FOSPEN, Association of retired members of Foster Wheeler UK Final Salary Pension Plan.

Notes of Meeting

Held in Ascot on Thursday 13th April 2017 Written By B.H.Cooke

Those Present: 43 in total plus 3 guests (all listed at end).

Subject: Annual General Meeting 2017

1. Apologies for Absence

Those who had advised of their absence are covered by slide 3 of Attachment 1.

2. Minutes of the last AGM

This was unanimously passed as a correct record of this meeting.

3. Chairman's Report (Ian Adams)

The detail is covered in Attachment 1, slides 4 to 11. The following points are highlighted:

- The takeover by Wood Group requires approval by competition watchdogs in six countries. The process starts in May and could be complete by June. The Wood Group has no debt (unlike Amec FW). Fospen will seek reassurance on Parent Company Guarantee.
- Within Amec there are a number of pension groups with no pre-1997 increases.
- The actuarial assumptions to be used for the next fund valuation are being discussed and the subject of pre-1997 increases is on the agenda.
- Phil Gladman (ex-FWPP) is now 1 of 9 people on the AmecFW Trustee Board.

Five ex-FWPP pensioners are on the PCC (Roy Davies, John King, John Parry, Robin Wills and Edward Ball).

- The deadline for submissions to the government Green Paper on DB Pensions is mid-May.
- Unlike UK companies, the culture of American corporations is not to increase pensions in payment.

4. Treasurer's Report (Richard Williams) & Fospen Membership

The Account Summary is given below. Refer to Attachment 1 slides 13 to 15 for details.

Brought forward from 2015	£2,976.93
Income 2016	£1,581.20
Expenditure 2016	(£1944.46)
Year-end balance	£2,613.67

The major expenditure was for Consultancy Fees, arranged by Peter Gulliver at favourable rates.

Fospen Membership has increased (see Attachment 1 slide 16 for details). Paid-up memberships increased from 112 in 2015 to 158 in 2016. Current nominal membership is 162.

5. OPA Meeting 16 February 2017 (Brian Cooke)

Two company pension groups presented their recent experiences. The companies were Halcrow and Hewlett Packard. Details are covered in Attachment 1, slides 17 to 19. The following points were highlighted:

- Edward Evans, chairman of Halcrow Pensioners Association, said the situation for his DB pensioners became a horror story after the company was taken over by an aggressive US corporation. In retrospect, he wishes his pension group had taken more legal action. If ever AmecFW is taken over by a US corporation, Evans could tell us 20 lessons he learnt to protect DB pensioners.

- Steve Spillane from HPPA said that pre-1997 indexation increases for Digital Equipment DB pensioners stopped in 2002. The Ombudsman could not consider a case going back more than 3 years. HPPA was advised that a legal case would be too expensive, so HPPA could only use political pressure. HPPA has analysed Office of National Statistics data and discovered that 92% of DB pensioners do actually receive inflation-linked pre-1997 increases. Only 400,000 DB pensioners (8%) do not receive regular annual increases. Of these up to 300,000 have received increases for some years but not other years. Other companies in a similar situation are UK subsidiaries of US corporations including 3M, IBM, Chevron, Unisys and Reuters. Hewlett Packard failed to do due diligence on its £11 billion takeover of Autonomy and then wrote off £8 billion. Also HP has given "1.6 billion" (US$ or £?) to its EDS pension fund.

- In addition, Malcolm Booth from OPA said that the DWP wants individual pensioners to respond to the government Green Paper.

6. Election of New Committee (Ian Adams)

The meeting was asked for further volunteers to join the Committee. Those people nominated on Slide 21 were elected.

7. Company News (David Robertson)

The details are covered in Attachment 1 slides 23 to 38. As we always wish to confirm, all the information given is in the public domain. The following additional information was also highlighted:

- Slide 24, Kent Masters (non-executive director) has left the company.
- Slide 24, Global Power Group (boilers) is being sold to Sumitomo.
- Slide 28, Net debt in 2016 was £1021 million. Asbestos-related liabilities were £334 million and net pension liability was £137 million (£63 million asset in 2015).
- Slide 30, A planned rights issue of £500 million was suspended.
- Slide 33, Takeover of AmecFW by Wood Group (WG) was announced 13th March 2017.
- Slide 33, AmecFW will have four Directors joining the WG Board, including Roy Franklin.
- Slide 36, There are now approximately 500 personnel at Shinfield Park

8. Guest Speaker (Garry Lloyd)

The detailed slides for Garry's presentation are contained in Attachment 2. Garry has global responsibilities but spoke about the UK situation. His main theme was that over the past year he has delivered on his promises made at previous Fospen meetings. Thus:

- There is now a single, new AmecFW pension scheme called the Amec Foster Wheeler Pension Plan. This comprises three legal sections – DB, DC and the small ex-Magnox DB. The old Amec DB scheme was closed to future pension accrual in April 2016 and the FW Plan was merged on 1 July 2016.
- The Trustee Board has been reorganized to reflect the inclusion of the FW pension plan. It comprises an independent chairman (Mervyn Walker), an independent investment trustee (Carolan Dobson), three company-nominated directors and four member-nominated directors (including Phil Gladman).
- The PCC (Pensions Consultative Committee) has been reconstituted and now includes 6 former FW representatives.

In further discussion, Garry also highlighted:

- Total DB fund investments have grown by 36% over the last 3 years of which 17% was in the last year (up to December 2016). However, there was no growth during Q4 2016 as bond yields decreased.
- Our overall funding position has weakened due to lower bond yields, an increase in liabilities caused by the lower bond yields and the position overseas. However our funding

level is still around 90%-92%. At the moment the value of our DB fund (about £2.7 billion) is larger than the AmecFW company (about £2.0 billion).

- Trustees need confidence in investment managers looking after the assets and so regularly talk to them about reasons for under performance. There is a lot of choice of investment managers and our trustees need to ensure we are using the best managers.
- Garry's team at Knutsford is now 20 very experienced people who will answer questions.
- The office is implementing a New Administration System during 2017 that allows DB members online benefit access.
- Regarding annual pension increases, former non-discretionary FW pensions are referenced to CPI and former Amec pensions are referenced to RPI.
- The Fund needs to get to 100% before Company will consider funding any discretionary increase.
- Garry is seeking an active FW member to join the PCC – believes this may be concluded soon.
- Regarding the Wood Group, Garry agrees that WG has about 300 active and 700 deferred DB pensioners. At about £180 million, their DB fund is 15 times smaller than ours and its administration is currently outsourced. Wood Group is obliged to take over the Amec Foster Wheeler Pension Plan as part of the take-over deal. Garry will discuss with WG the £250,000+ saving made by bringing the FWPP administration in-house. He notes it took 18 months to merge the Amec and FW pension funds.

9. Guest Speaker (Steve Spillane, HPPA)

There are no slides for Steve's presentation. He highlighted two points.

- His pension group is encouraging individual pensioners to respond to the government Green Paper to try to re-instate the topic of discretionary pre-1997 increases. Individuals can do this by visiting the www.gov.uk website.
- HPPA is investigating a new idea which is to use Equalities & Human Rights (EHR) legislation. Under EHR rules, the lack of pre-1997 pension increases may be a discrimination, in which case Hewlett Packard cannot claim EHR compliance. Then, if HP cannot tick the box for EHR compliance, the company cannot bid for UK government contracts.

10. Next Meeting and AOB

- The next General Meeting is on 30th November 2017.

- David Robertson thanked Ian Adams for being committee chairman for the past seven years and Peter Gulliver for 14 years service on the committee. David thanked Watson Leslie who has also served on the committee recently.

List of Attendees

Ian Adams	David Ball	Charles Bell
Eric Bowers	Allan Breen	Anne Chong
Tony Clipstone	Brian Cooke	Peter Cox
Roy Davies	Geoff Emmott	Tony Finch
Jim Foley	Jan Garlicki	Dave Grisman
Mike Harmsworth	Alan Hawkins	Sadek Himyari
Graham Jelley	Gordon Kerrison	Eric Lewis
Alasdair Milne	Robert Monk	Alan Nice
John Parry	David Robertson	Barbara Rossell
Doug Slawson	Colin Smith	Mike Starkey
David Sumner	Robert Toose	Kevin Tremlett
Peter Underwood	Ian Waddy	Bill Walker
Peter Ward	James Wilks	Richard Williams
Philip Young		

Guests:

Phil Gladman	Garry Lloyd	Steve Spillane (HPPA)

FOSPEN AGM

13 April 2017

Jagz Club

Ascot

Agenda

- Apologies for absence IGA
- Notes of last Meeting IGA
- Chairman's Report IGA
- Treasurer's Report RW
- Fospen Membership RW
- OPA BC
- Election New Committee IGA
- Company News DMR
- Guest Speaker – Garry Lloyd
- Guest Speaker – Steve Spillane
- Next Meeting (GM) IGA
- AoB

Apologies

Monica Dean	Brian Skuse	Graham Harvey
Helen Dixon	David Winkworth	Chris Burke
David Hodgkinson	Francesca Heffernan	Vince Li
David Bowen	Tim Balmer	Bruce Wallace
Brian Fletcher	Brian Dewsnap	Alastair Milne
Deirdre Cranefield	Graham Martin	
Rhoda Fry	Bruce Nathan	
Geoff Skinner	Helen Eason	
Robin Wills	Russel Evans	
Alistair Kynoch	Chris Dozell	

Chairman's Report

Ian Adams

Chairman's Report
Deceased since last AGM

- Jim Forrester 28th May 2016
- Bob Hingorani 1st November 2016
- Brian Newey 30th November 2016
- Geoff Rimer 21st Feb 2017
- Ron Butchart (non member)
- George McLean (non member)

Chairman's Report
Wood Takeover

- 0.75 Wood for 1.0 AFW share
- Wood active in USA and Far East
- Wood own Mustang
- Expect them to consolidate some multi-discipline offices
- Fospen will seek reassurance on Parent Company Guarantee

Chairman's Report
Company Correspondence

- Amec FW reviewing our application for name change e.g. WoodAmecFospen
- Valuation Actuarial Assumptions - requested they recognise and include restoration of pension increases for pre 1997 earned years of service.

Chairman's Report
PCC & Trustees

- Trustee – Phil Gladman (ex FW) (1/11)

- PCC members (ex FW)
  - Roy Davies
  - John King
  - John Parry
  - Robin Wills
  - Edward Ball (5/32)

Chairman's Report
Hewlett Packard Pension Association (HPPA)

- Impact Analysis document on <97 issue
- Fospen support the document
- Parliament Works and Pensions Select Committee, presenting MPs were clear and understood pointed out relative low cost to include <97 folk Pensions Minister, Richard Harrington quoted the evidence timely for imminent Green Paper.

* Only 8% (400,000) of UK DB pensioners receive zero annual increase

Chairman's Report
Govt. Green Paper

Future of Defined Benefit Pension Schemes

- Issued 17 February 2017
- Implies large Schemes can pay reducing fraction of remaining <'97 pensioners
- Fospen has given views on it to OPA
- Spring Newsletter called for letters to MPs, restoration of annual increases for <'97 folk
- Written Evidence Statement draft prepared by Fospen for submittal directly to dwp.gov.uk
- Write to newspapers

Chairman's Report
Govt. Green Paper

- The content of the government recent Green Paper on Future of DB pensions displays its thinking and a trend. The government almost encourages companies to declare themselves to be 'in financial distress', so that the company will not have to subsequently give annual DB pension inflationary increases to pensioners.
- The government may well follow this trend and also declare itself to be an enterprise that is 'in financial distress', because it always has to borrow money every year to make ends meet. One of the reasons for this shortfall is the government currently having to similarly pay annual DB pension increases to both retired MPs and civil servants. That would be a very substantial cost saving indeed.
- Is this the government's intention ?

Treasurer
Richard Williams

Income 2016

	2016	2015
Subscriptions	1,580.00	1,120.00
Interest	1.20	1.01
Donation	-	-
TOTAL INCOME	**1,581.20**	**1,121.01**

Expenditure 2016

	2016	2015
Purchase of AmecFW Shares	175.00	150.00
Consultancy Fees	1,280.10	-
Web Site Fees	60.00	60.00
OPA Subscription	40.00	40.00
Postage, Stationery & Stamps	235.36	96.94
Donations	100.00	70,00
Refreshments at AGM	54.00	107.00
Purchase of Projector	-	57.73
TOTAL EXPENDITURE	**1,944.46**	**581.67**

Accounts Summary

	2016	2015
Balance Brought Forward	2,976.93	2,437.59
Income	1,581.20	1,121.01
Expenditure	(1,944.46)	(581.67)
Year end Balance	**2,613.67**	**2,976.93**

Membership

	Current	2016
Total Nominal	162	158
Paid-Up for 2017	62	148
Paid-Up %ge	38%	94%
Pre-paid for 2018	0	
Excluded from mailing	tba in Nov	5
till with Unpaid 2016 Subs	3	
New Members during 2017	6	16
New for 2018	1	
Deceased members (last 12 mths)	4	

Occupational Pensioners' Alliance (OPA)

Meeting 16 Feb 17

Brian Cooke

Experience of two Company Pension Groups

HALCROW

- High Court allowed takeover.
- Corporate trustee accepted a poor offer.
- Pensioners should have gone to court.

HEWLETT PACKHARD (HPPA)

- Lack of indexation for pre-1997 accruals, same as FW.
- HPPA has analysed Office for National Statistics data.
- 92% of DB pensioners do get a pre-97 increase.
- 8% is mainly UK subsidiaries of large US corporations.
- Total pension costs would increase by less than 1%.

Election of New Committee

Ian Adams

Election New Committee

Standing down - all

For election:
Roy Davies, Chairman
Brian Cooke, Secretary
Graham Martin, Mem Sec
Richard Williams, Treasurer
Robert Monk, IT
David Robertson
Eric Lewis
Tony Clipstone

New candidates:
Helen Dixon
Philip Young
John Parry

Company News
David Robertson

Company News

Overview

- Personnel
- Full-Year Trading Update – 13th March 2017
- Amec FW Restructure and Strategy Review
- Share Price Movements
- Wood Group Take-over
- Miscellaneous
- Reading Office

Company News

NEWS of ex-FW PERSONNEL 1

- Kent Masters (non-executive Director) – left the company.
- Stephanie Newby (non-executive Director) – not listed in new organization.
- Gary Nedelka (Executive Committee – President of Global Power Group) – Group is being sold.
- Roberto Penno (Group President Asia, Middle East and Africa and Southern Europe) – left the company.

Company News

NEWS of ex-FW PERSONNEL 2

- Marco Moresco (Downstream Capital Projects EAMA).
- Mark Collis (Finance – Oil, Gas and Chemicals Division).
- Jim Shaughnessy (London, Reading, CIS Oil & Chemicals Division).
- Dave Armstrong – (Construction & Commissioning – Oil, Gas and Chemicals).

Company News

2016 FULL-YEAR TRADING UPDATE at 13th March 2017

Three highlights:

- Unaudited trading update in-line with market expectations.
- Review of organizational structure, cost base, strategy and financial position completed.
- Recommended all-share combination with Wood Group.

Company News

TRADING UPDATE SUMMARY

- Revenue £5440 million – down 8% on like-for-like basis.
- Strong Solar and Environment & Infrastructure (E&I) performance.
- Continuing weakness in Oil & Gas market.
- Trading Profit £318m (was £374m in 2015).
- Significant progress for £100m Overhead Cost Reduction Programme in 4Q.
- Cost over-runs on fixed-price US government contract in the Pacific (E&I).
- Overall trading margin 5.8% (was 6.9% in 2015).

Company News

TRADING UPDATE SUMMARY (continued)

- Order Book at end-December was £5.8 billion (was £6.2 billion in 2015).
- A number of contract wins not fully recorded – gives confidence in outlook.
- Net debt £1021 million. Benefit from £70 million of proceeds from non-core disposals.
- Asbestos-related liabilities £334 million (was £296 million in 2015).
- Net pension liability £137 million (was £63 million asset in 2015).

Company News

STRATEGY REVIEW

Key findings:

- Re-organise into 4 market-facing business lines – Oil & Gas, Power, Mining and E &I.
- Single set of Operating Procedures.
- Improved operational efficiency (scale) and lower exceptional costs.
- Improve the Company's customer proposition.
- Greater focus on cash generation.
- Target was to increase efficiency and reduce cost base by £100 million per year.
- Disposal of nuclear business now expected in 3Q 2017.

Company News

RESULTS OF STRATEGY REVIEW

- Planned Rights Issue of £500 million suspended.
- Dividends suspended, including 2016 Final Dividend, until Company is generating sustainable free cash flow.
- Initiating a process to increase the leverage covenant in debt facilities, prior to measurement period ending 30th June 2017.
- Presentation to Investor Forum planned for 21st March 2017 was cancelled.
- Update was well received – shares rose by 15 %.

Company News

SHARE PRICE MOVEMENTS

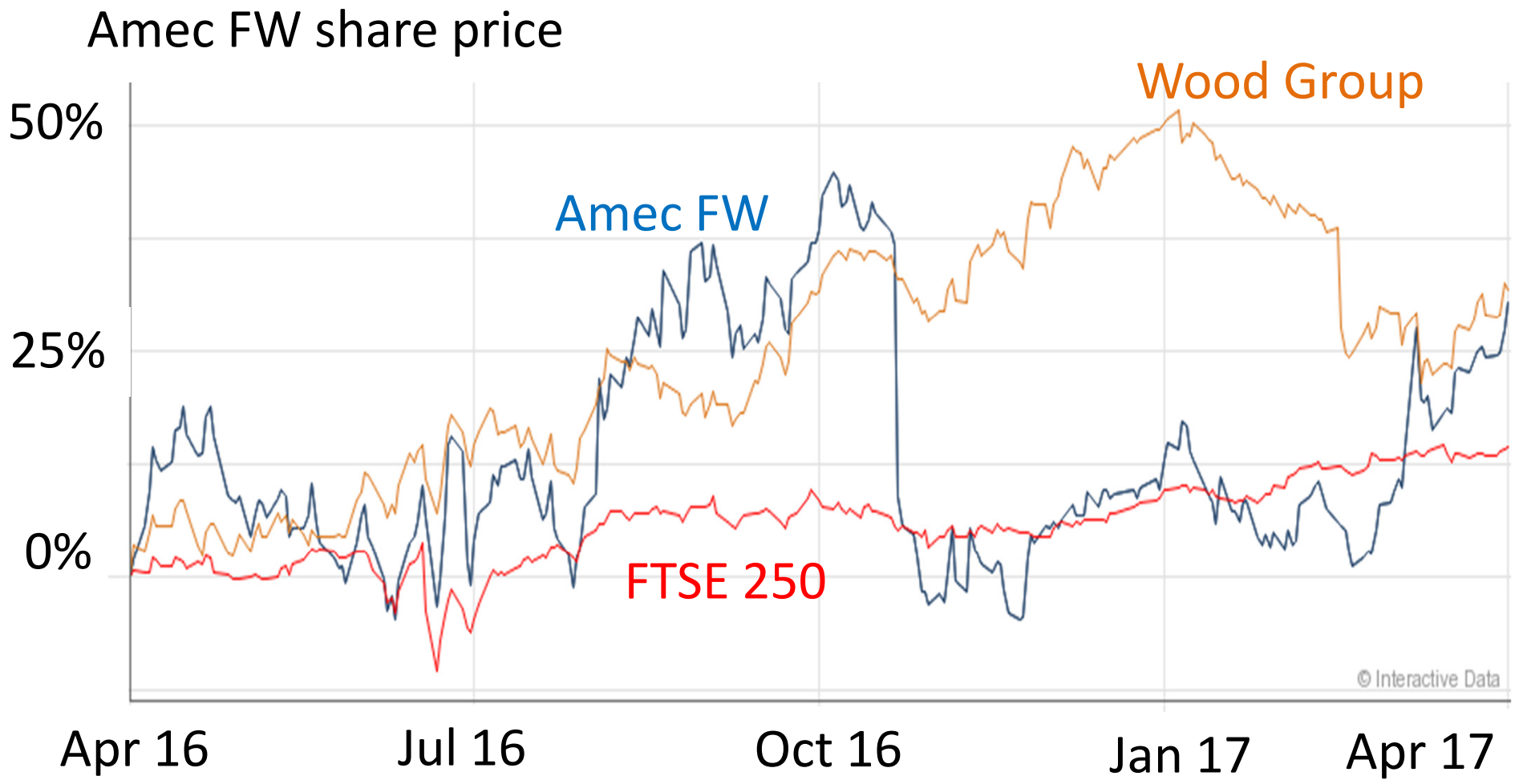
- The next slide compares the Amec FW share price with the FTSE 250, since our General Meeting on 24th November 2016.
- Amec FW was the 86th ranked FTSE 250 share at time of our General Meeting
- It is now ranked 75th at end-March
- Market capitalization has increased from £1.66 billion to end-March figure of £2.08 billion.

Company News

TAKE-OVER BY WOOD GROUP (WG)

- Announced on 13th March 2017
- All-share offer for entire capital of Amec FW.
- John Connolly, Amec FW Chairman, believes the combination with WG adds to the stand-alone prospects of the company.
- Amec FW will have four Directors joining WG's Board, including Roy Franklin who will be Deputy Chairman and Senior Independent Director. (He is ex-BP, a Statoil Board Member and Chairman of Cuadrilla)

Company News



Company News

TAKE-OVER INFORMATION

- Take-over will achieve wider market coverage, in sectors other than oil and gas.
- Will provide gains in corporate overhead savings, with synergies of £150 million per year.
- Amec FW is valued by WG at 15% above share price at date of take-over.
- Bid needs approval from competition watch-dogs in 6 countries.

Company News

MISCELLANEOUS

- Disposal of Global Power Group core boiler business to Sumitomo Heavy Industries for £137 million, announced 1st March.
- Total aggregate of disposals expected £246 million by end 2Q.
- Laid-off 650 middle-managers in 4Q 2016.
- Numerous significant project wins announced by Amec FW.
- All are listed on the Amec FW website – www.amecfw.com

Company News

NEWS FROM READING OFFICE

- The Reading office is part of the Oil, Gas and Chemicals Business line.
- Common management structure between Reading office and London office (legacy Amec). Provides a common resource pool.
- Concentrates on upstream and downstream projects in the Europe, Middle East and Africa region. Should be beneficial for Reading.
- Legacy Amec Businesses of Clean Energy and Environment & Infrastructure are in Shinfield Park.
- Approx. 500 personnel in Shinfield Park.
- Annex building is mothballed.

Company News

READING OFFICE PROJECTS 1

- Saudi Aramco - Jazan - commissioning and start-up planning services.
- Saudi Aramco - Sulfate Removal - engineering and procurement services.
- Saudi Aramco / Pertamina - Cilicap refinery, Indonesia - Pre-FEED services.
- Essar - EPC work at Stanlow (small).

Company News

READING OFFICE PROJECTS 2

- ExxonMobil Santoprene - Wales - EPC Go Green.
- KNPC – some Reading personnel assigned to Kuwait and around the world in a PMC capacity in the offices of the EPC Contractors.
- Two FEEDs for Abu Dhabi - one for Takreer and one for Al Hosn Gas.
- Samref suite of ongoing projects in Saudi Arabia – small EPCm turnaround work

Guest Speaker

Garry Lloyd

Amec FW's Head of Group Pensions

Guest Speaker

Steve Spillane

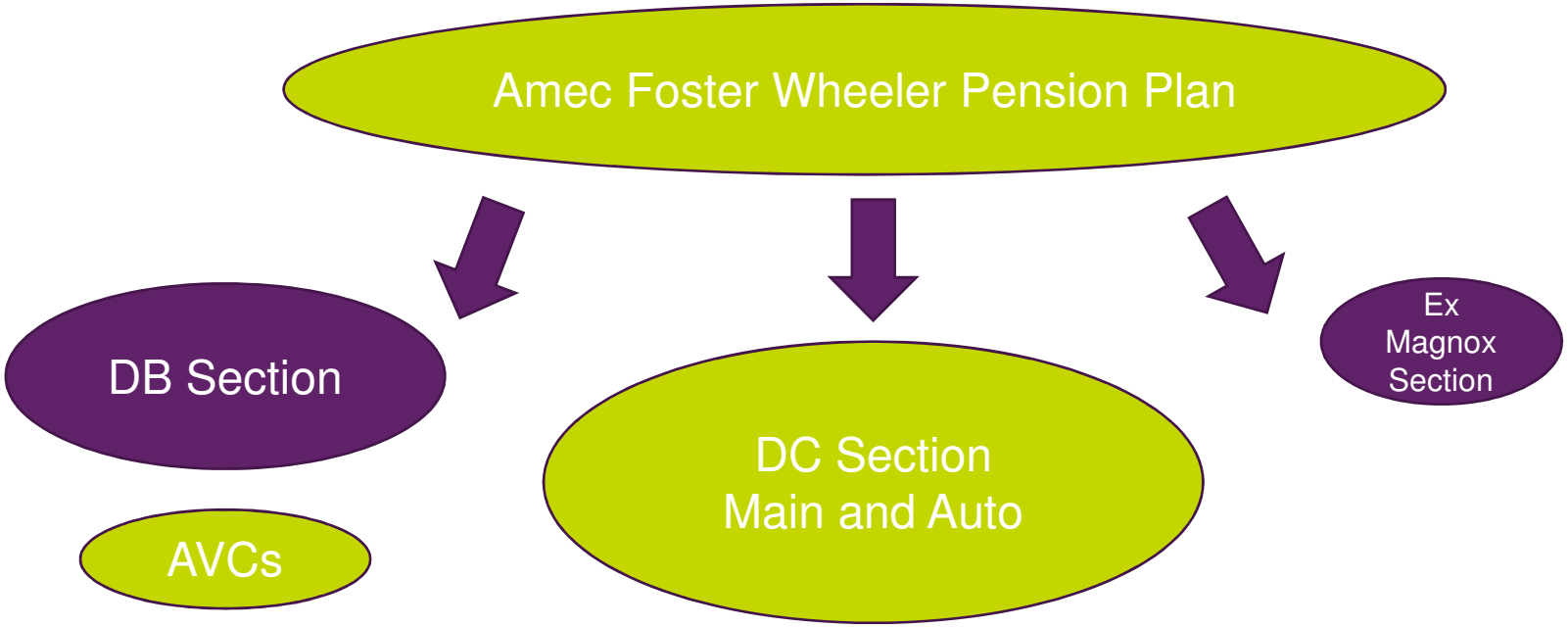
HP Pensioners' Association

Next Meeting

General Meeting

30 Nov 2017

Current Structure



	Active	Deferred	Pensioner
DC	8059	2653	0
DB	1898 (included in above)	8179	9564
Ex Magnox	21	0	0
Totals	8080	10832	9564

Trustee Board

- *Independent Chairman*
  - *Mervyn Walker*
- *Independent Trustee*
  - *Carolan Dobson*
- *Company Nominated Directors*
  - *Grant Ling*
  - *Arnold Nestler*
  - *Catherine Liebnitz*
- *Member Nominated Directors*
  - *Roger Thetford*
  - *Steve Bubb*
  - *Alan Lamerton (Pensioner)*
  - *Phil Gladman (Pensioner)*

Pensions Consultative Committee

Company representatives

Will Serle	Group Human Resources Director
Garry Lloyd	Head of Group Pensions
Elaine Hanna	Pension Schemes Manager

Active member representatives

Owen Chaldecott	Clean Energy
Clive Buckenham	Clean Energy
Geoffrey Dobson	Clean Energy
Karen Peers	Clean Energy
Giles Bishop	Environment and Infrastructure
Nienke Pengelly	Environment and Infrastructure
Barbara Chapman	Environment and Infrastructure
Derek Spencer	CPAM
Paul Pleasance	CPAM
Teymour Ali	CPAM
Stephen Heath	CPAM
Stephen Dargie	UAS
Purhvirajsingh Dhunno	UAS
Trish Duncan	NECIS Centre
Lindsay Brooks	NECIS Centre
Heath Jobes	T&D

Deferred Pensioner representatives

Former Amec:

Steve Bubb - steve.bubb@amecfw.com

Steve Down - steve.down@amecfw.com

Mike Bentley - bnmks62@aol.com

Former Foster Wheeler:

Edward Ball - eddie@ebassociates.co.uk

Pensioner representatives

Former Amec:

Alan Brown - arb.wis@btinternet.com

Bob Greener - bob.greener@caspianconsult.co.uk

George Mavin - george.mavin@gmail.com

David Sharrocks - dsharrocks@sky.com

Paul Duce - paul.duce3@ntlworld.com

Roger Pilkington - r.pilk@btinternet.com

Former Foster Wheeler:

Roy Davies - roydavies116@gmail.com

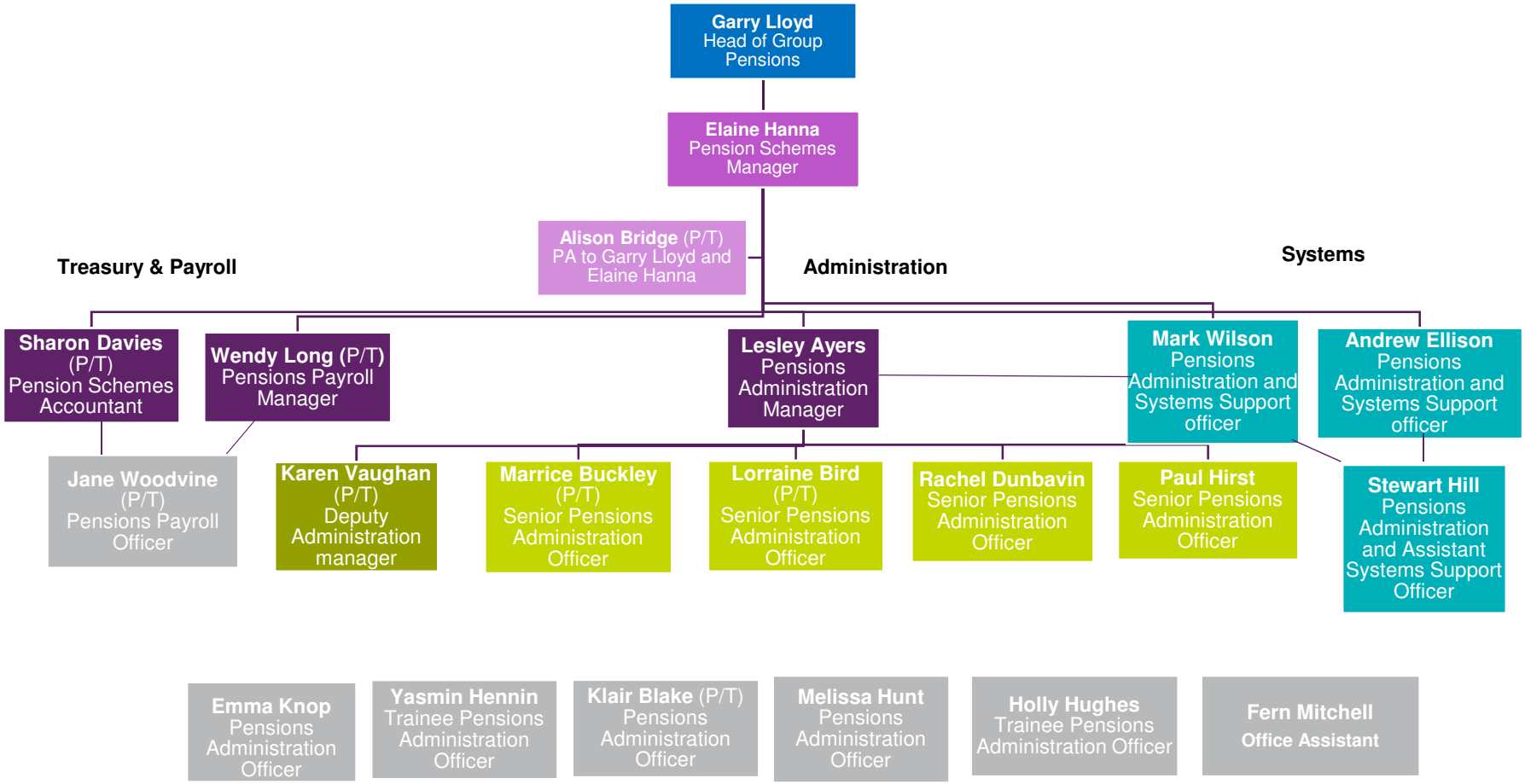
Phil Gladman - phil.jf.gladman@talk21.com

John King - omega2john@gmail.com

John Parry - parrymrjohn@virginmedia.com

Robin Wills - robinwills@hotmail.co.uk

Structure chart



New Administration System

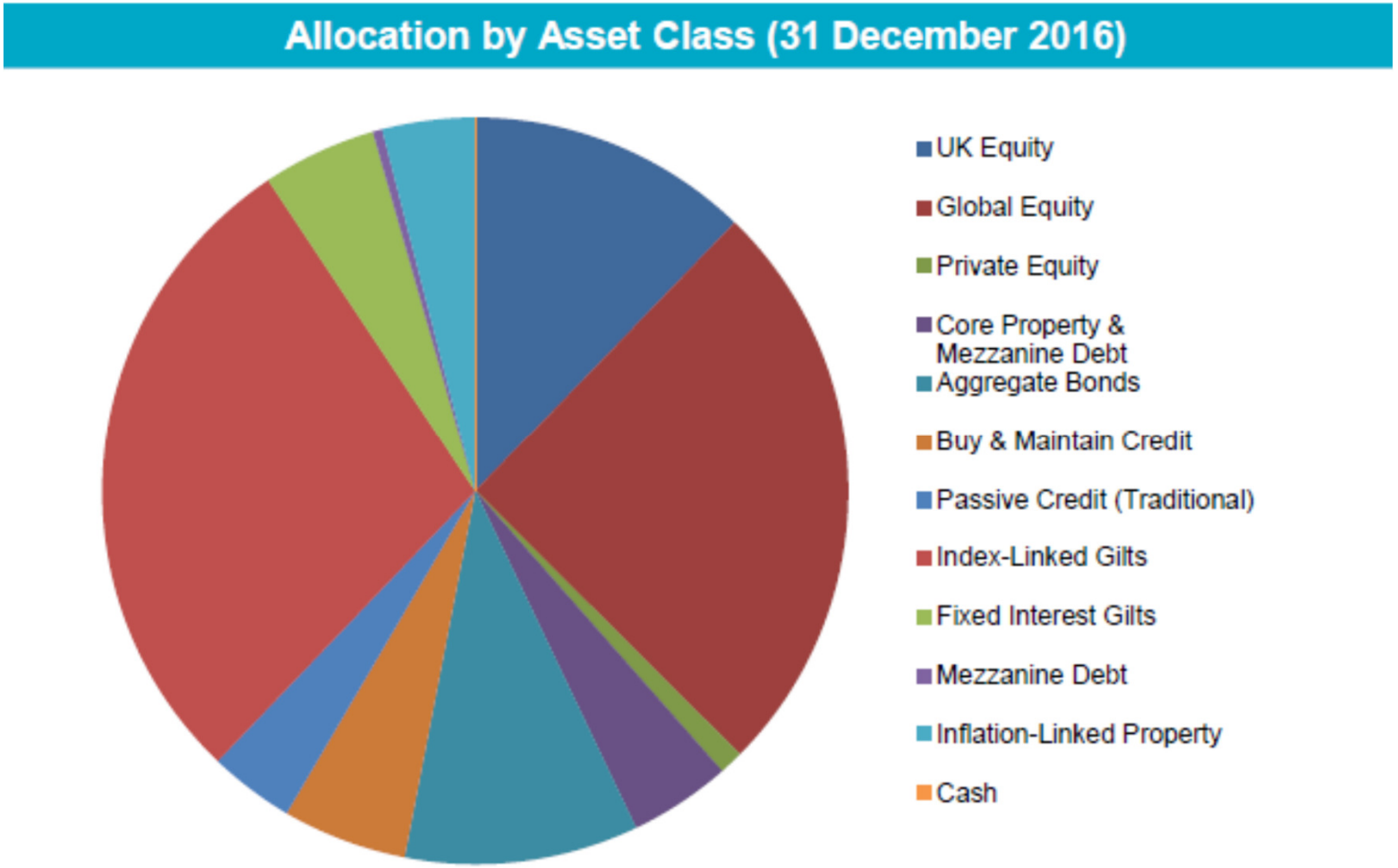
- Automatic contribution reconciliation
- Straight through processing
- Increased automation
- Compatible system eg Payroll/HR
- Enhanced management information and reporting tools

- DB online benefit access
- Improved modelling tools
- Pensioner access for payslips and p60 information
- Direct admin to payroll link

- Multi device access
- Text messaging
- Pod Casts

- Members more empowered and self sufficient
- Continued member education and communication

DB Investment Strategy



DB Investment Strategy

Asset Allocation by Mandate							
Manager	Mandate / (*Pooled vehicle*)	Position at start (30/09/2016)		B'mark	Position at end (31/12/2016)		B'mark
		£m	%	%	£m	%	%
Return Seeking Assets		**1,157.5**	**40.6**	**43.5**	**1,214.4**	**42.9**	**43.5**
Majedie	UK Equity	239.9	8.4	9.1	260.7	9.2	9.1
BlackRock	UK Equity (*Aq. Life UK Equity Index*)	82.2	2.9	4.9	85.4	3.0	4.9
JO Hambro	Global Equity	172.3	6.0	5.8	171.3	6.1	5.8
Magellan	Global Equity	185.4	6.5	5.8	188.5	6.7	5.8
Brandes	Global Equity	149.6	5.2	5.8	166.2	5.9	5.8
JP Morgan	Global Equity (*Global Focus Fund*)	89.5	3.1	2.5	-	-	-
Veritas	Global Equity (*Global Focus Fund*)	86.1	3.0	2.5	188.3	6.7	4.9
Dunedin	Private Equity (*Buyout Fund II*)	4.3	0.2	0.0	4.3	0.2	0.0
Coller	Private Equity (*CIPVI Fund*)	24.9	0.9	0.0	25.1	0.9	0.0
LaSalle	Core Property & Mezzanine Debt	123.2	4.3	7.3	124.7	4.4	7.3
Risk Reducing Assets		**1,694.6**	**59.4**	**56.5**	**1,615.2**	**57.1**	**56.5**
GSAM	Aggregate Bonds	302.4	10.6	9.4	286.9	10.1	9.4
RLAM	UK Buy & Maintain Credit	160.6	5.6	7.2	152.4	5.4	7.2
LGIM	Corporate Bonds	111.4	3.9	3.8	104.6	3.7	3.8
LGIM	Index-Linked Gilts (*>5 Yr Index*)	818.9	28.7	23.0	780.8	27.6	23.0
LGIM	Index-Linked Gilts (*>15Yr Index*)	27.0	0.9	0.0	26.0	0.9	0.0
LGIM	Fixed Interest Gilts	149.3	5.2	7.3	139.3	4.9	7.3
LGIM	Cash	0.0	0.0	0.0	0.0	0.0	0.0
Barings	Mezzanine Debt (*Almack III Fund*)	12.4	0.4	0.0	11.7	0.4	0.0
LaSalle	Inflation-Linked Property	112.7	4.0	5.8	113.6	4.0	5.8
Total (Strategic assets)		**2,852.1**	**100.0**	**100.0**	**2,829.7**	**100.0**	**100.0**
Clerical Medical Group Pension Contract		5.0	-	-	5.0	-	-
Total		**2,857.1**	-	-	**2,834.6**	-	-

DB Investment Strategy

Performance (Net of fees) to 31 December 2016

Manager	Mandate	Last Quarter			Last Year			Last 3 Years		
		Fund (%)	B'mark (%)	Target (%)	Fund (%)	B'mark (%)	Target (%)	Fund (% p.a.)	B'mark (% p.a.)	Target (% p.a.)
Majedie	UK Equity	8.6	3.9	4.3	23.1	16.8	18.3	7.7	6.1	7.3
BlackRock	UK Equity	3.9	3.9	3.9	-	-	-	-	-	-
JO Hambro	Global Equity	-0.8	6.4	7.1	20.3	28.7	31.7	10.6	13.7	16.7
Magellan	Global Equity	5.8	6.4	7.0	24.7	28.7	31.2	15.5	13.7	16.2
Brandes	Global Equity	11.0	6.4	7.1	-	-	-	-	-	-
JP Morgan	Global Equity [a]	5.7	5.1	5.6	-	-	-	-	-	-
Veritas	Global Equity	3.9	6.4	1.7 [b]	-	-	-	-	-	-
Total Global Equity (i.e. ex UK mandates) [d]		**5.1**	**6.4**	**6.9**	**24.5**	**28.7**	**31.0**	**11.6**	**13.7**	**16.3**
Dunedin	Private Equity [c]	0.8	-	-	-14.5	-	-	-0.2	-	-
Coller	Private Equity [c]	6.5	-	-	23.9	-	-	34.1	-	-
LaSalle	Core Property	2.9	2.6	2.7	5.8	2.6	3.3	13.9	11.8	12.4
LaSalle	Long Benton Property	0.4	2.6	-	-3.0	2.6	-	15.7	11.8	-
GSAM	Aggregate Bonds	-5.2	-5.5	-5.1	17.2	17.1	18.3	13.0	12.6	13.9
RLAM	UK Buy & Maintain Credit	-3.3	-2.6	-	12.4	10.6	-	9.0	7.7	-
LGIM	Corporate Bonds (> 15 Yr)	-5.2	-5.3	-5.3	-	-	-	-	-	-
LGIM	Index-Linked Gilts (> 5 Yr)	-3.0	-3.0	-3.0	27.4	27.4	27.4	15.2	15.2	15.1
LGIM	Index-Linked Gilts (> 15 Yr)	-3.8	-3.8	-3.8	-	-	-	-	-	-
LGIM	Fixed Interest Gilts (> 15 Yr)	-6.0	-6.0	-6.0	-	-	-	-	-	-
LGIM	Cash	0.0	0.0	0.0	-	-	-	-	-	-
Barings	Mezzanine Debt [c]	0.9	-	-	25.5	-	-	15.5	-	-
LaSalle	Inflation-Linked Property	2.4	1.7	1.6	1.4	6.0	5.7	6.4	5.3	5.0
	Total Plan [d]	**0.2**	**0.2**	**0.4**	**19.4**	**19.1**	**19.9**	**12.0**	**11.6**	**12.6**