



**PENSION FUND
ANNUAL REPORT
2007-2008**

CAMBRIDGESHIRE PENSION FUND ANNUAL REPORT

1. INTRODUCTION

- 1.1 The Pension Fund provides pensions and other benefits for employees of the County Council, Peterborough City Council, District Councils, and other public sector and charitable organisations within Cambridgeshire. A complete list of these organisations is given in Appendix A. The fund does not include police and firefighters nor, generally, teachers for whom independent pension arrangements apply. The Fund's accounts are a separate entity from the remainder of the Council's accounts, and are not incorporated in the Balance Sheet.
- 1.2 The Pension Scheme regulations govern the way the Pension Fund operates. It is a statutory scheme with relatively limited discretion available to each employer. The contribution rates made by the employers will however be affected both by the investment returns on the fund, and by other issues (e.g. levels of early and ill health retirements). Benefits and employees' contributions are determined by the regulations and not affected by the investment performance of the Fund.
- 1.3 There are two relevant groups involved in the management of the Pension Funds. The Pensions Committee is responsible for the overall investment strategy and management arrangements, and the Pensions Forum represents the views of employers and scheme members on all aspects of the pension scheme. More details of the management arrangements are given in the Governance Compliance Statement in Appendix B and the arrangements for communications within employers and members are given in Appendix C.

2. ANNUAL INVESTMENT REVIEW

- 2.1 Following a period of four years of rising markets, the year saw a setback with equity values falling globally, particularly in the last quarter. The impact of the credit crunch and rising oil prices on company profits were the main causes of concern for investors. Banking shares in particular were badly hit by the write-off of investments linked to loans in the US housing market.
- 2.2 Since the year end there have been further falls in markets due to concerns over the possible effects of increasing inflation and interest rates on economic growth.

3. INVESTMENT MANAGEMENT AND PERFORMANCE

- 3.1 The investment policy of the Fund is undertaken in accordance with the Statement of Investment Principles shown in Appendix D.
- 3.2 The total value of the fund was £1,331m, a reduction of £55m on the previous year. During the year the fund employed Schrodgers as a multi-asset manager and Aberdeen Asset Management and UBS as specialist managers for the major part of the fund, together with three private equity managers. The multi-asset manager and specialist managers had benchmarks as follows:

	Schrodgers		Aberdeen	UBS	Total Fund
	(1)	(2)			
	%	%	%	%	%
UK Equities	45.0	0.0	0.0	41.5	34.0
Overseas Equities	30.0	0.0	0.0	58.5	34.0
<i>N America</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>24.0</i>	<i>9.0</i>
<i>Europe</i>	<i>18.8</i>	<i>0.0</i>	<i>0.0</i>	<i>21.0</i>	<i>16.0</i>
<i>Japan</i>	<i>5.0</i>	<i>0.0</i>	<i>0.0</i>	<i>6.5</i>	<i>4.0</i>
<i>Pacific Rim</i>	<i>5.0</i>	<i>0.0</i>	<i>0.0</i>	<i>6.5</i>	<i>4.4</i>
<i>Emerging Markets</i>	<i>1.2</i>	<i>0.0</i>	<i>0.0</i>	<i>0.5</i>	<i>0.6</i>
Bonds	25.0	0.0	100.0	0.0	14.0
Property	0.0	100.0	0.0	0.0	11.5
Private Equity	0.0	0.0	0.0	0.0	4.0
Cash Funds					2.5
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Managers have the discretion to vary the weightings by a margin of plus or minus 5% in the case of Schrodgers and Aberdeen, and plus or minus 10% in the case of UBS.

- 3.3 Management fees are an agreed percentage of the funds under management. A benchmark return is calculated quarterly, based on the stock market index numbers for each sector, and target returns in excess of the benchmark are agreed for each manager. In the case of Schrodgers and UBS an additional percentage is paid when the investment return exceeds the target.
- 3.4 The private equity managers with mandates to invest in international private equity funds are Adams Street Partners (\$72m) and Harbourvest Partners (\$56m plus €15m); UBS have an investment of \$30M in on infrastructure Fund and N W Brown Capital Partners Ltd have a mandate to invest £2m in the Cambridge Gateway Fund. The Adams Street and Harbourvest sums will be invested over a period of several years, and the total value of private equity investments to date is £53.3m.

- 3.5 The investment adviser to the fund is Hymans Robertson. Fees are paid on the basis of meetings attended and advice on specific areas of investment.
- 3.6 The fund actuary is Hymans Robertson. An agreed fee is paid for the triennial actuarial valuation, and advice on specific fund issues is charged at an hourly rate.
- 3.7 A measure of how well the Fund's investments have performed compared with other local authorities is given in statistics of investment returns published by the WM Company, who also provide a report on the long-term performance of the fund. The ranking of the fund in bands of 1% (where 1 is highest), annualised over periods from one to ten years, is as follows :-

	Annualised Return %	Percentile
2007/08 (one year)	-4.7	71
2005/08 (three years)	8.7	51
2003/08 (five years)	12.6	31
1998/08 (ten years)	4.5	66

The annualised performance of the fund has therefore been in the third quartile over the last ten years. This is partly due to the under performance of one of the three investment managers at various times over this period, and partly due to the above average holding of equities over the three years to March 2003 when markets fell significantly. However the recovery of equity markets over the following years, together with changes in the investment management arrangements, led to a significant improvement in our comparative performance. The fall in equity market values in 2007/08 partly explains the deterioration in our comparative performance for the year, but this has also been due to further under performance from our managers and this has been addressed by changes in the management arrangements to be implemented in 2008/09.

4. **ACTUARIAL VALUATION**

- 4.1 The ability of the Fund to provide statutory benefits is assessed every three years by the Council's consulting actuary, and employers' contributions determined in the light of his report. The most recent report was at 31st March 2007, and this concluded that it was necessary to increase the average employers' contribution rate from 17.4% to 18.2% from 1 April 2008, phased in over the remaining three years of a six year period which began at the 2004 valuation. Differential rates were determined for individual participating authorities in accordance with their differing liabilities. The approach used by the actuary is summarised in the approved Funding Strategy Statement in Appendix F and the valuation certificate in Appendix G.
- 4.2 The main reason for the increased contribution rate is the need to provide for an increase in the longevity of fund members.

4.3 As a result of the high investment returns achieved since the previous valuation, the fund moved from a position of being funded at a level to which assets were only sufficient to meet 79% of liabilities at 31 March 2004 to 86% at 31 March 2007. The employer contributions are intended to recover this deficit over a 20 year period.

5. CONTRIBUTORS AND PENSIONERS

5.1 This table gives the number of contributors and pensioners at 31st March 2008.

	31 March 2008				31 March 2007
	County Council	Scheduled Bodies	Admitted Bodies	Total	Total
Contributors	10,691	10,205	1,412	22,308	22,198
Pensioners	5,666	4,725	663	11,054	10,689

5.2 All employees other than casually employed staff are admitted to the scheme unless they choose to opt out. Participation is encouraged by the provision of a scheme information booklet and regular newsletters. The main benefits provided by the scheme are as follows:

- a tax-free lump sum on retirement
- a guaranteed pension based on final pay
- the ability to increase the pension by paying extra contributions
- voluntary retirement from age 60
- an ill health pension from any age
- redundancy cover from age 50
- a death in service lump sum of two times final pay
- a widow's or widower's pension
- children's pensions
- the index-linking of benefits to ensure that they keep pace with inflation

6. ANNUAL ACCOUNTS AND AUDIT STATEMENT

The Fund's accounts are published as a separate section within the accounts of the County Council and are attached at Appendix H.

Statement by the Appointed Auditor to the Members of Cambridgeshire County Council

We have examined the financial statements of the Pension Fund within the Annual Report for the period ended 31 March 2008 which comprise the Fund Account, the Net Assets Statement and the related notes.

This report is made solely to Cambridgeshire County Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission. We do not, in giving our opinion, accept or assume responsibility for any other purpose or to any other

person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Respective responsibilities of Chief Financial Officer and auditors

The Chief Financial Officer is responsible for preparing the Annual Report in accordance with the Local Government Pension Scheme (Amendment) (No. 3) Regulations 2007 (SI 2007/ 1561).

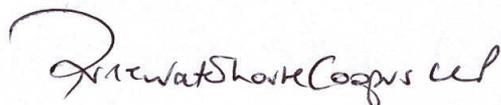
Our responsibility is to report to you our opinion on the consistency of the financial statements within the Annual Report with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the statutory financial statements.

Basis of opinion

We conducted our work in accordance with the principles expressed in paragraphs 15-18 of Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board, in so far as it is applicable to these financial statements.

Opinion

In our opinion the financial statements included in the Annual Report are consistent with the statutory financial statements of the Authority for the year ended 31 March 2008.



PricewaterhouseCoopers LLP

Cambridge

5 November 2008

SCHEDULED BODIES:**Cambridgeshire County Council****Peterborough City Council****District Councils**

Cambridge City Council
 East Cambridgeshire District Council
 Fenland District Council
 South Cambridgeshire District Council
 Huntingdonshire District Council

Town Councils

Chatteris Town Council
 City of Ely Council
 Huntingdon Town Council
 Ramsey Town Council
 Soham Town Council
 St. Ives Town Council
 St. Neots Town Council
 Wisbech Town Council

Parish Councils

Bretton Parish Council
 Burwell Parish Council
 Cambourne Parish Council
 Doddington Parish Council
 Eye Parish Council
 Fulbourn Parish Council
 Gamlingay Parish Council
 Girton Parish Council
 Hardwick Parish Council
 Histon & Impington Recreation Ground
 Committee
 Histon Parish Council
 Holywell-cum-Needlingworth Parish
 Council
 Impington Parish Council
 Kimbolton & Stonely Parish Council
 Linton Parish Council
 Little Downham Parish Council
 Little Paxton Parish Council
 Littleport Parish Council
 Manea Parish Council
 Milton Parish Council
 Sawston Parish Council
 Sawtry Parish Council
 Somersham Parish Council
 Sutton Parish Council
 Thorney Parish Council
 Tydd St Giles Parish Council

Waterbeach Parish Council

Wimblington Parish Council

Yaxley Parish Council

Internal Drainage Boards

Burnt Fen IDB
 Drysides IDB
 Feldale IDB
 Haddenham Level Commissioners
 Holmewood & Stilton IDB
 Littleport & Downham IDB
 March East IDB
 March Fifth IDB
 March Sixth IDB
 March Third IDB
 Maxey IDB March & Whittlesey IDB
 Middle Fen & Mere IDB
 Middle Level Commissioners
 North Level IDB
 Old West IDB
 Padnal and Waterden IDB
 Ransonmoor IDB
 Swaffham IDB
 Waterbeach Level IDB
 White Fen IDB
 Whittlesey Fifth IDB
 Whittlesey IDB
 Yaxley IDB

Other Organisations

Anglia Polytechnic University
 Cambridge Regional College
 Cambridgeshire Association of Local
 Councils
 Cambridgeshire & Peterborough Fire
 Authority
 Cambridgeshire Magistrates' Courts
 Committee
 Cambridgeshire Police Authority
 Cambridgeshire Probation Committee
 Cambridgeshire Valuation Tribunal
 Hills Road Sixth Form College
 Huntingdonshire Regional College
 Isle College, Wisbech
 Long Road Sixth Form College
 Peterborough Regional College
 The College of West Anglia

ADMITTED BODIES:

Friends Therapeutic Community
Cambridgeshire Society for the Blind
Cambridgeshire Society for Mentally
Handicapped Children
Orton Family Centre
Railway House Association
Eastern Provincial Council for Local
Authorities
Cambridge Water Company
Homerton College
Homerton School of Health Studies
Kimbolton School
Perse School for Girls
The Cresset
Eastern Arts Board
St Raphael Club
Hughes Hall
Wisbech & Fenland Museum
Nene Valley Research Committee
Cambridge Sports Hall Trust Limited
Peterborough Youth Stadium
Cambridgeshire Association for Social
Welfare
Cambridge & County Folk Museum
Cambridge Institute of Education
Romsey Town Churches Youth &
Community Centre
Cambridgeshire PCT
Ecovert
Roddens Housing Association

Cambridgeshire Alcohol Advisory Service
The Westgate and Petros Project
Wisbech Grammar School
Mepal Outdoor Centre
Peterborough Council for Voluntary
Service
Peterborough Development Corporation
St Martin's Day Centre
Peterborough Council for Community
Relations
St Columba Centre
Cambridgeshire Information & Technology
Centre
Bowthorpe Hall Centre
Conservators of the River Cam
Hereward Housing Association
Ormiston Trust
Commissions East Ltd
Huntingdonshire Citizens' Advice Bureau
Tennant Support Service Company Ltd
St Neots Museum Ltd
Centre 33
M.D.A (Europe)
Huntingdonshire Housing Partnership
The Farmland Museum
Ely Museum
ADEC
Home Close
Home Meadow
The Hillings
Exelcare
Methodist Homes
ITNET
CSCI
Screen East
Turning the Red Lights Green
Sport and Leisure Management
Cross Keys Housing Association

INTRODUCTION

This Governance Compliance Statement is required to be published by the Local Government Pension Scheme Regulations, and complies with advice issued by Central Government.

RESPONSIBILITY FOR PENSION FUND INVESTMENTS

The County Council's Pensions Committee is responsible for determining the investment strategy and overseeing the management of the pension fund and its administration.

- (a) Investment Strategy & Performance
- Appointment of Investment Adviser to the Committee
 - Determining the investment strategy in accordance with the Pension Regulations, taking advice where necessary
 - Appointment of investment managers
 - Appointment of Global Custodian
 - Receiving regular monitoring reports from investment managers engaged by the Council to carry out the day to day management of the fund
 - Monitoring the performance of the fund on a regular basis. In particular the Committee shall satisfy itself that investments are being made in accordance with the agreed investment strategy and that an acceptable return on investment is being achieved.
- (b) Valuation
- Appointment of Actuary to the Fund
 - Reviewing valuation reports
- (c) Administration
- Determine discretions reserved to the Administering Authority under the Pensions Regulations
 - Determine policy relating to Admissions Agreements for Scheduled and Resolution Bodies
 - Oversee effective and efficient administration and communication by Cambridgeshire's Pensions Service

SCHEME OF DELEGATION

A scheme of delegation to officers approved by the Council sets out the executive decisions that council officers have the power to take. This scheme delegates to the Director of Finance, Property and Performance the detailed implementation of the investment strategy as determined by the Investment Committee, and the issuing of any instructions to fund managers consistent with the strategy or required as a matter of urgency to safeguard the Council's position.

PENSIONS COMMITTEE

Membership of the Committee is determined by the Council, and consists of three County Councillors, one Peterborough City Councillor, one District Councillor representing all other

employers participating in the fund and an employee representative nominated by the trade unions. All members have equal voting rights. Meetings are held quarterly, and the investment managers are requested to attend meetings half-yearly.

Communications Policy Statement for Cambridgeshire Local Government Pension Fund

Clear and effective communication is an essential part of service that is needed from the Administering Authority. This statement sets out the current communications policy and approach adopted by the Cambridgeshire Local Government Pension Fund.

The Fund aims to use the most appropriate communication channels for the audiences receiving the information. This often involves utilising a combination of communication channels to ensure that information is effectively disseminated.

Providing Information to Individuals in the Scheme

The Fund has a policy of only providing personal and confidential information to fund members by post. Letters are sent to either a home address OR to the person through their employer. Suitable security protocols are in place to ensure that only the scheme member can change their home address on their pension record.

Where a scheme member chooses to send in certificates or other important documents using registered post those documents are returned in this manner.

More general information is provided through a range of mechanisms:

- All new prospective Scheme members are provided with a Local Government Pension Scheme booklet and appropriate membership forms upon appointment
- All pensioners receive a monthly payslip
- Guidance notes are provided in circumstances where scheme members are required to make a decision or complete forms.
- Individual questions are answered and guidance given in person, via the telephone, via Email and via letter, as deemed most effective.
- Annual benefits statements are produced for both active and deferred scheme members
- A range of generic information is provided through a variety of communication channels.

Supporting Employers

The Fund has a policy of supporting employers in delivering their roles and responsibilities in respect of the pensions function. These mechanisms include:

- An employers manual for larger employing organisations
- Specific case by case support for small employing organisations.
- Named contacts who can provide support as required
- Regular employers' newsletters
- Pensions Forum

Representatives of Fund Members and Prospective Fund Members

Currently the Fund does not do anything specific for these two groups. However they are often involved in communication exercises designed for scheme members or employers. For example, much of the generic communication is available for prospective members and representatives.

Understanding the Details

Scheme Members Newsletter

We issue a newsletter to active members of the Fund approximately every six months or when major issues need communicating. It covers current pension topics.

A newsletter is issued to pensioners with their April payslip giving details of Pensions Increase and other issues of interest to pensioners.

Benefit Statements

An Annual Benefit Statement is sent to all active scheme members who were contributing to the Fund at the end of the previous financial year. Dispatch is through employers.

Benefit Statements are sent direct to the home address of deferred members where their current home address is known. Dispatch is in late spring following the completion of Pensions Increase procedures.

Pensioners Pay Advices

The Fund continues to issue monthly pay advices to Scheme pensioners. We believe these reinforce the need for pensioners and their relatives to ensure that in the event of their demise or change of address the Fund is notified promptly.

P60s are dispatched with either the April or May payslip.

If pay advices are returned this starts off a lost contact procedure, which may, ultimately, result in pension payments being suspended until contact is made again.

Employers' Manual

Employers' Manual is issued to all employers with more than 10 scheme members. This gives detailed guidance on carrying out the necessary employers functions. This manual is currently part way through a major review and redesign. This further assists the employers' in discharging their pensions administration responsibilities. This is supplemented by named contacts who are available by telephone or personal visit to assist whenever necessary.

Employers Newsletter

A newsletter is issued by Email, at least quarterly. This goes to a range of HR, payroll and finance staff in employing organisations. It also goes to a range of other people linked to pensions in some way. This covers any issues that are currently under debate, reminders, information, changes to the Regulations or procedures that impact upon the employer's function and information to be dispatched to employees.

In addition, nominated officers for each employer are issued with detailed procedural guidance through this mechanism.

Pensions Forum

Periodically meetings are arranged for all employers. Specifically this has been used as a mechanism for communicating major strategic issues, significant legislation changes and triennial valuation matters.

Internet

The Fund currently has a very basic Internet site with commonly used forms and links to the website run by the Local Government Pensions Committee.

First Point of Contact

A dedicated telephone line and Email address has been set up as the first point of contact for scheme members and employers. Where possible general enquiries are answered through this means. Where this is not possible the query is assigned to a specific casework officer for further investigation and answer.

AVC Roadshows

The Fund takes advantage of the service offered by its AVC provider Prudential to run roadshows according to employer needs. These roadshows offer information on the LGPS generally and ways in which pensions can be topped up generally and specific information on AVC.

Introduction

The Pensions Fund is required to meet retirement benefits determined in accordance with the Local Government Pensions Scheme Regulations. The County Council is responsible for investing the assets of the Fund in accordance with the Regulations. The Council has also adopted the Government's Voluntary Code for Pension Fund Investment based on the recommendations of the Myners' review (see Appendix F).

Primary Objective

The primary investment objective is to ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions.

Management Arrangements

The overall investment policy of the Fund is determined by a Pensions Committee consisting of three County Councillors, a Peterborough City Councillor, a District Councillor representing all other participating bodies in the Fund, and an employee representative. The Committee is advised by the fund actuary, the fund investment adviser and the Deputy Chief Executive (Corporate Services). The day to day investment of the Fund is undertaken by external managers appointed by the Committee. An agreement is in place with each manager which specifies asset allocation ranges and a performance target based on market indices. There are no restrictions placed on the managers regarding the realisation of investments. Custody of the investments is held by a global custodian who is authorised to undertake stock lending on behalf of the Council.

Types of Investment Held

The management agreements permit the following forms of investment in UK and overseas markets: equities, fixed interest stocks, index linked stocks, cash, derivatives and underwriting. Investments are also made in UK property unit trusts, currency funds and private equity.

Risk

Risk associated with investment is controlled by the diversification of investments over asset classes in accordance with the management agreements, and the use of a number of investment managers. The monitoring of performance relative to a target index requires each manager to maintain a diversified portfolio of investments within each asset class.

Corporate Governance Policy

There is an agreement with each manager to exercise the fund's voting rights in the best interests of shareholders. Managers are required generally to vote either for or against company resolutions, and only abstain in exceptional circumstances. Details of votes cast, and reasons for abstentions are reported to the Pensions Committee.

The agreement also allows the Deputy Chief Executive (Corporate Services) to instruct the managers to vote in a particular way, or not to vote, in circumstances where this is considered appropriate. Any such instructions are reported to the Pensions Committee.

Socially Responsible Investment

The Pensions Committee has a general policy of not placing restrictions on the managers' selection of investments. However the Committee would expect the managers to take into account any financial risks arising from potentially unsustainable social or environmental policies followed by investee companies in reaching their investment decisions. The managers are also encouraged to engage in discussions with companies on ethical and environmental issues, and question them on their social responsibilities. The outcome of these discussions is reviewed by the Pensions Committee at its quarterly meetings.

Principles and Requirements	Extent of Compliance
<p>1 Effective Decision Making Decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively.</p> <p>Where trustees elect to take investment decisions, they must have sufficient expertise and appropriate training to be able evaluate any advice they take.</p> <p>Investment sub-committees favoured.</p> <p>Trustees should review their structure and processes to carry out their role effectively.</p>	<p>Decisions are taken by a Pensions Committee, based on advice received from the investment managers, County Council finance staff and external advisers. Training courses are offered to all committee members.</p>
<p>2 Clear Objectives Trustees should set out an overall objective for the fund.</p> <p>It should take account of the fund liabilities and the contributions paid by employees and scheme sponsor.</p> <p>Objectives should not be expressed in terms which have no relationship to the fund's liabilities (e.g. performance relative to other funds or market indices).</p>	<p>Set out in the Statement of Investment Principles.</p>
<p>3 Focus on Asset Allocation Strategic asset allocation decisions should receive a level of attention that reflects the contribution they make towards achieving the fund's objective.</p> <p>Decisions should reflect the fund's own characteristics.</p>	<p>Benchmarks are set based on the fund's own characteristics and objectives and reviewed annually.</p>
<p>4 Expert Advice Actuarial services and investment advice should be open to separate competition.</p> <p>Appropriate levels of fee should be paid for each service.</p>	<p>Separate agreements have been made for the provision of actuarial and investment advice.</p>

Principles and Requirements	Extent of Compliance
<p>5. Explicit Mandates Trustees should agree explicit written mandates with their managers covering:</p> <ul style="list-style-type: none"> ➤ The objective, benchmark and risk parameters; ➤ The manager's approach to achieving the objective; and ➤ A timescale of measurement and evaluation. <p>Any exclusion of specific financial instruments should be justified.</p> <p>Trustees should understand transaction related costs.</p>	<p>Mandates are agreed with the managers which cover performance targets and a timescale of measurement and evaluation.</p> <p>No financial instruments are excluded.</p> <p>Transaction cost are reported annually to the Pensions Committee.</p>
<p>6 Activism The mandate and trust deed should comply with the Institutional Shareholders Committee statement of principles on the responsibilities of institutional shareholders and agents.</p>	<p>An agreed policy on corporate governance is in place for all managers.</p>
<p>7 Appropriate Benchmarks Trustees should ensure (in consultation with their managers) that the index benchmarks set are appropriate.</p> <p>Limits on managers' divergence from index (e.g. tracking errors) should recognise realistic approximations within indices.</p> <p>Both active and passive approaches should be considered for each asset class.</p> <p>Targets for active management should be considered for each asset class.</p> <p>Targets for active management should be appropriate and risk controls should provide leeway for genuine active management.</p>	<p>Benchmarks are agreed with the managers, and these provide leeway for active management.</p> <p>The decision has been taken to adopt active investment management for each asset class.</p>

Principles and Requirements	Extent of Compliance
<p>8 Performance Measurement Encompasses not only fund performance, but a formal assessment of their own procedures and decisions as trustees.</p> <p>This performance assessment would also apply to advice received and decisions delegated (e.g. to advisers and managers)</p>	<p>Investment performance of fund managers and overall fund is monitored quarterly. Asset allocation and the Statement of Investment Principles are reviewed by the Pensions Committee annually.</p>
<p>9 Transparency A strengthened Statement of Investment Principles should set out.</p> <ul style="list-style-type: none"> ➤ Who is taking decisions and why; ➤ The fund's investment objective; ➤ The planned asset allocation strategy, including projected investment returns and why the current strategy has been adopted; ➤ Details of manager and adviser mandates, fee structures in place with reason. 	<p>The Statement of Investment Principles, published together with the Pension Fund Accounts, meets the requirement for transparency.</p>
<p>10 Regular Reporting Trustees are required to publish the Statement of Investment Principles and the results of monitoring of advisers and managers.</p> <p>Key (summary) information should be sent annually to members.</p> <p>Trustees should explain any departure from these 10 principles</p>	<p>The Statement of Investment Principles is published in the annual accounts. Summarised financial information is provided in pensions newsletters to employees.</p>

1 PURPOSE OF THE FUNDING STRATEGY STATEMENT

- 1.1 Local authorities responsible for the administration of pension schemes are legally required to produce a Funding Strategy Statement in conjunction with the triennial actuarial valuation of the pension fund. The purpose of this statement is to establish a strategy for the funding of long-term pension liabilities, with employer contribution rates maintained as far as possible at a constant level.

2 AIMS AND PURPOSE OF THE PENSION FUND

- 2.1 The principal aim of the fund is to ensure that sufficient resources are available to meet all liabilities as they fall due. To achieve this aim the fund must seek to maximise the returns from its investments within reasonable risk parameters. This in turn will ensure that the cost to employers is kept to a minimum.
- 2.2 The purpose of the fund is to receive monies in respect of contributions, transfer values and investment income, and pay out monies in respect of scheme benefits, transfer values and other expenses, in accordance with the Local Government Pension Scheme Regulations.
- 2.3 The roles and responsibilities of the key parties involved in the management of the pension scheme are summarised at the end of this appendix.

3 SOLVENCY ISSUES AND TARGET FUNDING LEVELS

3.1 Derivation of Employer Contributions

Employer contributions are normally made up of two elements:

- a) the estimated cost of future benefits being accrued, referred to as the “future service rate”; plus
- b) an adjustment for the funding position (or “solvency”) of accrued benefits relative to the Fund’s solvency target, “past service adjustment”. If there is a surplus there may be a contribution reduction; if a deficit a contribution addition, with the surplus or deficit spread over an appropriate period.

The actuary is required by the regulations to report the Common Contribution Rate for all employers collectively at each triennial valuation. It combines items (a) and (b) and is expressed as a percentage of pay, which for the 2007 valuation is 18.2%. For the purpose of calculating the Common Contribution Rate, the surplus or deficit under (b) is currently spread over a period of 20 years.

The actuary is also required to adjust the Common Contribution Rate for circumstances which are deemed “peculiar” to an individual employer. It is the adjusted contribution rate which employers are actually required to pay. The sorts of peculiar factors that are considered are discussed in Section 3.5.

In effect, the Common Contribution Rate is a notional quantity. Separate future service rates are calculated for each employer together with individual past service adjustments according to employer-specific spreading and phasing periods. For some employers it may be agreed to pool contributions, see Section 3.7.4.

Any costs of non ill-health early retirements must be paid as lump sum payments at the time of the employer's decision in addition to the contributions described above (or by instalments shortly after the decision).

3.2 Solvency and Target Funding Levels

The Fund's actuary is required to report on the "solvency" of the whole fund at least every three years.

"Solvency" for ongoing employers is defined to be the ratio of the market value of assets to the value placed on accrued benefits on the actuary's ongoing funding basis. This quantity is known as a funding level.

The ongoing funding basis is that used for each triennial valuation and the actuary agrees the financial and demographic assumptions to be used for each such valuation with the administering authority.

The fund operates the same target funding level for all ongoing employers of 100% of its accrued liabilities valued on the ongoing basis. The treatment of departing employers is described in paragraph 3.8.

3.3 Ongoing Funding Basis

The demographic assumptions are intended to be best estimates of future experience in the Fund. They vary by type of member reflecting the different profile of employers.

The key financial assumption is the anticipated return on the Fund's investments. The investment return assumption makes allowance for anticipated returns from equities in excess of bonds. There is, however, no guarantee that equities will out-perform bonds. The risk is greater when measured over short periods such as the three years between formal actuarial valuations, when the actual returns and assumed returns can deviate sharply. It is therefore normally appropriate to restrict the degree of change to employers' contributions at triennial valuation dates.

Given the very long-term nature of the liabilities, a long term view of prospective returns from equities is taken. For the 2007 valuation, it is assumed that the Fund's investments will deliver an average additional return of 1.6% a year in excess of the return available from investing in index-linked government bonds at the time of the valuation. The same financial assumptions are adopted for all ongoing employers.

3.4 **Future Service Contribution Rates**

The future service element of the employer contribution rate is calculated on the ongoing valuation basis, with the aim of ensuring that there are sufficient assets built up to meet future benefit payments in respect of future service. The employer's future service rate will be based upon the cost (in excess of members' contributions) of the benefits which employee members earn from their service each year. Technically these rates will be derived using the Projected Unit Method of valuation with a one-year control period.

If future experience is in line with assumptions, and the employer's membership profile remains stable, this rate should be broadly stable over time. If the membership of employees matures (e.g. because of lower recruitment) the rate would rise.

Future service rates include expenses of administration to the extent that they are borne by the Fund and include an allowance for benefits payable on death in service and ill health retirement.

3.5 **Adjustments for Individual Employers**

Adjustments to individual employer contribution rates are applied both through the calculation of employer-specific future service contribution rates and the calculation of the employer's asset share.

The combined effect of these adjustments for individual employers applied by the actuary relate to:

- past contributions relative to the cost of accruals of benefits
- different liability profiles of employers (e.g. mix of members by age, gender, manual/non manual)
- the effect of any differences in the valuation basis on the value placed on the employer's liabilities
- any different deficit/surplus spreading periods or phasing of contribution changes
- the difference between actual and assumed rises in pensionable pay
- the difference between actual and assumed increases to pensions in payment and deferred pensions
- the difference between actual and assumed retirements on grounds of ill-health from active status
- the difference between actual and assumed amounts of pension ceasing on death
- the additional costs of any non ill-health retirements relative to any extra payments made over the period between each triennial valuation.

Actual investment returns achieved on the Fund between each valuation are applied proportionately across all employers. Transfers of liabilities between employers within the Fund occur automatically in this process, with a sum broadly equivalent to the reserve required on the ongoing basis being exchanged between the two employers.

The actuary does not allow for certain relatively minor events occurring in the period since the last formal valuation including, but not limited to:

- the actual timing of employer contributions within any financial year
- the effect of more or fewer withdrawals than assumed.
- the effect of the premature payment of any deferred pensions on grounds of incapacity.

These effects are swept up within a miscellaneous item in the analysis of surplus, which is split between employers in proportion to their liabilities.

3.6 Asset Share Calculations for Individual Employers

The Administering Authority does not account for each employer's assets separately. The actuary is required to apportion the assets of the whole fund between the employers at each triennial valuation using the income and expenditure figures provided for certain cash flows for each employer. This process adjusts for transfers of liabilities between employers participating in the Fund, but does make a number of simplifying assumptions. The split is calculated using an actuarial technique known as "analysis of surplus". The methodology adopted means that there will inevitably be some difference between the asset shares calculated for individual employers and those that would have resulted had they participated in their own ring-fenced section of the Fund.

The Administering Authority recognises the limitations in the process, but having regard to the extra administration cost of building in new protections, it considers that the actuary's approach addresses the risks of employer cross-subsidisation to an acceptable degree.

3.7 Stability of Employer Contributions

3.7.1 Deficit Recovery Periods

The Administering Authority reviews at each valuation the deficit recovery period to be adopted by the actuary for all employers when calculating their contributions. For the 2007 valuation this was 20 years with the exception of Best Value Admission Bodies where the period is to the end of the employer's contract.

3.7.2 Phasing in of Contribution Rises

Best Value Admission Bodies are not eligible for phasing in of contribution rises. Other employers may be permitted to phase in contribution rises over a period of six years.

3.7.3 The Effect of Opting for Longer Spreading or Phasing-In

Employers which are permitted and elect to use a longer deficit spreading period than was used at the 2001 valuation or to phase-in contribution changes will be assumed to incur a greater loss of investment returns on the deficit by opting to defer repayment. Thus, deferring paying contributions will lead to higher contributions in the long-term. However any adjustment is expressed for different employers the overriding principle is that the discounted value of the contribution adjustment adopted for each employer will be equivalent to the employer's deficit.

3.7.4 Pooled Contributions

The Administering Authority allows smaller employers of similar types to pool their contributions as a way of sharing experience and smoothing out the effects of costly but relatively rare events, such as ill-health retirements and deaths in service. As at the 2007 valuation schools are pooled with their funding Council and separate pools were operated for Town and Parish Councils.

3.8 Admission Bodies ceasing

Admission Agreements for Best Value contractors are assumed to expire at the end of the contract.

Admission Agreements for other employers are generally assumed to be open-ended and to continue until the last pensioner dies. Contributions, expressed as capital payments, can continue to be levied after all the employees have retired. These Admission Agreements can however be terminated at any point.

If an Admission Body's admission agreement is terminated, the Administering Authority instructs the Fund actuary to carry out a special valuation to determine whether there is any deficit.

The assumptions adopted to value the departing employer's liabilities for this valuation will depend upon the circumstances. For example:

- a) For Best Value Admission Bodies, the assumptions would be those used for an ongoing valuation to be consistent with those used to calculate the initial transfer of assets to accompany the active member liabilities transferred.
- b) For non Best Value Admission Bodies that elect to voluntarily terminate their participation, the Administering Authority must look to protect the interests of other ongoing employers and will require the actuary to adopt valuation assumptions which, to the extent reasonably practicable, protect

the other employers from the likelihood of any material loss emerging in future. This could give rise to significant payments being required.

- c) For Admission Bodies with guarantors it is possible that any deficit could be transferred to the guarantor, in which case it may be possible to simply transfer the former Admission Bodies members and assets to the guarantor without needing to crystallise any deficit.

Under (a) and (b), any shortfall can be levied on the departing Admission Body as a capital payment.

3.9 Early Retirement Costs

The actuary's funding basis makes no allowance for premature retirement except on grounds of ill-health. Employers are required to pay additional contributions wherever an employee retires before attaining the age at which the valuation assumes that benefits are payable.

It is assumed that members' benefits on age retirement are payable from the earliest age that the employee could retire without incurring a reduction to their benefit and without requiring their employer's consent to retire. The additional costs of premature retirement are calculated by reference to these ages.

4 LINKS TO INVESTMENT STRATEGY

4.1 Investment Strategy

The investment strategy currently being pursued is described in the Fund's Statement of Investment Principles and Pension Fund Report and Accounts.

The investment strategy is kept under constant review to ensure that it remains appropriate to the Fund's liability profile. The Administering Authority has adopted a benchmark which sets the proportion of assets to be invested in key asset classes such as equities, bonds and property. Having considered the balance of risk and reward between different asset classes the Fund's benchmark includes a significant holding in equities in the pursuit of long-term higher returns than from index-linked bonds. The Administering Authority's strategy recognises the relatively immature liabilities of the Fund and the secure nature of most employers' covenants. The same investment strategy is currently followed for all employers, and is consistent with the future strategy assumed in the actuarial valuation.

4.2 Inter-valuation Monitoring of Funding Position

The Administering Authority monitors investment performance relative to the returns assumed in the actuarial valuation by means of quarterly performance measurement reports. It reports back to employers at the annual Pensions Forum.

5 KEY RISKS AND CONTROLS

5.1 Types of Risk

The Administering Authority is aware that unforeseen changes of a financial, demographic or regulatory nature may have an adverse effect on the solvency of the fund. Procedures are in place to mitigate the effect of those risks as outlined in the following paragraphs.

5.2 Financial Risks

Risk	Summary of Control Mechanisms
Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term.	<i>Only anticipate long-term return on a relatively prudent basis to reduce risk of under-performing.</i> <i>Analyse progress at three-yearly valuations for all employers.</i>
Active investment manager under-performance relative to benchmark.	<i>Short term (quarterly) investment monitoring analyses market performance and active managers relative to their index benchmark.</i>
Pay and price inflation significantly more than anticipated.	<i>The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases.</i>
Effect of possible increase in employer's contribution rate on service delivery and admission / schedule bodies.	<i>Seek feedback from employers on scope to absorb short-term contribution rises.</i> <i>Mitigate impact through deficit spreading and phasing in of contribution rises.</i>

5.3 Demographic Risks

Risk	Summary of Control Mechanisms
Pensioners living longer.	<p><i>Set mortality assumptions with some allowance for future increases in life expectancy.</i></p> <p><i>Fund actuary monitors combined experience of around 50 funds to look for early warnings of lower pension amounts ceasing than assumed in funding.</i></p>
Deteriorating patterns of early retirements.	<p><i>Employers are charged the extra capital cost of non ill health retirements following each individual decision.</i></p>

5.4 Regulatory Risks

Risk	Summary of Control Mechanisms
<p>Changes to regulations, e.g. more favourable benefits package, potential new entrants to scheme, e.g. part-time employees.</p> <p>Changes to national pension requirements and/or Inland Revenue rules.</p>	<p><i>The Administering Authority is alert to the potential creation of additional liabilities and administrative difficulties for employers and itself.</i></p> <p><i>It considers all consultation papers issued by the ODPM and comments where appropriate.</i></p>

RESPONSIBILITIES OF KEY PARTIES

Administering Authority

- collect employer and employee contributions
- invest surplus monies in accordance with the regulations
- ensure that cash is available to meet liabilities as and when they fall due
- manage the valuation process in consultation with the fund's actuary
- prepare and maintain a Funding Strategy Statement and Statement of Investment Principles after consultation with interested parties
- monitor all aspects of the fund's performance and funding, and amend the FSS and SIP as required.

Employing Organisations

- deduct contributions from employees' pay as required
- pay all employer and employee contributions to the Administering Authority by the due date
- exercise discretions on pension benefits within the regulations
- make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of scheme benefits and early retirement costs
- notify the administering authorities promptly of all changes and proposed changes, to membership which may affect future funding.

Fund Actuary

- prepare valuations including the setting of employers contribution rates after agreeing assumptions with Administering Authority and having regard to the FSS
- prepare advice and calculations in connection with bulk transfers and individual benefit-related matters.

Actuarial Statement

As required by Regulation 77 of the Local Government Pension Scheme Regulations 1997, the last actuarial valuation of Cambridgeshire County Council Pension Fund's assets and liabilities was carried out as at 31 March 2007.

Security of Prospective Rights

In my opinion, the resources of the Fund are likely in the normal course of events to meet the liabilities of the Fund as required by the Regulations. In giving this opinion, I have assumed that the following amounts will be paid to the Fund:

- Contributions by the members in accordance with the Local Government Pension Scheme Regulations 1997 until 31 March 2008, then in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007;
- Contributions by employers in accordance with the Rates and Adjustments Certificate dated 31 March 2005 for the year ending 31 March 2008. Thereafter for the three years commencing 1 April 2008 as specified in our Rates and Adjustments certificate dated 20 March 2008.

Summary of Methods and Assumptions Used

Full details of the method and assumptions are described in our valuation report dated 20 March 2008 and the Rates and Adjustments certificate contained therein.

Copies of these documents are available on request from the Finance Department of Cambridgeshire County Council.

My opinion on the security of the prospective rights is based on

- the projected unit valuation method where there is an expectation that new employees will be allowed to join an employer; or
- the attained age valuation method for employers who are closed to new entrants.

These methods assess the cost of benefits accruing to existing members during

- the year following the valuation; or
- the remaining working lifetime, respectively

allowing for future salary increases. The resulting contribution rate is adjusted to allow for any difference in the value of accrued liabilities and the assessed value of assets.

Valuation of Assets

A "market related" valuation method has been used. This is consistent with the methodology adopted at the 2004 valuation.

Valuation assumptions

The key financial assumptions adopted at the 2007 valuation are set out in the table below:

Assumption	Derivation	Rate at 31 March 2007	
		Nominal	Real
Price Inflation (RPI)	Market expectation of long term future inflation as measured by the difference between yields on fixed and index-linked Government bonds as at the valuation date	3.2%	-
Pay Increases *	Assumed to be 1.5% p.a. in excess of price inflation	4.7%	1.5%
'Gilt-based' discount rate	The yield on fixed-interest (nominal) and index-linked (real) Government bonds	4.5%	1.3%
Funding basis discount rate	Assumed to be 1.6% p.a. above the yield on fixed interest Government bonds	6.1%	2.9%

The 2007 valuation revealed that the Fund's assets, which at 31 March 2007 were valued at £1,390 million, were sufficient to meet approximately 86% of the liabilities accrued up to that date.

The next actuarial valuation

The next valuation of the Fund will be carried out as at 31 March 2010 and the results known later that year. This valuation will allow for the experience of the Fund from 31 March 2007 and up-to-date financial assumptions at that time.

I am aware that some employers may pay contributions in excess of the minimum contributions shown in the Rates and Adjustments certificate. These extra payments will be taken into account in the 2010 valuation and will act to reduce the contributions that would otherwise have been payable.

Prepared by:-

Peter Summers

16 May 2008

For and on behalf of Hymans Robertson LLP

Fund Account

Notes	2007-08		2006-07	
	£000	£000	£000	£000
	Contributions and benefits			
1	Contributions receivable from:			
	Employers			
			43,623	
	49,400			
			657	
	Members			
			20,284	
	20,755			
	Transfers in (individual transfers in from other schemes)			
	10,581		11,827	
		82,826		76,391
1	Benefits payable			
	-40,618		-37,251	
	Pensions			
	-11,788		-7,533	
	Commutation of pensions and lump sum retirement benefits			
	-1,112		-902	
	Lump sum death benefits			
	Payments to and on account of leavers			
14	-9,053		-10,128	
	Individual Transfers out			
	-31		-21	
	Refunds of Contributions			
4	-1,873		-1,667	
		-64,475		-57,502
		18,351		18,889
	Net additions from dealings with members			
	Return on investments			
5	40,467		39,030	
	Investment income			
	-110,710		60,380	
	Change in market value of investments (realised and unrealised)			
12	-877		-736	
	Taxation			
6	-2,179		-2,339	
		-73,299		96,335
	Net return on investments			
		-54,948		115,224
	Net increase in fund value			
		1,385,788		1,270,564
	Net assets as at 1 April			
		1,330,840		1,385,788
	Net assets as at 31 March			

Net Asset Statement

Notes	31 March 2008 £000	31 March 2007 £000
Fixed interest securities		
UK public sector futures	-	10,997
Equities		
UK listed	373,023	465,269
UK equity futures	-3,939	-15,562
UK unlisted	546	953
Overseas listed	457,517	462,596
Overseas equity futures	-5,292	5,978
Overseas unlisted	52,659	27,690
Pooled investment vehicles		
Managed funds		
-property	65,659	84,872
-other	106,267	117,946
Unit trusts		
-property	71,210	88,571
-other	157,090	94,397
13 Other Investments	5,548	8,627
Total Investments	1,280,288	1,352,334
Net Current Assets		
Cash Deposits	37,098	30,368
Cash backing open futures contract	9,232	-1,413
Margin account	1,781	2,290
Creditors - management fees	-500	-789
- other	-1,130	-485
Debtors - contributions	4,071	3,483
7	1,330,840	1,385,788

Notes to Pension Fund Accounts

1. CONTRIBUTIONS AND BENEFITS

An analysis of the contributions and benefits over the different categories of participating Authority is as follows:

	2007-08	2006-07
	£000	£000
Contributions receivable:		
Administering Authority	27,329	23,982
Scheduled Bodies	39,644	35,344
Admitted Bodies	5,272	5,238
	72,245	64,564
Benefits payable:		
Administering Authority	23,486	19,360
Scheduled Bodies	25,888	22,663
Admitted Bodies	4,144	3,663
	53,518	45,686

2. NUMBER OF CONTRIBUTORS AND PENSIONERS

	31 March 2008				31 March
	County Council	Scheduled Bodies	Admitted Bodies	Total	2007 Total
Contributors	10,691	10,205	1,412	22,308	22,198
Pensioners	5,666	4,725	663	11,054	10,689
Deferred Benefits	10,726	8,665	1,229	20,620	18,172

3. ACTUARIAL VALUATION

The funding position of the Fund is assessed every three years by the Council's actuary who completed an actuarial valuation of the Fund using the Projected Unit Method. Employers' contributions are reviewed in the light of this report. The most recent report was at 31 March 2007 and concluded that it was necessary to increase the average employers' contributions from 17.4% to 18.2%, phased in over a three year period from 1 April 2008. The market value of the Fund at the valuation date was £1,390m, and there was an actuarial deficit of £219m equivalent to a funding level of 86.4%. This deficit was spread over a period of 20 years. The assumptions used in the 2007 valuation were as follows: investment returns 6.1%; earnings growth 4.7%; price inflation 3.2% and discount rate 6.1%.

4. ADMINISTRATIVE EXPENSES

Administrative expenses include a charge made to the Fund by the County Council in respect of work undertaken on the payment of benefits on behalf of all admitted bodies.

5. ANALYSIS OF INVESTMENT INCOME

	2007-08	2006-07
	£000	£000
Equities	30,066	26,447
Pooled investment vehicles	7,948	10,410
Cash	2,122	1,991
Other (includes stocklending and underwriting)	331	182
	40,467	39,030

Income from fixed interest unit trusts in 2006-07 has been reclassified as pooled investment vehicles.

6. **INVESTMENT MANAGEMENT EXPENSES** include fees charged by the fund's investment managers. These are calculated as a percentage of the assets under management.

7. INVESTMENT MANAGERS

The allocation of the fund over the Authority's investment managers is as follows:

	31 March 2008		31 March 2007	
	£000	%	£000	%
Aberdeen Asset Management	56,042	4.2	51,650	3.7
UBS Global Asset Management	509,589	38.3	602,103	43.4
Schroders Investment Management	674,321	50.7	699,897	50.5
Private Equity Investment	53,205	4.0	28,643	2.1
Currency Funds	22,168	1.6	0	0.0
Pension Fund Net Debtors	2,601	0.2	2,503	0.2
Cash deposit with County Council	12,914	1.0	992	0.1
	1,330,840	100.0	1,385,788	100.0

Included within the balances held by the investment managers shown above are amounts in relation to cash and investment income debtors which are shown separately on the face of the net assets statement.

The Fund holds the following investments in unit trusts/pooled vehicles which exceed 5% of the total fund value: Schroder Unit Trusts Ltd Institutional Sterling Bond Market Fund £110,426,000 at 31 March 2008 (£84,789,000 at 31 March 2007).

As at 31 March 2008 the fund has commitments to invest a further £41.9m in private equity investments in future years. (£42.3m at 31 March 2007)

8. PURCHASES AND SALES OF INVESTMENTS

	2007-08	2006-07
	£000	£000
Purchases	438,859	330,909
Sales	385,272	278,047
Net Transactions	53,587	52,862

9. STOCK LENDING

The total amount of stock released to a third party under a stock lending arrangement was £87,338,000 at 31 March 2008 (£134,703,000 at 31 March 2007). Collateral is held in the form of a letter of credit or AA+ rated bond.

10. A STATEMENT OF INVESTMENT PRINCIPLES

A Statement of Investment Principles is published in the Pension Fund Annual Report, which is available from the Corporate Finance Section, Shire Hall.

11. RELATED PARTY TRANSACTIONS

Under FRS8 "Related Party Disclosures" it is a requirement that material transactions with related parties, not disclosed elsewhere, should be included in a note to the financial statements. During the year, no Pensions Committee members have undertaken any material transactions with the Cambridgeshire County Council Pension Fund. A cash deposit of £12,914,000 with the County Council was outstanding at 31 March 2008. (£992,000 at 31 March 2007). There were no material contributions due from employer bodies at the year-end, which remained outstanding after the due date for payment. There are no other related party transactions other than those already disclosed in the County Council's Accounts.

12. MAGISTRATES TRANSFER

With effect from 1 April 2005, 71 employees of the Cambridgeshire Magistrates Courts transferred out of Cambridgeshire County Council Local Government Pension Scheme as part of a national transfer of the Magistrates Courts out of Local Government schemes. However, the fund has retained the liability for the Magistrates pensioners and deferred pensioners. As at 31 March 2008 the value of the transfer has not been agreed between the Local Authority actuary and the Government Actuary's Department but initial estimates indicate that the fund will be owed approximately £1,000,000 by the Magistrates Court as a result of the valuation of transfers out being less than the retained liability. Pending the finalisation of the transfer value no amounts have been accrued to date within the Pension Fund accounts.

PENSIONS COMMITTEE MEMBERS AND ADVISERS

APPENDIX I

The members of the Pensions Committee are as follows:-

County Council Members:	J. Reynolds (Chairman)
	J. K. Walters
	P. Downes
Peterborough City Council:	J. Peach
Other Organisations Representative:	M. Cotterell (Fenland DC)
Employee Representative:	P. Gaskin (Unison)

Actuary: Hymans Robertson & Co.

Investment Adviser: R. Bowie

The Investment Managers are as follows:-

UBS Global Asset Management Ltd
Schroders Investment Management Ltd
Aberdeen Asset Management Ltd
Adams Street Partners
Harbourvest Partners
N W Brown Capital Partners Ltd

Global Custodian: BNY Mellon

Investment Performance Measurement Services: WM Company

Contacts for additional information:-

Benefits and contributions - Margaret Winter : tel Cambridge 717908
Investment arrangements - John Hopwood : tel Cambridge 717233

Auditors to the Fund: PricewaterhouseCoopers