 6.125% SNR 14/02/2017 GBP GOODMAN AUS FIN 9.75% GTD SNR 16/07/18 GBP	2,000,000 752,000	2,270,890.80 857,317.60	1.14 1.14	1.01 1.12	2,012,158.00 845,190.10	(258,732.80) (12,127.50)
GREAT ROLLING ST 6.25% GTD SNR 27/07/20 GBP	2,350,000	2,850,868.50	1.21	1.16	2,735,650.28	(115,218.22)
HAMMERSON 3.5% SNR 27/10/25 GBP100000	1,500,000	1,608,750.00	1.07	1.07	1,607,256.75	(1,493.25)
HEATHROW FUNDING 5.225%-FRN 15/02/2025 GBP HSBC BANK 6.5% SUB 07/07/2023 GBP1000	3,500,000 3,400,000	4,101,118.00 4,217,190.08	1.17 1.24	1.19 1.23	4,166,744.75 4,191,159.60	65,626.75 (26,030.48)
IBERDROLA FINANZAS 7.375% GTD SNR 29/01/24 GBP	3,000,000	4,127,658.00	1.38	1.34	4,031,610.00	(96,048.00)
IMPERIAL TOB FIN 15/03/2024	1,200,000	1,721,484.00	1.43	1.39	1,667,108.40	(54,375.60)
IMPERIAL TOBACCO FINANCE 7.75% 24/06/2019 ING BANK NV 5.375% 15/04/2021	1,700,000 2,600,000	2,212,057.00 3,015,080.00	1.30 1.16	1.16 1.18	1,979,697.60 3,061,637.80	(232,359.40) 46,557.80
INNOGY FINANCE BV 5.5% GTD SNR 06/07/2022 GBP	1,900,000	2,261,304.00	1.19	1.19	2,260,791.00	(513.00)
INNOGY FINANCE BV 5.625% GTD SNR 06/12/23 GBP	800,000	972,568.00	1.22	1.23	984,284.40	11,716.40
INTERSTAR MILLENNIUM 2004-4E FRN MTG/BKD14-11-2036	1,772,484	1,717,094.23	0.97	0.96 1.08	1,698,650.63 4,219,566.00	(18,443.60) 198,136.00
INTU (SGS) FINANCE PLC 17/03/2023 JP MORGAN CHASE & CO 4.25% MTN 25/01/2017	3,900,000 2,100,000	4,021,430.00 2,295,082.00	1.03 1.09	1.00	2,104,298.70	(190,783.30)
KONINKLIJKE KPN NV 5.0% 18 NOV 2026	2,800,000	3,255,588.00	1.16	1.19	3,332,742.00	77,154.00
LANARK MASTER ISSUER PLC FLOATING RATE BNDS 22 DEC 2054	4,140,159	4,293,344.71	1.04	1.01	4,178,848.60	(114,496.11)
LLOYDS BANK PLC 5.75%-FR EMTN 7/25 GBP(VAR) METLIFE INC 5.375% SNR 09/12/2024 GBP	964,000 1,600,000	1,053,052.36 1,947,568.00	1.09 1.22	1.10 1.24	1,055,680.26 1,982,598.40	2,627.90 35,030.40
MORGAN STANLEY 5.75% SNR MTN 14/02/17 GBP	2,000,000	2,212,080.00	1.11	1.01	2,011,396.00	(200,684.00)
MOTABILITY OPERATI 5.375% GTD SNR 28/06/22 GBP	1,900,000	2,293,680.00	1.21	1.22	2,316,478.10	22,798.10 (29,210.50)
NATIONAL AUSTRALIA BANK 3.625% 08/11/2017 NATIONWIDE B/S 3% SNR 06/05/2026 GBP100000	500,000 1,200,000	542,035.00 1,253,088.00	1.08 1.04	1.03 1.05	512,824.50 1,263,748.80	10,660.80
NATIONWIDE B/S 5.625% SNR 09/09/2019 GBP	300,000	355,269.00	1.18	1.13	337,507.80	(17,761.20)
NATL AUSTRALIA BK 7.125%-FRN SUB 12/06/23 GBP	2,100,000	2,420,220.00	1.15	1.08	2,261,280.00	(158,940.00)
NORTHUMBRIAN WTR F 6.875% GTD SNR 06/02/23 GBP ORANGE 5.25% SNR EMTN 05/12/25 GBP	2,000,000 1,200,000	2,552,560.00 1,500,660.00	1.28 1.25	1.30 1.25	2,600,524.00 1,498,552.80	47,964.00 (2,107.20)
ORANGE 7.25% MTN 10/11/20 GBP(VAR)	2,015,000	2,619,579.50	1.30	1.24	2,488,659.00	(130,920.50)
PORTERBROOK RAIL FIN LTD 5.5% 20/04/2019	2,500,000	2,880,000.00	1.15	1.10	2,752,812.50	(127,187.50)
ROYAL BANK OF SCOT 6.625% SNR 17/09/2018GBP SANTANDER UK GR 3.625% SNR 14/01/2026 GBP	1,700,000 2,100,000	2,074,918.00 2,178,124.00	1.22 1.04	1.10 1.03	1,863,126.90 2,157,577.80	(211,791.10) (20,546.20)
SCENTRE MGMT LTD 2.375% 08/04/2022	2,400,000	2,523,960.00	1.05	1.04	2,496,156.00	(27,804.00)
SEGRO PLC 5.5% SNR 20/06/2018 GBP1000	1,906,000	2,161,996.84	1.13	1.07	2,030,469.42	(131,527.42)
SEGRO PLC 6.75% SNR 23/11/21 GBP50000 SKY GROUP FINANCE PLC 5.75% SNR 20/10/17	1,700,000 1,900,000	2,124,388.00 2,234,020.00	1.25 1.18	1.25 1.04	2,121,202.20 1,975,618.10	(3,185.80) (258,401.90)
SOCIETE GENERALE 5.4% SUB EMTN 30/01/18 GBP	2,180,000	2,278,819.40	1.05	1.05	2,279,992.24	1,172.84
SOUTHERN GAS NETWO 5.125% SNR 02/11/2018GBP	120,000	138,000.00	1.15	1.08	129,588.60	(8,411.40)
SSE PLC 5.875% SNR 22/09/22 GBP1000 TELEFONICA EMISION 5.375% GTD SNR 02/02/26 GBP	1,640,000	2,018,971.20 1,461,348.00	1.23 1.22	1.24 1.20	2,026,867.80 1,438,014.00	7,896.60 (23,334.00)
TESCO 6.125% SNR 24/02/2022 GBP	1,200,000 1,800,000	2,224,170.00	1.24	1.14	2,049,696.00	(174,474.00)
TOTAL CAPITAL SA 3.875% SNR MTN 14/12/18GBP	2,000,000	2,249,400.00	1.12	1.06	2,125,380.00	(124,020.00)
WALES & WEST UTL FIN PLC 4.625% 13-12-2023	2,100,000	2,372,166.00	1.13	1.19	2,504,804.40	132,638.40 9,485.50
WELLS FARGO & CO 2% SNR EMTN 28/07/2025 GBP WELLS FARGO BK NA 5.25% SUB EMTN 01/08/23 GBP	500,000 3,200,000	483,595.00 3,739,992.00	0.97 1.17	0.99 1.19	493,080.50 3,796,835.20	56,843.20
WESTERN POWER EAST 5.25% SNR EMTN 17/01/23 GBP	2,500,000	2,912,480.00	1.16	1.20	2,990,930.00	78,450.00
WESTPAC BKG CORP 5% SNR 21/10/2019 GBP50000	2,300,000	2,693,345.00	1.17	1.12	2,570,829.60	(122,515.40)
WPP 2008 LIMITED 6% BDS 04/04/17 GBP1000 WPP FINANCE S.A. 6.375% GTD SNR 06/11/20GBP	1,900,000 1,500,000	2,196,134.00 1,798,275.00	1.16 1.20	1.01 1.20	1,925,154.10 1,796,626.50	(270,979.90) (1,648.50)
XSTRATA CANADA FIN 7.375% GTD SNR 27/05/20 GBP	2,215,000	2,729,901.95	1.23	1.17	2,588,127.83	(141,774.12)
YORKSHIRE WATER SV 6% A/BKD 21/08/2019 GBP'A1'	1,900,000	2,328,260.00	1.23	1.13	2,155,508.20	(172,751.80)
		200,586,765.04			197,433,712.07	(3,153,052.97)

Case	Fund - Insight Investment (Global Corporate Bonds)	Currency - S	erling			Report Date -	31-12-16
ABM Series Fee F			04				
ADMINISTRATION 1,571,000		Holding					
ANHELDER BUSCH INBEV PIN INC 3 TO LIE 0201-0204 ANA 1 SERVER PM SUB OMETINE CONTROL 1 1,000,000 ANA 1 SERVER PM SUB OMETINE SUR BUSCH PM SUB OMETINE SUR BURCH PM SUB OMETINE SUR	Corporate Bonds (Foreign Currency)						
AUST 1AV BANK CRIF 4879K BOS 144A 120/0121 AVA 5 129K-FRY SUB HOWANG EUR 200,000	ABN AMRO BANK NV 2.875%-STP SUB 18/01/28EUR	1,700,000	1,576,326.55	0.93	0.90	1,533,670.87	(42,655.68)
AXA 5.29%-FRN BUI 904079 EUR 9,0000 2,500,000 2,516,314.00 0.03 0.65 0.05 0.05 0.05 0.05 0.05 0.05 0.05							
MAY 239-FRM SUB 900M0 EUR 600,000 764,022.00 0.03 0.95 760,018.20 14,460.06 697,720.00 697,720.00 697,720.00 697,720.00 697,720.00 697,720.00 697,720.00 1,776,524.10 0.08 0.08 1,716,722.67 39,185.70 697,720.00 1,776,524.10 0.08 0.08 1,716,722.67 39,185.70 697,720.00 1,776,524.10 0.08 0.08 1,716,722.67 39,185.70 1,726.70 1,							
Section Property							
BNP PARIBAS 2 629%-STP \$U8 I 41/10/27 EUR 1, 500,000 1, 17/6,052.4 10 1, 0.38							
EDITION TERM 44299 DUE 07-11-2020 BRITISH STY READACASTRIN GROUP 375% DUE 09-16-2024 BEO 2700,000 2-232,461-51 0-38 0-81 1,2192,000-21 (40,471-51) BRITISH STY READACASTRIN GROUP 375% DUE 09-16-2024 BEO 2700,000 2-232,461-51 0-38 0-81 1,2192,000-21 (40,471-51) BRITISH STY READACASTRIN GROUP 375% DUE 09-16-2024 40,000-21 (40,471-51) BRITISH STY READACASTRIN GROUP 375% DUE 09-16-2024 40,000-21 (40,471-51) BRITISH STY READACASTRIN GROUP 375% DUE 09-16-2022 3,000-00 2-240,728.27 0-30 0-57 (23,4161-27 03,430-00) CMM-WLTH BK OF AUST 5.5% SUB-ENTN 0000016 EUR 2-000,000 2-240,728.27 0-30 0-67 2-234,161-27 03,430-00 CMM-WLTH BK OF AUST 5.5% SUB-ENTN 0000016 EUR 2-000,000 2-240,728.27 0-30 0-67 2-234,161-27 03,430-00 CMM-WLTH BK OF AUST 5.5% SUB-ENTN 0000016 EUR 2-000,000 2-240,728.27 0-30 0-67 2-234,161-27 0-30,430-00 CMM-WLTH BK OF AUST 5.5% SUB-ENTN 0000016 EUR 2-000,000 3-314,148.33 0-30 0-67 2-234,161-27 0-30,430-00 CMM-WLTH BK OF AUST 5.5% SUB-ENTN 0000016 EUR 2-000,000 3-314,148.33 0-30 0-67 2-234,161-27 0-30,430-00 CMM-WLTH STY 5.5% SUB-ENTN 0000016 EUR 2-000,000 3-314,148.33 0-30 0-67 2-234,161-27 0-70,430-00 CMM-WLTH STY 5.5% SUB-ENTN 0000016 S							
ERTINS ISTY BROADCASTING GROUP 379% DUE 00-16-2024 EEO 2700,000 2232,491.51 0.83 0.81 2,190,000.41 (40,471.40) ERRIVER RES MITS GET FRAM WERE OLD 12038 EUR AL 1407,515 1.103,841.66 0.76 0.85 1.200,016.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.66 0.76 0.85 1.200,106.59 (95,142) 1.103,841.69 0.76 0.85 1.200,106.59 (95,142) 1.103,841.69 0.85 1.200,106.59 0.85 1.200,106.69 0.							
ERUNER, RES MTG SEC FRM MIRRO O1/2009 EUR/MAX							
EURL NORTHIN EANID 4 (# 10.00 1.00							
CRISTING PINC 4.6% DUE 60-62005 CR SUSSE GROUP 3.6% DUE 60-15-2002 CR SUSSE GROUP 3.6% DUE 60-15-2002 3.00,0000 3.00000 3.000000 3.0000000000							
CR SUISSE GROUP 3 8th DUIE 09-15-2022 3.00,0000 2.684,267-35 0.800 0.82 2.694,347-79 7.0075.44 CVC SCAREMARK CORP 4 DUIE 1-16-26-2023 4.000,000 1.7475,180-33 0.83 0.85 1.600,0000 1.7475,180-78 0.89 0.89 0.89 0.80 1.728,380-88 1.528,880-88 (\$32,444-34) ELECHTRICH ED 82-2054 1.7778,880 1.778,880				0.85			
CVSC CAREMARIC CORP # DUE *12.05.2023	CMNWLTH BK OF AUST 5.5% SUB EMTN 06/08/19 EUR						
DUTCH MBS BY DUTCH 2012-17 A2 02/10/2044 1773-809 1,581,828.02 0.89 0.86 1,528,583.68 (53,244.34) ELECTRICITICE DE 3695% 19/10/2057 1,500,000 1,473,126.76 0.82 0.81 1,444,885.11 (18,231.67) E-MAC PROGRAM BY NEMACP 2007 - N.3A. A1 144A 2507/2047 1,085,777 630,042.37 0.61 0.80 0.81 237.28 195,254.91 ENTERPRISE PROCOS 3.75% DUE 02-15-02023 4700,000 3,900,000 3,900,000 0.81 0.82 4.111,447.75 EXCOLUBIOL CORP 2.7529% DUE 03-03-12023 4700,000 2,900,000 0.80 0.80 0.81 0.82 0.81 EXCOLUBIOL CORP 2.7529% DUE 03-03-0202 4,900,000 2,575,295.20 0.92 0.88 2,476,211.81 EXCOLUBIOL CORP 2.7529% DUE 03-03-0202 4,900,000 2,575,295.20 0.92 0.88 2,476,211.81 EXCOLUBIOL CORP 2.7529% DUE 03-15-0202 4,900,000 2,572,114.98 0.80 0.81 2,582,089.38 MCDONALIDS CORP 2.6529 DUE 01-5-02028 1,000,000 2,572,114.98 0.80 0.81 2,582,089.38 9,883.40 MCDONALIDS CORP 2.6529 DUE 01-5-02028 4,000,000 2,572,114.98 0.80 0.82 823,939.48 19,221.01 MCLISON CORPS 1.2596 DUE 01-30-0206 1,000,000 3,318,365.77 0.85 0.85 3,470,452.79 MCLISON CORPS 1.2596 DUE 01-30-0206 1,000,000 2,318,365.77 0.85 0.85 3,470,412.79 9,256.22 MATOWINGE 18S 5.7596 DUE 01-30-0206 1,000,000 2,258,829.03 0.82 2,284,493.77 9,2769.22 MATOWINGE 18S 5.7596 DUE 01-30-0201 3,000,000 2,258,829.03 0.82 2,285,000.95 9,221.01 MATOWINGE 18S 5.7596 DUE 01-30-0201 3,000,000 2,238,829.03 0.82 2,285,000.95 9,2474.92 HALP MORRIS INT. INC 2.0 DUE 11-15-2021 3,000,000 2,238,829.03 0.82 2,285,000.95 9,2474.92 HALP MORRIS INT. INC 2.0 DUE 11-15-2021 3,000,000 2,238,829.03 0.82 2,285,000.95 9,2474.92 HALP MORRIS INT. INC 2.0 DUE 11-15-2021 3,000,000 2,238,829.03 0.82 2,285,000.95 9,2474.92 HALP MORRIS INT. INC 2.0 DUE 11-15-2021 3,000,000 2,258,829.03 0.83 3,449,014.87 0.95 HALP MORRIS INT. INC 2.0 DUE 11-15-2021 3,000,000							
ELECTRICITÉ DE 3-825% 131/10/2025							
EMAC PROGRAM & VREMACP 2007 - NL3A A 1 144A 25/07/2047 1035,777 683,042 37 0.61 0.80 81,297.28 195,224.91 195,							
ENTERPRISE PRODS 3.75% DUE 02-15-2025 5,000,000 4,128,433.23 0.83 0.82 4,111,47.75 (16,986.46) EXXON MOBILE 03-10223 4,700,000 3,809,008.91 0.81 0.81 0.81 3,816,006.47 6,098.65 EXXON MOBILE 03-10223 4,700,000 2,505,258.95 0.84 0.84 2,088,933.93 (2,974.42) EXXON MOBILE 0. CRIS 2.05 MORE 071-52022 2,800,000 2,757,258.95 0.83 0.82 2,478,211.81 (9,947.71) EXAMERSON PLC ENDS 2.05 MORE 071-52022 4,000,000 3,779,463.95 0.83 0.82 3,778,898.27 (16,484.33) EXXON MOBILE 071-52022 REG 3,200,000 2,575,258.95 0.83 0.82 3,778,898.27 (16,484.33) EXXON MOBILE 071-52022 REG 3,200,000 2,575,114.98 0.80 0.81 2,530,84.84 19,21.01 EXXON MOBILE 071-52023 4,000,000 3,779,463.95 0.83 0.85 0.87 0.81 EXXON MOBILE 071-52024 4,000,000 3,318,356.57 0.83 0.85 3,410,412.79 82,056.25 EXXON MOBILE 071-52024 4,000,000 2,338,828.03 0.82 0.82 2,685,002.95 29,173.92 EXXON MOBILE 071-52021 3,000,000 2,038,828.03 0.82 0.82 2,685,002.95 29,173.92 EXXON MOBILE 071-52021 3,000,000 2,038,828.03 0.82 0.82 2,685,002.95 29,173.92 EXXON MOBILE 071-52021 3,000,000 2,038,828.03 0.82 0.82 2,685,002.95 29,173.92 EXXON MOBILE 071-52021 3,000,000 2,038,828.03 0.82 0.82 2,685,002.95 29,173.92 EXXON MOBILE 071-52021 3,000,000 2,038,828.03 0.82 0.82 2,685,002.95 29,173.92 EXXON MOBILE 071-52021 3,000,000 2,038,828.03 0.82 0.82 2,685,002.95 EXXON MOBILE 071-52021 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000 EXXON MOBILE 071-52021							
GOLDMAN SACHS 498 DUE 03-03-2024 2,500,000 2,515-598-52 0,92 0.88 2,478-21.81 (99-047-71) HAMMERSON DIC BIOS 20% 06 101/72022 2,800,000 2,575-598-52 0,92 0.88 2,478-21.81 (199-047-71) KRAFT HENZ FOODS 35% DUE 07-15-2022 4,600,000 3,787-683-59 0.83 0.82 3,778-699.27 (18.494-32) KRAFT HENZ FOODS 35% DUE 07-15-2022 4,600,000 3,787-683-59 0.83 0.82 3,778-699.27 (18.494-32) KRODNALDS CORP 2.875 DUE 01-13-20208 1,000,000 3,787-683-59 0.80 0.81 4,582-599.28 (18.494-32) MCDONALDS CORP 2.875 DUE 01-13-20208 1,000,000 3,834-585-7 0.83 0.85 3,810,412-79 9,20-52.28 0,000,000 1,000,000 1,000,000 1,000,000		5,000,000					
HAMMERSON PLC BINDS 20% 01/07/2022							
RRAFT HENIZ FOODS 3 9th DUE 07-15-2022							
MCDONALDS CORP 2 286 DUE 01-15-022 REG 1,000,000 8,000 8,000 0.81 2,952,008.38 9,983.40 MCDONALDS CORP 37% DUE 01-30-2026 1,000,000 8,000 4,415.45 0.80 0.82 83,986.46 19,621 01 MCLSONA COORS 1,29% DUE 07-15-2024 4,000,000 3,318,366.67 0.83 0.85 34/10,412.79 9,2056.22 MCLSON COORS 1,29% DUE 07-15-2024 4,000,000 3,318,366.67 0.83 0.85 34/10,412.79 9,2056.22 MCLSON COORS 1,29% DUE 07-15-2021 3,600,000 2,935,629.03 0.82 0.82 2,965,002.95 23,173.97 NEWELL BRANDS INC 3,15% DUE 04-01-2021 3,600,000 2,935,629.03 0.82 0.82 2,965,002.95 23,173.97 NEWELL BRANDS INC 3,15% DUE 04-01-2021 3,000,000 2,033,613.88 0.67 0.67 2,606,501.00 NCRDEA BRA 6,475% DUE 05-13-2021 3,200,000 2,617,463.84 0.82 0.82 2,262,463.77 6,979.93 RABODANK 4,1409/22 EUR 2,700,000 2,281,115.95 0.84 0.99 2,658,290.58 376,980.68 REYNOLDS AMERN INC FIXED 4.45% DUE 06-12-2025 4,600,000 4,044,685.07 0.88 0.85 3,930,507.01 (134,178.06) SCENITES GROUP TR 12 FEXED 3,5% DUE 02-12-2025 2,000,000 1,678,810.31 0.84 0.80 1,598,227.78 (80,582.55) SCHILLIMERGER HLDGS 4% DUE 12-21-2025 3,000,000 3,238,618.08 0.83 0.85 3,307,701.48 69,053.40 SHELLI INT. FINE N 2 4.45 DUE 06-12-2023 1,624,000 1,348,310.91 0.83 0.85 1,348,701.46 69,053.40 SHELLI INT. FINE N 3 4.4% DUE 06-12-2025 1,000,000 3,238,618.08 0.83 0.85 3,307,701.48 69,053.40 SHELLI INT. FINE N 5 4.45 DUE 10-15-2021 4,100,000 3,433,910.79 0.83 0.84 3,449,222.99 3,522.17 0.50 SIMON INTE FIN SCA 1,25% GTD SNR 13,066/25 EUR 4,000,000 3,333,006.46 0.83 0.86 3,439,165.43 105,688.97 SMUCKER JN CO. 3.5% DUE 10-15-2021 4,100,000 3,413,901.79 0.83 0.84 3,449,222.99 3,522.11 0.50 SIMON INTE FIN SCA 1,25% GTD SNR 13,066/25 EUR 1,000,000 1,443,437.25 0.90 0.88 1,402,402.11 (31,857.04) SPI AUSTRALIA ASSETS FIY MIN 3,609/2023 3,200,000 1,444,409 1,444,4							
MCDONALDS CORP 3.7% DUE 01-30-2026							
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SOCIETE CENERAL 2.5% STP SUB 16/09/2026EUR 1,600,000 1,434,397.25 0,90 0,88 1,402,540.21 (31,857.04) SPECTRA ENERGY 3.5% DUE 03-15-2025 5,100,000 4,127,452.28 0,81 0,79 4,031,355.00 (96,967.28) SPECTRA ENERGY 3.5% DUE 01-15-2024 3,200,000 2,576,078.52 0,81 0,80 0,79 4,031,355.00 (96,967.28) SPECTRA ENERGY 3.5% DUE 01-15-2024 4,800,000 3,834,652.96 0,80 0,79 3,813,052.87 (21,600.09) SYDNEY AIRPORT FINANCE 2.75% 230/4/2024 1,300,000 1,324,961.13 1,00 0,94 1,225,245.58 (68,815.55) SYDNEY AIRPORT FINANCE 3.625% 04-28-2026 1,000,000 837,108.83 0,84 0,80 795,755.33 (41,353.50) SYDNEY AIRPORT FINANCE 3.625% 04-28-2026 1,000,000 837,108.83 0,84 0,80 795,755.33 (41,353.50) SYDNEY AIRPORT FINANCE 3.625% 04-28-2026 1,000,000 837,108.83 0,84 0,80 795,755.33 (41,353.50) SYDNEY AIRPORT FINANCE 3.625% 04-28-2026 1,000,000 837,108.83 0,84 0,80 795,755.33 (41,353.50) TELEFORM 4.57% 04-27-2023 3,000,000 2,568,568.12 0,78 0,78 0,77 2,528,002.14 (40,563.98) TEVA 2.8% DUE 07-21-2023 3,000,000 2,568,568.12 0,78 0,77 2,528,002.14 (40,563.98) TEVA 3.15% DUE 10-01-2026 1,597,499.52 0,80 0,75 1,492,213.94 (40,563.98) TOTAL CAP INIT 2.2875% DUE 07-21-2022 2,000,000 1,597,499.52 0,80 0,75 1,492,213.94 (40,563.98) TOTAL CAP INIT 2.875% DUE 07-21-2022 2,000,000 1,597,499.52 0,80 0,75 1,492,213.94 (40,563.98) TOTAL CAP INIT 2.875% DUE 07-08-2020 3,200,000 2,258,771.62 0,79 0,81 811,863.771 (9,800.53) WAL-MART STORES 3.625% DUE 07-08-2020 3,200,000 2,258,771.62 0,71 0,86 2,737,585.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 - 2,287.49 (256,199.31) (256,199.31) FUT MAR 17 LIFL LONG GILT -112 0,00 - 2,287.49 (256,199.31) (256,199.31) (256,199.31) (256,199.31) FUT MAR 17 LIFL LONG GILT -716 0,00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.28 -719,550.00 - 1,747,101.							
SPI AUSTRALIA ASSETS PTY MTN 3.3% 09/04/2023 \$1,200,000					0.88		(31,857.04)
STATOIL ASA 2.65% DUE 01-15-2024 \$YDNEY AIRPORT FINANCE 2.75% 23/04/2024 \$YDNEY AIRPORT FINANCE 3.625% 04-28-2026 \$YDNEY AIRPORT FINANCE 3.625% 04-28-2021 \$YDNEY AIRPORT SINANCE 3.625% 04-28-202	SPECTRA ENERGY 3.5% DUE 03-15-2025	5,100,000					
SYDNEY AIRPORT FINANCE 2.75% 23/04/2024 1,300,000 1,294,061.13 1.00 0.94 1,225,245.58 (68,815.55) SYDNEY AIRPORT FINANCE 3.625% 04-28-2026 1,000,000 837,108.83 0.84 0.80 795,755.33 (41,353.50) SYDNEY AIRPORT FINANCE 3.625% 04-28-2026 1,000,000 2,598,223.89 0.87 0.85 2,547,158.38 (51,065.51) TELEFONICA 4.57% DUE 04-27-2023 3,000,000 2,598,223.89 0.87 0.85 2,547,158.38 (51,065.51) TELSTRA CORPORATION LTD 4.8 DUE 10-12-2021 BEO 3,766,000 3,288,186.99 0.88 0.88 3,321,095.81 32,908.83 TEVA 2.8% DUE 07-21-2023 3,300,000 2,568,586.12 0.78 0.77 2,528,002.14 (40,563.98) TEVA 2.8% DUE 10-12-206 2,000,000 1,597,499.52 0.80 0.75 1,492,213.94 (105,285.58) TOTAL CAP INTL 2.875% DUE 00-1-2022 2,000,000 1,641,265.24 0.82 0.82 1,631,374.71 (9,890.53) WAL-MART STORES 3.625% DUE 07-08-2020 3,200,000 2,258,771.62 0.71 0.86 2,737,585.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 790,158.72 0.79 0.81 811,868.31 21,709.59 Futures FUT MAR 17 EURX EUR-BUND -112 0.00 - 2,287.49 (256,199.31) (256,199.31) FUT MAR 17 LIP LONG GILT 593 0.00 - 3,021.16 1,791,550.00 FUT MAR 17 CBT 5Y T-NOTE -145 0.00 - (145.42) 21,086.11 21,086.11 FUT MAR 17 OR T-NOTES -716 0.00 - (145.42) 21,086.11 21,086.11 FUT MAR 17 10 YR T-NOTES -716 0.00 - (266.29) 190,664.48 190,664.48 TOTAL INVESTMENTS 323,753,612.82 325,909,215.53 2,155,602.71 **Cash Balance 4,619,724.24 4,619,724.24							
SYDNEY AIRPORT FINANCE 3.625% 04-28-2026 1,000,000 837,108.83 0.84 0.80 795,755.33 (41,353.50) TELEFONICA 4.57% DUE 04-27-2023 3,000,000 2,598,223.89 0.87 0.85 2,547,158.38 (51,065.51) TELSTRA CORPORATION LTD 4.8 DUE 10-12-2021 BEO 3,756,000 3,288,186.98 0.88 0.88 3,21,095.81 32,908.83 TEVA 2.8% DUE 07-21-2023 3,300,000 2,568,586.12 0.78 0.77 2,528,022.14 (40,563.98) TEVA 3.15% DUE 10-01-2026 2,000,000 1,597,499.52 0.80 0.75 1,492,213.94 (105,285.58) TOTAL CAP INTIL 2.875% DUE 02-17-2022 2,000,000 1,641,265.24 0.82 0.82 1,631,374.71 (9,890.53) VERIZON 3.65% DUE 09-14-2018 5,000,000 3,224,559.34 0.64 0.84 4,180,055.37 955,496.03 WAL-MART STORES 3.625% DUE 07-08-2020 3,200,000 2,258,771.62 0.71 0.86 2,737,585.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 790,158.72 0.79 0.81 811,688.31 21,709.59 Futures Futures Fut MAR 17 EURX EUR-BUND -112 0.00 - 2,287.49 (256,199.31) (256,199.31) FUT MAR 17 CBT 5YT-NOTE -145 0.00 - (145.42) 21,066.11 1,791,550.00 1,791,550.00 FUT MAR 17 CBT 5YT-NOTE -145 0.00 - (145.42) 21,066.11 21,086.11 FUT MAR 17 10 YR T-NOTES -716 0.00 - (266.29) 190,664.48 190,664.48 Total Investments 323,753,612.82 325,909,215.53 2,155,602.71 Cash Balance 4,619,724.24 4,619,724.24							
TELEFONICA 4.57% DUE 04-27-2023 3,000,000 2,598,223.89 0.87 0.85 2,547,158.38 (51,065.51) TELSTRA CORPORATION LTD 4.8 DUE 10-12-2021 BEO 3,756,000 3,288,186.98 0.88 0.88 0.88 0.77 2,528,022.14 (40,563.98) TEVA 2.8% DUE 07-12-2023 2,000,000 1,597,499.52 0.80 0.75 1,492,213.94 (105,285.58) TOTAL CAP INTL 2.875% DUE 02-17-2022 2,000,000 1,641,265.24 0.82 0.82 0.82 1,631,374.71 (9,890.53) WAL-MART STORES 3,625% DUE 07-08-2020 3,200,000 3,224,559.34 0.64 0.84 4,180,055.37 955,496.03 WAL-MART STORES 3,625% DUE 07-08-2020 3,200,000 2,258,771.62 0,71 0,86 2,737,595.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 790,158.72 0,79 0.81 128,728,402.18 3,561,554.40 Futures Fut Mar 17 EURX EUR-BUND FUT Mar 17 EURX EUR-BUND FUT Mar 17 EURX EUR-BUND FUT Mar 17 CBT 5YT-NOTE 1-145 0.00 - 2,287.49 (256,199.31) (256,199.31) FUT MAR 17 10 YR T-NOTES -716 0.00 - (145.42) 21,086.11 21,086.11 21,086.11 21,086.11 21,096.448 190,664.48 190,664.48 190,664.48 190,664.48 190,664.48 190,664.48 190,664.48							
TELSTRA CORPORATION LTD 4.8 DUE 10-12-2021 BEO 3,755,000 3,288,186.98 0.88 0.88 3,321,095.81 32,908.83 TEVA 2.8% DUE 07-21-2023 3,300,000 2,568,586.12 0.78 0.77 2,528,022.14 (40,563.98) TEVA 3.15% DUE 10-1-2026 2,000,000 1,597,499.52 0.80 0.75 1,492,213.94 (105,285.58) TOTAL CAP INTL 2.875% DUE 02-17-2022 2,000,000 1,641,265.24 0.82 0.82 1,631,374.71 (9,890.53) VERIZON 3,65% DUE 09-14-2018 5,000,000 3,224,559.34 0.64 0.84 4,180,055.37 955,496.03 WAL-MART STORES 3,625% DUE 09-08-2020 3,200,000 2,258,771.62 0.71 0.86 2,737,585.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 790,158.72 0.79 0.81 811,868.31 21,709.59 123,166,847.78 126,728,402.18 3,561,554.40 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 123,166,847.78 126,728,402.18 3,561,554.40 127,09.59 126,728,402.18 3,561,554.40 127,09.59 126,728,402.18 126,728,402.							
TEVA 3.15% DUE 10-01-2026 TEVA 3.15% DUE 10-01-2026 TOTAL CAP INTL 2.875% DUE 02-17-2022 2,000,000 1,697,499.52 2,000,000 1,641,265.24 0.82 0.82 0.82 1,631,374.71 (9,890.53) VERIZON 3.65% DUE 09-14-2018 5,000,000 3,224,559.34 0.64 0.84 4,180,055.37 955,496.03 WAL-MART STORES 3.625% DUE 07-08-2020 3,200,000 2,258,771.62 0.71 0.86 2,737,585.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 790,158.72 0.79 0.81 811,868.31 21,709.59 FUT MAR 17 EURX EUR-BUND 1-112 0.00 1-2,287.49 (256,199.31) 1,291,560.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,791,550.00 1,747,101.28 Total Investments 323,753,612.82 325,909,215.53 2,155,602.71							
TOTAL CAP INTL 2.875% DUE 02-17-2022 2,000,000 1,641,265.24 0.82 0.82 1,631,374.71 (9,890.53) VERIZON 3.65% DUE 09-14-2018 5,000,000 3,224,559.34 0.64 0.84 4,180,055.37 955,496.03 WAL-MART STORES 3.625% DUE 07-08-2020 3,200,000 2,258,771.62 0.71 0.86 2,737,585.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 790,158.72 0.79 0.81 811,868.31 21,709.59							
VERIZON 3.65% DUE 09-14-2018 WAL-MART STORES 3.625% DUE 07-08-2020 3,200,000 3,224,559.34 VAL-MART STORES 3.625% DUE 07-08-2020 3,200,000 2,258,771.62 0.71 0.86 2,737,585.78 478,814.16 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 790,158.72 0.79 0.81 811,868.31 21,709.59 Futures FUT MAR 17 EURX EUR-BUND FUT MAR 17 EURX EUR-BUND FUT MAR 17 CBT 5YT-NOTE 1-145 0.00 - 2,287.49 (256,199.31) (256,199.31) FUT MAR 17 CBT 5YT-NOTES -145 0.00 - (145.42) 21,086.11 FUT MAR 17 10 YR T-NOTES -716 0.00 - (266.29) 190,664.48 190,664.48 190,664.48							
WAL-MART STORES 3.625% DUE 07-08-2020 WESTPAC BKG CORP 4.322% DUE 11-23-2031 1,000,000 2,258,771.62 0.79 0.81 811,868.31 21,709.59 123,166,847.78 126,728,402.18 3,561,554.40 Futures FUT MAR 17 EURX EUR-BUND FUT MAR 17 LIP LONG GILT 593 0.00 - 2,287.49 (256,199.31) FUT MAR 17 LONG GILT 593 0.00 - 3,021.16 1,791,550.00 1,791,550.00 FUT MAR 17 LONG GILT FUT MAR 17 LONG GILT -145 0.00 - (145.42) -10,866.11 -10,664.48 -10,664							
Total Investments 1,000,000 790,158.72 0.79 0.81 811,868.31 21,709.59							
Futures FUT MAR 17 EURX EUR-BUND FUT MAR 17 LIF LONG GILT FUT MAR 17 LIF LONG GILT FUT MAR 17 CBT 5YT-NOTE FUT MAR 17 LOPK T-NOTES FUT MAR 17 LOPK SYT-NOTE FUT MAR 17 LOP		1,000,000	790,158.72	0.79	0.81	811,868.31	21,709.59
FUT MAR 17 EURX EUR-BUND FUT MAR 17 CBT 593 0.00 - 3,021.16 1,791,550.00 1,791,550.00 1,791,550.00 - (145.42) 21,086.11 21,086.11 FUT MAR 17 10 YR T-NOTES -716 0.00 - (266.29) 190,664.48 190,664.48 Total Investments 323,753,612.82 325,909,215.53 2,155,602.71 Cash Balance 4,619,724.24 4,619,724.24			123,166,847.78			126,728,402.18	3,561,554.40
FUT MAR 17 EURX EUR-BUND -112 0.00 - 2,287.49 (256,199.31) (256,199.31) FUT MAR 17 EURX EUR-BUND 593 0.00 - 3,021.16 1,791,550.00 1,791,550.00 FUT MAR 17 CBT 5Y T-NOTE 1.45 0.00 - (145.42) 21,086.11 21,086.11 FUT MAR 17 10 YR T-NOTES -716 0.00 - (266.29) 190,664.48 190,664.48 Total Investments 323,753,612.82 325,909,215.53 2,155,602.71 Cash Balance 4,619,724.24 4,619,724.24	Futures						
FUT MAR 17 LIF LONG GILT FUT MAR 17 CBT 5YT-NOTE FUT MAR 17 CBT 5YT-NOTE FUT MAR 17 10 YR T-NOTES 593 0.00 - (145.42) 21,086.11 21,086.11 21,086.11 90,664.48 190,664.48 190,664.48 190,664.48 Total Investments 323,753,612.82 325,909,215.53 2,155,602.71 Cash Balance 4,619,724.24 4,619,724.24		-112	0.00	-	2,287.49	(256,199.31)	
FUT MAR 17 10 YR T-NOTES -716 0.00 - (266.29) 190,664.48		593	0.00	-	3,021.16	1,791,550.00	1,791,550.00
0.00 1,747,101.28 1,747,101.28 Total Investments 323,753,612.82 325,909,215.53 2,155,602.71 Cash Balance 4,619,724.24 4,619,724.24	FUT MAR 17 CBT 5Y T-NOTE			-			
Total Investments 323,753,612.82 325,909,215.53 2,155,602.71 Cash Balance 4,619,724.24 4,619,724.24	FUT MAR 17 10 YR T-NOTES	-716	0.00	-	(266.29)	190,664.48	
Cash Balance 4,619,724.24 4,619,724.24			0.00			1,747,101.28	1,747,101.28
	Total Investments		323,753,612.82			325,909,215.53	2,155,602.71
Total Value of Portfolio 328,373,337.06 330,528,939.77	Cash Balance		4,619,724.24			4,619,724.24	
	Total Value of Portfolio	-	328,373,337.06			330,528,939.77	

PORTFOLIO VALUATION

31-12-16	Market Value @ 30 Sep 2016 * $\overline{\underline{\varepsilon}}$	1,113,494.91	34,160.00	908,344.46	4,017,891.92	3,657,825.74	4,036,383.83	4,109,852.62	2,877,115.25	21,672,915.96	1,734,357.06	9,061,172.51	5,306,210.52	5,626,298.34	28,502,447.79	2,271,432.47	6,447,118.83	8,867,527.42	1,218,467.96	6,660,518.35	9,135,248.72	1,688,828.97	990,150.81	565,204.00	3,215,057.49	2,827,402.14	398,061.00	139,317,822.22
Report Date -	Quarters Transactions £	0.00	120,000.00	0.00	247,242.83	0.00	833,528.92	394,729.07	164,132.40	1,699,355.08	0.00	346,473.66	180,828.56	776,072.41	471,487.50	0.00	122,427.27	261,058.14	57,003.83	251,266.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,075,891.24
	Cumulative Distributions @ 30 Sep 2016	5,294,478.56	2,211,961.37	12,026,359.39 7 728 129 45	7,616,569.38	5,722,682.93	6,792,512.32	4,689,001.06	2,692,555.38	28,536,616.94	2,685,583.81	1,726,526.67	13,392,042.45	12,524,534.54	6,812,813.16	74,737.39	1,146,660.70	1,800,101.66	416,430.27	3,024,012.42	408,666.18	0.00	0.00	0.00	0.00	0.00	0.00	127,322,976.03
	Quarters Transactions £	0.00	0.00	00.0	0.00	00.00	38,240.92	0.00	0.00	189,515.97	0.00	0.00	0.00	0.00	471,487.50	160,777.84	176,356.80	634,884.51	0.00	448,652.16	1,174,225.74	0.00	0.00	100,000.00	805,902.67	1,576,169.63	75,000.00	5,851,213.74
	Cumulative Investments @.30 Sep 2016	6,216,640.24	4,007,302.74	6,973,790.92 5,299,569,55	6,377,366.59	5,466,435.93	5,870,119.65	5,890,762.76	2,926,614.78	27,854,752.18	2,872,805.00	5,053,138.77	11,752,382.56	11,602,530.76	23,433,274.13	1,773,562.73	4,795,303.32	7,408,256.86	1,159,336.30	6,263,744.71	7,776,204.96	1,365,834.31	885,227.35	548,251.08	2,747,766.40	2,597,043.45	375,000.00	169,293,018.02
Currency - Sterling	Estimated Total Approved Investment	6,214,639.57	4,000,000.00	5,260,383,82	6,291,695.54	5,056,257.30	4,900,000.00	5,000,000.00	2,450,000.00	24,500,000.00	2,450,000.00	5,000,000.00	10,000,000.00	12,165,000.00	29,687,775.33	4,500,000.00	6,150,000.00	12,300,000.00	2,050,000.00	7,800,000.00	23,500,000.00	25,400,000.00	12,700,000.00	5,000,000.00	10,000,000.00	10,000,000.00	5,000,000.00	254,187,602.70
징	<u>Date of</u> <u>Inception</u>	Jan-01	May-01	Jan-02 Apr-03	Feb-05	Mar-06	Sep-07	Oct-07	Sep-07	Sep-07	Sep-07	Apr-08	May-08	Nov-08	Jun-08	Feb-12	Apr-13	Apr-13	Apr-13	Apr-13	Jun-14	Sep-15	Sep-15	Sep-15	Sep-15	Sep-15	Apr-16	[**]
Fund - PRIVATE EQUITY INVESTMENTS		LAZARD US TECHNOLOGY PARTNERS 2nd Fund	CAPITAL DYNAMICS UK HIGH TECHNOLOGY FUND	HARBOUR VEST European Buyout Fund (HIPEP IV) HARBOUR VEST VII US Buyout Fund	KNIGHTSBRIDGE Venture Capital VI Series VXM	HARBOUR VEST Asia Pacific Fund (HIPEP V)	HARBOUR VEST 2007 Direct Fund	HARBOUR VEST 2007 European Buyout Companion (HIPEP V)	HARBOUR VEST VIII Cayman Venture Fund	HARBOUR VEST VIII Cayman Buyout Fund	HARBOUR VEST VIII US Mezzanine & Distressed Debt Fund	WINGHTSBRIDGE Venture Capital VII LP Series VC	DOVER STREET VII Cayman Fund	_	HARBOUR VEST Cayman Partnership Fund (HIPEP VI)	KNIGHTSBRIDGE Venture Capital VIII	_	HARBOUR VEST IX Cayman Buyout Fund	HARBOUR VEST IX Cayman Opportunities Fund	DOVER STREET VIII Cayman Fund	HARBOURVEST VII AIF Partnership	HARBOURVEST X AIF Buyout	HARBOURVEST X AIF Venture	CAPITAL DYNAMICS LGPS Collective Private Equity 15/16	PARTNERS Group Global Growth 2014 LP	PARTNERS Group Direct Equity 2016 (EUR) LP	CAPITAL DYNAMICS LGPS Collective Private Equity 16/17	TOTAL PRIVATE EQUITY

* latest available valuation

	<u>Cı</u>	rrency - Sterling			Report Date -	31-12-16
	<u>Holding</u>	Cost £	Average Cost £	Market Price £	<u>Market</u> <u>Value</u> <u>£</u>	Unrealised Gain/Loss £
Fund - Legal & General Investment Management (Passive Global Equity)						
UK - PASSIVE						
LEGAL & GENERAL N UK EQUITY INDEX	26,747,100	264,789,162.20	9.90	11.77	314,912,336.10	50,123,173.90
GLOBAL - PASSIVE						
LEGAL & GENERAL CY UK (WORLD) EQUITY INDEX LEGAL & GENERAL S NORTH AMERICA EQUITY INDEX LEGAL & GENERAL T EUROPE (EX UK) EQUITY INDEX LEGAL & GENERAL R JAPAN EQUITY INDEX LEGAL & GENERAL W ASIA PAC EXJAP DEV EQUITY INDEX LEGAL & GENERAL MIDDLE EAST/AFRICA DEV EQUITY INDEX	29,694,036 33,546,407 12,669,508 57,693,896 4,518,482 1,462,878	59,979,610.82 477,327,807.66 135,381,467.44 76,583,475.38 48,296,289.62 2,390,797.23 799,959,448.15	2.02 14.23 10.69 1.33 10.69 1.63	2.45 19.29 12.98 1.68 14.52 1.54	72,758,999.84 647,076,635.75 164,464,153.93 97,144,405.45 65,597,058.81 2,253,358.82	12,779,389.02 169,748,828.09 29,082,686.49 20,560,930.07 17,300,769.19 (137,438.41) 249,335,164.45
TOTAL PASSIVE GLOBAL EQUITY		1,064,748,610.35			1,364,206,948.70	299,458,338.35
Fund - Legal & General Investment Management (Passive UK Index Linked LEGAL & GENERAL AP OVER 5 YR INDEX-LINKED TOTAL PASSIVE UK INDEX LINKED BONDS	1 Bonds) 30,736,673	137,768,964.69 137,768,964.69	4.48	7.81	240,029,443.09 240,029,443.09	102,260,478.40 102,260,478.40
PRIVATE DEBT						
CLAREANT EUROPEAN DIRECT LENDING FUND II (GBP) SCSp HAYFIN DIRECT LENDING FUND HIGHBRIDGE PRIVATE LENDING OPPORTUNITIES FUND	n/a n/a n/a	28,988,544.43 25,803,400.71 10,695,016.15	n/a n/a n/a	n/a n/a n/a	28,988,544.43 25,803,400.71 10,695,016.15	0.00 0.00 0.00
TOTAL PRIVATE DEBT		65,486,961.29			65,486,961.29	0.00
Fund - Staffordshire Pension Fund (Emerging Markets Funds) FRANK RUSSELL EMERGING MARKETS EQUITY	2,216,717	40,600,000.00	18.32	45.41	100,661,124.51	60,061,124.51
TOTAL EMERGING MARKETS		40,600,000.00			<u>100,661,124.51</u>	<u>60,061,124.51</u>
Fund - Staffordshire Pension Fund (Funds of Hedge Funds) GOLDMAN SACHS HFP II FUND (H1)	527,597	70,240,579.00	133.13	163.28	86,144,112.73	15,903,533.73
TOTAL HEDGE FUNDS		70,240,579.00			86,144,112.73	15,903,533.73

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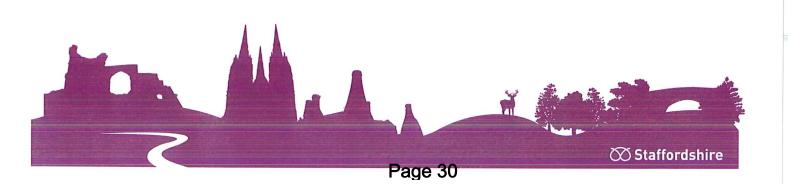
						. E	OPERTY PO	PROPERTY PORTFOLIO SUMMARY	MMARY									
u u	Dir/Ind Property Address or Fund	Address	Unit	Tenant or Fund	Tenure	Use	Total Cost £	Date of Purchase	Value £ @ 31/03/2016	Value £ @ c 31/12/2016	Lease or Fund Term	Lease Fund Expiry or Break	Rent pa £ (@ F Purchase	Current C Rent pa	Ground Rent pa	Next Rent Review	% Yield % Return on on Cost Value	6 Return on Value
	Dir RIRMINGHAM	5	08	Regis HK Ltd (t/a Supacifs)		Retail	,	,	,		25 vre	23/06/2019	21 000	21,000	,	n C	1	
1		reet &	81/83	Eat Ltd		Retail	,	,	,	1	25 yrs	24/03/2019	116,000	116,000	,	On Expiry		
	45/51 Pinfold Street	Street	8	Brilliant Bites Ltd		Retail	ı		·		10 vrs	24/07/2026	65,000	65,000		25/07/2021		
			84b	Birmingham Inns		Leisure	,		ī	,	56 yrs	23/06/2023	25,000	25,000	1	24/06/2017	,	
			85	Greggs PLC		Retail	1	,		,	5 yrs	07/05/2020	000'09	000'09	r	On Expiry		
			87	The Royal British Legion		Retail		ı	ï		10 yrs	29/09/2019	77,500	77,500	1	29/09/2019	1	
			45/46	Darker Enterprises Ltd		Retail	,	,	,	1	15 yrs	05/10/2020	40,000	40,000		On Expiry	1	
			47	Yunyou Li		Retail		1	ī		5 yrs	15/09/2017	12,000	12,000	Ē	On Expiry	ţ	ı
			49	The Feel Good Group Ltd		Retail	ı	ı	ī	i	10 yrs	15/12/2025	25,000	25,000	1	15/12/2020	ı	,
			20	Velvet Mule		Retail	3			i	15 yrs	08/12/2030	25,000	25,000		08/12/2020	ı,	1
			21	Nine Three's Ltd (t/a Mailboxes etc)		Retail	r		1	í	10 yrs	18/12/2019	18,000	18,000	ı	18/12/2019		
			Pt 3rd	Adecco UK Ltd		Office	ı	ı	í	ř	5 yrs	16/02/2020	16,150	16,150	ī	On Expiry	,	
			Pt 3rd	Thomas Pocklington Trust		Office	,	ı	î	ì	5 yrs	27/02/2018	11,745	11,745	1	On Expiry	ì	1
			Pt 2nd	The Royal British Legion		Office	r	1	1	1	10 yrs	29/04/2024	35,800	35,800	1	29/04/2019	ř	ı
			Pt 2nd	Vacant		Office	ŗ	Ļ	ř	ï	ı	î	0	0	ı	ı	ì	ı
			Pt 1st	Carlisle Staffing PLC		Office	. !		ī		9 yrs	16/05/2022	12,925	12,925		17/05/2016		, }
	Р		Pt 1st	First Personnel Services Ltd		Office	8,477,795	8,477,795 19/08/2016	r	8,000,000	11 yrs	20/08/2017	24,300	24,300	ī	On Expiry	7.3	7.7
		Σ.		Byron Hamburgers Ltd		Retail	1	ı	•	1	20 yrs	02/10/2041	250,000	250,000		03/10/2021	ï	•
	9 92/93 New Street & 3/17 Ethel Street	treet & reet		Byron Hamburgers Ltd	E	Retail	5,177,894	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
11.	BIRMINGHAM Colonnade Buildings, 98/100 New Street & 2/12 Ethel Street	M uildings, Street & reet		L S Portfolio Investments Ltd	E	Retail	7,840,101	7,840,101 30/12/2014	7,150,000	7,150,000	99 yrs	24/03/2063	450,000	450,000		25/03/2030	5.7	6.3
	BLETCHLEY Rushmere Retail Park, Watling Street	etail Park, st	- 2	Wickes Building Supplies Ltd Halfords Ltd	Æ	Retail WH Retail WH	5,094,683	5,094,683 11/04/1996	9,275,000	9,050,000	25 yrs 25 yrs	25/03/2021 25/03/2021	259,500 104,500	429,000 174,240		25/03/2016 25/03/2016	11.8	6.7
	BRISTOL St Annes Road	ad		Palmer & Harvey McLane Ltd	5	Industrial	6,489,293	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
	BURY ST EDMUNDS 42/42a Buttermarket	OMUNDS rmarket		McDonald's Real Estate LLP	E	Retail	3,059,752	3,059,752 22/07/1994	3,075,000	2,950,000	35 yrs	24/12/2023	152,500	180,000	1	25/12/2018	5.9	6.1
	BURY ST EDMUNDS 45/47 Risbygate Street	OMUNDS ate Street		B&Q PLC	Æ	Retail WH	5,666,760	5,666,760 12/06/2013	000'000'9	6,375,000	5 yrs	11/01/2021	491,763	491,763		On Expiry	8.7	7.7
	CAMBRIDGE Chieftain Way, Orchard Park	E iy, Orchard		Travelodge Hotels Ltd	E	Hotel	11,386,246 15/10/2010	15/10/2010	12,500,000	13,975,000	25 yrs	11/09/2036	0	808,273		12/09/2021	7.1	5.8
	CARDIFF 1/7 Queen Street	treet	182 3 3a 4	Santander UK PLC Case Up Mobile Pizza Hut (UK) Ltd Lloyds TSB Bank PLC	Æ	Retail Retail Retail	- - 8,371,527	- - - 8,371,527 02/05/2014	7,425,000	6,850,000	23 yrs 1 yr 35 yrs 35 yrs	24/04/2031 07/12/2016 23/06/2021 23/06/2021	188,000 85,000 60,000 318,000	188,000 39,000 60,000 318,000		12/02/2018 On Expiry 24/06/2016 24/06/2016	7.2	8.
	CARLISLE 65/67 English Street	n Street	65	Vacant Game Retail Ltd	Æ	Retail Retail	1,820,226	- 1,820,226 24/06/1994	780,000	725,000	5 yrs	01/08/2017	54,000	0 41,500	, ,	On Expiry	2.3	5.7
	CHESTER-LE-STREET Drum Industrial Estate	E-STREET ial Estate		Co-Operative Group Ltd	Æ	Industrial	18,335,769 18/05/2016	18/05/2016		17,250,000	15 yrs	15/03/2024	1,149,922	1,149,922	ï	16/03/2019	6.3	6.7

eturn	on Value	5.3	6.5	4.6	,	,	0		. 1			,					,	9.1	6.4	4.7		0 2	?	8.2	ī	и	5.0	0:0	8.6	
% Yield % Return	on c Cost Va	5 2.7	5.1	4.5 4	Ĩ	1	1				i	i						4.1	5.0	10.7	0	8		- - 5.7 8	,	1 1	5.7	0.0	10.1	
Next %,		On Expiry	29/04/2019	17/02/2025	06/10/2021	06/10/2021		- Aniny	On Expiry		On Expiry		On Expiry	29/09/2018	On Expiry	On Expiry			On Expiry	16/03/2017 1	20/00/2015			On Expiry 15/07/2018 On Expiry On Expiry		22/07/2019 On Expiry	25/03/2016	08/03/2016	On Expiry 1	On Expiry
		O	29/04	17/02	06/10	06/10		C	9 9		O	Ċ	23/13	29/05	O	O	On E		O	16/03	00/00	29/06	7	0n E 15/07 0n E		22/07 On E	25/03	08/03	o	O
	Rent pa £	, O	4	ι დ	9	80 1	00	· ·	9	- 0		0 9	2 9		9	75 -	. 89	0	- 0	0	9	2 92 5	1	9 9 9 9	0	0.0	00	0 0	00	- 0
Current	Rent pa £	186,250	912,604	840,038	79,536	56,128		132 800	36,036			20	21 782	39.287	76.716		33,638		813,300	143,000	180,000	96,556	1,7	200,740 150,000 202,400 604,750		98,000 105,000	170,000		380,000	3,210
Rent pa £	@ Purchase	120,000	912,604	802,500	57,494	40,573	24,589	80 508	22,927	43,859	_	202,220	33,770	33,770	57,500	75	44,000	43,800	779,000	83,250	149 540	74,930		195,000 195,700 197,340 604,750	91,250	95,000 105,000	158,500	30,000	380,000	3,210
Lease	Fund Expiry or Break	24/03/2020	09/04/2024	16/02/2094	05/10/2021	05/10/2021	1	13/08/2020	08/07/2019		24/01/2116	- 4000000	23/12/2017	28/09/2018	31/03/2017	23/06/2986	22/12/2019	1	28/09/2019	15/03/2022	06/06/00/86	28/09/2020	20100102	23/06/2016 14/07/2023 23/06/2016 23/06/2016		22/07/2019 03/10/2018	24/03/2021	07/03/2031	20/06/2017	13/04/2020
Lease	or Fund Term	10 yrs	35 yrs	125 yrs	10 yrs	10 yrs	,	10 vre	5 yrs	. 1	125 yrs		5 yrs	10 vrs	5 Vrs	999 yrs	5 yrs	r	25 yrs	15 yrs	25 1/10	25 yrs 25 yrs 25 yrs	20 213	20 yrs 10 yrs 25 yrs 25 yrs		10 yrs 15 yrs	20 yrs	20 yrs	1	9 yrs
Value £	@ 31/12/2016	3,500,000	14,025,000	18,400,000		i	1		ī	ī	í	i				ï	į.	5,700,000	12,700,000	3,075,000	ì	- 6 025 000	0,020,0	- - 14,200,000		3 1	7,500,000	775,000	4,425,000	
Value £	@ 31/03/2016	3,525,000	16,100,000	17,650,000	r						ť				ì	t	1	5,250,000	13,450,000	3,075,000	,	6 150 000	0,000	14,650,000	,		7,500,000	775,000	4,750,000	
Date	of Purchase	2,422,179 29/01/1999	31/03/2010	28/07/2015				, ,		10	i	i i			,	i	ì	14/10/1999	07/01/2008	1,339,621 14/04/2000	ì	5 106 960 18/12/1995	000	06/06/2008	,	1 1	6,538,408 25/10/2012	-4,768,455 26/09/1997	3,771,984 04/11/2011	
Total	Cost £	2,422,179	18,059,355 31/03/2010	18,598,181 28/07/2015		ı	,			,	ţ					ı	,	12,732,619 14/10/1999	16,224,160 07/01/2008	1,339,621	ì	5 106 960	000000000000000000000000000000000000000	20,201,334 06/06/2008		1 1	6,538,408	4,768,455	3,771,984	x
Use		Retail	Foodstore	Hotel	Office	Office	Office		Office	Office	Substation	e di ce		Office	Office	Office	Office	Office	Retail WH	Retail	Potoil WH	Retail WH		Retail WH Retail WH Retail WH Retail WH	Retail	Retail Retail	Retail	Restaurant Restaurant	Industrial	Store
Tenure		푼	푼	E														E	正	Æ		H		E				Æ	E	
Tenant or Fund		Mothercare UK Ltd	Wm Morrison Supermarkets Plc	Park UK Holdings Ltd (t/a Hilton)	Chilbrook 1 Adlens Ltd	k 2 Adlens Ltd	Chilbrook 3 Vacant	Chilbrook 5 Atkins I td	Chilbrook 6 Christian Witness to Israel	Chilbrook 7 Vacant	Southern Electricity Plc	Vacant	Ampiivox Lid Waterslade I td	Usborne Publishing Ltd			Adler & Allan Ltd	Vacant	Toys R Us Ltd	Links (London) Ltd	(black) Of start O e/t/ bt Histor OSO	Base Netall Ltd (va callys Fo World) Halfords Ltd B&M Retail Itd		Carpetright Plc B&M Retail Ltd B&Q Plc B&Q Plc	Vacant	Airwair International Ltd (t/a Dr Martens) VF Northern Europe Services Ltd	JD Sports Fashion PLC (Va Size)	London Lotus Ltd (t/a Chopstix) Vacant	JP Boden & Co Ltd	Epiq Systems Ltd
Unit					Chilbrook	Chilbrook 2	Chilbrook	Chilbrook	Chilbrook	Chilbrook	,	ر ه	9 1	- 00	9 & 10	7	12	13						K B O D	20	22 24	26			ω
Prop	or Fund	CHICHESTER 30 East Street	DOVER Bridge Street	EDINBURGH Grosvenor Street	EYNSHAM	Oasis Park,													HAYES Hayes Road,	KINGSTON UPON THAMES 24/24a Market Place	ANCASTED	Parliament Street	ייייי מיייי	LEEDS Killingbeck Retail Park, Killingbeck Drive	LEEDS	20/26 King Edward Street & 49/51 Vicar	רמופ	LEICESTER 45 Gallowfree Gate & 47/49 Market Place	LEICESTER Unit 19, Meridian Business Park	LONDON EC2
Dir/Ind																			Pag	ge 26	õ									

6 Return on Value	4	6.1
% Yield % Return on on Cost Value	11111111 11111	
Next % Rent Review	24/01/2022 On Expiry	0.0 Expiry 0.0 Expiry 0.0 Expiry 0.0 Expiry 0.0 Expiry 19/11/2018 19/11/2018 0.0 Expiry 0.05/01/2021 23/07/2021 23/07/2021 20/03/2020 0.0 Expiry 25/11/2019 0.0 Expiry 24/04/2021 01/06/2020 0.106/2020
	257 257 257 257 257 257 257 257 257 257	
Ground Rent pa £		44.
Current Rent pa	162,500 196,000 121,974 227,469 227,469 342,085 323,638 265,625 115,367 6,340 86,340 86,340 86,148 80,189 117,500 146,000 49,662 49,662 49,662 49,662	7,500 7,500 3,345 46,000 33,962 83,662 462,462 289,840 317,000 87,032 114,500 119,493 116,064 116,100 116,000 116,000 116,000 116,000 116,000 116,000 116,000 116,000 116,000
Rent pa £ @ Purchase	162,500 196,000 121,974 227,469 214,095 323,638 265,625 115,367 66,340 81,557 117,500 117,500 135,375 166,786 166,780 166,780 166,780 166,780 166,780 166,780 166,780 175,000	49,665 46,000 7,345 46,000 32,962 88,125 224,238 205,840 213,745 93,000 87,500 76,335 42,073 83,250 88,360 88,360 89,765 49,200 106,000 106,000 62,500 60,000
Lease Fund Expiry or Break	31/01/2032 31/01/2032 06/06/2020 13/04/2020 10/01/2019 24/08/2020 31/03/2019 13/04/2020 31/03/201 13/04/2020 13/03/2010 13/03/2010 25/12/2018 25/11/2018 25/11/2018 24/03/2018 24/03/2018 24/03/2018 24/03/2018 24/03/2018 24/03/2018	28/09/2018 15/12/2017 28/09/2018 15/12/2017 18/11/2023 18/11/2023 18/11/2024 24/06/2024 03/03/2026 28/07/2022 19/03/2020 22/03/2020 22/03/2020 24/11/2021 19/03/2020 22/03/2020 24/11/2021 19/03/2020 24/11/2021 19/03/2020 24/11/2021 19/03/2020 24/11/2021 19/03/2020 24/11/2021 19/03/2020 24/11/2021 19/03/2020 24/11/2021 19/03/2020 24/11/2021 19/03/2020 24/11/2021
Lease or Fund Term	21.5 yrs 20 yrs 20 yrs 20 yrs 5.8 yrs 5.8 yrs 10 yrs 10 yrs 10 yrs 6.75 yrs 6.75 yrs 6.75 yrs 15 yrs 16 yrs	15 yrs 115 yrs 115 yrs 10 yrs 10 yrs 22 yrs 10 yrs 10 yrs 10 yrs 10 yrs 10 yrs 10 yrs 10 yrs 10 yrs 10 yrs 25 yrs 10 yrs 25 yrs 10 yrs 25 yrs 10 yrs 25 yrs 10 yrs 26 yrs 27 yrs 10 yrs 28 yrs 10 yrs
Value £ @ 31/12/2016	20,700,000	24,150,000
Value £ @ 31/03/2016		24,300,000
Date of Purchase	21,833,658 01/08/2016	16,164,376 16/05/2011
Total Cost £	21,833,658	16,164,376
Use	Restaurant Bank Office	Office Retail Garage Office
Tenure		FH/LH
Tenant or Fund	Goodman City Ltd Bank of China (UK) Ltd Tom James International Epig Systems Ltd John Graham Construction Bedell Trust UK Ltd Milliman Ltd (Surety Milliman Inc) Epig Systems Ltd AlOI Motor & General Insurance Company of Europe Ltd Bedell Cristin London Partnership Epig Systems Ltd Reincubate Ltd Interrust (UK) Ltd Interrust (UK) Ltd Mataxis Pramex International Ltd Mataxis Pramex International Ltd Milliman Ltd (Surety Milliman Inc) Gallaher Ltd Sport & Recreation Alliance William Sturges & Co	William Sturges & Co Pret a Manager (Europe) Ltd William Sturges & Co Starbucks Coffee Co (UK) Ltd Car spaces Orient Petroleum UK Ltd London Upper Woburn Place Centre Ltd (t/a Regus) London Upper Woburn Place Centre Ltd (t/a Regus) Sue Ryder Vacant Prezzo Plc Barry's Bootcamp Ltd EDF Energy Networks (LPN) Plc Directors UK Ltd Directors UK Ltd Directors UK Ltd Trenthet Ltd Freedom Recruitment Ltd Trenthet Ltd Freedom Recruitment Ltd AIG Edenspiekermann Ltd Freedom Recruitment Ltd Freedom Recruitment Ltd Gerbree & Evelyn Vacant Hancocks Jewellers Ltd Hermes (GB) Ltd Crabtree & Evelyn Vacant Lucinda Ellery Ltd
Unit	B, LG, G LG, G 1st, B 1st, B 2nd (S) 2nd (X) 3nd 3nd 4th 5th 6th (N, B 7th (N), B 8th (N), B 6th (N), B 8th (N	Gd Gd Gd Gd Gd Gd Cd & LG LG LG LG LG LG LG 2nd 3nd 3nd 3nd 3nd 3nd 3nd 3nd 3nd 3nd 3
Property Address or Fund	LONDON SW1 Burwood House, 14/24 Caxton Street	LONDON WC1 16 Upper Woburn Place 22 Stukeley Street MANCHESTER Old Exchange Buildings, 29/31 King Street
Dir/Ind	Page	27
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% Yield % Return on on Cost Value	' ' '		'	•	į	1 1		1		•	•		•	- 53			8 8.5		1	5.3		1-		9 5.7	'			7 6.4
% Yiele on Cost			ا و	_		' '			' '	'	'			909			3.8		•	3.8	'	7 - 8 6.7	6 7.5	6.6	'	7		6.7
Next Rent Review	On Expiry On Expiry	29/09/2016	13/10/2019	On Expiry	' L	On Expiry	On Expiry	On Expiry	On Expiry	On Expiry	On Expiry		On Expiry	On Expiry	On Expiry	•	- On Expiry	22/09/2020		01/02/2014	On Expiry	25/12/2017 27/08/2018	25/12/2016	19/03/2019	On Expiry	13/06/2017		
Ground Rent pa	1 1 1	ì	ī	1	ï			ī		r	ì		1		ì		2,250		ï	1 1	ï	T - I	ī	ī				
Current Rent pa	35,552 29,377 10,955	183,500	5,750	114,000	0 00	59,470	32,950	30,500	32,227	73,500	59,963	0 0	113,000	35,500	399,000	0	114,600	124,050	0 0	27,265	269,950	154,000	200,000	335,000	0 0	294,490		20,836,656
Rent pa £ @ Purchase	0 29,377 0	135,000	0	104,000	67,750	61,450	30,000	33,000	30,000	65,640	49,000	000,000	146,772	24,148	355,400	0	120,000 95,000	121,000	63,500	26,600	269,950	154,000 97,500	160,000	275,000	0	294,490		19,307,105 20,836,656
Lease Fund Expiry or Break	26/05/2019 13/05/2016 08/02/2020	23/06/2020	12/10/2026	24/11/2014		30/09/2018	11/12/2018	31/12/2016	27/04/2015	16/01/2017	19/05/2015		05/02/2019	05/10/2019	25/05/2020	•	27/07/2016	21/09/2025		31/01/2114	05/11/2017	24/12/2022 26/08/2018	15/10/2021	18/02/2029	28/09/3010	12/06/2024		
Lease or Fund Term	5 yrs 5 yrs 5 yrs	25 yrs	10 yrs	3 yrs	2 75 500	3.25 yrs	5.5 yrs	5 yrs	25 yrs	5 yrs	10 yrs		20 yrs	3 yrs	15.5 yrs		- 19.5 yrs	25 yrs	ī	125 yrs	15 yrs	25 yrs 10 yrs	20 yrs	15 yrs	999 yrs	12 yrs		
Value £ @ 31/12/2016	- 6,125,000	2,065,000	£	į			,			ı				11,750,000	5,250,000		1,350,000	į	1	2,830,000	•	7,950,000	2,615,000	5,910,000	ı	8.375.000		325,645,000
Value £ @ 31/03/2016	6,125,000	2,145,000	ì	ï	ī .			T 1			ı		ı.	11,200,000	5,350,000	ï	1,350,000		i	2,900,000	,	5,735,000	2,325,000	5,450,000	ï	8.650.000		275,135,000 325,645,000
Date of Purchase	- - 6,591,908 11/08/2014	2,146,455 11/09/1998	,	ţ			,	T 1		,	ı			11,700,575 19/09/2000	4,687,173 22/02/2011	×	3,005,251 21/07/2000	,	ı	4,024,038 15/12/1999		8,424,788 11/11/1992	2,654,601 24/03/1994	3,376,249 20/12/1990	ı	8.197.767 21/07/2000		
Total Cost £	- - 6,591,908	2,146,455		π			,			,	r			11,700,575	4,687,173	3	3,005,251	,	r	4,024,038	•	8,424,788	2,654,601	3,376,249	τ	8.197.767		311,974,440
Use	Office Office	Retail	Phone Mast	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial Industrial	Industrial	Retail	Retail	Industrial	Industrial	Industrial	Retail	Retail	Industrial	Industrial	Industrial	Industrial Industrial		
Tenure		E												Æ	E		3			E		Æ	E	E		E		
Tenant or Fund	Talent International UK Ltd Spencer Ogden Denton Corker Marshall	Halifax Plc	Cornerstone Telecommunications Infrastructure Ltd	Sulzer Dowding & Mills (UK) Ltd	Vacant Ovster Marine I td	Millbrook Furnishing Industries Ltd	The BSS Group Ltd	Thunderbolts Ltd TLC (Southern) Ltd	SCA Support Services Ltd	St Gobain Building Distribution Ltd	CJR Propulsion Ltd	, מכמונ -	The Post Office	Secretary of State for Transport Custom Covers (1984) Ltd	Stone Computers Ltd	Vacant	Vacant Sportswift Ltd (t/a Card Factory)	UK Storage Company (SW) Ltd	Vacant	PI Crouch, MA Clarke, PA Hopkins, & Hornbuckle Medical Trustees Ltd	Waterstones Booksellers Ltd	Superaring Stores PLC The White Company (UK) Ltd	QAS Co Pak Ltd	Kite Glass Ltd	J Banks & Co Ltd	Mann + Hummel (UK) Ltd		
Unit	2nd 3rd 4th			Κ (n C	0	ш	т Ф	Ι	¬ :	× -	M (Land)	۵	ഹ ഗ				22 & 23	24 25	} ₪	11 & 12	14 & 15			< □	C C Land (D)		
Dir/Ind Property Address or Fund		ROMFORD 26/30 South Street	SOUTHAMPTON Centurion Park,	Bitterne Road											STAFFORD Granite 100, Acton Gate		8 Portland Street		Westmead Industrial	Westmead Drive, Unit R	TRURO	1715 Boscawen Street	WARRINGTON Calver Road, Winwick Quay	WEYBRIDGE 29 Avro Way, Brooklands Business Park	WOLVERHAMPTON	<u> </u>		tal:
ä															17	ıyc	<i>,</i>	J									ı	Total:

ruru	_			_
d % Ret on Valu	5.4	0.0	5.4	6.9 6.3
% Yield % Return on on Cost Value	10.8	0.0	10.8	6.9
Next Rent Review	n/a	n/a		
Ground Rent pa £	4			17,059
Current Rent pa £	1,485,000	0	514,312 1,485,000	22,321,656
Rent pa £ @ Purchase	514,312	0	514,312	19,821,417 22,321,656
Lease Lease or Fund Fund Expiry Term or Break	28/2/2017	Open Ended		
Lease or Fund Term	,			
Value £ @ 31/12/2016	27,650,000	0	24,750,000 27,650,000	353,295,000
Value £ @ 31/03/2016	24,750,000	0	24,750,000 27,650,000	299,885,000 353,295,000
Date of Purchase	13,691,185 23/05/2002	900 01/04/2016		
Total Cost £	13,691,185	006	13,692,085	325,666,525
Use	Shopping Centre	Residential		
Tenure	<u>-</u>	Ъ		
Tenant or Fund	LP owns the Designer Outlet Centre, 74 Retail Units, 1,231 car spaces	PRS Fund		
Unit				
Dir/Ind Property Address or Fund	Ashford Investor Limited Partnership	Vista UK Residential Real Estate	÷	¥
Dir/I	Ind		Total:	Total:



Local Members Interest			
<u>NIL</u>			

PENSIONS PANEL - 7 MARCH 2017

Report of the Director of Finance and Resources

Annual Investment Strategy for Pension Fund Cash 2017/18

Recommendation of the Chairman

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

Reasons for Recommendations

- 2. In previous years, administering authorities were required to formulate a policy for the investment of its fund money by the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009; as a result the Pension Fund produced a separate AIS for its cash balances. The regulations, updated in 2016, now infer policies for fund money should form part of the Investment Strategy Statement (ISS), although this is not made explicit.
- 3. The Pension Fund considers it good practice to continue preparing a separate AIS for cash balances and make reference to it within the ISS. In addition, the Government has provided specific guidance to local authorities under the Local Government Act 2003 in completing an AIS; the relevant principles of which have been used to structure this AIS for the Pension Fund.

Background

- 4. The Pension Fund has a small strategic asset allocation to cash of 1%, recognising that cash balances are needed for the day to day management of the Pension Fund. This cash is managed by Officers in the County Council's Treasury and Pension Fund Team; mainly in the short-term to provide liquidity to pay bills as they arise. It is not invested solely to seek a return and is not usually considered a major asset allocation decision.
- 5. The cash does increase from time to time, pending investment in other major asset classes e.g. property and private debt. The proposed AIS will therefore need to allow for such situations occurring. The Pensions Panel will need to agree these temporary increases as part of its quarterly review of the strategic asset allocation benchmark, together with any associated ranges.

6. The proposed AIS will not deal with the segregated, relatively small working cash balances held by the custodian (Northern Trust) under the control of the investment managers or with cash arising from occasional transitional activity. Overnight, Northern Trust sweep funds into their "AAA" rated Money Market Funds (MMFs).

AIS for Pension Fund Cash 2017/18

Objectives of investment

- 7. The proposed main objectives for the AIS are to:
 - provide security of capital (i.e. ensure the return of the money and interest);
 - provide liquidity (i.e. pay the bills as they fall due and ensure funds are available for reinvestment when needed); and
 - earn interest (i.e. obtain a reasonable return within the constraints outlined at a) and b)).
- 8. The 1% allocation to cash will by its nature need to be kept short-term. To accommodate balances exceeding this allocation, investments limits for existing individual investment categories may need to be increased temporarily. If balances are higher, pending investment in other asset classes, temporary investments may need to be considered that recognise their longer-term nature. It is anticipated that initially, any longer term requirements will be fulfilled through the use of 'cash plus or short bond funds' (see paragraph 24).
- 9. To allow the practical management of the treasury transactions each day, it is proposed that the change in investment limits and the choice over the investments made is delegated to the Director of Finance and Resources Outside of this, the Pensions Panel will need to assess any specific requirements and consider any changes that may be required to the AIS.
- 10. Cash balances had been relatively high in 2016/17 due to time lags between capital being committed and drawn e.g. to private debt funds. As a result of this increase in cash, investment limits for individual MMF's were increased temporarily to a high of £42m during the year. In addition a second cash plus MMF was opened, the Royal London Cash Plus Fund. As some of the cash balances were subsequently reinvested as part of strategic asset allocation, the investment limits were again reduced to the current temporary level of £32m per individual MMF.
- 11. In 2017/18 the Pension Fund is expected to receive up to £90m in forward pension contributions from participating employers. This amount will form part of the Pension Fund cash balance until it can be invested in accordance with the main strategic allocation of assets. It is envisaged that the temporary investment limits for MMF's may need to increase once again, or the scope to open a third investment fund be explored whilst the Pension Fund has higher cash balances.

Credit Rating Criteria and the Approved Lending List (the List)

- 12. Government regulations state that local authorities have to decide how they define a 'high credit rated' counterparty (i.e. a bank or a building society). In the past, the Fund has relied on advice and creditworthiness services from Treasury Management Advisors, such as those appointed by the County Council.
- 13. Recent changes in legislation have made investing with banks and building societies more risky for local authorities; the Pension Fund falls within this classification. In January 2015, the UK implemented the Bank Recovery and Resolution Directive (BRRD) which ensures EU Member States are consistent in how they deal with the failure of banks and investment firms; instead of a government "bail out" of a bank, a "bail in" of current investors will be forced upon the bank by regulators. The risk of loss for local authorities in a bail-in situation is much greater, as any unsecured fixed-term deposits would be ranked near the bottom of the capital structure and would be one of the first to suffer losses.
- 14. Under normal circumstances where the Pension Fund is fully invested, there is forecast to be a low level of cash, and it is considered unlikely that the Pension Fund will need to enter into a large number of term deposits with banks or building societies, thus reducing the risk of "bail in". This means a simplified AIS consisting of the three following elements, and acknowledging the 'high credit rating' concept, can still be proposed for 2017/18.
 - (i) Regulation Investments
- 15. Government Regulations specify the type of financial instruments that can be used and they divide them into 'specified' and 'non-specified' investments.
- 16. Specified investments are investments made in sterling for a period of less than a year that are invested with:
 - the UK Government;
 - a local authority;
 - a parish or community council (unlikely to be used by the Pension Fund);
 - a body, or in an investment instrument, that has a 'high credit rating'.
- 17. The first three named investments can be used by the Pension Fund by virtue of their inclusion within the guidance; these are referred to as Regulation Investments in the remainder of this report. It is important to note that these classes of investment are not subject to "bail-in" risk as mentioned earlier in this report (see paragraph 13).
 - (ii) Money Market Funds (MMF's)
- 18. MMF's are pooled investment vehicles consisting of money market deposits and similar instruments. MMF's have been used for some time by the Pension

Fund and by Northern Trust as stated earlier. They are also widely used by other public and private sector bodies.

- 19. MMF's proposed for use by the Pension Fund would be 'AAA' rated, the highest possible credit rating and they would have the following attributes:
 - Diversified MMF's are diversified across many different investments, far more than the Pension Fund could hope to achieve on its own account.
 - Same day liquidity this means that funds can be accessed on a daily basis.
 - Ring-fenced assets the investments are owned by the investors and not the fund management company.
 - Custodian the investments are also managed by an independent custodian, who operates at arms-length from the fund management company.
- 20. All treasury activity carries an element of risk and MMF's are no different. In the event of a further financial crisis, the failure of one or more of an MMF's investments could lead to a run on the MMF as investors rush to redeem their investment. This could then spread to other MMF's as investors take flight from this asset class.
- 21. In December 2016, the European Commission and European Parliament agreed on proposals for regulatory reform to enhance the safety and stability of MMF's, and limit some of their risks. The European Council are yet to agree to the proposals, although implementation of the new legislation is expected by April 2018.
- 22. The very low interest rate environment may threaten the ongoing continuity of MMF's. Each MMF charges a fee and this could mean that interest earned becomes negative after its deduction. If this problem arose then it would be a matter of moving funds to an alternative class of investment.
- 23. MMF's as described in these paragraphs are judged to meet the criteria of an instrument that meets the definition of a 'high credit rating'. Providing daily liquidity, the Pension Fund currently has accounts open with 5 MMF's.
- 24. Additionally, the Pension Fund invests in 2 'cash plus' MMF's. 'Cash plus and short bond' funds provide a useful longer term option to investments in same day notice MMF's. Whilst they are considered to be slightly higher risk, they can enhance investment returns and provide diversification away from very short term investments. An investment period of at least six months is generally recommended. It is proposed to delegate the decision on the further use of 'cash plus and short bond' funds to the Director of Finance and Resources, after taking appropriate advice.

(iii) The Pension Fund's Banker

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

Investment Diversification

- 26. In order to ensure diversification, it is proposed that under normal circumstances, the maximum investment limit for AAA rated diversified MMF's which are, by default, already invested across a larger number of counterparties, is the lower of 50% of total cash or £30m, per MMF. Cash plus and short bond funds will also be subject to these limits. This approach is considered reasonable for the Pension Fund's risk profile; taking into account that cash is only one asset class and the Pension Fund already has diversification across other asset classes. However, as stated in **paragraph 8**, a temporary rise in cash balances may require individual MMF limits to increase.
- 27. To allow the practical management of the treasury transactions each day, it is proposed that the choice over the investments made is delegated to the Director of Finance and Resources.

Investment duration

- 28. The investment arrangements set-out in this report are of short duration; with the exception of cash plus or short bond funds, investments in an MMF or with the Pension Fund's banker are liquid and available at one days notice. Other regulation investments may be invested for up to 12 months but more typically will be for periods of less than six months.
- 29. The Pension Fund's Approved Lending List is shown at **Appendix 2**. The maximum recommended investment duration for 2017/18 works within the definition of a specified investment which is to not invest for more than a year.

Risk

- 30. Cash is only a small part of the overall investments of the Pension Fund and the wider aspects of risk are taken into account in the strategic asset allocation where cash forms part of a diversified portfolio.
- 31. Looking at cash in isolation, treasury management usually recognises that the two prime risk areas are security and liquidity. It is considered that focussing primarily on these two risks is appropriate for the Pension Fund's relatively low 1% allocation to cash, for day to day cash management purposes; although the AIS has the flexibility to consider yield in the use of higher risk funds.
- 32. Should the Pensions Panel decide at some point in the future to make a higher strategic allocation to cash, where seeking a higher return would become more important, the balance of risk and reward would need to be revisited.

Review of Strategy

- 33. The main circumstances where a revised strategy would be prepared include a change in:
 - the Fund's strategic asset allocation;
 - the economic environment;
 - the financial risk environment; and
 - the regulatory environment.
- 34. Whilst the Pensions Panel will be responsible for approving any revised strategy, it may be necessary for action to be taken quickly. It is proposed, therefore, that the responsibility for assessing the circumstances above will rest with the Director of Finance and Resources.

Andrew Burns Director of Finance and Resources

Author's Name: Johirul Alam

Investment Accountant (Treasury and Pensions)

Telephone No. (01785) 276011

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

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

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

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

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

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

PENSIONS PANEL - 7 MARCH 2017

Staffordshire Pension Fund Approved Lending List

Lending List – March 2017			
	Time Limit		
Regulation Investments (no maximum investment limit)			
UK Government T-bills UK Government Gilts UK Local Authority	6 months 12 months 12 months		
Banks			
Lloyds Bank (£5m maximum investment limit)	call only		
Money Market Funds (MMFs) (maximum investment limit in each individual MMF is the lower of 50% of total cash or £30m)			
Goldman Sachs J P Morgan Deutsche Bank Morgan Stanley Federated	call only call only call only call only call only		
Standard Life Short Duration Cash Fund Royal London Cash Plus Fund	3 days		

Local Members Interest		
<u>Nil</u>		

PENSIONS PANEL - 7 MARCH 2017

Report of the Director of Finance and Resources

Investment Strategy Statement

Recommendation of the Chair

- 1. That the Pensions Panel approves the Staffordshire Pension Fund Investment Strategy Statement (ISS).
- 2. That the Pensions Panel notes plans to become signatories of the UK Stewardship code in 2017.

Reasons for Recommendations

- 3. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 were published and came into force on 1 November 2016. This requires the administering authority to have in place an Investment Strategy Statement (ISS), which replaces the current Statement of Investment Principles (SIP).
- 4. The regulations also require Local Government Pension Funds to become signatories of the UK Stewardship code.

Background

- 5. There are several key areas of reform from the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 to the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016:
 - (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.

- (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.
- 6. The new 2016 Investment Regulations can be accessed following the link below:

http://www.legislation.gov.uk/uksi/2016/946/pdfs/uksi_20160946_en.pdf

Investment Strategy Statement (ISS)

- 7. The ISS is a document that, under the new regulations, replaces and largely replicates, the current SIP. 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.
 - The authority's policy with regard to stewardship of assets, including the exercise of voting rights.
- 8. Under Regulation 7(6) and 7(7), the statements must be published by 1 April 2017 and then kept under review and revised from time to time, at least every three years. The draft ISS for the Staffordshire Pension Fund is attached in Appendix 2.
- 9. Under Regulation 7(5), the authority must consult such persons as it considers appropriate as to the proposed contents of its investment strategy. In the formulation of the ISS, the Fund has initially consulted with its investment advisors and plans to consult more widely with employers via the website.

UK Stewardship Code

10. The guidelines issued by the Department for Communities and Local Government on Preparing and Maintaining an Investment Strategy Statement states: "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 UK 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".

11. During 2017, it is the Fund's intention to become a signatory of the Financial Reporting Council's UK Stewardship Code. This will involve producing a statement of compliance against 7 key principles and whilst we believe our current approach to stewardship is fully compliant with the code, there is a need to document and develop the way we demonstrate this further. The Fund's equity investment managers are all current signatories to the Code.

Andrew Burns Director of Finance and Resources

Contact: Melanie Stokes Telephone No. (01785) 276330

Background Documents:

1. 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



Investment Strategy Statement

April 2017



Investment Strategy Statement (published April 2017)

1. Introduction and Background

- 1.1 This is the Investment Strategy Statement ('the Statement') produced by Staffordshire County Council as the administering authority of the Staffordshire Pension Fund ('the Fund'), to comply with the regulatory requirements specified in Regulation 7 of The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 ('the investment regulations'). The Statement is subject to annual review and within six months of any material change in investment policy or other matters as required by law.
- 1.2 The Statement has been approved by the Pensions Committee following consultation with the Fund's advisors and employing bodies. The Pensions Committee is the main decision making body and comprises both elected councillors and non voting representatives from Trades Unions and from other employing bodies in the Fund. A full explanation of the governance arrangements setting out the respective roles of the Pensions Committee, Pensions Panel and the Employers' Forum can be found in the separate document entitled 'Governance Policy Statement' published on the web.

http://www.staffspf.org.uk/governance

1.3 In preparing the Statement, the Pensions Committee has consulted with its Advisors as there are close links between this statement and the separate Funding Strategy Statement ('FSS') which can also be found on the web.

https://www.staffspf.org.uk/Finance-and-Investments/Funding-Strategy-Statement/161007-Funding-Strategy-Statement-2016-v3-DRAFT.pdf

2. The Fund's Objectives

- 2.1 The **primary objective** of the Fund is:
 - To ensure that sufficient funds are available to meet all pension liabilities as they fall due for payment.
- 2.2 The Fund has **funding strategy objectives** which are set out in the Funding Strategy Statement (FSS). These are:
 - To ensure the long-term solvency of the Fund, using a prudent long term view.
 This will ensure that sufficient funds are available to meet all members' / dependents benefits as they fall sue for payment:
 - To ensure that employer contribution rates are reasonably stable where appropriate;
 - To minimise the long-term cash contributions which employers need to pay to the Fund by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return (NB this will also minimise the costs to be borne by Council Tax payers);
 - To reflect the different characteristics of different employers in determining contribution rates. This involves the Fund having a clear and transparent funding strategy to demonstrate how each employer can best meet its own liabilities over future years; and

- To use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer defaulting on its pension obligations.
- 2.3 The FSS sets out the main aims of the Fund and sets employers' contribution rates to achieve those aims on the basis of a Strategic Asset Allocation that is predominantly invested in equities. The FSS models the risks of this investment strategy and in particular the link between assets and liabilities. It also sets out the likelihood of achieving the funding objective in the long term. The FSS has an explicit stabilisation mechanism to limit the annual increase in contribution rates for Local Authorities and other employing bodies with strong covenants.
- 2.4 The **investment objective** of the Fund is:
 - To achieve a return on Fund assets which is sufficient, over the long-term, to meet the funding objectives an ongoing basis.

3. Investment Strategy and Beliefs

- 3.1 The Fund has built up assets over the years and continues to receive contribution and investment income. Any Fund money which is not needed immediately to make payments from the Fund must be invested in a suitable manner; the way in which this is done is referred to as the investment strategy. The Fund ensures it has parameters around its investment strategy by setting a Strategic Asset Allocation, which at a primary level indicates how much the Fund will allocate to each asset class i.e. Equities, Bonds, Alternatives and Cash. This primary level is often sub-divided further by geography, type of investment and manager allocations.
- 3.2 The Fund shares a set of common **investment beliefs** which it thinks about when setting its investment strategy:
 - A long term approach to investment will deliver better returns;
 - The long term nature of LGPS liabilities allows for a long term investment horizon;
 - Asset allocation is the most important factor in driving long term investment returns;
 - Liabilities influence the asset structure; Funds exist to meet their obligations;
 - Risk premiums exist for certain investments and this can help to recover funding deficits;
 - Markets can be inefficient, therefore there is a place for both active and passive management;
 - Diversification across investments with low correlation improves the risk / return profile;
 - Secure and growing income streams underpin the ability to meet future liabilities;
 and
 - Responsible investment can enhance long term investment performance.
- 3.3 The Pension Fund's **Strategic Asset Allocation (SAA)** is formulated in consultation with the Fund's investment advisors, Hymans Robertson, with all the **Page 45**

Fund's objectives in mind. The latest SAA was carried out following the results of the actuarial valuation as at 31 March 2016. It was determined with reference to:

- The probability that it will deliver a return that, in conjunction with the contribution strategy, will achieve the Fund's long-term funding target; and
- The probability that any shortfall from funding target in the event of adverse investment outcomes will be within acceptable levels.
- 3.4 In order to do this, Hymans Robertson carry out stochastic modelling on the proposed SAA and contribution rate strategy, to asses the likelihood of the desired funding level (i.e. 100%) being achieved in 20 years time. They test the strategies under a variety of simulated economic conditions to ensure that two thirds of the simulations achieve the desired funding level. This provides confidence that no matter what the economic conditions over the next 20 years, the SAA will most likely achieve the desired funding level. The modelled scenarios also test that a modest variation of the SAA, of up to 5%, can be tolerated without the likelihood of the funding level being compromised.
- 3.5 The 2016 actuarial valuation of the Fund, showed a funding level of 78%. This means the Fund still needs it's assets to grow significantly and the SAA aims to achieve this, therefore, through a significant allocation to growth assets i.e. equities, property and alternatives. This is balanced to some degree by allocations to stabilising assets to closely match the liquidity demands of the Fund.
- 3.6 Currently, the contribution income from employing bodies and employees is roughly equal to benefit payments to pensioners. This is important as it means the income generated from assets can be reinvested in the Fund. However, at some point over the next 10 years the valuation indicates that outgoing payments will exceed income by 10%. It is expected that the income generated by the current asset allocations will be sufficient to cover this.
- 3.7 The SAA is reviewed and approved by the Pensions Committee, every three years, as part of setting the funding strategy and to take account of developments in the investment environment. It is monitored more frequently at quarterly meetings of the Pensions Panel.
- 3.8 The arrangements for the Fund's investments will change with the advent of LGPS Central Limited in April 2018. Staffordshire is one of 8 Partner Funds and over time, the majority of the Fund's investments will be managed by LGPS Central. However, the decision making around the Fund's SAA, which is recognised to be the primary driver of investment returns, will be retained by the Pensions Committee.
- 4. The requirement to invest money across a wide range of investments and an assessment of the suitability of particular investments and investment types.
- 4.1 The Pensions Committee receives advice on investments from its appointed Investment Consultants. The issues that the Committee takes into account in considering different investments (or asset classes) include;
 - Legality is it excluded by any regulation?
 - The nature and type of return (e.g. is the asset 'real'?)
 - The expected level of return

- The expected variability of return (volatility)
- The relationship of returns between asset classes
- The long term track record of the asset class
- Liquidity
- Credit Risk (i.e. risk of loss)
- Leverage
- Currency risk
- Complexity
- Use of active management where it can add value
- 4.2 Following the Actuarial Valuation of the Fund as at 31 March 2016, the Pensions Committee agreed that the following asset classes were appropriate for the Fund to invest in.

Asset Class		Approval to invest
Equity	UK	√
	Global	✓
	Private Equity	√
	*LGPS Central	√
Bonds	Gilts	√
	Index Linked Gilts	√
	Other Investment Grade Corporate Bonds	√
	*LGPS Central	√
Cash		√
Property		√
Alternatives	Hedge Funds	√
	Commodities	√
	Infrastructure	√
	Active Currency	√
	Other Alternatives e.g Private Debt	√

^{*}The Fund will invest in the Fund will be a fund will invest in the Fund will be a fund with the fund with the fund will be a fund with the fund will be a fund with the fund with the fund will be a fund with the fund will be a fund with the fund will be a fund with the fund with the fund will be a fund with the fund will be a fund with the fund will be a fund with the fund with the fund will be a fund with the fund with the fund will be a fund with the fund with the fund will be a fund with the fund with the fund will be a fund with the fund with the fund will be a fund with the fund with the fund will be a fund with the fund with the fund with the fund will be a fund with the fund with the fund will be a fund with the fund will be a fund with the f

- 4.3 The Fund's SAA is set to ensure that the Fund invests in a wide range of asset classes. This diversification of assets reduces risk and also aims to help meet the Funds funding objectives. Whilst the SAA sets the framework for the Fund's portfolio of assets over the long term, many more detailed decisions have to be taken to build the portfolio of assets; these include aspects such as the characteristics of the equity portfolio (e.g. passive (v) active management, geographical spread), the bonds to be held (e.g. government bonds or corporate credit) and the alternative assets in which the Fund should invest (e.g Private Equity, Private Debt, Hedge Funds, Infrastructure etc).
- 4.4 These 'structural' aspects are the subject of ongoing monitoring by Officers and Advisors and a 'Strategic Benchmark Review and Monitoring' report is presented quarterly to the Pensions Panel for its consideration. From time to time, when markets dislocate, 'tactical' moves between asset classes may be deemed appropriate. However, the Pensions Panel will only agree to make any such switches, following clear advice and recommendations from their advisors.
- 4.5 Furthermore, in order to ensure that 'tactical' switches are not effected unnecessarily, the Pensions Panel monitors the actual SAA of the Fund, subject to the tolerances versus the target SAA of the Fund. The current target SAA target and permitted tolerance ranges are provided in Appendix A.
- 4.6 The Fund categorises assets between growth assets and stabilising assets, with the stabilising assets being those which aim to remove some of the volatility and risk in the investment strategy (e.g. if equity markets fall in value, other asset classes may rise in value). The balance between growth assets and stabilising assets must be such that some of the volatility can be managed, but that the investment strategy is still capable of returning the level of growth required in the long term; as per the assumptions made by the Actuary in the triennial valuation.
- 4.7 The following table details the assumptions made about the expected 12 month long term returns (net of fees) from each of the main asset classes, which were used in the SAA modelling work as part of the 2016 actuarial valuation. The table also provides the annual expected volatility of those returns as at 31 March 2016.

	Expected Rate of Return in Year 1 (p.a.)	20 year Rate of Return (p.a.)	Volatility of Return in Year 1 (p.a)
	31 March 2016	31 March 2016	31 March 2016
UK	4.4%	5.9%	18%
Overseas	3.9%	5.6%	22%
Private Equity	5.0%	7.0%	27%
Long-dated Gilts	0.1%	1.4%	11%
Index-linked Gilts	0.2%	0.5%	9%
Corporate Bonds	3.2%	1.6%	7%
	0.7%	2.6%	1%
UK Commercial	2.0%	3.7%	14%
Private Debt	1.7%	4.2%	7%
Hedge Funds	1.5%	4.1%	13%
	Overseas Private Equity Long-dated Gilts Index-linked Gilts Corporate Bonds UK Commercial Private Debt	of Return in Year 1 (p.a.) 31 March 2016 UK	of Return in Year 1 (p.a.) of Return (p.a.) 31 March 2016 31 March 2016 UK 4.4% 5.9% Overseas 3.9% 5.6% Private Equity 5.0% 7.0% Long-dated Gilts 0.1% 1.4% Index-linked Gilts 0.2% 0.5% Corporate Bonds 3.2% 1.6% UK Commercial 2.0% 3.7% Private Debt 1.7% 4.2%

- 4.8 Any asset class / investment is assessed on its individual merits and on the potential it offers to improve the overall balance of risk and return for the Fund as a whole. The numbers given in the previous table are indicative of the characteristics sought. The expected return from alternatives is not required to match those of equities, if they offer a more stable pattern of returns (and a degree of diversification from equities).
- 4.9 The Portfolios making up the Fund's assets are managed on both an active and a passive basis with the active portfolios expected to outperform their respective benchmarks over the long term. As a result, the investment return achieved by the Fund is expected to exceed the return on gilts (a proxy for the expected growth in liabilities) by a greater margin than that assumed by the Actuary in the 2016 valuation. Details of the managers, their respective investment benchmarks and investment performance targets are included in Appendix B for information.
- 4.10 The Fund's investment portfolio is monitored quarterly by the Pensions Panel, who receive a quarterly report on performance. This covers the total Fund performance, in terms of returns received compared to the benchmark, the performance of individual asset classes and the performance of individual investment managers versus their individual targets. The Pensions Panel use this information to help them assess the ongoing suitability of the Fund's investment strategy and SAA.

5. Other considerations:

5.1 Realisation of investments

5.1.1 The majority of stocks held by the Fund's Investment Managers are quoted on major stock markets and may be realised quickly if required. Property, Private Equity, Private Debt and Hedge Fund investments, which are relatively illiquid, currently make up a modest proportion of the Fund's assets.

5.2 Stock Lending

- 5.2.1 Since May 1999, the Pension Fund has been part of its Custodian's stock lending arrangement, whereby securities held by the Pension Fund are loaned to a third party in return for a fee that helps the Pension Fund meet its funding objectives.
- 5.2.1 There are risks in stock lending but the Pensions Panel considers that these are well managed by the custodian through its lending program. They are also satisfied that there are appropriate collateral arrangements in place which reflect current market practice.
- 5.2.3 Overall, the Pensions Panel considers that the income from stock lending is beneficial to the Fund and that the risks are understood and well managed. Furthermore, they have agreed to place reliance on the co-ordinated actions of the national Financial Regulators in relation to the lending of certain bank, insurance and financial stocks. The policy will be kept under review with annual reports to the Pensions Panel.
- 5.2.4 The manager(s) of pooled funds may undertake a certain amount of stock lending on behalf of unit holders. Where a pooled fund engages in this activity, the extent to which it does is disclosed by the manager. Although the Pensions Panel has no direct control over stock lending in pooled funds, it is comfortable that the extent and nature of this activity is appropriate to the

5.3 **Pension Fund Cash**

- 5.3.1 Cash management in the Pension Fund comprises two elements:
- (i) Cash held in the Pension Fund bank account; and
- (ii) Cash held in the Custodian's bank account.
- 5.3.2 The Pension Fund has a 1% strategic allocation to cash which is primarily used for fulfilling the daily liquidity needs of the Fund. The cash is managed by Staffordshire County Council's Treasury and Pension Fund team in accordance with the Pension Fund's Annual Investment Strategy approved by the Pensions Panel before 31 March each year.
- 5.3.3 Each investment manager in the Fund with a segregated mandate will have a cash account with the Pension Fund's custodian for £ sterling and possibly foreign currency. Again, cash in these accounts is held primarily for the managers day to day liquidity needs but will fluctuate due to the timing issues of trade settlement, dividend income etc. Also, maximum cash limits are agreed with each manager as part of the Investment Management Agreement and so occasionally cash may increase in line with the managers' views on investment markets.
- 5.3.4 All cash balances held with the custodian are swept on an overnight basis into highly credit rated (AAA) money market funds, attracting an appropriate rate of interest.
- 6. The Fund's attitude to risk, including the measurement and management of risk.
- The main strategic risk to the Fund is failing to meet its primary objective of having sufficient funds to meet its liabilities when they become due for payment. This particular risk is managed through the Funding Strategy, which models a range of outcomes using monte carlo simulation. The primary reason for the high variability (risk) in outcomes derives from the high acception of the Fund invested in growth

assets, in particular equities. However, in the long term this is considered to deliver returns that are commensurate with the risk and this helps to keep employer contributions lower than they would otherwise be. It also relies upon the strong covenant of the major employing bodies in the Fund which allows for a long term perspective to be taken.

6.2 Risks are inherently reported to the Pensions Panel/Committee as part of routine reporting. However, there is a separate risk register, which has been developed to categorise risk across 4 main areas of focus: Funding, Administration, Governance and Investment. Some key risks from each of the areas, and the way in which they are mitigated, are highlighted in the following paragraphs.

6.3 Funding

- 6.3.1 **Inflation** future payments the Fund has to make to pensioners are linked to inflation. Therefore increases in the rate of inflation will increase the value of payments to pensioners. The Fund invests in assets, such as index linked gilts, which are linked to inflation. This reduces risk as it matches the return on these assets to actual increases in inflation.
- 6.3.2 **Longevity** future life expectancy is an area which is difficult to forecast accurately but, as people are living longer, the cost to the Fund increases. The Fund has made assumptions on longevity with allowances for future increases. The Fund Actuary also has access to information on the experiences of other local authority pension funds. A substantial portion of this risk has been transferred to employees under LGPS 2014, with the linking of the scheme retirement age to state pension age.
- 6.3.3 Changes in the maturity profile of the Fund the Fund will mature as the ratio of pensioners and deferred pensioners to active employees grows. This is growing as an issue as a result of structural changes affecting employers in the Fund. Over time it is possible to amend the investment strategy to better match this change but it may result in higher contribution rates for Fund employers.

6.4 Administration

- 6.4.1 **Maintaining an appropriate level of staffing and resources** risks is mitigated through monitoring workloads, or backlogs and benchmarking staff numbers. Management review following performance conversations, customer feedback results and complaints monitoring.
- 6.4.2 **Maintaining complete and accurate records** risks are mitigated through the use of internal contribution control and financial systems. Other controls include actuarial data checks, scheme of delegation, record keeping checks, actuarial calculation.

6.5 Governance

- 6.5.1 **Advisors** there is a risk of failing to have proper arrangements in place to ensure the Fund receives appropriate advice. There is also a need to ensuring there are appropriate processes for the procurement and performance monitoring of advisors. A main investment consultant and 2 independent Advisors have been appointed and regularly attend Committee/Panel meetings with officers. Their performance is monitored by Members on an ongoing basis and ultimately through the performance of the Fund.
- 6.5.2 **Custody** there are significant implications of failing to have appropriate custody arrangements in place for liquid markets and illiquid investments (including

property). The Fund has appointed a global Custodian for this purpose and the contract contains detailed provisions for safekeeping of assets. The Custodian's credit rating is monitored. Arrangements are reviewed regularly with stock lending subject to a separate agreement and strict controls. The Council's Legal Services keep all property records. And, Limited Partnership agreements for illiquid investments and other documents are held by manager's custodians.

6.6 Investments

- 6.6.1 **Investment in equities** a large proportion of the Fund is invested in equities which are expected to provide better returns than government bonds over the long term. The risk with this strategy is that equity values fall significantly in the short term and they fail to outperform bonds in the long term. This risk is managed through reliance on the funding strategy which details the positive cash flows of the Fund and the long term agreement of the main employing bodies. This then allows the Fund to take a long-term investment perspective and maintain a high exposure to equities over time for them to deliver the expected returns.
- 6.6.2 **Interest rates** changes in interest rates will affect the level of the Fund's liabilities and the value of the Fund's investment in bonds. Little can be done in relation to the change in liabilities; this is a fundamental part of having a Pension Fund. To mitigate the risk of capital loss on bonds from interest rate changes, the Fund's strategic asset allocation allows scope to adjust the bond exposure.
- 6.6.3 **Pension Fund investment managers underperform their target benchmarks** as the majority of the Fund is invested through external investment managers, this risk is partially managed by keeping a substantial share of the Fund invested passively and by ensuring that the active managers have complementary styles allied to regular monitoring. Each manager has an investment management agreement in place which sets out the relevant investment benchmark, investment performance target, asset allocation ranges and any investment restrictions. This constrains the investment managers from deviating significantly from the intended approach, while permitting sufficient flexibility to allow the manager to reach their investment performance target.
- 6.7 In terms of investment risks, the Pensions Committee receives an annual report from the Fund's independent performance measurer to show both performance and risk, where risk is measured as the variability of returns both against liabilities and against equity or other benchmarks. The Pensions Panel receives reports which monitor such risks quarterly.
- 6.8 Most of the Fund is invested in liquid investments. Risks are also managed through diversification. For example;
 - across asset classes e.g. bonds, property, private equity, hedge funds and cash;
 - across managers and styles, geographical areas e.g UK, Overseas, Emerging Markets; and
 - through ensuring managers maintain a diversified portfolio of investments within their mandate.
- 6.9 Overseas **currency** risk is not currently hedged. Going forward, consideration will be given to passive currency hedging being put in place by the Fund's Global Custodian.

6.10 The risks associated with **asset pooling** and the creation of LGPS Central Limited are addressed as part of a separate risk register, which is reviewed regularly by the project's Programme Board made up of the S151 Officers of the 8 Partner Funds.

7. The authority's approach to investment pooling

- 7.1 Staffordshire County Council, as the administering authority of the Staffordshire Pension Fund, is one of 8 shareholders in LGPS Central Limited; the other 7 shareholders being the Local Authority Pension Schemes managed by Cheshire West and Chester Council, Derbyshire County Council, Leicestershire County Council, Nottinghamshire County Council, Shropshire Council, Wolverhampton City Council and Worcestershire County Council.
- 7.2 The 8 Partner Funds have a regional identity but welcome wider collaboration with other LGPS pools. Whilst, one fund, one vote, will be an overriding principle of the pooling arrangement, LGPS Central Limited recognises that Funds have different funding levels and deficit recovery profiles; the pool's structure will aim to meet each Fund's needs in this respect.
- 7.3 At the outset, the 8 Partner Funds of LGPS Central Limited outlined its key characteristics whereby: Assets will be managed by both internal and external investment managers and it is expected that the split between internal and external management will vary over time, as the internal investment resource and resilience is developed; Knowledge and expertise will be shared and participants will be open to challenge and change; Participants will listen and be constructive;. Strong governance, based on openness and transparency, within the pool will be paramount; Costs will be actively managed, be transparent and will be shared fairly between participants; Responsible investment will be an integral part of the investment process.
- 7.4 LGPS Central Limited has been formally accepted by the Secretary of State as a Local Authority Pension Fund Investment Pool. The company becoming an FCA registered investment manager will lead to improved governance, transparency and reporting, giving the 8 Partner Funds assurance around their investments and the investment process.
- 7.5 A Shareholders Forum, comprising one elected Member from each of the 8 Partner Funds will act as the supervisory body of the pool and will fulfil the shareholders' role in ensuring that the company is managed efficiently and effectively. A Joint Committee, set up in accordance with the provisions of the Local Government Act 1972, will be the forum for dealing with common investor issues and for the collective monitoring of the performance of the pool against its objectives (set out in the business case submission). To support the Joint Committee and the Shareholders' Forum, a Practitioners Advisory Forum will be created, consisting of Officers from each of the 8 Partner Funds. This Forum will provide day to day oversight of the company and will monitor its investment performance and investment costs. The Forum will also act as the customer, monitoring levels of customer service and the delivery of wider investor services such as responsible investment and voting.
- 7.6 With the exception of a working cash balance, to ensure liabilities can be paid as they fall due, all of the Funds assets, will be invested through LGPS Central. Albeit there will be a period of transition and restructuring, it is envisaged that LGPS Central will take over the oversight of all assets with effect from April 2018. A range of reporting processes to key stakeholders (which will likely include an annual report on the progress of asset transfers) will need to be developed.

- 8. The Fund's policy on social, environmental and corporate governance considerations.
- 8.1 Responsible Investment (RI) is the belief that, over the long term, financial performance can be enhanced through the integration of environmental, social and corporate governance (ESG) considerations into investment management processes and active ownership practices.
- 8.2 The Pensions Committee / Panel seeks to ensure that, as far as possible, Responsible Investment (RI) factors (corporate governance, environmental and social factors) are incorporated together with financial factors into the investment process across all relevant asset classes. Non financial factors are considered as part of investments to the extent that they are not detrimental to the investment returns. Social impact is considered, but financial return is the primary concern. The Pension Fund operates a policy of engagement with companies it is invested in, rather than divestment. The Fund believes, that over time, this allows for better social outcomes and ultimately enhanced financial returns. The Fund will not pursue RI policies that are contrary to UK foreign policy or UK defence policy.
- 8.3 To assist them in doing this, the Fund:
 - 8.3.1 endorses the United Nations Principles of Responsible Investing (UNPRI) and seeks to encourage its active equity managers to sign up to them in order to fully incorporate RI issues into their investment process.

The 6 principles are:

- we will incorporate Environmental Social and Governance issues into investment analysis and decision-making processes;
- we will be active owners and incorporate Environmental Social and Governance issues into our ownership policies and practices;
- we will seek appropriate disclosure on Environmental Social and Governance issues by the entities in which we invest
- We will promote acceptance and implementation of the Principles within the investment industry
- We will work together to enhance our effectiveness in implementing the Principles
- We will each report on our activities and progress towards implementing the Principles

As at April 2017, all of the Fund's active equity managers were signed up to UNPRI.

8.3.2 has been a member of the Local Authority Pension Fund Forum, since 1 April 2013. LAPFF exists to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders while promoting social responsibility and high standards of corporate governance at the companies in which they invest. Formed in 1990, the Forum brings together a diverse range of 70 local authority pension funds with combined assets of over £175 billion. The Pensions Panel receives a copy of the LAPFF quarterly engagement report as part of its meeting papers. It is expected that LGPS Central will also become a member of LAPFF from April 2018, alongside its 8 Partner Funds.

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- 8.4 The Fund has delegated voting and day to day engagement with investee companies its investment managers. Following the pooling of the Fund's assets in 2018, with those of partner funds into LGPS Central, the responsibility for the selection of those investee companies will transfer to the pool and investment managers appointed by the pool. Agreements between LGPS Central and investment managers will need to set out how RI factors are taken into account. LGPS Central Limited has its own Responsible Investment policy which can be summarised as follows:
 - The Pool believes that effective management of financially material ESG risks should support the Pool's requirement to protect returns over the long term.
 - With regard to climate change risks, the Pool recognises that the scale of the
 potential impacts is such that a proactive and precautionary approach is needed
 in order to address them.
 - The Pool considers RI to be relevant to investment performance across asset classes.
 - The Pool recognises the need to operate at a market wide level to promote improvements that will help it to deliver sustainable long-term growth.
 - The pool believes Investee companies with robust governance structures should be better positioned to handle the effects of shocks and stresses of future events.
 - The Pool has a policy of risk monitoring and engagement in order to positively influence company behaviour and enhance shareholder value, influence that would be lost through a divestment approach.
 - The Pool extends this principle of 'engagement for positive change' to the due diligence, appointment and monitoring of external fund managers who are at an early stage of developing its RI approach.
 - The Pool aims to be aware of and monitor financially material RI issues in the context of investment and manager selection. Depending on the asset class and nature of the proposed mandate or vehicle, the Pool will monitor:
 - RI issues in relation to internally managed investments;
 - the extent to which the external managers incorporate RI issues into their investment processes; and
 - -hold external managers to account for improvement in their RI performance over a reasonable timeframe.
- 8.5 Details of the Fund's individual investment managers' corporate governance and socially responsible investment policies, as well as details on the UK Stewardship Code and UNPRI are available at the Staffordshire Pension Fund website at www.staffspf.org.uk
- 9. The Fund's policy with regard to stewardship of assets, including the exercise of voting rights.
- 9.1 The Fund believes that voting is an integral part of Responsible Investment and delegates much of the stewardship of assets and the exercise of voting rights to the its investment managers. Details of resolutions investment managers have voted on and any engagement they have had with companies is noted in the quarterly reports the investment managers produce for the Fund.
- 9.2 The Pensions Panel receives regular updates from investment managers on details of votes cast on corporate resolutions as part of a quarterly RI report; any points of interest are also highlighted. The Fund also publishes a report on the voting activities carried out by Managers on its behalf as part of its annual report. This can be found on our annual report on the Pension Fund website https://www.staffspf.org.uk/Finance-and-Investments/Annual-Reports-and-

9.3 Following the formation of LGPS Central, in 2018, the exercising of voting rights will be a matter for the pool. The LGPS Central RI Policy states that their approach will be as follows:

'Where practical, the Pool aims to vote in every single market in which it invests. In the interests of sending a consistent signal to investee companies, the Pool has decided to use a third party provider for analysis of governance issues and executing its proxy voting rights across all markets in which it invests. At the present time, the Pool believes that the advantage of a consistent signal outweighs the inherent disadvantages to disconnecting the voting function from the investment and engagement decisions of external fund managers. However, given market developments in this area, the Pool will re-evaluate this position on a yearly basis'.

9.4 During 2017, it is the Fund's intention to become a signatory of the Financial Reporting Council's UK Stewardship Code. This will involve producing a statement of compliance against 7 key principles and whilst we believe our current approach to stewardship is fully compliant with the code, there is a need to document and develop the way we demonstrate this further. The Fund's equity investment managers are all current signatories to the Code.

If you have any comments on this Statement of Investment Principles or require any more information on the subjects contained within it, please contact:

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Appendix A – Strategic Asset Allocation – 1 April 2017

	Benchmark Target %	Permitted Tolerance
Growth	86.0%	
UK Equities - Listed	14.0	
Global Equities - Listed	53.0	
Total Equity	67.0	+/- 3%
Property	10.0	+/- 3%
Private Equity	3.5	
Private Debt Funds	3.5	
Hedge Funds	2.0	
Total Alternatives**	9.0	<10%
Stabilising (including Cash)	14.0	
Gilts ***	6.5	
Index-linked Gilts	6.5	
Total Gilts	13.0	+/- 3%
Cash	1.0	3% maximum
Total	100.0	

Notes:

^{*} An equally weighted split between long-dated conventional gilts (6.5%) and long-dated index-linked gilts (6.5%) is viewed as the Fund's benchmark neutral position.

^{**}Subject to the identification of appropriate opportunities, the Pensions Panel have approved that: "An aggregate investment of up to 10% of the Fund may be made in appropriate Alternative Investments."

^{***}The Fund disinvested from Gilts in 2012 due to their relatively high valuations. A tactical investment was made in Corporate Bonds pending gilt prices returning to an appropriate level, at which point the Fund will reinvest.

Appendix B - Investment Managers Benchmark Indices and Investment Targets

Active Portfolios

Standard Life Investments	UK Equities	FTSE All Share Index (capped by 2%)	2% above benchmark over rolling 3 year period
JP Morgan Asset Management	Global Equities	MSCI All Countries World Index	2% above benchmark over rolling 3 year period
Longview Partners	Global Equities	MSCI All Countries World Index	2% above benchmark over rolling 3 year period
Insight Asset Management	UK Corporate Bonds	3 month LIBOR	Maintain minimum initial yield of 2.5%
Russell Investments	Emerging Markets Equities	MSCI Emerging Markets Index	To outperform the benchmark
Colliers CRE	Property	IPD UK Monthly Property Index	To outperform the benchmark
Goldman Sachs	Fund of Funds Hedge Fund	3 month LIBOR	6% above benchmark
Various	Private Debt	-	-
Various	Private Equity	-	-

Indexed (Passive) Portfolios

Legal & General Investment Management	UK Equities	FTSE All Share Index	Match benchmark
Legal & General Investment Managment	Global Equities *	FTSE All World Developed Index	Match benchmark
Legal & General Investment Management	Index-linked Bonds	FTSE-A Over 5 years Index-Linked Gilts Index	Match benchmark
Legal & General Investment Management	FTSE Emerging Markets Index	World Emerging Markets Equity Index	Match benchmark

^{*}investments are made in a range of sub-funds which are periodically rebalanced to reflect the weightings in the FTSE All World Developed Index

Agenda Item 9

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Agenda Item 11a

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Agenda Item 11b

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Agenda Item 14a

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Agenda Item 14b

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972

Agenda Item 15

Not for publication by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972