

Agenda Item No 6(a)

**DERBYSHIRE COUNTY COUNCIL
PENSIONS AND INVESTMENTS COMMITTEE**

14 June 2017

Report of the Director of Finance & ICT

INVESTMENT REPORT

1 Purpose of the Report

To review the Fund's asset allocation, investment activity since the last meeting, long term performance analysis and to approve the investment strategy in the light of recommendations from the Director of Finance & ICT and the Fund's independent adviser.

2 Information and Analysis

(i) Report of the External Adviser

A copy of Mr Fletcher's report, incorporating his view on the global economic position, factual information for both global market returns, the performance of the Fund and his recommendations on investment strategy and asset allocation, is attached in Appendix 1.

(ii) Asset Allocation and Recommendations Table

The Fund's latest asset allocation as at 30 April 2017 and the recommendations of the Director of Finance & ICT and Mr Fletcher, in relation to the Fund's benchmark, are shown in the table below.

The table also shows the recommendations of the Director of Finance & ICT adjusted to reflect the impact of future investment commitments. These commitments largely relate to Alternatives, Multi-Asset Credit and Property and totalled £242m at 31 May 2017. Whilst the timing of drawdowns will be lumpy and difficult to predict, the In-house Investment Fund Manager Team (IFMT) believe that these are likely to occur over the next 18 to 24 months.

PUBLIC

Asset Category	Benchmark		Fund Allocation	Fund Allocation	Permitted Range	Benchmark Relative Recommendation		Recommendation		Recommendation Adjusted for Commitments (2)	Benchmark Return
	Old	New (1)	31/1/17	30/4/17		AF 14/6/17	DPF 14/6/17	AF 14/6/17	DPF 14/6/17	DPF 14/6/17	3 Months to 30/4/17
Equities	60.0%	58.0%	66.9%	65.5%	+/- 8%	+2.0%	+6.9%	60.0%	64.9%	64.9%	n/a
UK Equities	28.0%	25.0%	29.6%	27.8%	+/- 6%	-1.0%	+2.3%	24.0%	27.3%	27.3%	4.0%
Overseas Equities	32.0%	33.0%	37.3%	37.6%	+/- 6%	+3.0%	+4.6%	36.0%	37.6%	37.6%	n/a
N. America	11.0%	12.0%	11.1%	11.3%	+/- 4%	-	-0.7%	12.0%	11.3%	11.3%	1.9%
Europe	9.0%	9.0%	10.0%	10.4%	+/- 4%	-	+1.4%	9.0%	10.4%	10.4%	6.3%
Japan	5.0%	5.0%	6.9%	6.6%	+/- 2%	+1.0%	+1.6%	6.0%	6.6%	6.6%	-0.4%
Pacific ex-Japan	4.0%	4.0%	5.3%	5.4%	+/- 2%	+1.0%	+1.4%	5.0%	5.4%	5.4%	5.1%
Emerging Markets	3.0%	3.0%	4.0%	3.9%	+/- 2%	+1.0%	+0.9%	4.0%	3.9%	3.9%	4.4%
Bonds	22.0%	22.0%	18.8%	18.9%	+/- 5%	-2.0%	-2.6%	20.0%	19.4%	20.8%	n/a
Conventional	6.5%	5.5%	6.0%	5.9%	+/- 3%	-1.5%	+0.4%	4.0%	5.9%	5.9%	3.7%
Index-Linked	6.5%	6.5%	6.2%	6.1%	+/- 3%	-1.5%	-0.4%	5.0%	6.1%	6.1%	4.3%
Corporate	6.0%	6.0%	5.4%	5.4%	+/- 3%	-	-0.6%	6.0%	5.4%	5.4%	3.5%
Multi-Asset Credit	3.0%	4.0%	1.2%	1.5%	+/- 2%	+1.0%	-2.0%	5.0%	2.0%	3.4%	0.8%
Property	9.0%	9.0%	6.4%	6.6%	+/- 3%	-	-2.0%	9.0%	7.0%	7.3%	2.1% (3)
Direct	5.0%	5.0%	3.7%	3.9%	+/- 2%	+1.0%	-1.1%	6.0%	3.9%	3.9%	2.2% (3)
Indirect	4.0%	4.0%	2.7%	2.7%	+/- 2%	-1.0%	-0.9%	3.0%	3.1%	3.4%	2.1% (3)
Alternatives	7.0%	9.0%	3.6%	3.5%	+/- 3%	-	-5.2%	9.0%	3.8%	6.8%	n/a
Infrastructure	3.0%	5.0%	1.8%	1.9%	+/- 2%	-	-2.8%	5.0%	2.2%	3.8%	0.6%
Private Equity	4.0%	4.0%	1.8%	1.6%	+/- 2%	-	-2.4%	4.0%	1.6%	3.0%	8.7%
Cash	2.0%	2.0%	4.3%	5.5%	0 – 8%	+1.0%	+2.9%	2.0%	4.9%	0.2%	0.1%

(1) The New Benchmark came into effect on 1 April 2017

(2) Recommendation adjusted for investment commitments at 31 May 2017

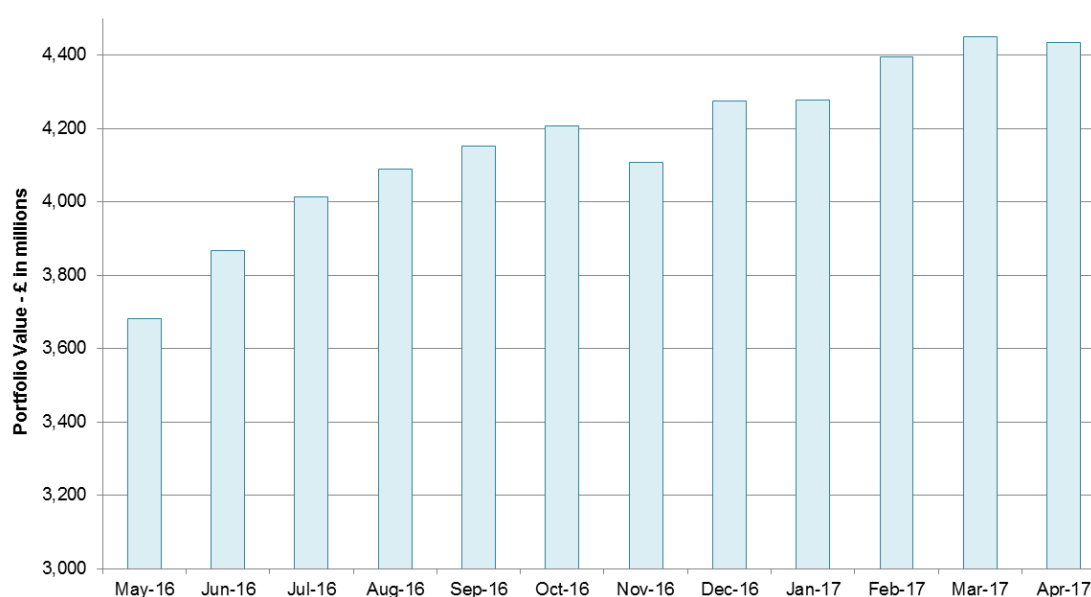
(3) Benchmark Return for the three months to 31 March 2017

Relative to the benchmark, the Fund as at 30 April 2017 was overweight in Equities and Cash but underweight in Bonds, Property and Alternative investments.

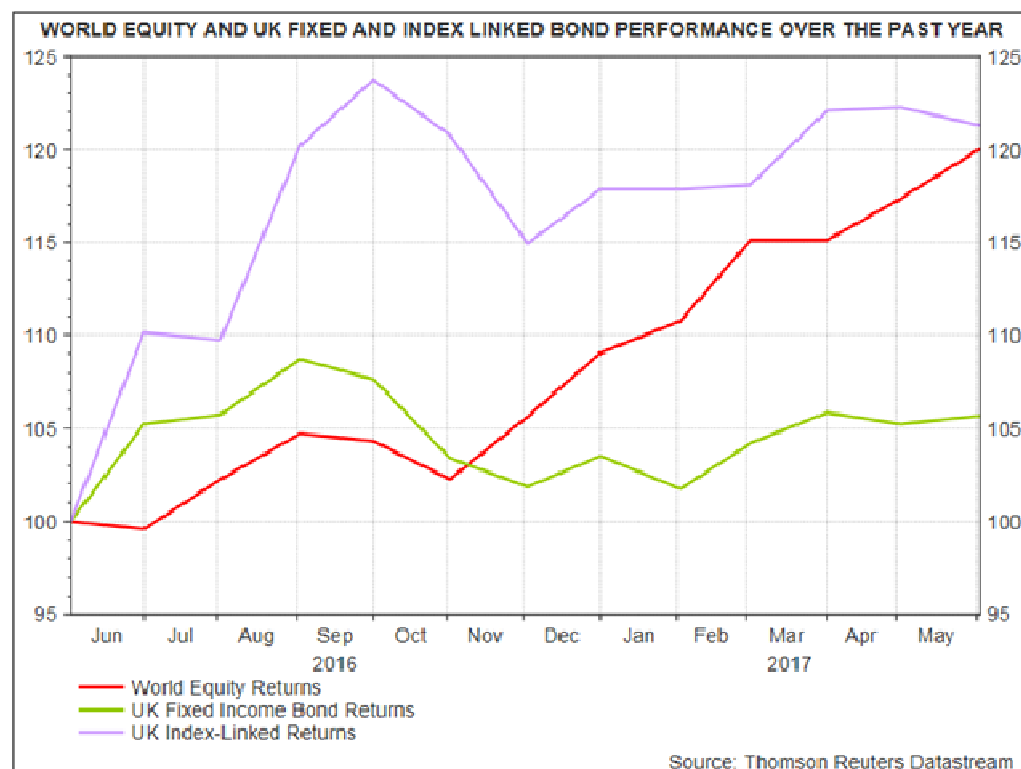
(iii) Total Investment Assets

The Fund's investment assets increased by £157.7m (+3.7%) between 31 January 2017 and 30 April 2017. Over the twelve months to 30 April 2017, the Fund's investment assets have risen by £769m (+21.0%), reflecting strong market returns. A copy of the Fund's valuation is attached at Appendix 2.

Total Investment Assets



The Fund's valuation can fluctuate significantly in the short term reflecting market conditions and supports the Fund's strategy of focusing on the long term.

(iv) Market returns over the last 12 months

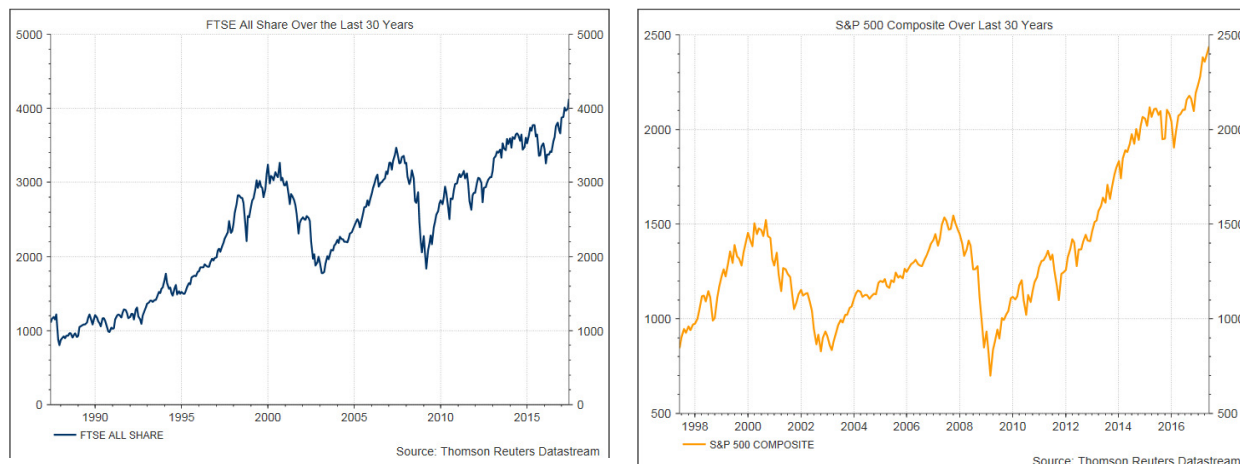
The chart above shows market returns for World Equities, UK Fixed Income and UK Index Linked bonds between 2nd June 2016 and 2nd June 2017.

Despite some weakness over September and October caused by worries about Brexit, Chinese growth, the path of US monetary policy and the US Presidential election, market returns have generally been very strong over the past year. The election of Donald Trump in November 2016 boosted equity markets on the expectation of higher economic growth and lighter regulation, and overseas equity returns have been particularly strong for UK investors since the EU referendum in June 2016 with sterling falling sharply against both the dollar and euro (albeit they recovered slightly over the last quarter). Global economic performance over the last quarter has generally been better than expected and a softening of political risks in Europe (which weighed on markets at the start of the year) has helped equity returns.

Bond returns rose sharply following the EU referendum and fell back in Q4 2016 in response to expectations of higher inflation and resilient economic data. Economic Expectations generally softened in the first four months of 2017, pushing up UK bond returns as concerns over a slowdown in consumer spending and a potential “hard Brexit” offset the positive outlook for global growth and inflation. However returns over the last quarter significantly lagged behind equity market returns.

Asset class weightings and recommendations are based on values at the end of April 2017. Equity market returns were strong in May 2017. Many global

stock markets are now trading at all-time highs and it should be noted that the asset class returns over the last twelve months (see charts below which show the value of the FTSE All Share and S&P 500 Composite over the last 30 years), were well in excess of long term averages.



(v) Longer Term Performance

Figures provided by Portfolio Evaluation Limited show the Fund's performance over 1, 3, 5 and 10 years to 31 March 2017.

Per annum	The Fund	Benchmark Index
1 year	21.1%	20.3%
3 year	10.7%	10.4%
5 year	10.4%	10.0%
10 year	7.2%	6.7%

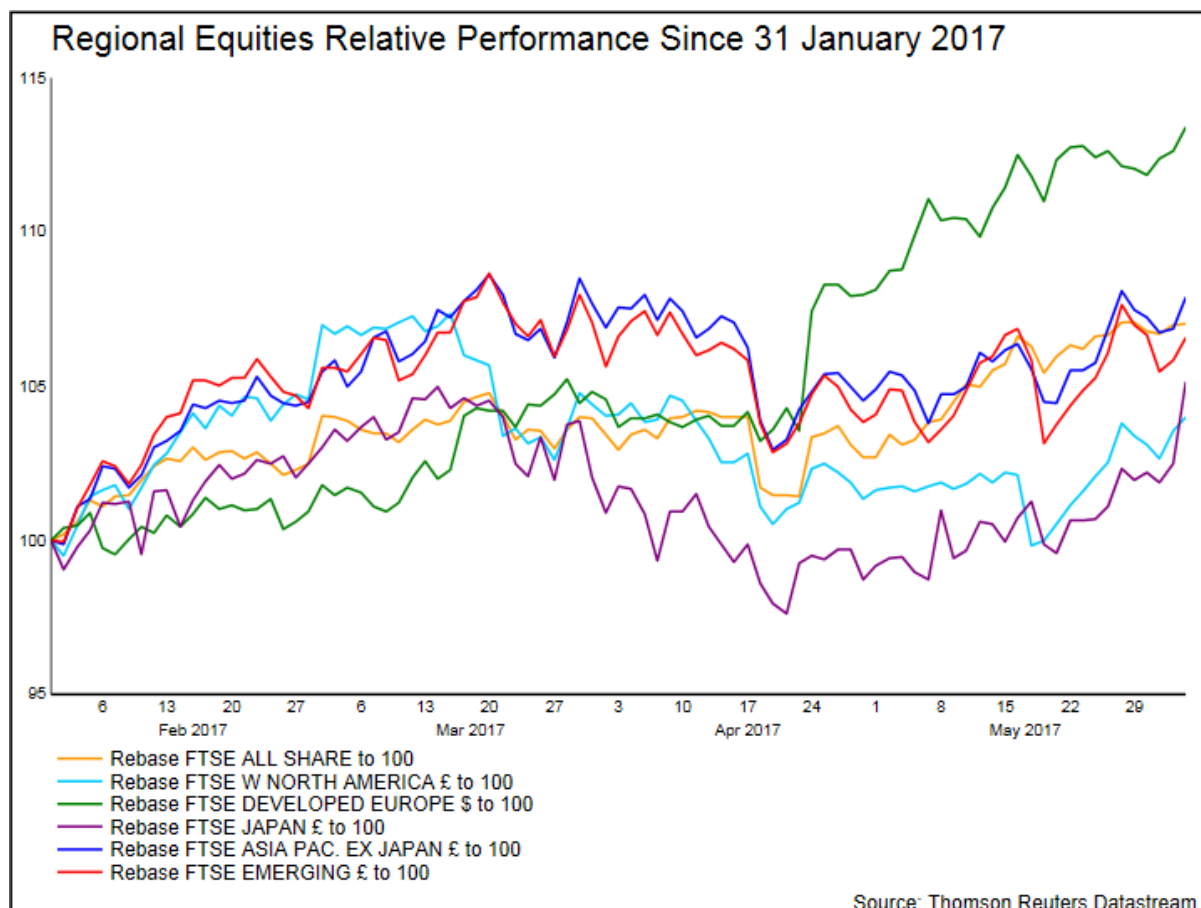
The Fund outperformed the benchmark over each of the periods.

(vi) Asset Class Recommendations

Equities

At the last meeting it was agreed to reduce the overall weighting in Equities to 64.6%, a 4.6% overweight position against the old benchmark of 60%. At 30 April 2017, the overall equity weighting was 65.5%. The new benchmark reduces the overall weighting by 2% to 58% with a 3% reduction in UK Equities, partly offset by a 1% increase in North American Equities. The IFMT recommendations below would take the overall equity weighting to 64.9%.

The Chart below shows the relative regional equity returns between 31 July 2017 and 2 June 2017.



UK Equities

It was agreed that the Fund would reduce its weighting from 29.6% to 27.4%. Divestment of £70m was partly offset by relative market strength and the weighting fell by 1.8% to 27.8% at 30 April 2017. Benchmark UK Equities returned 4.0% in the period.

Mr Fletcher notes that it is always difficult to underweight the UK equity market because of the quality of: the rule of Law; accounting practices and governance procedures required by UK regulators; it is the home market; there is no currency volatility to worry about; and many of the larger companies represented in the FTSE 100 have significant exposure to overseas operations, including fast growing emerging markets. However, the UK is about to enter the Brexit negotiations which are timetabled to last two years and businesses will have to try and decide what their longer term investment decisions should be over that period. Mr Fletcher recommends a 1.0% underweight allocation in the medium term against the new strategic benchmark of 24%. The IFMT believe that while the immediate impact of the UK referendum vote has been significantly less than expected and the UK economy has maintained positive momentum (albeit with recent signs of

weakness), the UK market is likely to experience periods of volatility connected to the General Election (the outcome of which will be known by the time of the Committee meeting) and the Brexit negotiations. The IFMT recommend that the current allocation is reduced by 0.5% to 27.3% over the next quarter, with a long term directional trend towards a neutral position of 25% against the new benchmark, although it should be noted that this will require a divestment of around £125m and sourcing attracting alternative investment opportunities remains challenging.

Northern American Equities

At the last meeting it was agreed to reduce the weighting by 0.1% to a neutral position of 11.0% against the old benchmark; 1.0% underweight against the new benchmark of 12%. The weighting at 30 April 2017 was 11.3%. Benchmark US Equities returned 1.9% in the period.

Mr Fletcher notes that that even before the election result the US economy was showing reasonable underlying growth. Consumption and labour markets remain strong, but rising wages are putting pressure on profit margins and valuations are elevated. However, should the new administration achieve only part of its objectives the boost to activity combined with the positive sentiment could continue to surprise on the upside in equity markets. As a result, Mr Fletcher recommends maintaining a neutral weighting. The IFMT believe that current valuations leave little room for disappointment in earnings and the environment for buybacks, which have underpinned market strength, is expected to deteriorate. Furthermore, the US Dollar has shown some weakness recently following a market reassessment of President Trump's ambitious policy programme. As a result, the IFMT recommend maintaining the current 0.7% underweight position of 11.3%.

European Equities

It was agreed at the last meeting that the Fund would maintain a 1.0% overweight position of 10.0%. Whilst there were no transactions in the period, relative market strength (benchmark European Equities returned 6.3% the period) increased the weighting to 11.4% at 30 April 2017. If the Fund managed the European portfolio actively, Mr Fletcher would recommend a 1% overweight position of 10% as he believes that growth could continue to surprise on the upside and that the risks in the region are well known and can be avoided by good country and stock selection. As the portfolio is currently

managed passively, Mr Fletcher recommends a neutral weighting of 9%. The IFMT recommend that the current 1.4% overweight position of 10.4% is maintained, supported by reduced political risk, an improving economic outlook and corporate earnings growth.

Japanese Equities

At the last meeting it was agreed to maintain a 0.9% overweight position of 6.9%. A benchmark return of -0.4% over the period (largely reflecting the impact of a weaker yen) reduced the weighting to 6.6% at 30 April 2017.

Mr Fletcher views the Japanese market as only fair value relative to the rest of the world, although cheap relative to its own history. However, with large cash balances, share buy-backs and dividend payouts remaining high in Japan, Mr Fletcher recommends a 1% overweight position of 6%. The IFMT view the cash balances within Japanese companies and the current low payout ratios compared to other regions as offering potential for a re-rating in share prices. The recent softening of the yen will take the pressure of exporters and earnings growth forecasts underpin the valuation of the market. The IFMT recommend that the current overweight position of 6.6% should be maintained.

Asia Pacific Ex Japan and Emerging Markets

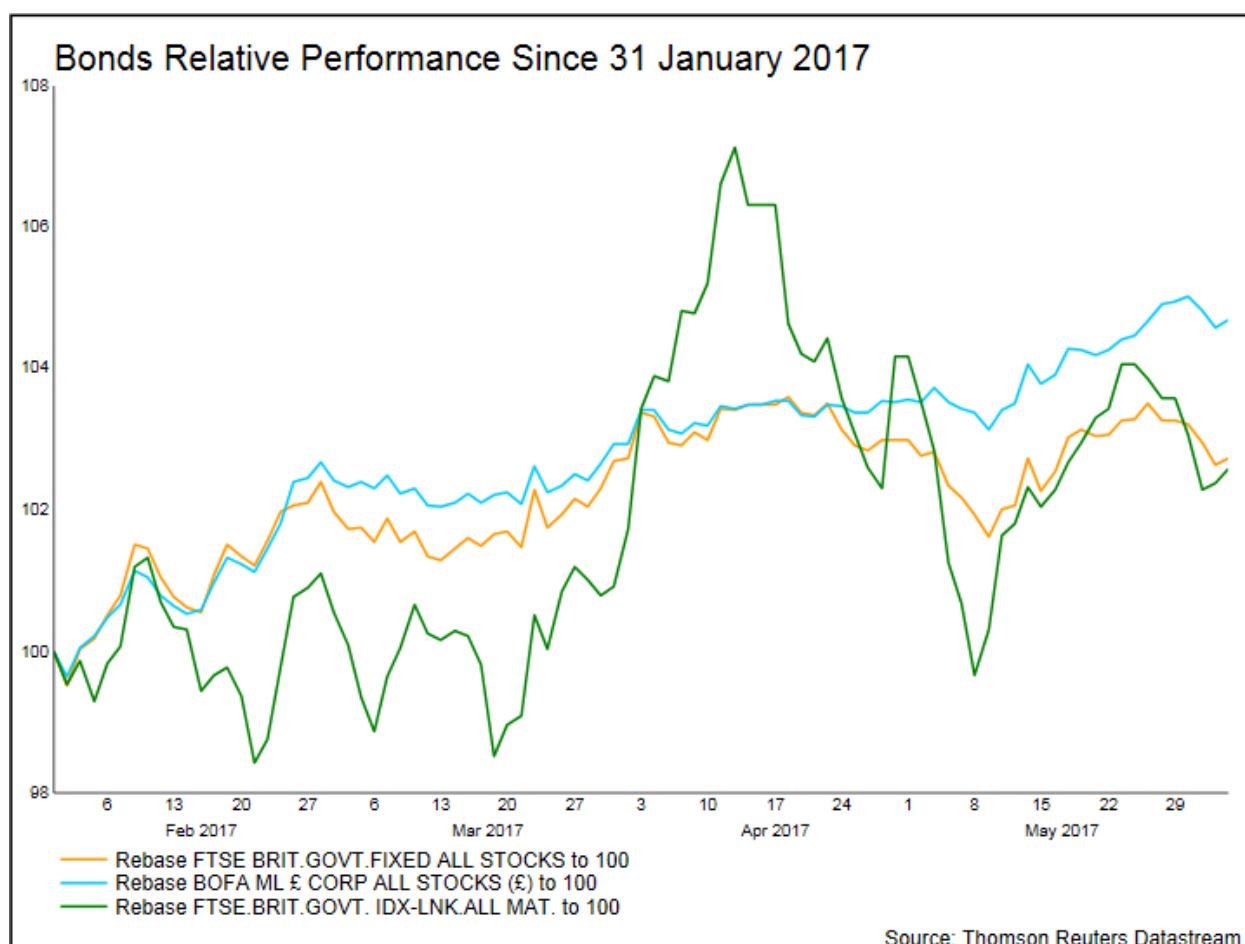
It was agreed that the Fund would retain the Asia Pacific Ex Japan weight at 5.4% (1.4% overweight) and the Emerging Market weight at 4.0% (1.0% overweight). Whilst Asia Pacific Ex Japan remained at 5.4%, the Emerging Market weighting fell by 0.1% to 3.9%. Over the period, benchmark Asia Pacific Ex Japan Equities returned 5.1%, whereas benchmark Emerging Market Equities returned 4.4%.

Mr Fletcher notes that Pacific Basin and Emerging Market equity markets rebounded strongly in Q1 2017 after a difficult Q4 2016. Mr Fletcher also notes that these economies are growing roughly twice as fast as developed economies and have positive domestic macro fundamentals. As a result, Mr Fletcher recommends a 1% overweight position in both regions. The IFMT continue to believe in the long term growth potential of these regions and recommend maintaining the 1.4% overweight position in Asia Pacific Ex Japan at 5.4% and the 0.9% overweight position in Emerging Markets at 3.9%.

Bonds

At the last meeting it was agreed to maintain the overall weighting in bonds at 19.7%, a 2.3% underweight position. At 30 April 2017, the overall weighting to bonds was 18.9%. Whilst the new benchmark retains an overall neutral weighting of 22%, the Conventional Bonds weighting has been reduced by 1% and the Multi-Asset Credit weighting has been increased by 1%. The IFMT recommendations below would take the overall bond weighting to 19.4%.

The Chart below shows the relative regional bond returns between 31 July 2017 and 2 June 2017.



Conventional Bonds

It was agreed to maintain the allocation at 6.0%; 0.5% underweight against the old benchmark but 0.5% overweight against the new benchmark. Relative market weakness reduced the weighting to 5.9% at 30 April 2017, with benchmark Conventional Bonds returning 3.7% over the quarter.

Mr Fletcher recommends at 1.5% underweight position of 4.0% against the new benchmark. Mr Fletcher anticipates that while global investment yields are likely to go higher because of increased US yields, the demand dynamics, the debt burden and the demographics, do not really support a move to the kind of levels we have seen in the past, before the impact of higher yields put pressure on economic activity. Whilst the IFMT would prefer to move to a neutral weighting of 5.5% based on bond market fundamentals, they believe on a relative basis Conventional Bonds afford greater protection than other asset classes in periods of market uncertainty, and therefore recommend that the current 0.4% overweight position of 5.9% is maintained.

Index-Linked Bonds

At the last meeting it was agreed to hold a 0.3% underweight position of 6.2%. Relative performance weakness reduced the weighting by 0.1% to 6.1% at 30 April 2017. Benchmark Index-Linked bonds returned 4.2% over the period.

Mr Fletcher notes that UK Index-Linked gilts remain some of the most expensive in the world, however, demand remains high from corporate pension schemes and insurance companies looking for safe long term inflation linked returns. Mr Fletcher continues to recommend an underweight position but has reduced his underweight recommendation from 3.0% to 1.5%. Mr Fletcher notes that the current tactical allocation to US Treasury Inflation Protected Securities (TIPS) has worked well recently and the position has been reduced of late. Mr Fletcher believes that it may be worth closing this position and re-investing the proceeds into UK Index-Linked bonds. The IFMT recommend that the current 0.4% underweight position of 6.1% is maintained and that the current exposure to US TIPS (around one third of the Index-Linked portfolio) is maintained because of the yield uplift compared to UK Index-Linked bonds.

Corporate Bonds

It was agreed to maintain the weighting at 5.4%. There were no transactions in the period and the weighting remained unchanged at 30 April 2017. Benchmark Corporate Bonds returned 3.5% over the quarter.

Mr Fletcher has maintained his neutral weighting of 6.0% and notes that whilst he continues to believe that the Fund should have a higher weighting to Corporate Bonds, he acknowledges that tactically the current level of spread

may not be attractive enough to have an overweight position. The IFMT continue to believe that the yield pick-up offered by Corporate Bonds provides insufficient compensation for the increased default risk of the asset class and the credit spreads do not reflect heightened political risks. The IFMT, therefore, recommend a maintained underweight position of 5.4%.

Multi-Asset Credit

At the last meeting it was agreed to increase the invested weighting to 2.1% and the committed weighting to 3.3%. Whilst £16m was invested in the period, planned investment was impacted by due diligence delays, and the invested weighting was 1.5% at 30 April 2017. The benchmark return for this asset class over the period was 0.8%.

In order to increase the diversified sources of bond market risk and return in the portfolio, Mr Fletcher recommends an increased allocation to Multi-Asset of 5% which would represent a 1% overweight position against the new benchmark. The IFMT remain positive about the attractions of this asset class and prefer a bias towards defensive forms of credit (e.g. senior secured debt with low default rates) with strong covenants and floating rate protection. Due diligence is being undertaken on a number of possible investments and the IFMT recommend increasing the invested weighting by 0.5% to 2.0% and the committed weighting to 3.4%.

Property

At the last meeting it was agreed to hold the overall allocation to property at 6.4%, a 2.6% underweight position. Investment in the period totalled £14m and the overall weighting increased to 6.7%, with Direct Property accounting for 3.9% (1.1% underweight) and Indirect Property accounting for 2.7% (1.3% underweight). Benchmark property returns in the three months to 31 March 2017 were 2.1%.

Mr Fletcher continues to recommend a neutral overall allocation to Property believing attractive opportunities can still be sourced, with a preference for a 1% overweight position in Direct Property and a 1% underweight in Indirect Property. Potential new Direct Property investments continue to be actively assessed by the external discretionary manager with investment in the last quarter totalling £12.5m. Mr Fletcher supports the approach of buying well researched quality properties at the right price and minimising voids which can lead to delays in sourcing new property investments. The IFMT

recommend maintained weighting of 3.9% in Direct Property while the external discretionary manager continues to seek out attractive propositions in this asset class and a 3.1% weighting in Indirect Property reflecting expected drawdowns in respect of existing commitments. The IFMT continue to assess Indirect Property funds with a focus on funds with strong covenants and sustainable rental growth. On a committed basis, the Indirect Property weighting is 3.4%, 0.6% lower than a neutral weighting.

Alternatives

At the last meeting it was agreed to increase the overall allocation to Alternatives to 4.0% on an invested basis and 5.8% on a committed basis against the old neutral benchmark of 7%. The new benchmark increases the neutral weighting to 9%. The recommendations from the IFMT set out below, increase the invested weighting to 3.8% and the committed weighting to 6.8%.

Infrastructure

It was agreed to increase the invested and committed weightings to 2.0% and 2.6%, respectively, against a neutral position of 3% based on the old benchmark. Whilst investment in the period was sufficient to increase the invested weighting to 2%, an unexpected distribution from one of the infrastructure funds, reduced net investment and the actual weighting at 30 April 2017 was 1.9%. Commitments totalling £50m were added in the quarter to May 2017, increasing the committed weighting 3.8% (up from 2.1% from twelve months ago). The new benchmark increases the neutral weighting to 5%.

Mr Fletcher has increased his weighting recommendation from 4% (1% overweight against the old benchmark) to 5% (neutral against the new benchmark), whilst acknowledging that the problem with infrastructure investment remains the supply of “shovel ready projects”. The IFMT recommend increasing the invested weighting to 2.2%, and continue to assess projects with a view to building the committed weighting towards a neutral position as soon as possible.

Private Equity

At the last meeting it was agreed to increase the invested Private Equity weighting to 1.8%, and to 3.3% on a committed basis. Net divestment in the

period totalled £8m reflecting the impact of distributions, and the invested weighting remained flat at 1.6% at 30 April 2017. Commitments totalling £25m were added in the quarter to 31 May 2017, increasing the committed weighting to 3.0% (up from 2.5% twelve months ago).

Mr Fletcher recommends at neutral weighting of 4% in Private Equity. The IFMT recommends that the current invested weighting of 1.6% is maintained (3.0% on committed basis). Whilst progress has been made on building the committed weighting over the last twelve months, and a further significant commitment is expected in the near term, the invested weighting remains subject to the drawdown timetables of the individual Private Equity funds.

Cash

It was agreed to increase the cash weighting to 5.3%. The actual cash weighting at 30 April 2017 was 5.5%. Mr Fletcher notes that the Fund is cash flow positive and the current balance appears to be quite high but most of the cash held is committed to fund managers that have yet to 'draw-down' their allocations for investment; once all committed cash is drawn the balance will fall significantly. The IFMT believe that valuations are currently very rich with many stock markets trading at record highs on demanding ratings and bond yields appear to offer poor value on a long term basis. Markets are too sanguine about the level of political risk globally and are factoring in overly optimistic earning assumptions. In this environment, the IFMT recommend a defensive cash allocation of 4.9%, with emphasis placed on making commitments to more attractively priced illiquid markets. If all current commitments were drawn-down, the cash balance would reduce to just 0.2%.

3 Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal and human rights, human resources, equality and diversity, health, environmental, transport, property, social values and prevention of crime and disorder.

4 Background Papers

Files held by the Investment Section.

5 Officer's Recommendations

- 5.1 That the report of the external advisor, Mr. Fletcher, be noted.
- 5.2 That the asset allocations, total assets and long term performance analysis in this report be noted.
- 5.3 That the strategy outlined in the report be approved.

PETER HANDFORD

Director of Finance & ICT



First Quarter 2017 Investment Report
Prepared for

**Derbyshire County Council Pension Fund
Pensions and Investment Committee
Meeting**

June 2017

Anthony Fletcher
AllenbridgeEpic Investment Advisers Limited (Allenbridge)

anthony.fletcher@allenbridge.com

www.allenbridge.com

This document is directed only at the person(s) identified above on the basis of our investment advisory agreement with you. No liability is admitted to any other user of this report and if you are not the named recipient you should not seek to rely upon it. It is issued by AllenbridgeEpic Investment Advisers Limited, an appointed representative of Allenbridge Capital Ltd which is Authorised and Regulated by the Financial Conduct Authority.

We understand that your preference is for your adviser to issue investment advice in the first person. We recognise that this preference is a matter of style only and is not intended to alter the fact that investment advice will be given by AllenbridgeEpic Investment Advisers Limited, an exempt person under FSMA as required by the Pensions Act.

AllenbridgeEpic Investment Advisers Limited is a subsidiary of MJH Group Holdings Ltd

Investment Report for Derbyshire County Council Pension Fund

This report has been prepared by Anthony Fletcher “External Investment Advisor” of Derbyshire County Council Pension Fund (the Fund). At the request of the Pension and Investment Committee the purpose of the report is to fulfil the following aims: -

- Provide an overview of market returns by asset class over the last quarter and 12 months.
- An analysis of the Fund’s performance by asset class versus the Fund specific benchmark for the last quarter and the last 12 months.
- An overview of the economic and market outlook by major region, including consideration of the potential impact on the Fund’s asset classes
- An overview of the outlook for each of the Funds asset classes for the next two years; and recommend asset class weightings for the next quarter together with supporting rationale.

The report is expected to lead to discussions with the in-house team on findings and recommendations as required. The advisor is expected to attend quarterly meetings of the Pensions and Investment Committee to present his views and actively advise committee members.

Meeting date 14th June 2017

Date of paper 26th May 2017

1. Market Background

The markets have had a good start to the year following on from a strong fourth quarter of 2016. Equity and bond markets have delivered positive returns with emerging and developed equity markets outperforming the UK in local currency and in Sterling terms because of further slight weakness in the currency. Economic performance has in general been better than expected and politicians have been beneficiaries of better business and consumer confidence globally, rather than because of any new policy action. Indeed Mr Trump failed in the first quarter to pass any new legislation into law. As I mentioned in my last quarterly report Mr Trump said the new administration would do things differently to how they have been done in the past and that is turning out to be true!

In local currency terms, equity markets returned between 0.6% for Japan and 10% for Asia ex Japan over the first quarter. In Sterling terms all non UK equity markets (except Japan) were stronger than the UK, 3.6% for Japan and 11.2% for Asia ex Japan. The FTSE 100 index returned 3.7% and the FTSE All share 4.0% over the quarter. UK bond markets produced some of the best positive returns globally, with only emerging market debt outperforming, these returns were however significantly below equities.

The UK Government finally triggered Article 50 at the end of March and then promptly called a General Election. Mr Hammond's first budget would have been totally forgotten had it not been for the reversal of his national insurance increase for the self-employed. Since the summer of last year, the economy and inflation has proved to be stronger than expected; helped by the stimulus package announced by the Bank of England (BoE) in the aftermath of the referendum result and the weakness of Sterling. However more recent data seems to be showing signs of weakness; higher inflation has eroded the value of pay increases and the savings rate has reached new lows, dampening consumer demand. At the company level longer term investment intentions continue to be curtailed and short term decisions are likely to be postponed until after the General Election.

Over the last three months it would appear political risk in Europe had subsided somewhat, in the US the new president is determined to follow an unconventional path which is likely to keep his decisions in the headlines. The decision to call a General Election in the UK was a surprise but from a political point of view this was a very shrewd decision. Elections in Europe have been less surprising in terms of their outcome but when you dig into the underlying results there is no room for complacency, neither of the results in the Netherlands or France were convincing for the current political establishment.

After the strong performance of markets in the last 12 months, I am much more cautious about the investment outcome for the next 12 months; I believe asset market total returns will be considerably lower going forward and while average measured volatility may not be much higher, the dispersion of outcomes for individual investment decisions could be much more dramatic. Therefore, active management, idea selection and diversification will be much more important than just being in the market. From a macro policy point of view I believe Monetary Policy has played out. In 2017 I expect all central banks to become less accommodative, because it is likely that GDP and inflation will be higher and Fiscal Policy will play a larger part in stimulating economic activity.

Table 1, below shows the total investment return in pound Sterling for the major asset classes; for the month of April 2017, 3 and 12 months to the end of March 2017.

% Total return dividends reinvested			
	Market returns		
		Period end 31 st March 2017	
	April 2017	3 months	12 Months
FTSE All-Share	-0.4	4.0	22.0
FTSE World ex UK	-1.8	5.9	33.8
North America	-2.5	4.8	35.0
Europe ex UK	0.9	7.4	28.0
Japan	-2.2	3.6	32.8
Pacific Basin	-2.4	11.2	36.8
Emerging Equity Markets	-1.5	8.9	35.6
UK Gilts - Conventional All Stocks	0.2	1.6	6.6
UK Gilts - Index Linked All Stocks	2.4	1.9	19.9
UK Corporate bonds*	0.6	2.0	11.0
Overseas Bonds**	0.6	-0.3	-1.0
Property IPD quarterly		2.1	4.1
Cash 7 day LIBID	0.02	0.02	0.3

* Merrill Lynch £ Corporate Bond; **Citigroup WGBI ex UK hedged

Recent Developments

In the Monetary Policy Committees (MPC) analysis of the Bank of England's (BoE) May inflation report, the MPC noted that consumption growth had slowed and was now more in line with financial market and their own expectations. They continued to see the weakness of Sterling since November 2015 as the main driver of higher inflation and confirmed that as a result they are unlikely to react with higher interest rates. They also noted that global growth and confidence was higher and that this could have an impact of UK activity especially as the weakness of the currency made UK exports more attractive. The MPC voted 7:1 to leave rates unchanged and decided not to increase further its level of Quantitative Easing (QE).

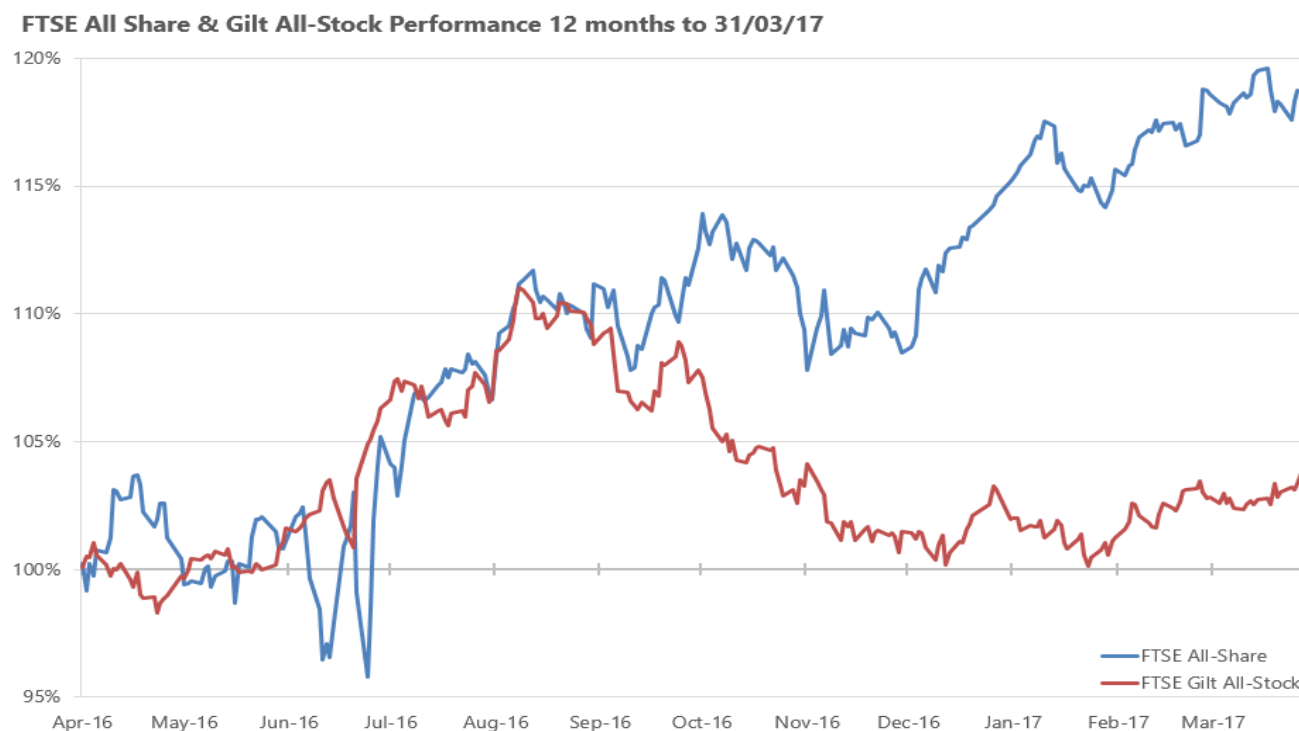
In the report the BoE revised down slightly the forecast of GDP in 2017 from 2.0% to 1.9%, but left 2018/19 unchanged at 1.75% pa. The stronger global growth environment and the depreciation of Sterling provided support to the UK economy. On Inflation it expects CPI to hit 3.0% in the fourth quarter of 2017 and to fall to 2.4% in 2018 and 2.2% in 2019/20. On balance the inflation report anticipates that in these circumstances only one rate hike of 0.25% may be appropriate over the forecast horizon.

Outside of the UK the global economy continues to improve with signs of improved growth in Europe, Japan and emerging markets, while US first quarter 2017, GDP was lower than expected at 1.2% annualised, sentiment remains high. Inflation data has also been higher than forecast but outside of the US this is not an issue as it

remains below the respective central bank target rate of 2%. As expected the US Federal Reserve increased the Fed Funds rate to 1.0% from 0.75% at its March meeting and is expected to put in place two more hikes in 2017. In Europe and Japan, the central banks have not made any changes since they announced a tapering of the rate at which they will increase monetary accommodation in the fourth quarter of 2016.

On the political front, the Netherlands General Election result was not as bad as feared, but the very “right wing” anti EU Mr Wilders did come second with 20 seats, in the 150 seat Parliament. In France M. Macron was elected president but on a surprisingly low turnout. In the UK, the two main parties in the General Election have for the first time in a long time presented the voting public with two very different sets of policies, even if they have given no further clarity on Brexit. At the time of writing the US President has sacked the head of the FBI, James Comey, who apparently divulged sensitive intelligence not previously shared with America’s allies to the Russians, and the Justice Department has announced that the highly respected former FBI chief Robert Mueller will lead the probe into any potential ties Trump campaign officials may have had with Russian officials.

Chart 1: - UK bond and Equity markets since 31st March 2016



Bond Markets

In chart 1 above the red line maps the performance of the UK Government bond (gilts) market over the last year. Bond market performance peaked in the summer as yields discounted the potential negative economic impact of Brexit. With the election of Mr Trump and the increase in US interest rates, bond markets had a very difficult fourth quarter, with a marked increase in yield and hence a negative performance. In the first quarter of 2017 yields have fallen slightly, resulting in a small positive return, but significantly below the return of UK equities. UK inflation linked gilts outperformed, as higher inflation expectations were priced in. Investment grade, high yield non-government bonds and emerging market debt all outperformed as the spread over government bonds narrowed.

Table 2: - Change in Bond Market yields over the quarter

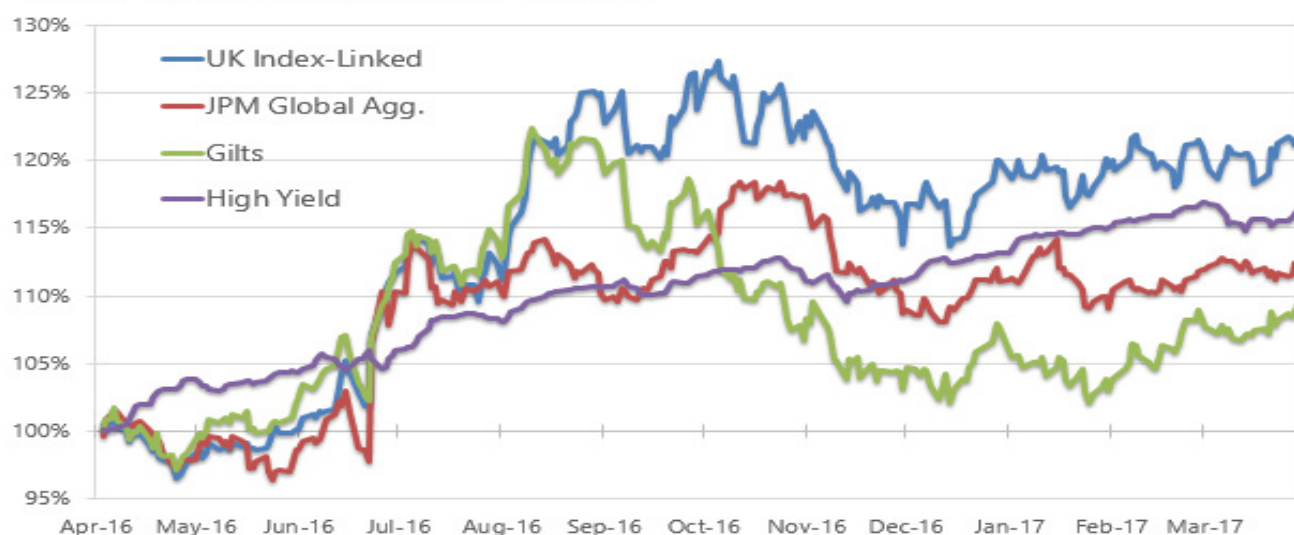
Bond Market % yield to maturity	31 st December 2016	31 st March 2017	Change	31 st March 2016	Current 19 th May 2017
UK government bond (gilts)					
10 year	1.24	1.14	-0.10	1.53	1.09
30 year	1.87	1.73	-0.14	2.25	1.73
10 Index linked	-1.94	-2.04	-0.10	-1.01	-1.98
30 Index linked	-1.56	-1.66	-0.10	-0.90	-1.70
Overseas government bond					
10 US Treasury	2.44	2.39	-0.05	1.77	2.23
10 Germany	0.31	0.33	0.02	0.13	0.37
10 Japan	0.10	0.07	-0.03	-0.06	0.04
Non-government bond					
UK corporates	2.56	2.39	-0.17	3.20	2.29
Global High yield	5.86	5.57	-0.29	7.87	5.30
Emerging markets	6.06	5.70	-0.36	6.13	5.52

Source: - BofE DMO; Bloomberg; JPMorgan and Merrill Lynch, indices.

As can be seen in table 2 above, the yield available from both conventional and index linked, UK government bonds (gilts), decreased in all maturities. Despite the increase in yields seen in the fourth quarter yields are lower than they were 12 months ago. The total return from Index linked gilts (table 1) is higher because of their higher duration risk (interest rate sensitivity).

Chart 2: - Bond index returns unhedged in Sterling terms, last 12 months.

Bond Index Returns GBP terms



Source: - Bloomberg

Overseas government bond yields were more mixed over the quarter and higher than they were 12 months ago, as a result local currency total returns in many countries were negative. The yields available from representative

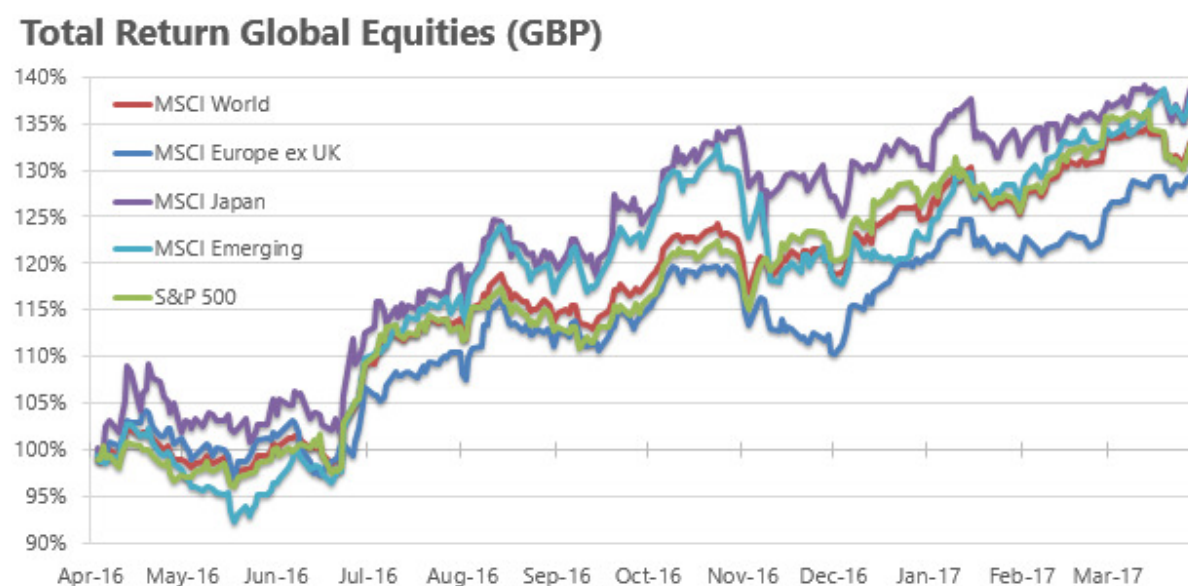
indices for Investment Grade Credit, Global High Yield (sub investment grade) and Global Emerging Market Debt fell by more than gilts, as a result they all produced higher total returns in the first quarter.

Since the end of March yields have moved sideways in a narrow range, as the markets responded to news flow from the US and the fluctuations of the equity markets. Bond markets are unlikely to produce such strong positive returns as they did in over the last 12 months, for the moment at least, I believe higher yielding lower duration non-government bonds are likely to continue to give better total returns.

Equity markets

The blue line in chart 1 above maps the performance of the UK equity market as measured by the FTSE All Share index. After the volatility around the referendum the market has performed strongly delivering 22% over 12 months and 4% in the first quarter of 2017.

Chart 3: - Total return of overseas equity markets in Sterling terms, last 12 months.



Source: - Bloomberg

Overseas equity markets had a strong first quarter, in local currency terms emerging markets outperformed developed markets; with Asia ex Japan leading the way at up 10%, Europe ex UK +7%, followed by the US +6% and UK +4%, Japan was only 0.6% higher as the strength of the Japanese yen held back sentiment. The strength of the emerging economies was the main driver of their performance. Europe rallied after the election result in the Netherlands but was held back from a further advance by the French presidential election campaign. Over the year only Japan underperformed the UK in local currency terms all other markets were ahead.

As shown in Table 1 above, once currency is taken into consideration, the weakness of sterling over the year as a whole, results in higher foreign equity market, total returns. The table shows that ranked in terms of total return over the last 12 months, un-hedged overseas equities outperformed UK equity, bond and alternatives markets. I believe that over the next 12 months, equity markets are likely to outperform bonds and may outperform alternatives, but that changes in the value of sterling will not make such a strong contribution to total returns.

2. Investment Performance

Table 3, shows the performance of the Derbyshire Pension Fund versus the fund specific benchmark for the 3 and 12 month periods to the end of March 2017. The performance data has been provided by Portfolio Evaluation Limited (PEL) using their own data for the 12 month period since the end of March 2016 and a combination of PEL and WM data over longer periods. The analysis shows that the Fund produced strong positive absolute returns and outperformed in its benchmark over 3 and 12 months, 3,5,10 years and since inception on a net of fees basis. The PEL attribution data shows that asset allocation was the main driver of positive returns; bond stock selection was negative over the year, mainly driven by the Fund's underweight exposure to Index Linked Gilts.

Table 3: - Derbyshire Pension Fund and Benchmark returns

% Total return 31 st March 2017	3 months		12 months	
	Derbyshire Pension Fund	Benchmark	Derbyshire Pension Fund	Benchmark
UK Equity	4.9	4.0	22.7	22.0
Overseas Equity	7.3	6.6	33.6	33.2
North America	6.8	4.8	36.8	35.0
Europe	7.4	7.4	28.1	28.0
Japan	4.7	3.6	33.4	32.8
Pacific Basin	10.3	11.2	35.0	36.8
Emerging markets	9.1	8.9	35.9	35.6
UK Gilts	1.6	1.6	6.4	6.6
UK and Overseas Inflation Linked	1.3	1.9	15.9	19.9
UK Corporate bonds	2.5	2.0	10.2	11.0
Multi-asset Credit	1.1	0.8	12.5	3.4
Alternatives (all sectors)	4.1	2.7	15.9	13.8
Property (all sectors)	2.6	2.1	7.6	4.1
Cash	0.1	0.0	0.4	0.2
Total Fund	4.8	4.0	21.1	20.3

Total fund value at 31st March 2017 £4,450 million

Equity performance

The largest allocation in the Fund is to the UK equity market representing 28% of total assets under management at the end of the quarter. Relative to the FTSE All Share index, this element of fund outperformed the benchmark over the quarter and 12 month periods. The 3, 5 and 10 year results are also well ahead of benchmark.

The policy of holding overseas equity un-hedged has made a very strong positive contribution to the total return of the Fund, since the Pound started to weaken in November 2015.

The next largest allocation is to North American equity, this portion is actively managed in a segregated portfolio, by Wellington Asset Management. This component of the Fund has consistently outperformed the benchmark by close to 2% per annum (pa) in all periods since June 2001.

The continental European equity portfolio is passively managed by UBS. The 3 and 12 month returns are in-line with the benchmark as are the 3 year returns. The 5 year returns continue to reflect a period of poor results from active management and remain 0.8% behind benchmark.

The other equity assets are invested in Japan, the Pacific Basin and Emerging equities, via pooled funds selected by the in-house team. In the first quarter the Japanese and Emerging equities funds outperformed and the Pacific Basin underperformed. It is a similar story over 12 months but it should be noted that the combination of these funds returned more than 34% over this period. The Pacific Basin investments have over the 3, 5 and 10 year periods, produced annualised relative returns that are well ahead of benchmark. Japanese and Emerging equities outperformed their benchmarks over 12 months but still have some performance to recoup over 3 years but again over 10 years these regional equity investments have produced returns that are above their respective benchmarks.

Fixed Income Performance

After the marked increase in bond yields seen in the fourth quarter of 2016, driven mainly by the US presidential election result but also by stronger than expected economic data and an increase in US interest rates. Bond markets saw yields fall slightly and produce modestly positive absolute returns with higher yielding corporate bonds outperforming the government bond market. Over the quarter conventional gilt performance was in-line with the benchmark and the combination of UK index linked gilts and US Treasury Inflation Protected Securities (TIPS) was behind. Investment grade corporates outperformed the benchmark and gilts as the yield spread narrowed further. Multi-asset Credit, because of its higher yield also outperformed.

Over the year, the decision not to lengthen the duration of the government bond portfolios and the exposure to the underperforming US TIPS have held back performance relative to benchmark. Over the medium term, returns from bonds have been mixed and the overall contribution negative relative to benchmark, however over 10 years the contribution from bonds is ahead of benchmark.

Alternatives

The performance of the in-house team's portfolio of Alternative investments outperformed in the quarter with Private Equity making the main contribution in absolute and relative terms. Over all longer term periods Alternatives continue to enjoy excellent absolute and relative returns despite the underweight allocation. At the end of the quarter the allocation stood at 3.5% with further cash committed but as yet un-invested by the selected managers.

Property

Over the first quarter the allocation to indirect property funds and the allocation to direct property outperformed, over the medium and longer term both areas of Property investment have produced strong positive absolute and relative returns.

Asset Allocation

At the asset allocation level the DPF's in-house team has made some excellent decisions. In general over the medium to long term, being overweight "growth" assets like equity at the expense of "income" assets like bonds has been a good decision. Within equity, being overweight higher growth regions like Asia Pacific and Emerging Markets has in absolute terms increased Fund performance. Within bonds the Fund could have benefitted from a higher allocation to non-government sectors but this would have increased risk. On balance in terms of total return it is has probably been better, to use the money generated by being underweight bonds in general to invest it in being overweight equity. The Fund has also been successful with its allocations to Property and Alternatives and it also identified good managers that have outperformed their benchmarks, the contribution to overall Fund return would have been even more significant if the managers had invested all the DPF's committed cash.

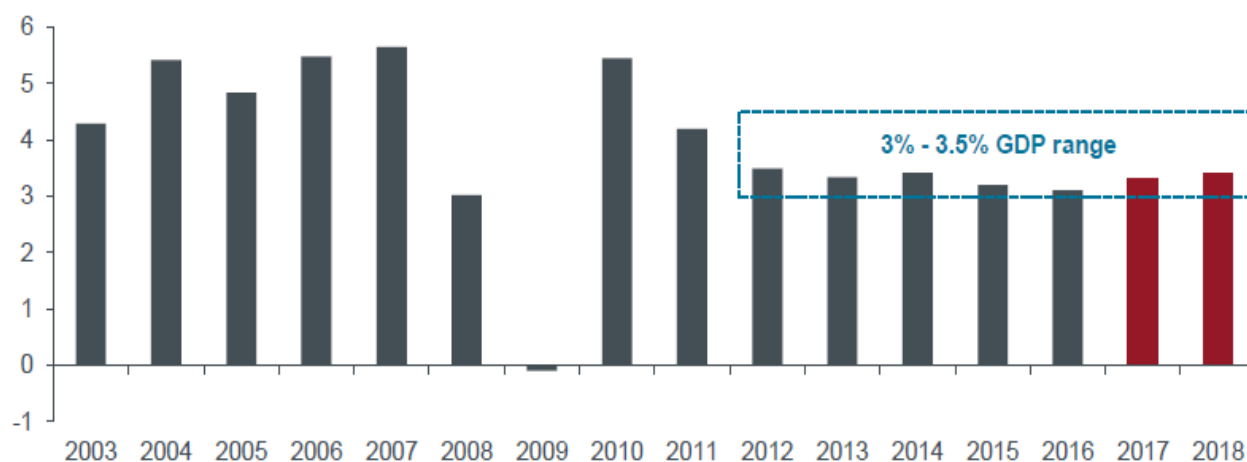
3. Economic and Market outlook

Economic background

Five months in to the New Year and on the economic front very little has changed to my main themes for 2017; reflation, inflation and political uncertainty. The consensus opinion remains that the intended policy actions of the Trump administration will increase US economic activity, through a combination of tax changes, deregulation and infrastructure spending. Notwithstanding the administration intentions to roll back on international trade and to try and get the biggest increase of activity to be in the USA, a stronger US economy will have a positive impact on the rest of the world. At the same time Japan and Europe seem to be finally reaping the benefit of easy money and increased access to credit, even the UK has seen its growth forecasts revised higher. If the pace of interest rate increases can be kept low, then this should be good for equities and real assets.

Chart 4: - Global developed market economic growth appears sustainable

Consensus world GDP growth (%)



Source: Bloomberg, as at March 2017

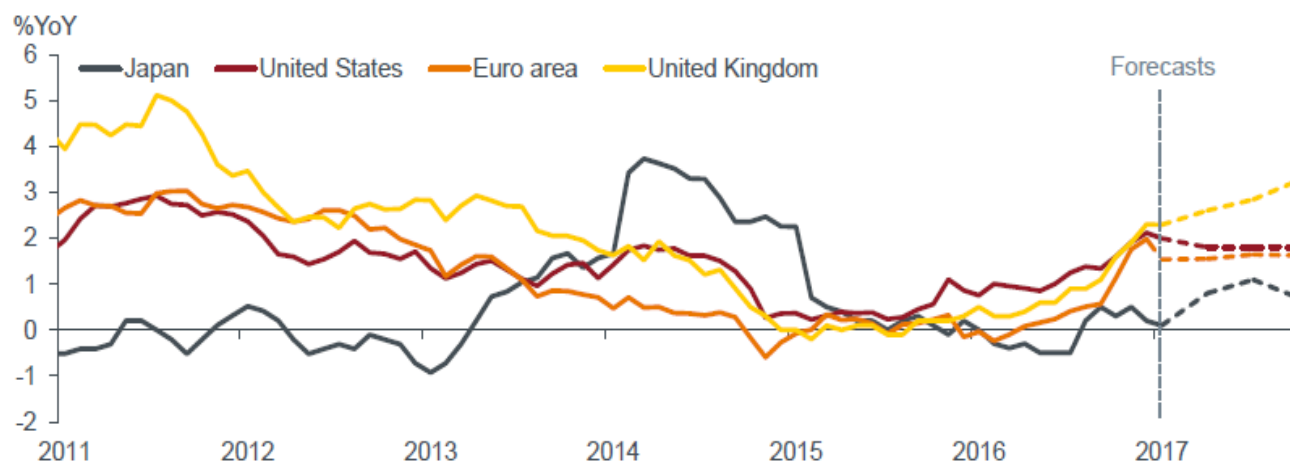
Notes: Red bars represent current consensus forecasts

The main problem with the reflation story, especially for the US is their economy is much further into the recovery cycle than the rest of the world. A large fiscal stimulus at a time of almost full employment, high levels of manufacturing and housing activity, when there is still a lot of cheap money sloshing around in the system, combined with a reduction in the supply side, caused by constraining the flow of foreign goods and labour, means the economy is almost certain to see higher inflation. However judging by the actions of the Trump administration they appear to have realised that delivering on the campaign rhetoric is more difficult when faced with harsh economic reality.

Reflation and risk of inflation has put the US Federal Reserve Bank (Fed) in tightening mode which could cause the US dollar to appreciate and bond yields to rise, not just in the US but also in the rest of the world. Outside of the US, with the exception of the UK where inflation will be driven higher by the weakness of sterling, average inflation is likely to remain below central bank targets.

Chart 5: - Inflation forecasts remain at or below the central bank target rate of 2% (outside of the UK).

Headline inflation in advanced economies (year-on-year %)

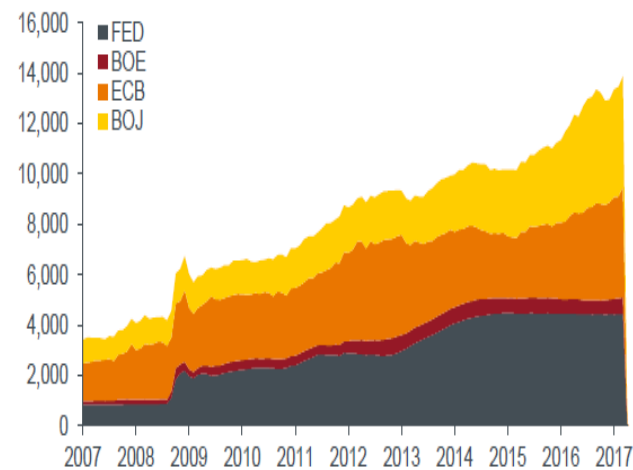


Source: Citigroup, as at 31 March 2017

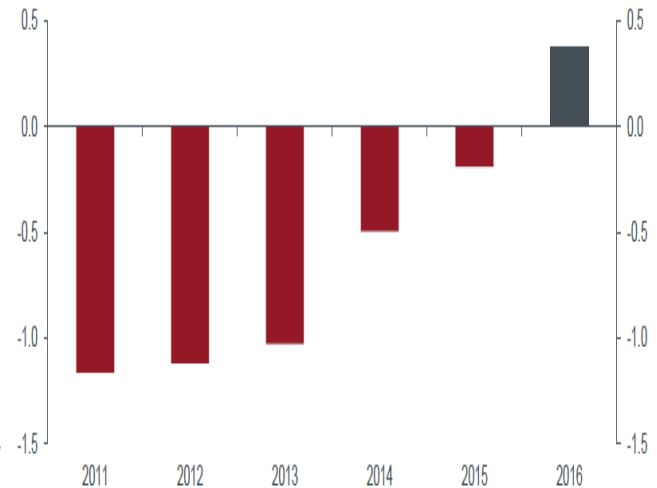
It would also appear that outside the US, political uncertainty may be less of an influence than feared at the beginning of the year. Now that president Trump has embroiled himself in another series of controversies over Russia and his sacking of the FBI chief, the politically and fiscally conservative Congress is likely to become even more difficult for the Administration to influence. The fear of a right wing surge in the EU does seem to have subsided somewhat with the results in the Netherlands and France and an improvement in Mrs Merkel's fortunes in Germany. However having said that Mr Wilder's right wing movement in The Netherlands has the second largest number of MP's and in France the turnout for the 2nd round presidential election was very low. We now await the result of the French parliamentary elections in June and the German elections in September. These combined with the UK General Election and the summer recesses suggest that the real negotiations over Brexit are unlikely to get started before the fourth quarter of 2017.

In the UK, the government triggered Article 50 and then decided to call a General Election. Initially this looked like a very shrewd decision by Mrs May and one that was aimed at increasing the strength of the governments negotiating hand with the EU over Brexit. But in the last few days the change of mind on the manifesto policy over social care may have weakened this objective. Whether this will make a material difference to result we will know by the time the PIC meets on the 14th June. In the meantime, while it is clear that we will be leaving the EU, the nature of the settlement remains completely unclear. As a result medium term business investment decisions are likely to be delayed and the currency, bond and equity markets will be at the mercy of news flow as the negotiations proceed.

The inflation report of the Bank of England published 11th May, noted that recent inflation data had been on balance higher than they expected and that economic growth was showing signs of weakness as the reality of Brexit becomes closer. The BoE has revised down its forecasts for growth and continues to highlight the uncertainty over the medium term outlook.

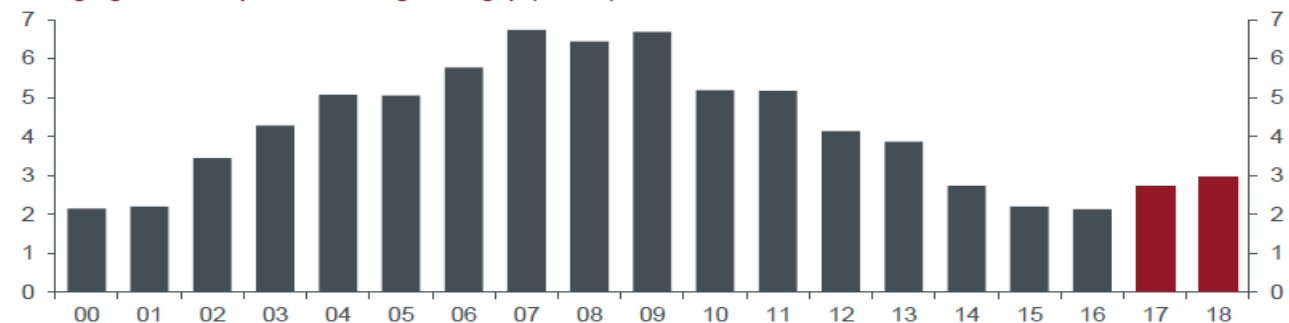
Chart 6: - Monetary and Fiscal policy about the change?**G4 Central Bank Assets (US\$bn)**

Source: Datastream, as at March 2017

G7 change in primary fiscal deficit (% yoy)

Source: IMF, as at October 2016

To summarise, it is unlikely that will see any further easing of central bank policy once the current QE programmes of the BoE, ECB and the Bank of Japan have come to an end. Fiscal policy is going to be expansionary in the US and the UK (although mainly through a slowing of the pace of fiscal consolidation in the UK) and may become so as time passes in Europe, but the much larger dampening effects of the continued high debt burden and demographics will prevent developed market growth from going much higher than about 3%. Inflation is likely to be higher which in turn means bond yields will be higher, yield curves steeper and the US dollar could be stronger. In the past these factors have not been good for emerging economies because it tightens global financial conditions, but these economies are becoming less internationally dependent and increasingly able to finance activity from their own domestic savings and growth. Their demographics are also more favourable and their debt burdens lower which means they will probably continue to sustain higher growth rates.

Chart 7: - Emerging market economic growth to outpace developed markets by an increased margin.**Emerging markets: signs of recuperation****Emerging vs Developed real GDP growth gap (% YoY)**

Source: Bloomberg, as at March 2017

Notes: Red bars represents consensus forecast

Government bonds

As can be seen in Chart 8 below yields are higher than they were in the summer of last year. US yields have moved the most and are now above the levels seen 12 months ago. The main reason for the change is the increased confidence in a sustainable path of higher economic growth and the level of US inflation. The US Federal Reserve Bank has increased rates 3 times already and is widely expected to increase rates twice more this year. Slightly more subdued growth in the first quarter has caused US yields to move sideways, but as we move forward through the year we should expect an increase in US yields and this will drag UK, EU and Japanese bond yields higher. It is difficult to see how much higher gilt yields can rise for domestic reasons given the forecast for growth in 2017 and 2018 and the uncertainty over Brexit. While UK inflation is likely to be above the BoE's target of 2% an increase in rates is highly unlikely during the Brexit negotiations. The BoE reminded us again in May that they have decided to look through the weakness of sterling, preferring instead to keep rates low to help smooth the path to EU exit.

Chart 8: - Government bond yields, last 10 years

10-Year Government Bond Yields 10 Years to 31/03/17



Source: - Bloomberg

As a result it is entirely likely that gilts could deliver another negative quarterly return in 2017, especially the long dated and duration sensitive sectors of the market. I continue to believe it is sensible to remain underweight and short of duration in government bond markets.

Non-government bonds

UK non-government bond yields and their spread over gilts, have fallen over the first quarter partly because government yields are lower but also because of the corporate bond buying programme of the BoE started last summer. Thus far the BoE has purchased over £9billion of non-government bonds out of a programme total of £10 billion. It is difficult to see who will be the marginal buyer of these bonds at this level of yields and spreads once the programme ends. As gilt yields rise non-government bond yields are also likely to rise but because they have lower duration and higher yield the total return is likely to be less negative than government bonds.

Investment grade non-government bond yield spreads were on average 1.2% down from 1.4% in December 2016, making the all in yield for the Investment grade UK corporate bond index 2.3% at the end of March, while this remains attractive compared to gilts with the bond buying programme coming to an end this level of yield spread looks more vulnerable. The average high yield bond is yielding around 5.3%, more than 4 times higher than gilts, admittedly the credit risk is also much higher but the average duration is much lower.

In table 4 below I have updated the data and recalculated my estimates of the total return from government and non-government bond indices based on their yield and interest rate sensitivity (Duration) over certain time horizons. The estimates do not take into consideration any widening of spread over the holding period. If the yield spread on investment grade corporates and global high yield widened by 0.3% and 2% respectively then all 3 indices would have a similar negative return to gilts over 12 months.

Table 4, Total returns from representative bond indices

Index	Yield to Maturity %	Duration	Yield increase %	% Total return, holding period	
				3 month	12 Month
All Stock Gilts	1.1	11.8	0.5	-5.6	-4.8
UK Corporate Bonds	2.3	8.6	0.5	-3.7	-2.0
Global High Yield	5.3	3.8	0.5	-0.6	3.4

Source: - BofA Merrill Lynch Indices 19th May 2017

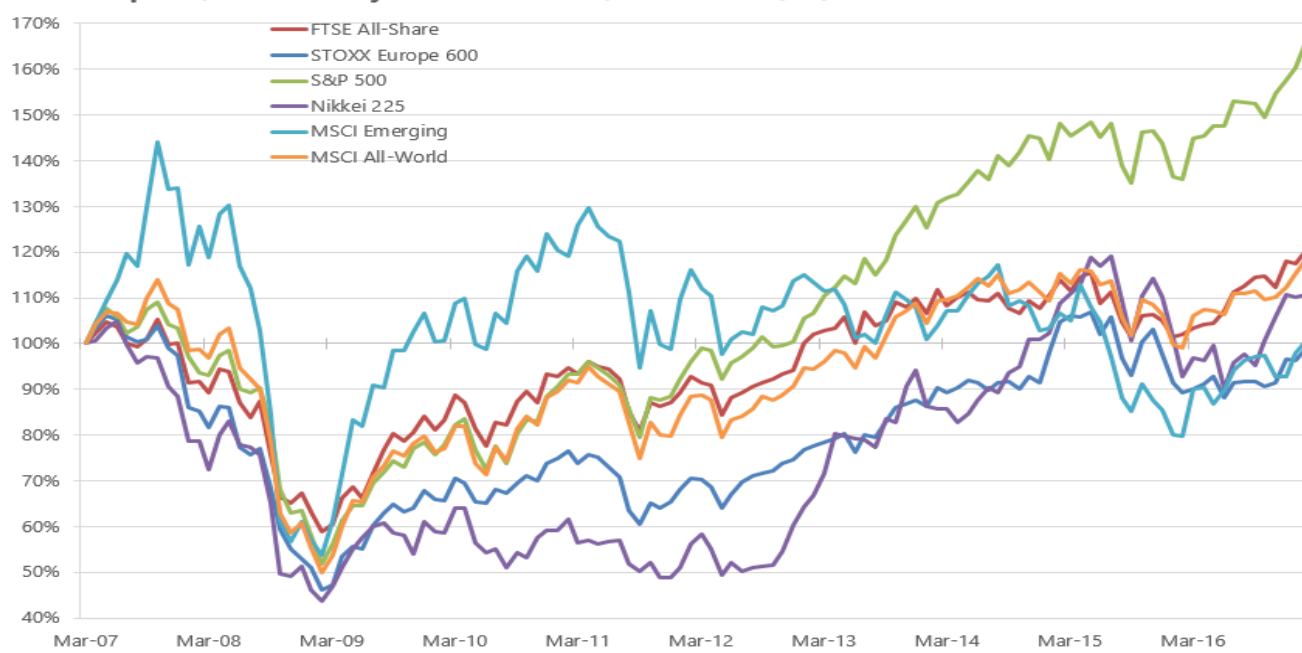
I expect government bonds in general to achieve a low single digit total return over the next 12 months and it is entirely likely that we could see another quarter of negative returns. While I am not expecting a generalised credit event or a sharp increase in default rates, investment grade non-government bonds are beginning to look relatively expensive at the current level of spreads.

Equities

Chart 9 below shows the performance of representative equity market indices in local currency terms since 2007. The US market represented by the S&P 500 index has had the strongest returns since the financial crisis and Europe (STOXX Europe 600) and emerging markets the poorest. However as can be seen from charts 10 and 11 the performance has not come from companies increasing their earnings but by a re-rating, in other words equities have just become more expensive. Until recently this re-rating could largely be explained by the low level of interest rates, over the last 6 months the strong performance can be explained by the expectation of stronger US growth on the back of President Trump's economic policies. While it is true that the global economy is doing better and sentiment is generally stronger, the markets will need to see evidence that companies can grow their earnings if the markets are not going to run out of upward momentum.

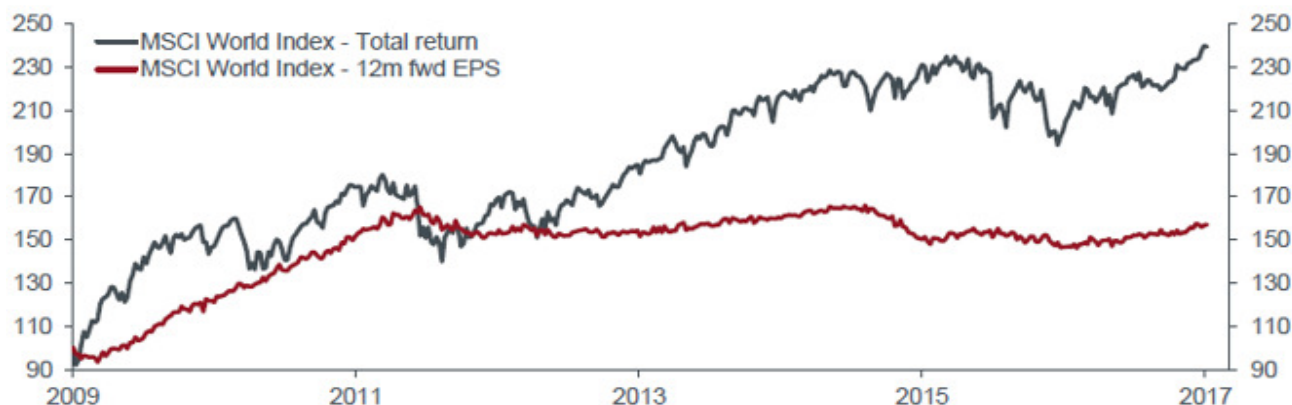
Chart 9: - Global Equity returns, since March 2007.

Global Equities, local currency index total return, 10 Years to 31/03/17



Source: - Bloomberg

Charts 10 & 11: - MSCI World total return, Earnings per share and Price/Earnings ratio.

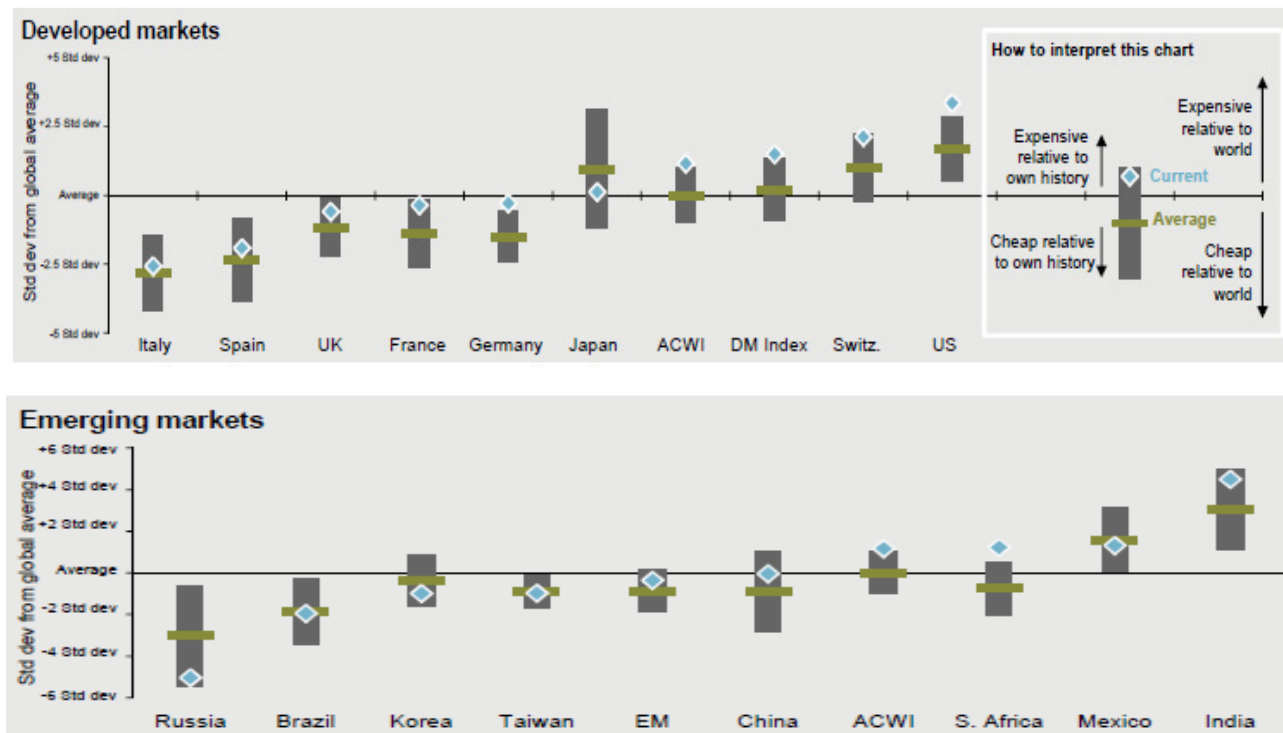




Source: - DataStream, Henderson Global Investors March 2017; Note: EPS indexed to 100 at March 2009

As suggested by the charts above and noted in my previous reports, equity market valuations in developed markets are above average and expensive but as can be seen in chart 12 below, this is mainly because of valuations in the US and Switzerland. Japan has become more fair value but is still cheap compared to the US, European equity markets remain cheap relative to the rest of the world especially in southern Europe and in Italy in particular, but with good reason. The strong performance of all emerging market equities over the last 12 months leaves valuations around their average for the last 12 years, but still cheap compared to Developed Market indices. The average continues to hide a wide dispersion with Mexico (surprisingly) and India very expensive but Asia-Pacific, Brazil and Russia cheap relative to historic levels.

Chart 12: - Equity markets relative valuation MSCI indices since 2004



Source: - MSCI, DataStream, JP Morgan Asset Management, March 2017

Despite what the charts above suggest there is still room for optimism on the returns from global equity markets. Bond markets and asset allocators have identified the combination of tax cuts, deregulation and the potential for the repatriation of overseas earnings as powerful positive drivers of US equity market performance. This is provided that the US Federal Reserve does not surprise the markets with more rate increases than expected and President Trump can deliver on at least part of his economic agenda.

It is likely that we could see some marked divergence in the performance of companies and sectors in the UK, with those driven by domestic growth suffering and those dependent on global growth doing better. It is worth remembering that 80% of the earnings of the FTSE 100 companies are derived from outside of the UK, while the devaluation of Sterling over the last 15 months has been a strong support for some of the index constituents, higher global growth and the global access these companies enjoy will continue to support their performance.

Europe continues to recover from the crises of a few years ago and remains cheap because of the risks presented by the banking sector, Italy and this year's election campaigns. While some volatility cannot be ruled out there are good stock selection opportunities and in general the region remains relatively cheap.

The fundamentals for many emerging economies have improved in recent years, growth is stronger and their valuations remain attractive. As they develop, the positive demographics and the rise of the "middle classes" means they are becoming more domestically orientated, hence policy decisions taken in the US may not have such a negative impact on emerging countries as they did in the past.

GDP Forecasts

Table 5, shows the consensus forecasts for GDP growth in calendar 2017 and 2018 and my expectations in February and May 2017.

Table 5: - GDP forecasts - Consensus versus Advisor expectations

% Change yoy	2017				2018			
	February		May		February		May	
	Consensus	AF	Consensus	AF	Consensus	AF	Consensus	AF
US	2.3	2.5	2.1	2.5	2.4	2.5	2.4	2.5
UK	1.5	1.5	1.7	1.5	1.3	1.5	1.4	1.5
Japan	1.2	1.5	1.4	1.5	1.0	1.5	1.1	1.5
EU 28	1.6	2.0	1.8	2.0	1.6	2.0	1.7	2.0

Source: - Consensus Economics May 2017

Consensus estimates for 2017 and 2018, with the exception of the US which have been marked down, have been revised up for most developed markets, even for the UK! The revisions reflect the actual growth outcome seen in the first quarter, where US GDP came in below expectations. I believe the renewed optimism in the US and the potential for more fiscal stimulus means GDP forecasts could be revised generally higher with the possible exception of the UK where the Brexit negotiations and higher inflation may keep GDP growth low.

The US economy grew by 1.2% annualised in the first quarter of 2017, the fourth quarter final estimate was revised higher to 2.1% from 1.9%. There is every likelihood that first quarter growth could be revised higher again when we get the final estimate in June. An increased drawdown of inventories and lower government spending were cited as the main drag on growth compared to the fourth quarter.

UK GDP was only 0.2% in the first quarter of 2017, broad based downward revisions in the services sector being the main driver, year over year the economy grew at 2.0%. Growth in 2017 has been revised down slightly to 1.9% by the BoE but as the consensus shows many economists expect it to be lower, both the BoE and most economists believe the Brexit negotiations will dampen activity.

In Japan the first quarter annualised GDP rate was estimated at +2.2%, this is the fifth straight quarter of expansion, 1q17 growth was boosted by exports, private consumption and capital expenditure. Eurozone GDP grew by a confirmed 1.9% annualised in the fourth quarter, and an estimated 2.0% in the first quarter.

I expect GDP to be stronger than the consensus estimates for 2017, set out in the table above, in all economies other than the UK where I believe GDP will struggle to beat consensus because of higher inflation and a continued pause in medium and long term business investment.

Consumer Price Inflation

Table 6, shows the consensus forecasts for Consumer Price Inflation in calendar 2017 and 2018 and my expectations in February and May 2017.

Table 6: - Consumer Price Inflation forecasts - Consensus versus Advisor expectations

% Change yoy	2017				2018			
	February		May		February		May	
	Consensus	AF	Consensus	AF	Consensus	AF	Consensus	AF
US	2.5	2.7	2.4	2.7	2.3	2.5	2.2	2.5
UK	2.6	3.0	2.6	3.0	2.7	3.0	2.7	3.0
Japan	0.7	1.0	0.7	1.0	1.0	1.3	1.0	1.3
EU 28	1.7	1.8	1.8	2.0	1.7	2.0	1.7	2.0

Source: - Consensus Economics May 2017

There were no significant changes to consensus inflation forecasts between February and May, this surprises me; in the UK, because of the weakness of Sterling and the Bank of England's decision not to respond to it (the BoE's own forecast is now 3% up from 2.8% in February) and in the US, given the expectations on tax cuts etc., the tight labour market and the recent performance of US inflation.

European Inflation is coming in above expectations and is already at 2% in April, but again the consensus inflation forecasts are pretty much unchanged. Japanese inflation was 0.4% with the impact past weakness in the Yen mainly responsible.

I am reasonably comfortable to forecast higher than consensus inflation going forward from here into 2017 and 2018. I believe that most of the policies being put forward by the US are in one way or another inflationary. I also see the possibility for an easing of fiscal austerity in Europe and a central bank community that will be reluctant to be pre-emptive on rates.

I believe the outlook for inflation globally has changed after a long period of low inflation driven by weak economic activity in the developed economies and the deflationary influence on global goods prices from emerging economies. We could be about to experience a period of higher inflation on stronger developed country growth and a switch from exports to domestic consumption in the emerging countries. Having said that I do not see a return to the levels of aggregate inflation seen in the past.

4. Outlook for the securities markets

Bond Markets

In table 7, below I have set out my expectations for 3 month LIBOR interest rates and benchmark 10 year government bond yields, in September 2017 and June 2018. They are not meant to be accurate point forecasts, more an indication of the likely direction of yields from where they are in mid-May 2017.

Yields have fallen slightly over the first quarter as growth has slowed particularly in the US and the UK but the overall direction of government bond yields is likely to be higher over the year because growth and inflation is likely to be higher. I expect that the US Federal Reserve Bank (Fed) could raise interest rates again at their next meeting in June and may have raised rates twice more by the Summer of 2018, as a result US bond yields could rise to around 3% by the middle of next year. I do not anticipate any change in official rates in the UK, Europe or Japan over the same period, however US bond yields are likely to drag government bond yields in the rest of the world higher.

Table 7: - Interest rate and Bond yield forecasts

%	Current	September 2017	June 2018
United States			
3month LIBOR	1.20	1.50	2.0
10 year bond yield	2.25	2.75	3.0
United Kingdom			
3month LIBOR	0.30	0.35	0.35
10 year bond yield	1.01	1.50	1.75
Japan			
3month LIBOR	-0.01	-0.05	-0.05
10 year bond yield	0.04	0.10	0.10
Germany			
3month EURIBOR	-0.33	-0.25	-0.25
10 year bond yield	0.33	0.65	1.00

Source: - Trading Economics and AF estimates; 26th May 2017

Japanese and German (the benchmark for Europe) government bond yields are currently negative out to 7 years, over the year these rates are likely to become less negative as the economies build on their economic recoveries.

Bond Market Recommendations

I believe that because, the US is likely to see the strongest growth and inflation and because the Fed is increasing interest rates it is appropriate to focus on US government yields as the main driver for higher global government bond yields. As mentioned above yields are slightly lower since my last report but I continue to believe the overall direction of travel remains higher. Outside of the US the central banks are still easing through Quantitative Easing (QE), however these policies are coming to an end, as in the UK or are being scaled back in the case of the ECB. Despite no change in official rates, government yields are like to rise, but probably by less than US yields.

While I anticipate that global government yields are likely go higher because of increased US yields, the demand dynamics, the debt burden and the demographics don't really support a move to the kind of levels we have seen in the past, before the impact of higher yields puts pressure on economic activity.

In table 4 above I have shown how investing in non-government bond sectors could protect the DPF from the scale of negative returns that investment in gilts could result in. However with the recent decline in the extra yield available from Investment grade corporates, the attractiveness of these bonds is less compelling and with the BofE coming to the end of its corporate bond buying programme, in the short term there has to be a risk that spreads could widen. It should also be remembered that gilts provide a hedge for the DPF's potential liabilities and any further reduction in gilts may not be desirable at this stage. I also know that the DPF is underweight duration, this combined with an underweight to bonds in general has and will continue to reduce the negative impact of higher gilt yields relative to the strategic benchmark allocation.

I continue to believe that the DPF's bond allocation should have diversified sources of bond market risk and return and that this can be achieved through allocations to Investment grade and sub-investment grade credit and to emerging market debt funds. This can also be achieved by allocation to Multi-asset Credit Funds, but the accumulation of a position in these funds is subject to the opportunities being available and requires a lot of due diligence and careful research. I suggest increasing the allocation to Multi-asset Credit from 1.5% to neutral at 4% as soon as is reasonably possible. As the strategic weight to this asset class has been increased I have moved my suggested weight to +1 from +2%. Strategically I maintain my view that the fund should have a higher weight to corporate bonds, however I accept that tactically the current level of spread may not be attractive enough to have an overweight position. I therefore recommend that the weight should be maintained at neutral and if the spread over gilts increases an overweight allocation should be considered.

UK Index Linked gilts remain some of the most expensive bond assets in the world, in absolute terms and when compared to inflation linked government bonds elsewhere. However, demand remains high from corporate pension schemes and Insurance companies looking for safe long term Inflation linked returns. The tactical allocation to US Treasury Inflation Protected Securities (TIPS) worked well recently and the position has been reduced, it may be worth closing this position and re-investing the proceeds into UK index Linked. Overall I believe it is appropriate to be slightly underweight this asset class.

Equity Markets

Table 8, below I have shown the dividend yield, earnings growth and price / earnings ratio forecasts, for 2017 and 2018 provided by Citi Research.

Table 8: - Dividend yield, Earnings growth and Price/Earnings Ratios

Country	Dividend Yield	Earnings Growth		Price/Earnings Ratio	
		2017	2018	2017	2018
United Kingdom	4.3	23.1	8.1	14.8	13.6
United States	2.0	10.2	12.4	18.5	16.5
Europe ex UK	3.3	18.5	10.0	15.8	14.3
Japan	2.2	13.5	9.1	14.2	13.0

Source: - Citi Research, Global Equity Strategist, 4th April 2017

Earnings growth has been revised higher in all regions for 2017 and I would not be surprised to see earnings growth for 2018 revised higher in the world outside the UK, as we go through the year.

The markets had a good first quarter but a lot of “expectation” has been priced into US equity markets in particular, so we will probably need to see some policy action and actual earnings growth before they can move much higher. The Macro environment has been supportive for some time and since the US and European elections sentiment has become more positive. As a result markets have been pushed higher and look fairly expensive relative to the long term average price/earnings ratio. As noted above on a fundamental valuation basis the US looks expensive, Japan fair value and Europe cheap. Emerging equities also appear cheap relative to developed equities. The prospects for UK equities remain mixed, the uncertainty over trade with Europe post Brexit means there could be a marked difference in performance between companies with domestic rather than international earnings.

Equity Market Recommendations

In summary I would suggest a 2% overweight to equity funded from bonds, the strategic weight to UK equities has been lowered from 28 to 25% but I still believe an underweight position is appropriate, as is a neutral position in the US, where the strategic weight has been increased from 11 to 12%. I continue to recommend neutral exposure to Europe ex UK and a 1% overweight to Japan, Asia-Pacific and Emerging markets.

It is always difficult to underweight the UK equity market because of the quality of; the rule of Law, accounting practices and governance procedures required by the UK regulators. It is the home market, there is no currency volatility to worry about and many of the bigger companies especially represented in the FTSE 100 are big international companies with overseas earnings who through their subsidiaries have exposure to fast growing emerging economies. Having said that, the UK is about to enter the Brexit negotiations which are timetabled to last 2 years, during this time the UK and the 27 members of the European Union and their subsidiary regional legislative bodies have to agree the terms of departure. In the meantime businesses will have to try and decide what their longer term investment decisions should be, for these reasons the UK equity market may not do so well going forward, it certainly increases the potential for news flow volatility and dispersion of returns. I have no doubt that in the long term the UK economy could do well once negotiations are complete but in the medium term I believe a lower allocation is prudent.

Even before the election result the US economy was showing reasonable underlying growth. Consumption and labour markets remain strong, but rising wages are putting pressure on profit margins and valuations are elevated. However if the administration achieves only part of its objectives, the boost to activity combined with the positive sentiment is enough to see further upside in equity markets. I suggest staying with a neutral position.

If the DPF had an active manager for European equity I would like to be overweight because I think the risks are well known and can be avoided by good country and stock selection, overall I believe the economy could continue to surprise on the upside. However as the assets are managed passively I believe it is appropriate to remain neutral.

The Japanese market is now only fair value relative to the rest of the world but remains cheap, relative to its own history since 2004. Companies are carrying the largest cash balances of any in the developed world, hence share buybacks and dividends remain high. This combined with the domestic growth dynamics of Japan's regional neighbours is likely to help Japanese companies grow their share of regional trade, therefore I continue to recommend an overweight position of 1%.

Pacific Basin and Emerging Market Equity markets rebounded strongly in the first quarter of 2017 after a difficult fourth quarter. These economies are growing roughly twice as fast as developed economies and have positive domestic macro fundamentals, I believe that a 1% overweight to both sectors can be justified.

Property, Alternatives and Cash

The Strategic benchmark is well diversified and contains an allocation to Property and Alternatives. These areas of investment tend to be less liquid (more difficult to buy and sell) and require high levels of due diligence to ensure only the best opportunities are acquired. The manager selection process is resource intensive, can be slow and once the manager is selected, deployment of committed cash can take a long time as investments are discovered. Despite this, the assets purchased have many desirable attributes for pension funds whose long term liabilities have call for a balanced portfolio of long term assets whose performance is dependent on diverse sources of risk and return to more traditional tradable asset classes such as bonds and equities. For instance alternatives can provide a cheaper way to access long term inflation linked cash flows than through index linked gilts. Asset Allocation is increasing but remains below benchmark.

The Property market had a difficult time in 2016 as short term sentiment and investors reacted to the news flow around the UK referendum on Europe. This emphasises the need to be more long term in the approach to investment in property to avoid these short term bouts of volatility. I continue to recommend that a neutral overall weight to property be maintained and express a preference for being 1% overweight direct, against being 1% underweight indirect property. I realise this is more difficult to achieve but attractive opportunities can still be sourced. The in-house team's approach of buying well researched quality properties at the right price and minimising "voids" is likely to continue to be successful in future.

Alternatives; the Strategic weight of Infrastructure has been increased from 3 to 5%, I am therefore happy to move my recommendation from +1% to neutral and maintain a neutral allocation to Private Equity. The problem for infrastructure investment remains the supply of "shovel ready projects" remains low, difficult to find and demand is high. However the "market" for infrastructure assets is becoming broader and deeper with many new opportunities coming to market from both existing and new managers. The change of government in the US could lead to an increase in supply of projects, but maybe not in the near term.

Finally cash, because the Fund is cash flow positive there is no requirement to carry a large cash balance. The current balance appears to be quite high but most of the cash held is committed to fund managers that have yet to "draw down" their allocations for investments, once all committed cash is drawn the balance will fall significantly.

The asset allocation set out in table 9, below shows the Old and New Derbyshire Strategic benchmark allocations and my recommended relative weights as of 14th February and 26th May 2017. My suggested asset allocation weights represent an ideal objective for the Fund based on my expectations for economic growth and market performance, but they do not take into consideration the difficulty in reallocating between asset classes and the time needed to be taken by the investment managers to find correctly priced assets for inclusion in the Fund.

Table 9: - Recommended asset allocation against the new strategic benchmark set on 1st April 2017

% Asset Category	Old Derbyshire Strategic weight 1 st October 2015	Anthony Fletcher 14 th February 2017	New Derbyshire Strategic Weight 1 st April 2017	Anthony Fletcher 26 th May 2017
Total Equity	60	+2	58	+2
UK Equity	28	-1	25	-1
Overseas Equity	32	+3	33	+3
North America	11	0	12	0
Europe ex UK	9	0	9	0
Japan	5	+1	5	+1
Pacific ex Japan	4	+1	4	+1
Emerging markets	3	+1	3	+1
Total Bonds	22	-3	22	-2
Conventional Gilts	6.5	-2	5.5	-1.5
UK index Linked	6.5	-5	6.5	-1.5
US TIPS	0	+2	0	0
Non-government	6	0	6	0
Multi-asset Credit	3	+2	4	+1
Total Alternatives	16	+1	18	0
Infrastructure	3	+1	5	0
Private Equity	4	0	4	0
Direct Property	5	+1	5	+1
Indirect Property	4	-1	4	-1
Cash	2	0	2	0

Anthony Fletcher

26th May 2017

Appendix

References

Source material was provided by, including but not limited to, the following suppliers:-

Derbyshire Pension Fund, PEL and WM performance services

GFC Economics, Citi Research,

FTSE, Citigroup, IPD, Barclay's Global and Interbank Indices

Kames, Blackrock, Henderson Global Investors, M&G and JP Morgan, Asset Management

Bank of England, UK Debt Management Office, UK OBR, UK Treasury, ONS

US Bureau of Labour Statistics, US Commerce Dept. Executive office of the President of the United States.

Bank of Japan, Japan MITI

ECB, Eurostat

Bloomberg, Markit, Trading Economics, DataStream and S&P

Financial Times, Daily Telegraph, Guardian, Wall Street Journal, New York Times, Washington Post

APPENDIX 2

DERBYSHIRE PENSION FUND

Portfolio Valuation
30/4/17

DERBYSHIRE PENSION FUND
APRIL 2017 PORTFOLIO VALUATION - BID

Fixed Interest

UK Government Bonds	249,264,802
UK Government Index Linked	208,151,161
Corporate Bonds	240,078,320
Corporate Index Linked	0
Multi Asset Credit	66,600,345
US Govt	13,480,669
US Govt Index Linked	62,653,090
France	0
French Govt Index Linked	0
Germany	0
German Govt Index Linked	0
Total Fixed Interest	840,228,386

Alternatives

Private Equity - quoted	48,853,127
Private Equity - unquoted	21,389,561
Infrastructure - quoted	56,196,588
Infrastructure - unquoted	26,231,090
Total Alternatives	152,670,366

Miscellaneous

Real Property	173,700,154
Property Funds	119,717,434
Local Authority Deposits	2,178
Cash (incl USA)	244,936,334
Total Miscellaneous	538,356,100

TOTAL PORTFOLIO **4,435,425,920**

EQUITIES	UK	US	Total Europe	Japan	Other Asia	Emerging Mkts
Oil & Gas Producers	143,891,021	125,485,109	18,405,912	0		
Oil & Gas Services	9,363,912	2,047,950	7,315,962	0		
Chemicals	14,014,109	4,979,650	9,034,459	0		
Forestry & Paper	7,952,142	6,003,000	1,949,142	0		
Industrial Metals	2,641,780		2,641,780	0		
Mining	61,994,250	61,994,250	0	0		
Construction	8,597,525	5,471,003	3,126,522	0		
Aerospace	36,316,349	21,049,100	15,267,249	0		
General Industrial	27,430,066	10,442,125	16,987,941	0		
Electronic Equipment	17,652,269	5,786,000	11,866,269	0		
Industrial Engineering	12,869,800	12,869,800	0	0		
Industrial Transport	6,084,344	0	6,084,344	0		
Support Services	49,716,062	41,405,580	8,310,482	0		
Automobiles	12,229,160	6,815,300	5,413,860	0		
Beverages	61,394,351	41,434,950	19,959,401	0		
Food Producers	20,168,196	14,050,000	6,118,196	0		
Household Goods	46,291,030	35,425,900	10,865,130	0		
Leisure Goods	0			0		
Personal Goods	48,687,718	40,207,200	8,480,518	0		
Tobacco	82,524,738	74,839,000	7,685,738	0		
Healthcare Equipment & Services	16,219,420		16,219,420	0		
Pharmaceutical / Biotech	149,903,510	96,174,000	53,729,510	0		
Food Retail	12,464,991	11,418,600	1,046,391	0		
General Retail	36,711,696	10,654,075	26,057,621	0		
Media	81,999,013	51,158,700	30,840,313	0		
Travel & Leisure	42,791,278	36,525,883	6,265,395	0		
Telecoms	49,363,125	49,363,125	0	0		
Electricity	25,478,449	6,259,500	19,218,949	0		
Gas & Water	56,540,477	51,587,240	4,953,237	0		
Banks	152,393,761	134,238,875	18,154,886	0		
Non-Life Insurance	42,859,291	19,581,961	23,277,330	0		
Life Insurance	68,945,418	63,944,250	5,001,168	0		
Real Estate Investment Trusts	44,280,552	25,786,300	18,494,252	0		
Real Estate Investment Service	2,520,000	2,520,000	0	0		
General Financial	66,005,572	22,635,400	43,370,172	0		
Investment Companies	322,143,212	87,436,839		60,750,150	81,432,100	92,524,123
Software	44,657,797	12,297,625	32,360,172	0		
Technology Hardware	46,726,804	3,000,000	43,726,804	0		
Unit Trusts & OEICs	379,329,122	31,928,868		175,527,229	136,689,175	35,183,850
Investment Entities	130,765,889	8,259,566		56,817,106	19,618,999	46,070,219
Passive tracker fund	462,252,869		462,252,869			
Total Equities	2,904,171,068	1,235,076,723	502,228,525	293,094,485	237,740,274	173,778,191

DERBYSHIRE PENSION FUND

APRIL 2017 PORTFOLIO VALUATION - BID

	Number held	Mkt Price in local currency (Clean) use for Hedge Calc & IL Valuation	Mkt Price in local currency (Dirty) use for Non IL Valuation	Mkt Price pence GBP	Total £ GBP
UK GILTS					
TSY 1.25% 22/7/2018	5,000,000	101.47	101.82	101.82	5,090,865
TSY 3.75% 7/9/2020	10,322,000	112.03	112.60	112.60	11,622,949
TSY 4.75% 7/3/2020	10,000,000	113.21	113.94	113.94	11,393,683
TSY 1.75% 7/9/2022	13,490,000	106.74	107.00	107.00	14,434,746
TSY 4% 7/3/2022	10,995,000	117.62	118.23	118.23	12,999,575
TSY 2.25% 7/9/2023	15,400,000	110.18	110.52	110.52	17,020,756
TSY 5% 7/3/2025	5,500,000	132.07	132.83	132.83	7,305,423
TSY 2% 7/9/2025	14,800,000	108.95	109.26	109.26	16,170,235
TSY 1.5% 7/22/2026	5,650,000	104.19	104.60	104.60	5,910,090
TSY 4.25% 7/12/2027	18,000,000	131.61	133.32	133.32	23,997,001
TSY 4.75% 7/12/2030	13,162,000	142.38	144.28	144.28	18,990,426
TSY 4.25% 7/6/2032	12,370,000	137.58	139.28	139.28	17,229,019
TSY 4.5% 7/9/2034	16,373,000	144.17	144.85	144.85	23,717,074
TSY 4.25% 7/3/2036	11,400,000	142.14	142.78	142.78	16,277,460
TSY 1.75% 7/9/2037	11,800,000	100.35	100.62	100.62	11,873,078
TSY 4.75% 7/12/2038	7,934,000	155.13	157.04	157.04	12,459,412
TSY 4.25% 7/9/2039	4,050,000	146.58	147.22	147.22	5,962,602
TSY 3.25% 1/22/2044	8,000,000	131.41	132.30	132.30	10,584,383
TSY 4.25% 7/12/2046	3,900,000	157.94	159.64	159.64	6,226,025
001 UKGB Total					249,264,802

US GOVERNMENT BONDS

T 2.25% 15/11/2024	9,950,000	100.67	101.72	78.55	7,815,243
T 2.75% 15/11/2042	7,500,000	96.55	97.82	75.54	5,665,426
004 USGB Total					13,480,669

NON GOVERNMENT BONDS

Kames UK Corp Bond Fund	41,450,969	282.35	282.35	282.35	117,036,811
Royal London UK Corporate Bond F	49,679,818	247.67	247.67	247.67	123,041,508
Non Govt Bonds Total					240,078,320

MULTI ASSET CREDIT

AMP Capital Infrastructure Debt Fur	17,000,000	0.08	0.08	0.08	1,169,143
Barings Global Private Loan Fund	40,000,000	0.64	0.64	0.64	25,705,588
Henderson Multi Asset Credit Fund	39,725,614	1.00	1.00	1.00	39,725,614
Multi Asset Credit Total					66,600,345

UK INDEX LINKED

TREAS 2.5% IL STK 17/7/2024	7,524,000	370.73	372.70	372.70	28,041,659
TREAS 4.125% IL STK 22/7/2030	6,510,000	373.21	375.45	375.45	24,441,752
TREAS 2% IL STK 26/1/2035	12,435,000	273.08	273.89	273.89	34,058,366
002 UKGIL Total					86,541,777

INDEX LINKED (3 monthers)

	Number held	Clean Price	Index Ratio	Gross	Accrued Interest	Total
UK INDEX LINKED (3monthers)						
TREAS 0.125% IL STK 22/3/2024	9,230,000	118.0650	1.107290	12,066,581.49	1,285.43	12,067,867
TREAS 1.25% IL STK 22/11/2027	7,400,000	138.3000	1.383180	14,155,740.76	41,139.50	14,196,880
TREAS 0.125% IL STK 22/3/2029	5,325,000	127.2750	1.130610	7,662,589.15	741.59	7,663,331
TREAS 1.25% IL STK 22/11/2032	2,777,000	156.5800	1.236250	5,375,495.13	15,438.43	5,390,934
TREAS 0.75% IL STK 22/3/2034	11,465,000	150.9400	1.155880	20,002,816.64	9,580.13	20,012,397
TREAS 1.125% IL STK 22/11/2037	5,580,000	173.2950	1.327260	12,834,419.71	27,919.27	12,862,339
TREAS 0.625% IL STK 22/3/2040	5,600,000	168.8350	1.239730	11,721,349.61	3,899.46	11,725,249
TREAS 0.125% IL STK 22/3/2044	11,470,000	164.0550	1.107280	20,835,807.90	1,597.38	20,837,405
TREAS 0.75% IL STK 22/11/2047	6,500,000	200.4250	1.291970	16,831,300.67	21,681.63	16,852,982
UK INDEX LINKED (3monthers) TOTAL						121,609,384

	Number held	Clean Price \$	Index Ratio	Gross \$	Accrued Interest \$	Total \$	Total £
US INDEX LINKED							
TI10.125% 15/1/2023	7,000,000	100.132813	1.055400	7,397,611.92	2,586.33	7,400,198	5,714,433.09
TI13.625% 15/4/2028	4,045,000	133.304688	1.506180	8,121,585.55	6,810.74	8,128,396	6,276,747.62
TI11.750% 15/1/2028	5,550,000	113.593750	1.162830	7,331,007.23	28,708.22	7,359,715	5,683,172.27
TI12.5% 15/1/2029	7,000,000	122.804688	1.134650	9,753,823.71	51,726.52	9,805,550	7,571,845.88
TI12.125% 15/2/2040	4,095,000	126.679688	1.127090	5,846,816.80	18,269.13	5,865,086	4,529,019.35
TI10.75% 15/2/2042	20,300,000	96.812500	1.078110	21,188,028.45	31,964.09	21,219,993	16,386,078.24
TI10.625% 15/2/2043	21,500,000	93.625000	1.059580	21,328,683.16	28,211.33	21,356,894	16,491,793.92
0045 USGB IL Total							62,653,090

TOTAL BONDS

840,228,386

Index linked-total	270,804,251
Conventional-total	262,745,470
Non gov-total	306,678,665

DERBYSHIRE PENSION FUND
APRIL 2017 PORTFOLIO VALUATION - BID

US EQUITIES

Sector	Company Name	Number held	Mkt price USD/ CAN\$	Mkt Price GBP	Value in Sterling £
OIL & GAS PRODUCERS					
US Oil & Gas	ANTERO RESOURCES CORP	50,315	21.18	16.36	822,912
US Oil & Gas	BP PLC-SPONS ADR	40,451	34.32	26.50	1,072,029
US Oil & Gas	CALLON PETROLEUM CO	33,222	11.84	9.14	303,744
US Oil & Gas	CHEVRON CORP	12,424	106.68	82.38	1,023,468
US Oil & Gas	COBALT INTERNATIONAL ENERGY	501,496	0.40	0.31	153,314
US Oil & Gas	CONTINENTAL RESOURCES INC/OK	3,017	42.41	32.75	98,804
US Oil & Gas	DIAMONDBACK ENERGY INC	17,102	99.83	77.09	1,318,371
US Oil & Gas	ENBRIDGE INC	14,768	41.45	32.01	472,690
US Oil & Gas	EXTRACTION OIL & GAS INC	128,941	15.63	12.07	1,556,252
US Oil & Gas	JAGGED PEAK ENERGY INC	10,505	11.13	8.59	90,286
US Oil & Gas	LAREDO PETROLEUM INC	10,100	12.86	9.93	100,298
US Oil & Gas	NEWFIELD EXPLORATION CO	191,753	34.61	26.73	5,124,760
US Oil & Gas	PARSLEY ENERGY INC-CLASS A	43,014	29.78	23.00	989,155
US Oil & Gas	PDC ENERGY INC	21,813	55.20	42.63	929,789
US Oil & Gas	QEP RESOURCES INC	183,625	11.80	9.11	1,673,184
US Oil & Gas	RANGE RESOURCES CORP	13,560	26.49	20.46	277,378
US Oil & Gas	RICE ENERGY INC	59,333	21.29	16.44	975,443
US Oil & Gas	RSP PERMIAN INC	6,955	38.05	29.38	204,353
US Oil & Gas	TRANSCANADA CORP	28,581	46.44	35.86	1,024,942
US Oil & Gas	WPX ENERGY INC	21,157	11.92	9.20	194,742
US Oil & Gas Producers Total					18,405,912
OIL & GAS SERVICES					
US Oil & Gas Servi	BAKER HUGHES INC	61,284	59.37	45.85	2,809,596
US Oil & Gas Servi	HELIX ENERGY SOLUTIONS GROUP	49,890	6.11	4.72	235,388
US Oil & Gas Servi	MONSANTO CO	13,200	116.57	90.02	1,188,203
US Oil & Gas Servi	NOW INC	29,012	17.01	13.14	381,076
US Oil & Gas Servi	ONEOK INC	16,391	52.60	40.62	665,765
US Oil & Gas Servi	PIONEER NATURAL RESOURCES CO	12,990	173.00	133.59	1,735,342
US Oil & Gas Servi	TESCO CORP	59,430	6.55	5.06	300,592
US Oil & Gas Services Total					7,315,962
CHEMICALS					
US Chemicals	CABOT CORP	15,698	60.16	46.46	729,259
US Chemicals	CELANESE CORP	25,441	87.02	67.20	1,709,555
US Chemicals	DOW CHEMICAL CO	66,651	62.80	48.49	3,232,184
US Chemicals	PPG INDUSTRIES INC	33,452	109.83	84.81	2,837,088
US Chemicals	WESTLAKE CHEMICAL CORP	10,952	62.24	48.06	526,372
US Chemicals Total					9,034,459
FORESTRY & PAPER					
US Industrial Metal	INTERNATIONAL PAPER CO	46,778	53.96	41.67	1,949,142
US Forestry & Paper Total					1,949,142
INDUSTRIAL METALS					
US Industrial Metal	FREEMPORT-MCMORAN INC	19,834	12.74	9.84	195,123
US Industrial Metal	MARTIN MARIETTA MATERIALS	7,166	220.22	170.05	1,218,606
US Industrial Metal	RELIANCE STEEL & ALUMINUM	5,450	78.80	60.85	331,629
US Industrial Metal	STEEL DYNAMICS INC	18,767	36.12	27.89	523,447
US Industrial Metal	WARRIOR MET COAL INC	26,700	18.09	13.97	372,975
US Industrial Metals Total					2,641,780

CONSTRUCTION

US Industrial Metal	ARDAGH GROUP SA	30,900	21.45	16.56	511,818
US Industrial Metal	BOISE CASCADE	32,641	30.45	23.51	767,504
US Industrial Metal	CRH PLC-SPONSORED ADR	19,052	36.32	28.05	534,338
US Industrial Metal	VULCAN MATERIALS CO	14,066	120.87	93.34	1,312,862
US Construction Total					3,126,522

AEROSPACE

US Aero defence	BOEING CO/THE	21,850	184.77	142.68	3,117,545
US Aero defence	GENERAL DYNAMICS	15,002	193.80	149.65	2,245,085
US Aero defence	LOCKHEED MARTIN CORP COM	23,576	269.36	208.00	4,903,803
US Aero defence	UNITED TECHNOLOGIES CORP	54,439	118.96	91.86	5,000,816
US Aerospace Total					15,267,249

GENERAL INDUSTRIAL

US Div Ind	AGCO CORP	11,580	64.00	49.42	572,293
US Div Ind	BALL CORP	40,823	76.88	59.37	2,423,528
US Div Ind	CATERPILLAR INC	2,048	102.25	78.96	161,705
US Div Ind	DANAHER CORP	79,923	83.31	64.33	5,141,605
US Div Ind	DEERE & CO	1,901	111.61	86.19	163,838
US Div Ind	FIRST SOLAR INC	5,680	29.54	22.81	129,565
US Div Ind	ILLINOIS TOOL WORKS INC	41,135	138.06	106.61	4,385,400
US Div Ind	OWENS-ILLINOIS INC	30,461	21.81	16.84	513,014
US Div Ind	PENTAIR LTD	70,211	64.50	49.81	3,496,992
US General Industrial Total					16,987,941

ELECTRONIC EQUIPMENT

US Electricity	AMETEK INC	72,000	57.20	44.17	3,180,228
US Electricity	EATON CORP	62,123	75.62	58.39	3,627,596
US Electricity	FORTIVE CORP	74,577	63.27	48.86	3,643,615
US Electricity	GENERAL ELECTRIC CO	61,759	28.98	22.38	1,382,065
US Electricity	SUNPOWER CORP	6,105	6.95	5.37	32,764
US Electronic Equipment Total					11,866,269

INDUSTRIAL TRANSPORT

US Transportation	CSX CORP	22,012	50.83	39.25	863,991
US Transportation	FEDEX CORP	12,859	189.71	146.49	1,883,767
US Transportation	GENESEE & WYOMING INC - CL A	9,281	67.75	52.32	485,550
US Transportation	HUNT (JB) TRANSPORT SERVICES INC	5,368	89.65	69.23	371,614
US Transportation	KANSAS CITY SOUTHERN	1,482	90.08	69.56	103,088
US Transportation	KIRBY CORP	2,170	70.55	54.48	118,219
US Transportation	KNIGHT TRANSPORTATION INC	29,045	34.30	26.49	769,299
US Transportation	NORFOLK SOUTHERN CORP	4,000	117.49	90.73	362,903
US Transportation	PACCAR INC	3,000	66.72	51.52	154,564
US Transportation	UNION PACIFIC CORP	1,000	111.93	86.43	86,432
US Transportation	UNITED CONTINENTAL HOLDINGS	4,412	70.21	54.22	239,202
US Transportation	XPO LOGISTICS INC	16,934	49.38	38.13	645,714
US Industrial Transport Total					6,084,344

SUPPORT SERVICES

US Support Services	ACCENTURE LTD	12,910	121.26	93.64	1,208,853
US Support Services	GENPACT LTD	60,107	24.42	18.86	1,133,445
US Support Services	TRANSUNION	82,349	40.03	30.91	2,545,504
US Support Services	WASTE MANAGEMENT	60,901	72.78	56.20	3,422,680
US Support Services Total					8,310,482

AUTOMOBILES & PARTS

US Autos & parts	ADVANCE AUTO PARTS INC	31,363	142.11	109.74	3,441,692
US Autos & parts	O'REILLY AUTOMOTIVE INC	10,292	248.15	191.62	1,972,168
US Automobiles & Parts Total					5,413,860

BEVERAGES

US Beverages	ANHEUSER-BUSCH INBEV SPN ADR	13,149	113.24	87.44	1,149,800
US Beverages	CONSTELLATION BRANDS INC-A	24,353	172.54	133.24	3,244,681
US Beverages	DR PEPPER SNAPPLE GROUP INC	13,801	91.64	70.76	976,620
US Beverages	MOLSON COORS BREWING CO-B	36,601	95.89	74.05	2,710,167
US Beverages	MONSTER BEVERAGE CORP	132,261	45.38	35.04	4,634,748
US Beverages	PEPSICO INC	82,820	113.26	87.46	7,243,385
US Beverages Total					19,959,401

FOOD PRODUCTION/PROCESS

US Food Prod & P	HOSTESS BRANDS INC	206,669	17.13	13.23	2,733,773
US Food Prod & P	POST HOLDINGS INC	52,065	84.18	65.00	3,384,423
US Food Production & Processing Total					6,118,196

HOUSEHOLD GOODS

US Hous Gds Txl	MOHAWK INDUSTRIES	8,820	234.79	181.30	1,599,109
US Hous Gds Txl	NIKE INC -CL B	197,175	55.41	42.79	8,436,645
US Hous Gds Txl	UNDER ARMOUR INC-CLASS A	13,695	19.40	14.98	205,160
US Hous Gds	VF CORP	14,797	54.63	42.19	624,216
US Household Goods Total					10,865,130

PERSONAL GOODS

US Personal Care	COTY INC-CL A	280,686	17.84	13.78	3,866,744
US Personal Care	ESTEE LAUDER COMPANIES-CL A	47,992	87.14	67.29	3,229,358
US Personal Care	HERBALIFE LTD	28,345	63.25	48.84	1,384,417
US Personal Goods Total					8,480,518

TOBACCO

US Tobacco	ALTRIA GROUP INC	118,518	71.76	55.41	6,567,446
US Tobacco	BRITISH AMERICAN TOB-SP ADR	21,275	68.07	52.56	1,118,292
US Tobacco Total					7,685,738

HEALTHCARE EQUIPMENT & SERVICES

US Healthcare Eq	BECTON DICKINSON AND CO	15,500	186.93	144.35	2,237,384
US Healthcare Eq	BOSTON SCIENTIFIC CORP	187,406	26.38	20.37	3,817,579
US Healthcare Eq	CIGNA CORP	22,670	156.35	120.73	2,737,028
US Healthcare Eq	CONFORMIS INC	36,000	5.61	4.33	155,954
US Healthcare Eq	HCA HOLDINGS INC	25,724	84.19	65.01	1,672,356
US Healthcare Eq	STRYKER CORP	31,597	136.37	105.30	3,327,319
US Healthcare Eq	THERMO FISHER SCIENTIFIC	17,800	165.28	127.63	2,271,800
US Healthcare Equipment & Services Total					16,219,420

PHARMACEUTICAL, BIOTECH

US Healthcare	ABBOTT LABORATORIES	66,237	43.64	33.70	2,232,108
US Healthcare	ADURO BIOTECH INC	31,489	9.60	7.41	233,432
US Healthcare	AERIE PHARMACEUTICALS INC	12,337	44.05	34.02	419,648
US Healthcare	AIMMUNE THERAPEUTICS INC	11,208	19.44	15.01	168,250
US Healthcare	ALLERGAN PLC	21,990	243.89	188.33	4,141,418
US Healthcare	ALNYLAM PHARMACEUTICALS INC	4,360	53.57	41.37	180,359
US Pharm, Biotech	ASTRAZENECA PLC-SPONS ADR	78,625	30.25	23.36	1,836,605
US Healthcare	BAXTER INTERNATIONAL INC	41,093	55.67	42.99	1,766,521
US Healthcare	BIOGEN INC	789	271.15	209.38	165,202
US Healthcare	BLUEBIRD BIO INC	3,813	88.90	68.65	261,757
US Healthcare	BRISTOL-MYERS SQUIBB CO	106,478	56.05	43.28	4,608,561
US Healthcare	CALITHERA BIOSCIENCES INC	18,900	10.85	8.38	158,351
US Healthcare	CARDINAL HEALTH INC	49,521	72.52	56.00	2,773,173
US Healthcare	CELGENE CORP	21,500	124.05	95.79	2,059,515
US Pharm, Biotech	ELI LILLY & CO COM	60,126	82.06	63.37	3,809,988
US Pharm, Biotech	GLYCOMIMETICS INC	39,080	4.29	3.31	129,462
US Pharm, Biotech	INCYTE CORP	7,061	124.28	95.97	677,637
US Pharm, Biotech	IRONWOOD PHARMACEUTICALS INC	50,649	16.31	12.59	637,903
US Pharm, Biotech	JOHNSON & JOHNSON	41,851	123.48	95.35	3,990,545

US Pharm, Biotech JOUNCE THERAPEUTICS INC	2,500	28.30	21.85	54,633
US Pharm, Biotech KARYOPHARM THERAPEUTICS INC	30,670	10.21	7.88	241,807
US Pharm, Biotech LOXO ONCOLOGY INC	8,900	46.05	35.56	316,482
US Healthcare MCKESSON CORP COM	22,971	138.29	106.79	2,453,017
US Healthcare MEDTRONIC INC	134,349	83.07	64.15	8,618,039
US Healthcare MYLAN NV	63,139	37.34	28.83	1,820,547
US Healthcare MYOKARDIA INC	18,957	13.00	10.04	190,302
US Pharm, Biotech OTONOMY INC	27,176	13.30	10.27	279,105
US Pharm, Biotech RA PHARMACEUTICALS INC	13,665	23.48	18.13	247,764
US Pharm, Biotech REGENERON PHARMACEUTICALS	1,012	388.48	299.98	303,584
US Pharm, Biotech SYNDAX PHARMACEUTICALS	28,800	9.46	7.31	210,384
US Pharm, Biotech TESARO INC	5,717	147.57	113.95	651,472
US Pharm, Biotech TEVA PHARMACEUTICAL-SP ADR	18,732	31.57	24.38	456,655
US Pharm, Biotech TREVENA INC	49,635	3.27	2.53	125,333
US Healthcare UNITEDHEALTH GROUP INC	55,615	174.87	135.03	7,509,950
US Pharmaceutical, Biotech Total				53,729,510

FOOD RETAIL

US Retail Food & I HILTON WORLDWIDE HOLDINGS INC	22,231	58.97	45.54	1,012,325
US Retail Food & I WINGSTOP INC	1,500	29.41	22.71	34,066
US Food Retail Total				1,046,391

RETAILERS - GENERAL

US Retailers Gen AMAZON.COM INC	13,632	925.00	714.29	9,737,133
US Retailers Gen COSTCOWHOLESALE CORP	35,134	177.52	137.08	4,816,202
US Retailers Gen EXPEDIA INC	25,015	133.70	103.24	2,582,627
US Retailers Gen FLOOR & DÉCOR HOLDINGS INC-A	6,600	31.90	24.63	162,579
US Retailers Gen L BRANDS	11,568	52.79	40.76	471,563
US Retailers Gen TJX COMPANIES INC	30,721	78.63	60.72	1,865,320
US Retailers Gen WALGREENS BOOTS ALLIANCE INC	62,452	86.53	66.82	4,172,947
US Retailers Gen WAYFAIR INC-CLASS A	63,737	45.70	35.29	2,249,249
US Retailers - General Total				26,057,621

MEDIA

US Media & Photo ALLIANCE DATA SYSTEMS CORP	8,758	249.51	192.67	1,687,418
US Media & Photo CHARTER COMMUNICATIONS INC-A	20,992	345.06	266.46	5,593,430
US Media & Photo COMCAST CORP CL A	210,908	39.19	30.26	6,382,607
US Media & Photo FACEBOOK INC	65,178	150.25	116.02	7,562,150
US Media & Photo LIBERTY MEDIA CORP-MEDIA C	40,267	35.02	27.04	1,088,918
US Media & Photo NETFLIX INC	29,455	152.18	117.51	3,461,357
US Media & Photo OUTFRONT MEDIA INC	46,242	26.15	20.19	933,766
US Media & Photo TWENTY-FIRST CENTURY FOX	88,932	30.53	23.58	2,096,596
US Media & Photo VIACOM INC-CLASS B	61,892	42.56	32.86	2,034,070
US Media Total				30,840,313

TRAVEL & LEISURE

US Transport AMERICAN AIRLINES GROUP INC	22,894	42.61	32.90	753,291
US Hotels Leisure PRICELINE.COM INC	3,011	1,846.81	1,426.11	4,294,007
US Transport SOUTHWEST AIRLINES CO	2,100	56.21	43.41	91,151
US Transport SPIRIT AIRLINES INC	5,300	57.23	44.19	234,223
US Transport WYNN RESORTS LTD	9,399	123.00	94.98	892,723
US Travel & Leisure Total				6,265,395

ELECTRICITY

US Electricity PINNACLE WEST CAPITAL	13,179	85.09	65.71	865,946
US Electricity EVERSOURCE ENERGY	24,529	59.38	45.85	1,124,734
US Electricity EDISON INTERNATIONAL	29,616	79.97	61.75	1,828,872
US Electricity UGI CORP	33,980	50.11	38.69	1,314,854
US Electricity PG&E CORP	49,510	67.05	51.78	2,563,430
US Electricity NEXTERA ENERGY INC	48,573	133.56	103.14	5,009,578
US Electricity DOMINION RESOURCES INC/VA	42,978	77.41	59.78	2,569,053
US Electricity AVANGRID INC	68,778	43.50	33.59	2,310,301

US Electricity	EXELON CORP	61,036	34.63	26.74	1,632,181
US Electricity Total					19,218,949
GAS & WATER					
Gas	KINDER MORGAN INC	150,026	20.62	15.92	2,388,829
Gas	SEMPRA ENERGY	29,386	113.01	87.27	2,564,408
US Gas & Water Total					4,953,237
BANKS, RETAIL					
US Banks Retail	BANK OF AMERICA CORP	689,158	23.33	18.02	12,415,475
US Banks Retail	PNC FINANCIAL SERVICES GROUP	62,062	119.76	92.48	5,739,411
US Banks - Retail Total					18,154,886
NON-LIFE INSURANCE					
US Insurance	AMERICAN INTERNATIONAL GROUP	111,062	60.90	47.03	5,222,910
US Insurance	ALLSTATE CORP	27,380	81.28	62.76	1,718,490
US Insurance	ASSURED GUARANTY LTD	91,219	38.13	29.44	2,685,851
US Insurance	ATHENE HOLDING LTD-CLASS A	41,400	53.34	41.19	1,705,231
US Insurance	CHUBB LTD	13,442	137.24	105.98	1,424,539
US Insurance	HARTFORD FINANCIAL SVCS GRP	50,440	48.36	37.34	1,883,611
US Insurance	MARSH & MCLENNAN COS INC COM	77,305	74.13	57.24	4,425,184
US Insurance	METLIFE INC	46,250	51.81	40.01	1,850,355
US Insurance	PRUDENTIAL FINANCIAL INC	28,574	107.01	82.63	2,361,159
US Non-Life Insurance Total					23,277,330
LIFE INSURANCE					
US Banks Retail	MANULIFE FINANCIAL CORP	129,128	17.54	13.54	1,748,960
US Banks Retail	XL GROUP	100,660	41.84	32.31	3,252,209
US Life Insurance Total					5,001,168
REAL ESTATE					
US Real Estate	AMERICAN TOWER CORP	59,538	125.97	97.27	5,791,501
US Real Estate	APARTMENT INVT & MGMT CO-A	57,665	43.73	33.77	1,947,249
US Real Estate	ALEXANDRIA REAL ESTATE EQUIT	24,221	112.42	86.81	2,102,643
US Real Estate	CROWN CASTLE INTL CORP	36,502	94.58	73.03	2,665,912
US Real Estate	EQUINIX INC	5,774	417.70	322.55	1,862,392
US Real Estate	INVITATION HOMES INC	77,700	21.55	16.64	1,292,999
US Real Estate	PARK HOTELS & RESORTS INC	20,693	25.65	19.81	409,865
US Real Estate	PROLOGIS INC	25,569	54.40	42.01	1,074,094
US Real Estate	SIMON PROPERTY GROUP INC	10,567	165.15	127.53	1,347,597
US Real Estate Total					18,494,252
GENERAL FINANCIAL					
US Special Financial	AMERICAN EXPRESS CO	90,082	79.26	61.20	5,513,430
US Special Financial	CAPITAL ONE FINANCIAL CORP	103,314	80.36	62.05	6,411,046
US Special Financial	CONYERS PARK ACQUISITION COR	124,880	12.76	9.85	1,230,477
US Special Financial	EQUIFAX INC	14,256	135.31	104.49	1,489,558
US Special Financial	EVERCORE PARTNERS INC-CL A	8,096	73.65	56.87	460,440
US Special Financial	FINANCIAL ENGINES INC	16,550	42.45	32.78	542,507
US Special Financial	FLEETCOR TECHNOLOGIES INC	13,087	141.14	108.99	1,426,330
US Special Financial	GLOBAL PAYMENTS INC	65,796	81.76	63.14	4,154,035
US Special Financial	HUNTINGTON BANCSHARES INC	245,817	12.85	9.92	2,439,186
US Special Financial	INTERCONTINENTAL EXCHANGE INC	27,005	60.20	46.49	1,255,366
US Special Financial	INVESTMENT TECHNOLOGY GROUP	18,400	19.90	15.37	282,749
US Special Financial	LEGG MASON INC	18,917	37.37	28.86	545,890
US Special Financial	IHS MARKIT LTD	22,296	43.39	33.51	747,044
US Special Financial	MORGAN STANLEY	41,186	43.37	33.49	1,379,332
US Special Financial	NORTHERN TRUST CORP	21,467	90.00	69.50	1,491,914
US Special Financial	PAYPAL HOLDINGS INC	61,823	47.71	36.84	2,277,662
US Special Financial	SANTANDER CONSUMER	291,416	12.73	9.83	2,864,650
US Special Financial	TD AMERITRADE HOLDING CORP	35,109	38.26	29.54	1,037,273
US Special Financial	TOTAL SYSTEM SERVICES INC	8,251	57.32	44.26	365,210
US Special Financial	VISA INC CL A SHS	91,625	91.22	70.44	6,454,073
US Special Financial	WEX INC	9,419	101.46	78.35	737,954
US Special Financial	WISDOMTREE INVESTMENTS INC	41,000	8.34	6.44	264,046
US General Financial Total					43,370,172

SOFTWARE

US Software & Cor ADOBE SYSTEMS INC	18,875	133.74	103.27	1,949,297
US Software & Cor AKAMI TECHNOLOGIES INC	10,631	60.94	47.06	500,272
US Software & Cor ALPHABET INC - CL A SHARES	10,457	924.51	713.91	7,465,322
US Software & Cor ATlassian CORP PLC-CLASS A	35,298	34.47	26.62	939,553
US Software & Cor AUTODESK INC	12,685	90.06	69.54	882,170
US Special Financial AUTOMATIC DATA PROCESSING	5,041	104.47	80.67	406,666
US Software & Cor BLUECORA INC	44,828	18.40	14.21	636,938
US Software & Cor COGNIZANT TECH SOLUTIONS-A	11,334	60.23	46.51	527,140
US Software & Cor EBAY INC	117,701	33.40	25.79	3,035,683
US Software & Cor ELECTRONIC ARTS INC	18,068	94.82	73.22	1,322,939
US Software & Cor ENVESTNET INC	6,280	34.75	26.83	168,517
US Software & Cor GUIDEWIRE SOFTWARE INC	7,238	61.49	47.48	343,679
US Software & Cor HUBSPOT INC	17,566	67.00	51.74	908,819
US Software & Cor MICROSOFT CORP	125,235	68.46	52.86	6,620,525
US Software & Cor SALESFORCE.COM INC	34,662	86.15	66.53	2,305,891
US Software & Cor SERVICENOW INC	22,124	94.46	72.94	1,613,769
US Software & Cor SPLUNK INC	10,163	64.31	49.66	504,696
US Software & Cor SS&C TECHNOLOGIES HOLDINGS	21,655	36.73	28.36	614,199
US Software & Cor WORKDAY INC-CLASS A	23,916	87.40	67.49	1,614,098
US Software Total				32,360,172

TECHNOLOGY HARDWARE

US IT Hardware ANALOG DEVICES INC	47,230	76.18	58.83	2,778,361
US IT Hardware APPLE INC	173,883	143.61	110.90	19,282,867
US IT Hardware ARISTA NETWORKS INC	33,258	139.60	107.80	3,585,183
US IT Hardware BROADCOM LTD	27,263	220.68	170.41	4,645,863
US IT Hardware CISCO SYSTEMS INC	119,771	34.06	26.30	3,150,113
US IT Hardware INTEL CORP	123,597	36.14	27.91	3,449,260
US IT Hardware MICROCHIP TECHNOLOGY INC	70,976	75.59	58.37	4,142,912
US IT Hardware MICRON TECHNOLOGY INC	83,624	27.66	21.36	1,786,129
US IT Hardware SEAGATE TECHNOLOGY	27,859	42.12	32.53	906,116
US Technology Hardware Total				43,726,804

TOTAL UNITED STATES**502,228,525**

DERBYSHIRE PENSION FUND
APRIL 2017 PORTFOLIO VALUATION - BID
NEW SECTORS
UK EQUITIES

Sector	Company Name	Number held	Mkt Price Pence	Total £
OIL & GAS PRODUCERS				
UK Oil & Gas	BP PLC USD\$0.25	11,000,000	442.50	48,675,000
UK Oil & Gas	CAIRN ENERGY	500,000	194.30	971,500
UK Oil & Gas	ROYAL DUTCH SHELL A' SHARES	1,000,000	2002.50	20,025,000
UK Oil & Gas	ROYAL DUTCH SHELL 'B' SHARES	2,573,560	2052.50	52,822,319
UK Oil & Gas	TULLOW OIL PLC	1,427,142	209.60	2,991,290
UK Oil & Gas Producers Total				125,485,109
OIL & GAS SERVICES				
UK Const Build Ma	WOOD GROUP (JOHN) PLC	270,000	758.50	2,047,950
UK Oil & Gas Services Total				2,047,950
CHEMICALS				
UK Chemicals	JOHNSON MAT ORD£1	135,000	2979.00	4,021,650
UK Chemicals	VICTREX PLC	50,000	1916.00	958,000
UK Chemicals Total				4,979,650
FORESTRY & PAPER				
UK Forestry & Paper	MONDI PLC	300,000	2001.00	6,003,000
UK Forestry & Paper Total				6,003,000
MINING				
UK Mining	ANGLO AMER US\$0.50	800,000	1106.50	8,852,000
UK Mining	BHP BILLITON PLC	500,000	1174.50	5,872,500
UK Mining	GLENCORE PLC	7,500,000	303.65	22,773,750
UK Mining	RIO TINTO 10P	800,000	3062.00	24,496,000
UK Mining Total				61,994,250
CONSTRUCTION				
UK Engin Mach	BALFOUR BEATTY PLC	2,000,000	119.50	2,390,000
UK Engin Mach	KIER GROUP PLC	230,614	1336.00	3,081,003
UK Construction Total				5,471,003
AEROSPACE				
UK Aero defence	BAE ORD 2.5P	1,900,000	627.00	11,913,000
UK Aero defence	COBHAM PLC	1,700,000	132.50	2,252,500
UK Aero defence	COBHAM PLC-NIL PAID	680,000	57.00	387,600
UK Aero defence	ROLLS ROYCE 20P	800,000	812.00	6,496,000
UK Aerospace Total				21,049,100
GENERAL INDUSTRIAL				
UK General Industr	DS SMITH PLC	1,000,000	431.50	4,315,000
UK General Industr	RPC GROUP PLC	375,000	809.50	3,035,625
UK General Industr	SMURFIT KAPPA GROUP PLC	150,000	2061.00	3,091,500
UK General Industrial Total				10,442,125
ELECTRONIC EQUIPMENT				
UK Electronic equip	HALMA PLC	550,000	1052.00	5,786,000
UK Eelectronic Equipment Total				5,786,000

INDUSTRIAL ENGINEERING

UK Engin Mach HILL & SMITH HOLDINGS PLC	250,000	1327.00	3,317,500
UK General Industr ROTORK PLC	1,350,000	245.80	3,318,300
UK Engin Mach SPIRAX-SARCO 25P	120,000	5195.00	6,234,000
UK Industrial Engineering Total			12,869,800

SUPPORT SERVICES

UK Support Servic BABCOCK INT'L	1,200,000	899.00	10,788,000
UK Support Servic BUNZL PLC	330,000	2408.00	7,946,400
UK Support Servic CAPITA PLC	250,000	556.00	1,390,000
UK Support Servic ESSENTRA PLC	360,000	540.50	1,945,800
UK Support Servic G4S PLC	1,000,000	305.00	3,050,000
UK Const Build Ma TRAVIS PERKINS 10P	325,000	1610.00	5,232,500
UK Const Build Ma WOLSELEY PLC	152,000	4904.00	7,454,080
UK Const Build Ma WORLDPAY GROUP PLC	1,200,000	299.90	3,598,800
UK Support Services Total			41,405,580

AUTOMOBILES

UK Autos GKN PLC ORD 50P	1,900,000	358.70	6,815,300
UK Automobiles Total			6,815,300

BEVERAGES

UKBeverages BRITVIC	1,400,000	665.00	9,310,000
UKBeverages DIAGEO 28 101/108P	1,430,000	2246.50	32,124,950
UK Beverages Total			41,434,950

FOOD PRODUCERS

UKFoods ASSOCIATED BRITISH FOODS PLC	500,000	2810.00	14,050,000
UK Food Producers Total			14,050,000

HOUSEHOLD GOODS

UK Housebuilders BOVIS HOMES GROUP PLC	500,000	919.50	4,597,500
UK Housebuilders BELLWAY PLC	240,000	2846.00	6,830,400
UK Housebuilders COUNTRYSIDE PROPERTIES PLC	1,400,000	269.00	3,766,000
UK Hous Gds Txtik PETER GEESON 2nd PREFERRED OF	16,487	0.00	-
UK Personal Care RECKITT BENCKISER	240,000	7110.00	17,064,000
UK Housebuilders REDROW PLC	550,000	576.00	3,168,000
UK Household Goods Total			35,425,900

PERSONAL GOODS

UK Food Prod & Pr BURBERRY	300,000	1612.00	4,836,000
UK Housebuilders PZ CUSSONS PLC	1,250,000	333.80	4,172,500
UK Retailers Gen TED BAKER PLC	150,000	2795.00	4,192,500
UK Food Prod & Pr UNILEVER ORD 1.4P	680,000	3971.50	27,006,200
UK Personal Goods Total			40,207,200

TOBACCO

UK Tobacco BRIT AMER TOBC 25P	1,000,000	5215.00	52,150,000
UK Tobacco IMPERIAL BRANDS PLC	600,000	3781.50	22,689,000
UK Tobacco Total			74,839,000

PHARMACEUTICAL & BIOTECH

UK Pharm, Biotech ASTRAZENECA ORD	775,000	4636.00	35,929,000
UK Pharm, Biotech GLAXOSMITHKLINE25P	3,155,000	1550.00	48,902,500
UK Pharm, Biotech SHIRE PHARMA ORD5P	250,000	4537.00	11,342,500
UK Pharmaceutical & Biotech Total			96,174,000

FOOD RETAIL

UK Retail Food & I BOOKER GROUP PLC	2,300,000	193.70	4,455,100
UK Retail Food & I TESCO ORD 5P	3,800,000	183.25	6,963,500
UK Food Retail Total			11,418,600

GENERAL RETAIL

UK Retailers Gen DIXONS CARPHONE PLC	125,000	334.90	418,625
UK Retailers Gen INCHCAPE PLC	100,000	854.00	854,000
UK Retailers Gen KINGFISHER	1,660,000	341.20	5,663,920
UK Retailers Gen M&S ORD 25P	850,000	366.50	3,115,250
UK Retailers Gen NEXT PLC	14,000	4302.00	602,280
UK General Retail Total			10,654,075

MEDIA

UK Media & Photo INFORMA PLC	1,000,000	642.00	6,420,000
UK Media & Photo ITV ORD	6,600,000	209.70	13,840,200
UK Media & Photo RELX PLC	450,000	1565.00	7,042,500
UK Media & Photo UNITED BUSINESS MEDIA	800,000	710.50	5,684,000
UK Media & Photo WPP GRP ORD 10P	1,100,000	1652.00	18,172,000
UK Media Total			51,158,700

TRAVEL & LEISURE

UK Travel & Leisur COMPASS GRP ORD10P	941,176	1557.00	14,654,110
UK Travel & Leisur GREENE KING PLC	725,000	750.00	5,437,500
UK Travel & Leisur INTERCONTINENTAL HOTELS GRP	116,666	4095.00	4,777,473
UK Travel & Leisur LADBROKES CORAL GROUP PLC	2,100,000	130.70	2,744,700
UK Travel & Leisur MARSTON'S	2,250,000	142.60	3,208,500
UK Travel & Leisur NATIONAL EXPRESS GROUP	800,000	357.00	2,856,000
UK Travel & Leisur STAGECOACH ORD0.5P	1,400,000	203.40	2,847,600
UK Travel & Leisure Total			36,525,883

TELECOMS

UK Fixed-Line Tele BT ORD GBP 5P	5,750,000	304.75	17,523,125
UK Mobile Telecon VODAFONE GRP COM	16,000,000	199.00	31,840,000
UK Telecoms Total			49,363,125

ELECTRICITY

UK Electricity SCOT & SOUTH 50P	450,000	1391.00	6,259,500
UK Electricity Total			6,259,500

GAS & WATER

UK Gas Distribution CENTRICA	2,700,000	197.80	5,340,600
UK Electricity NAT GRID PLC ORD 10P	3,150,000	1000.00	31,500,000
UK Water PENNON GP ORD £1	400,000	856.00	3,424,000
UK Water SEVERN TR 65 5/19P	236,000	2324.00	5,484,640
UK Water UNITED UTILITIES GROUP PLC	600,000	973.00	5,838,000
UK Gas & Water Total			51,587,240

BANKS, RETAIL

UK Banks Retail BARCLAYS ORD 25P	11,250,000	212.15	23,866,875
UK Banks Retail HSBC HLDG \$0.50	10,000,000	636.50	63,650,000
UK Banks Retail LLOYDS BANKING GROUP PLC	54,000,000	69.16	37,346,400
UK Banks Retail STANDARD CHARTERED ORD	1,300,000	721.20	9,375,600
UK Banks - Retail Total			134,238,875

NON-LIFE INSURANCE

UK Insurance	BEAZLEY PLC	1,500,000	439.80	6,597,000
UK Insurance	HISCOX	348,524	1129.00	3,934,836
UK Insurance	JARDINE LLOYD THOMPSON GROUP	350,000	1097.00	3,839,500
UK Insurance	RSA INSURANCE GROUP	875,000	595.50	5,210,625
UK Non-Life Insurance Total				19,581,961

LIFE INSURANCE

UK Insurance Life	AVIVA ORD 25P	1,950,000	524.50	10,227,750
UK Insurance Life	LEGAL&GEN GRP 2.5P	5,900,000	246.10	14,519,900
UK Insurance Life	OLD MUTUAL ORD	3,400,000	193.90	6,592,600
UK Insurance Life	PRUDENTIAL ORD 5P	1,900,000	1716.00	32,604,000
UK Life Insurance Total				63,944,250

REAL ESTATE INVESTMENT TRUSTS

UK Real Estate	BRITISH LAND 25P	750,000	656.00	4,920,000
UK Real Estate	LAND SECS ORD £1	700,000	1105.00	7,735,000
UK Real Estate	LONDONMETRIC PROPERTY PLC	2,300,000	168.20	3,868,600
UK Real Estate	SEGRO PLC	1,140,000	485.50	5,534,700
UK Real Estate	SHAFTESBURY PLC	400,000	932.00	3,728,000
UK Real Estate Total				25,786,300

REAL ESTATE INVESTMENT & SERVICES

UK Real Estate	CAPITAL & COUNTIES PROPERTIES	800,000	315.00	2,520,000
UK Real estate investment & services				2,520,000

FINANCIAL SERVICES

UK Special Finance	ABERDEEN ASSET MANAGEMENT	1,000,000	279.00	2,790,000
UK Special Finance	MAN GROUP	2,400,000	153.60	3,686,400
UK Special Finance	RATHBONE BROTHERS PLC	125,000	2351.00	2,938,750
UK Special Finance	SCHRODERS ORD GBP1	325,000	3187.00	10,357,750
UK Special Finance	TP ICAP PLC	625,000	458.00	2,862,500
UK General Financial Total				22,635,400

EQUITY INVESTMENT COMPANIES

UK Investment Co's	ABERFORTH SML 1P	1,050,000	1274.00	13,377,000
UK Investment Co's	BLACKROCK SMALLER COMPANIES	2,100,000	1147.00	24,087,000
UK Investment Co's	DUNEDIN SMR CO 25P	2,819,000	219.75	6,194,753
UK Investment Co's	LOW CARBON ACCELERATOR LTD	3,868,000	0.00	-
UK Investment Co's	MERCANTILE INV TRUST PLC (THE)	1,160,000	1923.00	22,306,800
UK Investment Co's	MONTANARO UK SMALLER CO'S 10P	2,684,857	516.50	13,867,286
UK Investment Co's	RIVER & MERCANTILE UK MICRO	4,800,000	158.00	7,584,000
UK Investment Co's	STRATHDON INVESTMENTS PLC	20	100000.00	20,000
UK Equity Investment Companies Total				87,436,839

SOFTWARE & COMPUTER SERVICES

UK Elect electron	MICRO FOCUS INTERNATIONAL	150,000	2586.00	3,879,000
UK Elect electron	NCC GROUP PLC	1,800,000	142.25	2,560,500
UK Software & Cor	SAGE GROUP ORD 1P	875,000	669.50	5,858,125
UK Software & Computer Services Total				12,297,625

IT HARDWARE

UK IT Hardware	LAIRD PLC	2,000,000	150.00	3,000,000
UK IT Hardware Total				3,000,000

UNIT TRUSTS & OEICs

UK Unit Trusts	LIONTRUST UK SMALLER COMPANIE	1,348,544	1210.69	16,326,693
UK OEIC	TB SARACEN UK BETA-ACC	2,250,000	693.43	15,602,175
UK Unit Trusts & OEICs Total				31,928,868

INVESTMENT ENTITIES

UK Unit Trusts	MONTANARO UK SMALLER COS-£D	5,267,580	1.57	8,259,566
UK Investment Entities Total				8,259,566

TOTAL UNITED KINGDOM**1,235,076,723**

DERBYSHIRE PENSION FUND
APRIL 2017 PORTFOLIO VALUATION - BID

EUROPEAN EQUITIES Company name	Number held	Mkt price in local currency	Mkt Price GBP	Value in Sterling £
EUROPEAN PASSIVE TRACKER FUND				
EUROPEAN UBS LIFE EUROPE EX-UK EQUITY T	155,961,021	296.39	2.96	462,252,869
EUROPEAN EQUITIES TOTAL				462,252,869

DERBYSHIRE PENSION FUND
APRIL 2017 PORTFOLIO VALUATION - BID

OTHER EQUITIES		Number	Mkt price	Mkt Price	Value in Sterling
Company name		held	in local	GBP	£
			currency		
JAPAN					
Investment Companies					
Japan	CC Japan Income & Growth Trust	5,000,000	125.75	125.75	6,287,500
Japan	JPMorgan JAP IT 25P	7,730,000	335.50	335.50	25,934,150
Japan	JPMF japs smoc	2,250,000	322.50	322.50	7,256,250
Japan	Schroder Japan Growth Fund 10p ords	11,300,000	188.25	188.25	21,272,250
J Investment Companies Total					60,750,150
Unit Trusts & OEICs					
Japan	Baillie Gifford OGF - Japanese B Acc Shares	4,510,500.65	1,374.00	1,374.00	61,974,279
Japan	Baring Japan Growth Trust	5,500,000.00	183.90	183.90	10,114,500
Japan	Invesco Perpetual Japan-NTA	4,497,541.48	194.47	194.47	8,746,369
Japan	JPMorgan Jap Fd A Acc	3,000,000.00	373.90	373.90	11,217,000
Japan	Legg Mason IF Martin Currie Japan Alpha Fund X	31,075,861.03	151.70	151.70	47,142,081
Japan	Schroder UT Tokyo Ac	11,000,000.00	330.30	330.30	36,333,000
J Unit Trusts Total					175,527,229
Investment Entities					
Japan	Aberdeen Global - JAP Smaller Cos Fund DE	1,662,639.78	9.57	9.57	15,907,306
Japan	DSBI-JPN EQT FUNDMNTL ACT-IG	60,000.00	117.83	11,783.00	7,069,800
Japan	JO Hambro - Japan Fd GBP-A	15,000,000.00	2.26	2.26	33,840,000
J Investment Entities Total					56,817,106
JAPAN TOTAL					293,094,485
OTHER ASIA					
Investment Companies					
Asian	ABERDEEN ASIAN INCOME FUND ORDS	2,500,000	207.50	207.50	5,187,500
Asian	ABERDEEN NDIT 25P	7,350,000	211.00	211.00	15,508,500
Asian	EDINBURGH DT 20P	12,300,000	337.50	337.50	41,512,500
Asian	INVESCO ASIA TRUST 10P	7,480,000	257.00	257.00	19,223,600
OA Investment Companies Total					81,432,100
Unit Trusts & OEICs					
Asian	Stewart Investors Asia Pacific Fund (First State As	5,250,000	1,414.27	1,414.27	74,249,175
Asian	JPMorgan Asia Fund A Ac	20,000,000	173.80	173.80	34,760,000
Asian	Schroder Instl PAC Fd Ac	2,000,000	1,384.00	1,384.00	27,680,000
OA Unit Trusts Total					136,689,175
Investment Entities					
Asian	Baring Int'l Australia \$	130,000,000	112.19	86.63	11,262,305
Asian	Legg Mason-Martin Currie Greater China Fund-A	415,588.661	26.04	20.11	8,356,693
OA Investment Entities Total					19,618,999
OTHER ASIA TOTAL					237,740,274
EMERGING MARKETS					
Investment Companies					
Internatio	ABERDEEN EMERGING MARKETS	3,098,250	543.50	543.50	16,836,989
Internatio	ABERDEEN FRONTIER MARKETS	5,000,000	65.50	65.50	3,275,000
Internatio	BLACKROCK FRONTIERS INV TRUST	3,200,000	146.00	146.00	4,672,000
Internatio	BLACKROCK EMERGING EUROPE PL	2,780,175	321.50	321.50	8,938,263
Latin Am	Blackrock Latin American Investment Trust plc	862,529	418.00	418.00	3,605,371
Internatio	GENESIS EMERGING MKTS FUND LTD	4,300,000	630.50	630.50	27,111,500
Internatio	JP Morgan EMER IT25P	3,700,000	759.00	759.00	28,083,000
Int'l Investment Companies Total					92,524,123
Unit Trusts & OEICs					
Internatio	Stewart Investors Global Emerging Markets Funf	3,000,000	870.85	870.85	26,125,500
Latin Am	Thd ndle Lnamer Gwth	3,500,000	258.81	258.81	9,058,350
Int'l Unit Trusts Total					35,183,850
Investment Entities					
Internatio	FPP GLOBAL EMERGING MKTS	82,057.980	100.32	77.46	6,356,553
Latin Am	JPMorgan LNAMER A U\$	86,085.904	43.03	33.23	2,860,442
Internatio	POLUNIN FUNDS-DEVEL CNTY-B	47,502.659	1,004.68	775.81	36,853,223
LatAm Investment Entities Total					46,070,219
EMERGING MARKETS TOTAL					173,778,191
OTHER EQUITIES TOTAL					704,612,950

DERBYSHIRE PENSION FUND
APRIL 2017 PORTFOLIO VALUATION - BID

OTHER EQUITIES		Number	Mkt price	Value in Sterling
	Company name	held	in local	£
PRIVATE EQUITY			currency	
Quoted Private Equity				
UK Investment Co's	APAX GLOBAL ALPHA LTD	4,900,000	139.75	6,847,750
UK Investment Co's	ELECTRA PRIVATE EQUITY PLC	100,000	2655.00	2,655,000
UK Investment Co's	HARBOURVEST GLOBAL PRIVATE	825,000	1235.00	10,188,750
UK Investment Co's	HGCAPITAL TRUST PLC	570,000	1480.00	8,436,000
UK Investment Co's	NB PRIVATE EQUITY PARTNERS Ltd (A)	1,224,083	13.20	12,477,127
UK Investment Co's	WOODFORD PATIENT CAPITAL TRUST	9,000,000	91.65	8,248,500
UK Quoted Private Equity Total				48,853,127
Unquoted Private Equity				
UK Unclassified	BAIRD CAPITAL PARTNERS EUROPE FUND L	4,300,000	0.04	148,615
UK Unclassified	CAPITAL DYNAMICS GLOBAL SECONDARIES	20,000,000	0.26	4,063,255
UK Unclassified	CAPITAL DYNAMICS MID-MARKET DIRECT FE	13,193,440	0.53	5,856,195
UK Unclassified	CATAPULT GROWTH FUND UNITS	3,000,000	0.28	847,990
UK Unclassified	EAST MIDLANDS VENTURE	3,000,000	0.15	448,933
UK Unclassified	GRANVILLE PRIVATE EQUITY MANAGERS (U	2,000,000	0.00	9,487
UK Unclassified	MOBEUS EQUITY PARTNERS IV LP	10,000,000	0.12	1,208,164
UK Investment Co's	PANORAMIC ENTERPRISE CAPITAL UNITS	2,500,000	0.21	535,301
UK Investment Co's	PANORAMIC GROWTH FUND 2 LP	10,000,000	0.08	780,451
UK Investment Co's	PARTNERS GROUP GLOBAL VALUE 2008	7,500,000	0.65	4,120,238
UK Unclassified	PHILDREW VENTURES 4TH	820,000	0.40	3,280
UK Unclassified	VESPA CAPITAL II LLP	10,000,000	0.34	3,367,651
UK Unquoted Private Equity Total				21,389,561
PRIVATE EQUITY TOTAL				70,242,688
INFRASTRUCTURE				
UK Infrastructure Quoted				
Closed-end Funds	FORESIGHT SOLAR FUND LTD	5,000,000	109.00	5,450,000
Closed-end Funds	HICL INFRASTRUCUTRE CO LTD	4,974,795	174.30	8,671,068
Closed-end Funds	INTERNATIONAL PUBLIC PARTNERSHIP LTC	17,744,841.00	155.40	27,575,482.91
Closed-end Funds	INTERNATIONAL PUBLIC - ENTITLE	2,218,105.00	150.00	3,327,157.50
Closed-end Funds	RENEWABLES INFRASTRUCTURE GR	10,297,585.00	108.50	11,172,879.73
UK Infrastructure Quoted Total				56,196,588
UK Infrastructure Unquoted				
UK Unclassified	EQUITIX FUND 1 LTD P'SHIP	7,500,000	1.83	13,725,899
UK Unclassified	IMPAX NEW ENERGY INVESTORS II UNITS	10,000,000	0.13	1,053,141
UK Unclassified	MEIF 5 Co-Invest LP	12,600,000	0.31	3,310,707
UK Unclassified	Macquarie European Infrastructure Fund 5 LP	14,400,000	0.12	1,446,869
UK Unclassified	SL CAPITAL INFRASTRUCTURE 1LP	15,000,000	0.45	6,694,473
UK Infrastructure Total				26,231,090
INFRASTRUCTURE TOTAL				82,427,678
ALTERNATIVES TOTAL				152,670,366

DERBYSHIRE PENSION FUND

APRIL 2017 PORTFOLIO VALUATION - BID

31/03/2017

Real Property

Value

£

Property	Southampton Property		5,350,000
Property	Retail Unit Tamworth		9,900,000
Property	15-17 Jockeys Field London		10,350,000
Property	D'Arblay House, London		14,100,000
Property	Bristol Odeon Development		5,850,000
Property	Quintins Centre, Hailsham		5,450,000
Property	Caledonia House, London		21,600,000
Property	Chelsea Fields Ind Est, London		8,900,000
Property	Planet Centre, Feltham	pch 16/5/08	11,000,000
Property	Hill St, Mayfair	pch 29/9/08	16,250,000
Property	Birmingham - Travelodge developm't		15,250,000
Property	Saxmundham, Tesco developm't		9,200,000
Property	Roundhay Road, Leeds		8,000,000
Property	Premier Inn, Rubery, Birmingham June 2016		6,200,000
Property	South Normanton Warehouse, A Nov 2016		13,800,000
Property	Loddon Centre, Basingstoke	pch 12/4/17	12,500,154
Total Real Property			173,700,154

Property Managed Funds

Number held

Mkt price

Property	Pence	Assura PLC	4,000,000	60.9000	2,436,000
Property	GBP	Aviva Pooled Property Fund - class A	709,853	14.1925	10,074,626
Property	GBP	Aviva Pooled Property Fund - class B	429,951	14.2769	6,138,381
Property	GBP	Bridges Property Alternatives Fund III LP	833	10232.7494	8,524,340
Property	GBP	Bridges Property Alternatives Fund IV LP	59	7879.8969	466,378
Property	EUR	Fidelity Eurozone Select Real Estat Fund - pr	2,468	5374.0457	11,157,367
Property	GBP	Igloo Regeneration P'ship Property Unit Trust	4,644,493	0.4952	2,299,744
Property	EUR	Invesco Real Estate-European Fund FCP - S	44,569	115.3200	4,324,217
Property	Pence	Target Healthcare REIT Ltd	2,915,000	118.0000	3,439,700
Property	GBP	Prudential M&G Property Fund	27,124	710.1400	19,261,837
Property	EUR	M&G European Property Fund	13,000,000	0.5000	5,468,710
Property	GBP	Threadneedle Pensions Property Fund	1,647,730	5.6909	9,377,069
Property	Pence	Tritax Big Box Indirect Pooled Fund	10,000,000	140.0000	14,000,000
Property	Pence	Tritax Big Box REIT Plc-Rights	909,090	0	0
Property	Pence	TR Property Investment Trust	800,000	331.2000	2,649,600
Property	GBP	Unite UK Student Accommodation Fund	15,584,567	1.2897	20,099,464
Total Property Funds					119,717,434

Local Authority Dep: Chesterfield Borough Council

16,074

2,178

Mellon

Cash Updated to 30 April 2017

USD

Exch rate

Cash	Mellon UBS - Core	DCOF10030002		2,396
Cash	BNP Paribas	UK		29,214,751
Cash		Wellington		6,590,186
Cash				
Cash	Cash - Lloyds bank Superfund	20553355		5,129,000
Cash	Cash Temporary Loans	Bank/B Soc	155,000,000	
	Standard Life	Callable	10,000,000	
	Santander 31 Day Notice	Callable	10,000,000	
	Federated Prime Rate	Callable	10,000,000	
	Blackrock MMF	Callable	10,000,000	
	Deutsche Global MMF	Callable	9,000,000	204,000,000

Total Cash

244,936,334