



Financial Investment Board

Date: THURSDAY, 26 MAY 2016

Time: 1.45 pm

Venue: COMMITTEE ROOMS - WEST WING, GUILDHALL

Members: To be decided at the Investment Committee meeting on 25 May 2016

Enquiries: Philippa Sewell
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philippa.sewell@cityoflondon.gov.uk

Lunch will be served in the Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **RESOLUTION OF INVESTMENT COMMITTEE**
To receive the resolution from the Investment Committee on 25th May 2016, setting out the Financial Investment Board's Membership. TO FOLLOW
For Information
4. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 4 February 2016.
For Decision
(Pages 1 - 4)
5. **OUTSTANDING ACTIONS**
Report of the Town Clerk.
For Information
(Pages 5 - 6)
6. **APPOINTMENT OF FINANCIAL INVESTMENT BOARD MEMBER TO THE SOCIAL INVESTMENT BOARD**
To agree, in addition to the Chairman or their nominee, the appointment of a Financial Investment Board member to the Social Investment Board.
For Decision
7. **TERMS OF REFERENCE AND FREQUENCY OF MEETINGS**
Report of the Town Clerk.
For Decision
(Pages 7 - 8)
8. **MONTHLY INVESTMENT ANALYSIS REVIEW**
Report of the Chamberlain.
For Information
(Pages 9 - 18)
9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
11. **EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Part 2 - Non-Public Agenda

12. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 4 February 2016.
For Decision
(Pages 19 - 20)
13. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY SINCE THE LAST MEETING OF THE BOARD**
Report of the Town Clerk.
For Information
(Pages 21 - 24)
14. **LONDON CIV**
Presentation of Hugh Grover and Julian Pendock from the London CIV.
For Information
15. **REVIEW OF THE ACTIVITIES OF THE FINANCIAL INVESTMENT BOARD 2015/16**
Report of the Chamberlain.
For Information
(Pages 25 - 32)
16. **PRIVATE EQUITY**
Report of the Chamberlain.
For Information
(Pages 33 - 42)
17. **INVESTMENT PERFORMANCE MONITORING TO 31 DECEMBER 2015**
Report of the Chamberlain.
For Information
(Pages 43 - 70)
18. **QUARTERLY MONITORING REPORT**
Report of Mercer.
For Information
(Pages 71 - 88)
19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

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FINANCIAL INVESTMENT BOARD

Thursday, 4 February 2016

Minutes of the meeting of the Financial Investment Board held at the Guildhall EC2 at 1.45 pm

Present

Members:

Andrew McMurtrie (Chairman)	Tom Hoffman
Nicholas Bensted-Smith (Deputy Chairman)	James de Sausmarez
Deputy Roger Chadwick	Ian Seaton
Henry Colthurst	Philip Woodhouse
Simon Duckworth	

Officers:

Philippa Sewell	- Town Clerk's Department
Peter Kane	- Chamberlain
Kate Limna	- Chamberlain's Department
Catrina Arbuckle	- Mercer

1. APOLOGIES

Apologies were received from Alderman Robert Howard, Clare James, and Deputy Henry Pollard.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

Philip Woodhouse declared a non-pecuniary interest by virtue of being acquainted with executives in Lindsell Train and Majedie.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the public minutes and non-public summary of the meeting held on 8 December 2015 be agreed as a correct record.

4. OUTSTANDING ACTIONS

The Corporate Treasurer advised that the Hampstead Heath Trust was governed by the 1989 London Government Reorganisation Order. Contributions from the Trust towards the cost of managing and maintaining the Heath land were calculated on a formula basis as set out in the Order. With regard to the objectives of the Trust, officers undertook to liaise with relevant officers within the City Corporation for their views.

Charities Pool

The Corporate Treasurer advised that, once the 2015/16 accounts had been finalised in the summer, they would be sent out to the larger holders in the pool (i.e. those with Boards of Trustees external to the Corporation) along with a short survey asking for views as to preferred objectives for the Pool. These views would then inform the review of the investment strategy.

RESOLVED – That the report be noted.

5. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2016/17

The Board received a report of the Chamberlain setting out the City's Treasury Management Strategy Statement and Annual Investment Strategy for 2016/17. This report would go to the Finance Committee for approval before being presented to the Court of Common Council.

Members discussed the report, and noted the following points:

- The only change to the Treasury Strategy for 2015/16 was the increase in the maximum investment loans with maturity in excess of one year from £200m to £300m, owing to the increase in the City's overall cash holdings and the change to the Crossrail payment date.
- The format of the Strategy was set by CIPFA; officers undertook to review the duplication of information in the Strategy for 2016/17.
- To qualify for the Approved Counterparties list, an institution must meet the criteria set out at section 7 of the Strategy.

RESOLVED – That the Treasury Management Strategy Statement and Annual Investment Strategy for 2016/17 be approved and submitted to the Court of Common Council for formal adoption.

6. MONTHLY INVESTMENT ANALYSIS REVIEW

The Board received the monthly review for December 2015, which detailed the list of current investments. Members discussed the level of cash holdings and the revised deadlines for Crossrail payments, noting that cash reserves were regularly reviewed to assess potential levels of unrestricted revenues that may be available for investment purposes.

RESOLVED – That the report be noted.

7. LOCAL GOVERNMENT PENSION SCHEME - INVESTMENT REFORM CRITERIA & GUIDANCE AND CONSULTATION ON INVESTMENT REGULATIONS

The Board received a report of the Chamberlain concerning the City of London Corporation's response to the Investment Reform Criteria and Guidance for the Local Government Pension Scheme. Members discussed the reform in detail, noting the following points:

- Discussions regarding fees would be held individually with fund managers regarding the decrease in scale of current investments once the Pension Fund was moved.
- Local Authorities would retain control over their own investment strategy and asset allocations, but would not be able to choose fund managers (although the Corporate Treasurer advised that within the London CIV there was likely to be some choice). Whilst there was no requirement to hold passive investments, this should be kept under review.
- Officers had no strong objections with regard to the consultation on draft regulations, which set up legislation for intervention should Local Authorities not comply with the reformed criteria.

- The Corporation was a founding member of the CIV, and the Chairman of Policy chaired the Pensions CIV Sectoral Joint Committee, with the Chairman of the Financial Investment Board Deputising.

Members noted the CIV was holding a launch event later in the month, and also agreed to invite Hugh Grover, Chief Executive Officer at London LGPS CIV Ltd., to a future meeting.

RESOLVED – That the report be noted.

8. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

10. EXCLUSION OF THE PUBLIC

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Item No.	Paragraph(s) in Schedule 12A
11-12	3
13-14	-

11. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED - That the non-public minutes of the meeting held on 8 December 2015 be agreed as a correct record.

12. PRIVATE EQUITY PORTFOLIO REVIEW

The Board considered a report of Mercer.

13. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no non-public questions.

14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There was no other business.

The meeting closed at 2.50 pm

Chairman

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Financial Investment Board – Outstanding Actions

Item	Date	Action	Officer responsible	To be completed/ progressed to next stage	Progress Update
1.	27 May 2015	Private Equity Additional information requested at last meeting.	Corporate Treasurer / Chamberlain	May 2016	On agenda for May meeting.
2.	2 July 2015	Hampstead Heath objectives	Corporate Treasurer / Chamberlain	Summer 2016	Officers at Hampstead Heath be contacted for their views.
3.	2 July 2015	Charities Pool objectives and allocations	Corporate Treasurer / Chamberlain	Summer 2016	Survey to be sent with accounts.
4.	9 Sep 2015	Review of Fees	Corporate Treasurer / Chamberlain	To begin in February 2016	Postponed until new Fund Managers are in place. This will also be the criteria for pooling the LPGS investments.

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Committee:	Date:
Financial Investment Board	26 May 2016
Subject: Terms of Reference and Frequency of meetings	Public
Report of: Town Clerk	For Decision
Report author: Philippa Sewell, Town Clerk's Department	

Summary

This report sets out Terms of Reference, the frequency of meetings, and dates of for the Financial Investment Board meetings for the remainder of the year.

Recommendations

It is recommended that:-

- a) Members note the Financial Investment Board's Terms of Reference; and
- b) Members consider the frequency of the Board's meetings.

Main Report

1. This report notes the Terms of Reference and composition of the Financial Investment Board. It also sets out details of the co-option arrangements adopted by the Investment Committee for all of its Boards. The Board's Terms of Reference and the co-option arrangement are both subject to consideration by the Investment Committee on 25 May 2016.
2. The Board is further asked to consider the frequency of its meetings. It is proposed that the Financial Investment Board will meet approximately six times a year on those dates set out at paragraph 4.

Financial Investment Board –Terms of Reference

3. The Financial Investment Board's Terms of Reference, subject to the agreement of the Investment Committee on 25 May 2016 are as follows:-
 - a) to approve the appointment of and to monitor the performance of investment managers of the following funds:
 - i. City's Cash
 - ii. Bridge House Estate
 - iii. Pension Fund
 - iv. Charities Pool
 - v. Hampstead Heath Trust

Together with such other funds as are under the City of London Corporation's control;

- b) to review the investment strategy for the securities investments of the Pension Fund, City's Cash, Bridge House Estates, Hampstead Heath Trust Fund and the Charities Pool;
- c) to authorise investments and approve the overall parameters within which the investment fund managers will be authorised to operate;
- d) to invest all new monies in respect of the Pension Fund and the Charities Pool;
- e) to invest such other sums as are from time to time allocated for this purpose; and
- f) to monitor the activities of the Chamberlain in connection with his role as banker to the City of London Corporation.

There is provision within the Investment Committee's Terms of Reference to enable the Chairman of the Financial Investment Board to report on and speak to their activities and responsibilities in the Court of Common Council and to ensure that any decisions are taken without undue delay.

Financial Investment Board – Dates of future meetings

4. The Board is asked to consider the frequency of its meetings. It is proposed that the Financial Investment Board will meet approximately six times a year. Dates scheduled for 2016/17 are:
- 30 June 2016, 1.45pm
 - 6 September 2016, 1.45pm
 - 27 October 2016, 1.45pm
 - 1 December 2016, 1.45pm
 - 2 February 2017, 1.45pm

Co-option arrangements

5. The Property Investment Board, Financial Investment Board and Social Investment Board are all empowered to co-opt people with relevant expertise or experience, including non-Members of the Court of Common Council, to assist in their deliberations. The protocol concerning the co-option arrangements for each Board is subject to consideration by the Investment Committee on 25 May 2016.

Appendices

None.

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City Of London Corporation
Monthly Investment Analysis Review
April 2016



Monthly Economic Summary

General Economy

As we near the EU referendum, concerns and uncertainty amongst markets and investors have risen. Weakening figures from UK data releases indicate that economic growth in the first quarter is likely to be weak. However, with oil prices charging up, confidence has been rising that the oil market could stabilise by the end of the year with supply and demand coming back into balance.

April was kick-started with fairly solid US employment data, revealing non-farm payrolls had increased by 215,000 in March. In spite of this, the unemployment rate rose to 5%, from an eight-year low of 4.9%, however this was primarily due to more Americans continuing to return to the labour force – a sign of confidence in the jobs market. This promising data however was followed by a stall in growth in the first quarter. US GDP rose at a disappointing annual rate of 0.5%, from the previous quarter's staggering 1.4%. Financial turmoil and a dramatic fall in business confidence, meant economists' expectations of a 0.7% expansion were missed.

Amid a moribund economy and reduced levels of consumer spending, the Fed opted not to raise interest rates in the US for another month running. Despite a 9-1 vote in favour of keeping rates unchanged, the committee struck a more optimistic tone about the global economy suggesting that further rises are likely in 2016 after the turmoil in commodity and financial markets earlier this year had put a brake in expectations.

The UK saw some weaker than anticipated Purchasing Managers' Index (PMI) figures. The manufacturing PMI nudged up slightly in March from its 34-month low of 50.8, to 51, yet this tepid number provides evidence that the sector will contribute little to economic growth for the first quarter of 2016. The fragility of Britain's vast services industry was also laid bare. The services PMI scored 53.7 in March, rebounding from a three-year low of 52.7 in February. However, the compiler of the survey, Markit, warned it was still below its long-run average of 55.2, showing this posted growth in the sector will not be enough to translate into confidence about the wider economy. Gloomy news continued for the construction sector, with the industry expanding at its slowest pace since 2013. The survey for construction came in at 54.2 for March, though Markit stated this was sluggish performance compared to previous years.

Amidst the run-up to the EU referendum, domestic and international investors have regained some confidence with equities having slightly recovered, bond yields risen and risk appetite rising. A firming in commodity prices has also contributed to greater business confidence. As we approach the much anticipated UK referendum on EU membership, opinion polls have recently suggested the gap between 'leave' and 'remain' has almost disappeared. Uncertainty surrounding Brexit has taken its toll on Britain, particularly on the labour market, as firms have been reluctant to hire staff ahead of 23rd June and have put long term investment decisions on hold. Data from the ONS revealed that the UK's unemployment rate remained steady at 5.1% in the three months to February. However, this headline figure betrayed some slightly less rosy details hidden beneath, with the number of people out of work jumping by 21,000 and wage growth running at 1.8%, its slowest rate since January 2015.

The poor retail sales figure for last month compounded fears of a slowdown in the UK economy. With sales dropping by 1.3% in March, analysts' forecasts of a 0.1% fall were greatly exceeded. Year-on-year, the pace at which retail sales continued to rise slowed to 2.7% from 3.6% in February.

Britain's trade deficit revealed a miniscule narrowing in February and so contributed little to dispelling concerns regarding a failure to rebalance the economy and increase UK exports. Net exports came in at £4.8bn in February, only slightly shrinking from £5.2bn in January. Nonetheless, with Sterling trading at a 30-month low against a basket of currencies, hopes for an improvement in trade are focused on currency weakness spurring demand for exports and dampening imports.

The headline inflation figure for the UK hit its highest level since December 2014, reaching a peak of 0.5% in March, compared with a year ago. On the month, inflation saw a pick-up of 0.3%. The ONS reported that the main drivers of this were rises in air fares and clothing prices due to the timing of Easter. CPI is expected to be pushed higher over the course of this year due to firmer oil and food prices, increasing wage pressures (reinforced by the National Living Wage), and a weakening currency.

While there was slightly more upbeat news on the public borrowing side, the OBR's full-year forecast of £72.2bn was missed. Public sector borrowing did perform substantially better than the previous March's total of £7.4bn and was lower than what markets had pencilled in, coming in at £4.8bn. Borrowing figures tend to be revised downwards following later estimates, so hope still remains for the Chancellor meeting his intended forecast.

Housing

Nationwide figures revealed that British houses price growth cooled in April following the government's introduction of extra taxes on purchasing properties for rental and second homes. House price acceleration eased to 4.9% y/y from 5.7% in March. On the month, house prices edged up by 0.2%. Halifax reported houses prices rose 2.6% in March, following a 1.6% drop the previous month. On an annual basis, house prices grew 10.1%.

Currency

Sterling opened the month at \$1.419 against the US dollar and closed at \$1.458. Against the Euro, Sterling opened at €1.251 and closed at €1.288.

Forecast

Capita Asset Services did not alter its forecast this month. Capita Asset Services expects the first rate hike to come in the first quarter of 2017. Capital Economics left their forecast unchanged in April. They expect the first Bank Rate increase to come in Q4 2016.

Bank Rate	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%

City Of London Corporation

Current Investment List

	Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
	MMF Aberdeen	25,000,000	0.53%		MMF	AAA	0.000%
	MMF CCLA	10,000,000	0.47%		MMF	AAA	0.000%
	MMF Deutsche	50,000,000	0.52%		MMF	AAA	0.000%
	MMF Federated Investors (UK)	77,700,000	0.53%		MMF	AAA	0.000%
	EMMF Federated Sterling Cash Plus Fund	5,000,000	0.73%		EMMF	AAA	0.000%
	MMF Invesco	73,900,000	0.53%		MMF	AAA	0.000%
	EMMF Payden Sterling Reserve Fund	55,000,000	0.73%		EMMF	AAA	0.000%
	MMF Standard Life	75,600,000	0.50%		MMF	AAA	0.000%
	EMMF Standard Life Short Duration Cash Fund	5,000,000	0.71%		EMMF	AAA	0.000%
	Lloyds Bank Plc	64,100,000	0.50%		Call	A	0.000%
	Nationwide Building Society	3,700,000	0.50%	04/02/2016	04/05/2016	A	0.001%
	Nationwide Building Society	6,600,000	0.51%	05/02/2016	05/05/2016	A	0.001%
	National Australia Bank Ltd	3,700,000	0.40%	08/02/2016	09/05/2016	AA-	0.000%
	Yorkshire Building Society	2,000,000	0.47%	08/02/2016	10/05/2016	A-	0.002%
	Coventry Building Society	2,500,000	0.50%	14/01/2016	12/05/2016	A	0.002%
	Yorkshire Building Society	3,900,000	0.47%	15/02/2016	16/05/2016	A-	0.003%
	Australia and New Zealand Banking Group Ltd	7,000,000	0.52%	29/02/2016	31/05/2016	AA-	0.001%
	Nationwide Building Society	4,000,000	0.50%	29/02/2016	01/06/2016	A	0.005%
	Nationwide Building Society	3,700,000	0.50%	01/03/2016	01/06/2016	A	0.005%
	Leeds Building Society	3,000,000	0.53%	01/03/2016	02/06/2016	A-	0.006%
	Nationwide Building Society	6,100,000	0.50%	03/03/2016	03/06/2016	A	0.006%
	Nationwide Building Society	5,800,000	0.51%	04/03/2016	06/06/2016	A	0.006%
	Nationwide Building Society	7,900,000	0.51%	04/03/2016	07/06/2016	A	0.006%
	Svenska Handelsbanken AB	5,000,000	0.53%	15/03/2016	15/06/2016	AA-	0.001%
	Lloyds Bank Plc	2,000,000	0.57%	17/03/2016	17/06/2016	A	0.008%
	Leeds Building Society	5,000,000	0.53%	17/03/2016	20/06/2016	A-	0.009%
	Australia and New Zealand Banking Group Ltd	5,000,000	0.52%	22/03/2016	22/06/2016	AA-	0.001%
	Nationwide Building Society	5,100,000	0.50%	24/03/2016	24/06/2016	A	0.009%
	Leeds Building Society	8,000,000	0.54%	21/03/2016	27/06/2016	A-	0.010%
	Nationwide Building Society	2,600,000	0.50%	24/03/2016	27/06/2016	A	0.010%
	Barclays Bank Plc	25,000,000	0.69%	20/01/2016	30/06/2016	A-	0.010%
	Nationwide Building Society	7,700,000	0.50%	01/04/2016	01/07/2016	A	0.011%
	Australia and New Zealand Banking Group Ltd	13,000,000	0.52%	04/04/2016	04/07/2016	AA-	0.001%
	Svenska Handelsbanken AB	18,600,000	0.54%	11/04/2016	11/07/2016	AA-	0.001%
	Nationwide Building Society	2,100,000	0.50%	13/04/2016	13/07/2016	A	0.013%
	Nationwide Building Society	12,100,000	0.53%	07/04/2016	19/07/2016	A	0.014%

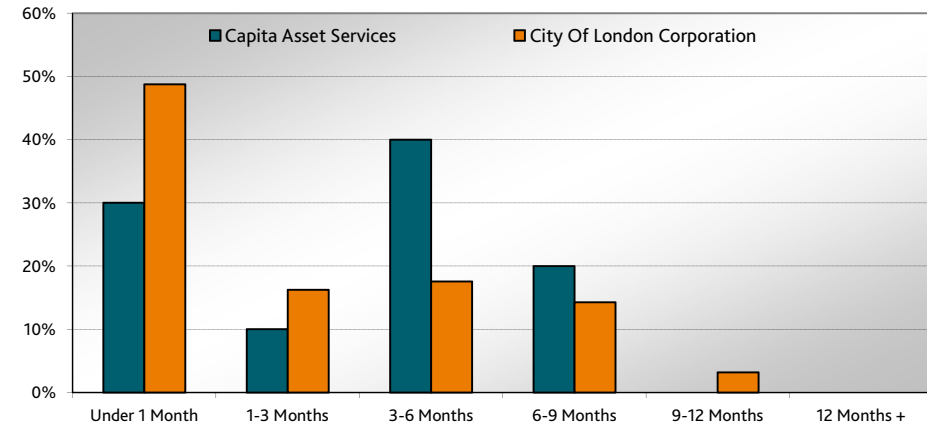
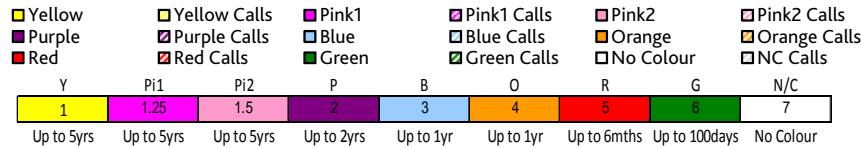
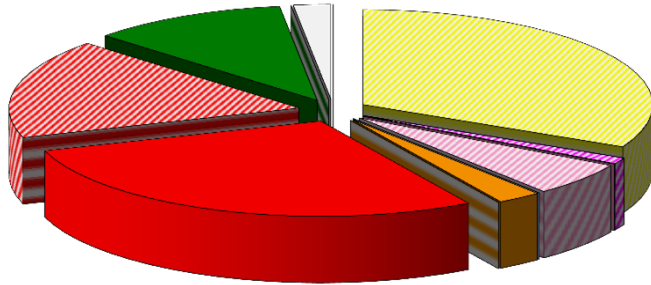
City Of London Corporation

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest Long Term Rating	Historic Risk of Default
Nationwide Building Society	9,500,000	0.53%	08/04/2016	19/07/2016	A	0.014%
Nationwide Building Society	2,400,000	0.50%	25/04/2016	29/07/2016	A	0.015%
Nationwide Building Society	3,100,000	0.50%	29/04/2016	29/07/2016	A	0.015%
Lloyds Bank Plc	19,700,000	0.75%	02/02/2016	02/08/2016	A	0.016%
Santander UK Plc	100,000,000	0.90%		Call95	A	0.016%
Coventry Building Society	5,300,000	0.50%	18/04/2016	15/08/2016	A	0.018%
Lloyds Bank Plc	6,700,000	0.75%	07/03/2016	07/09/2016	A	0.022%
Nationwide Building Society	8,700,000	0.72%	16/03/2016	16/09/2016	A	0.024%
Nationwide Building Society	3,000,000	0.71%	18/03/2016	19/09/2016	A	0.024%
National Australia Bank Ltd	14,100,000	0.60%	01/04/2016	03/10/2016	AA-	0.003%
Coventry Building Society	6,800,000	0.61%	01/04/2016	04/10/2016	A	0.027%
Coventry Building Society	5,300,000	0.61%	05/04/2016	05/10/2016	A	0.027%
Barclays Bank Plc	39,000,000	1.00%	27/11/2015	28/11/2016	A-	0.036%
Barclays Bank Plc	36,000,000	1.03%	21/12/2015	21/12/2016	A-	0.040%
Lloyds Bank Plc	27,800,000	1.05%	22/12/2015	22/12/2016	A	0.040%
Lloyds Bank Plc	10,000,000	0.90%	01/04/2016	02/01/2017	A	0.042%
Nationwide Building Society	25,000,000	0.88%	06/04/2016	06/01/2017	A	0.043%
Lloyds Bank Plc	10,600,000	1.50%	01/02/2016	01/02/2017	A	0.047%
Skipton Building Society	20,000,000	1.05%	22/04/2016	24/04/2017	BBB	0.148%
Total Investments	£965,400,000	0.67%				0.013%

City Of London Corporation

Portfolio Composition by Capita Asset Services' Suggested Lending Criteria



Portfolios weighted average risk number =

3.59

WARoR = Weighted Average Rate of Return

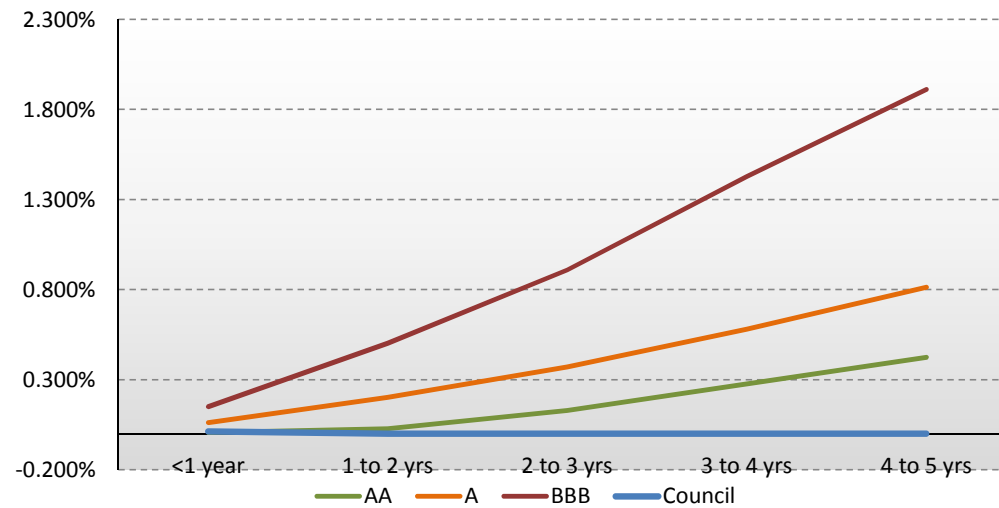
WAM = Weighted Average Time to Maturity

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	Excluding Calls/MMFs/EMMFs	
									WAM	WAM at Execution
Yellow	32.34%	£312,200,000	100.00%	£312,200,000	32.34%	0.52%	0	0	0	0
Pink1	1.04%	£10,000,000	100.00%	£10,000,000	1.04%	0.72%	0	0	0	0
Pink2	5.70%	£55,000,000	100.00%	£55,000,000	5.70%	0.73%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	2.44%	£23,600,000	0.00%	£0	0.00%	0.54%	66	91	66	91
Red	45.44%	£438,700,000	37.41%	£164,100,000	17.00%	0.71%	99	132	123	177
Green	10.97%	£105,900,000	0.00%	£0	0.00%	0.91%	173	303	173	303
No Colour	2.07%	£20,000,000	0.00%	£0	0.00%	1.05%	359	367	359	367
Total	100.00%	£965,400,000	56.07%	£541,300,000	56.07%	0.67%	73	103	133	213

City Of London Corporation

Investment Risk and Rating Exposure

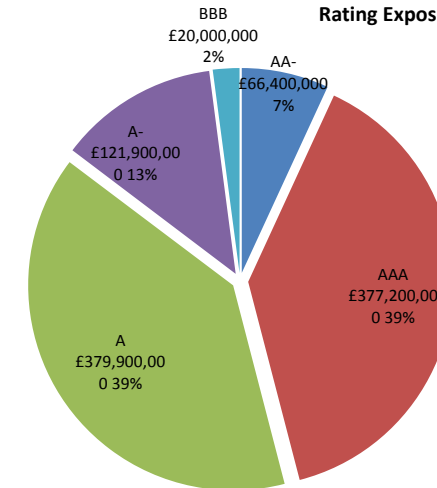
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.007%	0.029%	0.130%	0.278%	0.425%
A	0.062%	0.202%	0.370%	0.581%	0.813%
BBB	0.150%	0.502%	0.910%	1.428%	1.912%
Council	0.013%	0.000%	0.000%	0.000%	0.000%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

City Of London Corporation

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
15/04/2016	1436	KBC Bank NV	Belgium	Long Term Rating affirmed at 'A-', Outlook changed to 'Positive' from 'Stable'. Short Term Rating affirmed at 'F1'. Viability Rating affirmed at 'a-'. Support Rating affirmed at '5'.
15/04/2016	1437	ABN AMRO Bank N.V.	Netherlands	Long Term Rating upgraded to 'A+' from 'A', with a 'Stable' Outlook. Short Term Rating affirmed at 'F1'. Viability Rating affirmed at 'a'. Support Rating affirmed at '5'.
15/04/2016	1437	ING Bank NV	Netherlands	Long Term Rating upgraded to 'A+' from 'A', with a 'Stable' Outlook. Short Term Rating affirmed at 'F1'. Viability Rating affirmed at 'a'. Support Rating affirmed at '5'.

City Of London Corporation

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
14/04/2016	1435	Abbey National Treasury Services plc	UK	Long Term Rating upgraded to 'Aa3' from 'A1' with a 'Stable Outlook'. The Short Term Rating was affirmed at 'P-1'.
14/04/2016	1435	Santander UK plc	UK	Long Term Rating upgraded to 'Aa3' from 'A1' with a 'Stable Outlook'. The Short Term Rating was affirmed at 'P-1'.

City Of London Corporation

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
No Changes		No Changes	No Changes	No Changes

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