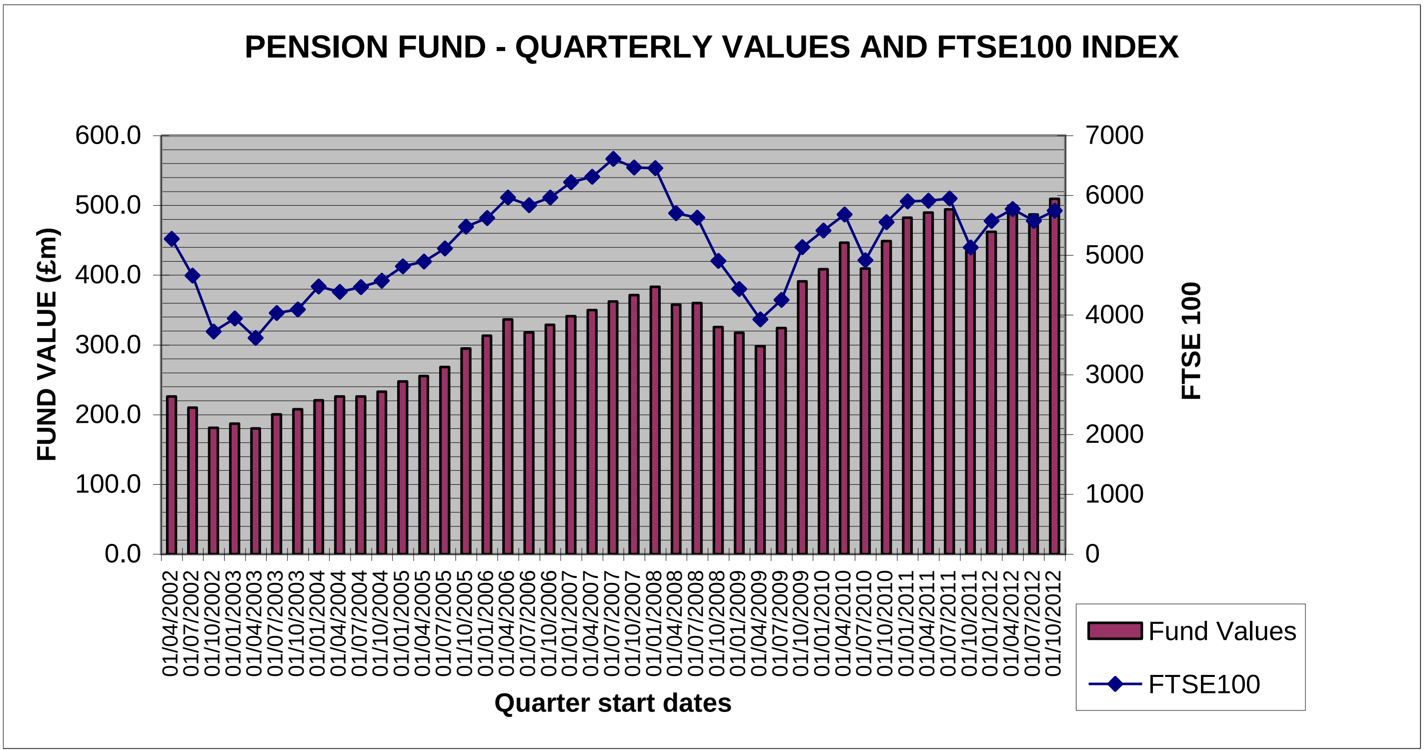
Appendix 1

MOVEMENTS IN MARKET VALUE & FTSE100 INDEX

Market Value as at	Fidelity	Baillie Gifford	CAAM	Total	Revenue Surplus Distributed to Managers*	FTSE 100 Index
	£m	£m	£m	£m	£m	
31st March 2002	112.9	113.3	-	226.2	0.5	5272
31st March 2003	90.1	90.2	-	180.3	-	3613
31st March 2004	112.9	113.1	-	226.0	3.0	4386
31st March 2005	126.6	128.5	-	255.1	5.0	4894
31st March 2006	164.1	172.2	-	336.3	9.1	5965
31st March 2007	150.1	156.0	43.5	349.6	4.5	6308
31st March 2008	151.3	162.0	44.0	357.3	2.0	5702
31st March 2009	143.5	154.6	-	298.1	4.0	3926
31st March 2010	210.9	235.5	-	446.4	3.0	5680
31st March 2011	227.0	262.7	-	489.7	3.0	5909
31st March 2012	229.6	269.9	-	499.5	-	5768
30th June 2012	223.8	262.8	-	486.6	-	5571
30th September 2012	235.3	273.9	-	509.2	-	5742
1st November 2012	236.7	275.5	-	512.2	-	5862

* Distribution of cumulative surplus during the year.



Appendix 2

FUND MANAGER PORTFOLIO RETURNS AND HOLDINGS

BAILLIE GIFFORD - Portfolio returns and holdings								
	Quarter End 30/09/12				Quarter End 30/06/12			
	Weighting		Returns		Weighting		Returns	
	BM	Actual	BM	Actual	BM	Actual	BM	Actual
	%	%	%	%	%	%	%	%
UK Equities	25.0	18.1	4.7	6.4	25.0	18.2	-2.6	-2.5
Overseas Equities								
- USA	18.0	19.5	3.5	1.7	18.0	20.1	-1.4	1.3
- Europe	18.0	19.2	6.6	6.0	18.0	18.4	-6.9	-5.5
- Far East	9.5	9.1	2.1	2.0	9.5	9.6	-4.9	-2.4
- Other Int'l	9.5	15.5	4.6	5.8	9.5	15.2	-7.3	-10.0
UK Bonds	18.0	14.2	3.4	3.6	18.0	16.5	2.9	3.4
Cash	2.0	4.4	0.2	0.2	2.0	2.0	0.2	0.0
TOTAL	100.0	100.0	4.2	4.3	100.0	100.0	-2.8	-2.7

FIDELITY - Portfolio returns and holdings								
	Quarter End 30/09/12				Quarter End 30/06/12			
	Weighting		Returns		Weighting		Returns	
	BM	Actual	BM	Actual	BM	Actual	BM	Actual
	%	%	%	%	%	%	%	%
UK Equities	35.0	34.5	4.7	5.3	35.0	34.7	-2.6	-3.4
Overseas Equities								
- USA	12.5	14.3	3.1	4.0	12.5	13.8	-1.1	-3.6
- Europe	12.5	12.3	6.6	8.1	12.5	10.9	-7.0	-4.6
- Japan	5.0	4.2	-3.6	-2.2	5.0	4.3	-5.2	-3.2
- SE Asia	5.0	4.1	6.3	7.2	5.0	4.7	-4.4	-6.5
- Global	10.0	10.1	3.8	4.7	10.0	9.8	-3.1	-2.8
UK Bonds	20.0	20.4	3.4	4.0	20.0	21.6	3.0	3.3
Cash	0.0	0.1	0.1	0.0	0.0	0.2	0.1	0.6
TOTAL	100.0	100.0	4.1	4.9	100.0	100.0	-2.2	-2.4

WHOLE FUND - Portfolio returns and holdings								
	Quarter End 30/09/12				Quarter End 30/06/12			
	Weighting		Returns		Weighting		Returns	
	BM	Actual	BM	Actual	BM	Actual	BM	Actual
	%	%	%	%	%	%	%	%
UK Equities	n/a	25.7	4.7	5.7	n/a	25.8	-2.6	-3.1
Overseas Equities								
- USA	n/a	17.1	3.3	2.5	n/a	17.3	-1.2	-0.5
- Europe	n/a	16.0	6.6	6.7	n/a	14.9	-7.0	-5.2
- Far East	n/a	8.7	1.7	2.3	n/a	9.3	-5.0	-3.7
- Other Int'l	n/a	8.3	4.6	5.8	n/a	8.2	-7.3	-10.0
- Global	n/a	4.7	3.8	4.7	n/a	4.5	-3.1	-2.8
UK Bonds	n/a	17.1	3.4	3.8	n/a	18.8	3.0	3.4
Cash	n/a	2.4	0.2	0.2	n/a	1.2	0.2	0.1
TOTAL	n/a	100.0	4.1	4.5	n/a	100.0	-2.5	-2.6

Baillie Gifford Report for the quarter ended 30 September 2012
Investment Performance to 30 September 2012

	Fund (%)	Benchmark (%)	Difference (%)	Stock Selection	Asset Allocation
Five Years (p.a.)	5.8	3.7	2.1	2.0	0.0
Three Years (p.a.)	9.8	6.9	2.9	3.6	-0.9
One Year	17.6	14.8	2.8	3.1	-0.7
Quarter	4.3	4.2	0.1	0.1	-0.1

Investment environment

Global stock markets rallied strongly in the third quarter, recovering from the depths of despondency to which they had descended in early summer. Determined policy action to avert the unlikely-but-disastrous scenario of Eurozone breakup and another round of stimulus from the Federal Reserve were the immediate catalysts. In both cases, the central bankers sought to convince investors that tail risks will not be allowed to come to pass, and to create an atmosphere of confidence more conducive to economic growth.

Mario Draghi's promise that the European Central Bank (ECB) stands ready to do whatever is necessary to preserve the integrity of the Eurozone provided a particularly powerful stimulus. Tackling the dominant market narrative of Europe's flawed institutional structures and endless but ineffective summits, the ECB President set out the case that he has the tools needed to break the vicious circle of sovereign risk, banking crisis and economic downturn, and the political support to use them.

The US equity market has been the outstanding performer over the past 12 months, helped by the success of its largest constituent, Apple. Share prices have risen despite the stop-start nature of the American economic recovery and the looming political events in November and December and fiscal challenges thereafter. One encouraging sign is that the housing market, which did so much to precipitate the financial crisis and upon which so much other economic activity depends, is mounting a steady comeback.

Whilst investors have been encouraged by developments in Europe and the US, concerns about the deceleration of economic activity in China have resurfaced in recent months. In part this can be attributed to the weakness in global trade emanating from Europe, and in part it reflects the ongoing efforts being made by the Chinese authorities to calm the luxury property market.

Outlook

The resurgence of markets over the past quarter, assisted by the concerted efforts of central bankers in the US, Europe and also Japan to keep them afloat on a wave of money was, to paraphrase Kipling, no more a triumph than the previous quarter's weakness and despair was a disaster. The moves are helpful, but in a 'buying more time' sort of way rather than anything more seismic. Similarly, we must acknowledge that hopeful signs from areas such as the US housing market, crucial though that may be for consumer confidence, and so in turn for investment in the US, do not herald an immediate return to the sunlit uplands for equities, any more than the knock-on effects of European economic challenges on Chinese exports indicate a permanent deterioration in China's long term prospects.

Our own view is that whilst we may have moved a little further up the path towards recovery, the essential tension in equity markets between excellent growth opportunities and grounds for optimism over the long term, and ongoing challenges relating to the overhang of debt and lacklustre economic growth in certain parts of the world in the short to medium term, remains. The very parlance of the market, which is said to be climbing a wall of worry and facing a fiscal cliff in the US, tells its own story. In this environment, continued volatility and marked 'news-driven' swings in market sentiment, now characterised as 'risk on' and 'risk off', are likely.

That having been said, for multi asset clients such as Bromley we are also able to reflect our views on the relative attractions of various asset classes in the positioning of portfolios, and here too one can make predictions and assertions with the highest degree of confidence as long as one is able to take a long-term view. It is perhaps easiest to start with what is least attractive: Government bonds, whether or not they are index linked, that offer only the prospect of negative real returns. While corporate bonds have some merit and a higher yield, we are still more attracted to equities. Which are attractively valued relative to cash flows and dividends and also rich in stocks which make opportunities within the asset class as attractive as the asset class itself.

Performance and portfolio activity

Nothing in the past quarter has dramatically changed our view of the world or the shape of the investment opportunities within it, and turnover therefore remains low. We have already alluded to the strong performance of certain 'defensive growth' stocks, and some of the sales, such as the reduction to the oil and gas company EOG Resources after a period of outperformance, follow on from the market catching up with our views. Other changes have been driven by either a lessening in conviction on the one hand, or the identification of new stock specific opportunities on the other. Examples would include GlaxoSmithKline, which has also performed well but its product pipeline is lacklustre, and Lonmin, where its local problems in South Africa trump the structural demand for platinum. Purchases include Mesoblast, a biotech company which has the potential to transform treatment in a number of areas relating to heart failure and other diseases. Less glamorously perhaps, but equally enticing in terms of probable returns, Swedish rubber compounder Hexpol has a strong position in a market which is growing as the makers of end products increasingly outsource the compounding process.

Equity analysis and investment are by their nature uncertain, especially over the short term, although positive returns over the past year have been helped by generally good operational performance and a returning appetite for risk. More significantly, strong relative performance over the long term has been driven by stock selection. Not every investment is successful, but over time an ability both to identify companies with potential long-term competitive advantages and to move on when events have not turned out as hoped have played their part. Opportunities, whether based on the Asian consumer, technological innovation or even market short termism, abound.

2012 Q2 – Fidelity Market Commentary

Investment Performance to 30 September 2012

	Fund	Benchmark
5 years (%pa)	5.6	3.5
3 years (%pa)	7.7	7.5
1 year (%)	17.4	15.3
Quarter (%)	4.9	4.1

The fund out-performed over the quarter returning +4.9% relative to the composite benchmark return of +4.1%. Stock markets rose over the quarter as statements from monetary authorities raised expectations of coordinated action to boost liquidity. Early in September, the European Central Bank announced a new bond purchase programme aimed at suppressing Italy and Spain's short-term borrowing costs. Subsequently, the Federal Reserve initiated a third round of quantitative easing (QE3), whilst the Bank of Japan expanded and extended its asset purchase programme. However, as concerns over the eurozone debt crisis and slowing growth resurfaced, stocks came under pressure and lost some ground. This was exacerbated by the geopolitical tensions between Japan and China. Pacific ex Japan equities advanced the most, followed by Europe ex UK, emerging markets, the UK and the US, whilst Japanese equities declined.

Against this background your UK equity portfolio outperformed the index over the quarter. Markets reacted positively to the increased commitment by authorities to address the problems in the eurozone. With stock markets in "risk-on" mode, there was a rotation out of defensive sectors into those areas of the market with more growth potential. In this environment, strong stock selection in sectors such as banks and support services drove returns.

Outside of the UK, European policymakers took meaningful steps to lower borrowing costs for indebted nations and the US launched another round of quantitative easing in light of souring economic fundamentals. These developments, combined with further asset buying in Japan and a rate cut in China, removed some of the more immediate risks to global growth. The resultant largely pro-cyclical rally boosted selected technology, industrials, energy and materials holdings.

Your Bond portfolio outperformed the index over the quarter as a series of market friendly outcomes boosted investor sentiment. Markets were buoyed by European Central Bank President Mario Draghi's pledge to do "whatever it takes to preserve the euro" as well as the announcement of a new 'Outright Monetary Transactions' (OMT) programme. Furthermore, the US Federal Reserve initiated another widely anticipated round of quantitative easing. Led by financials, credit spreads tightened. Against this backdrop, the overweight position in credit added value.

Market risk remains high as the progress on reducing gross debt levels across the global economy has been slow. As a result, we expect capital markets to remain highly volatile. This environment typically warrants low Gilt yields. Despite a small rise in light of recent political developments, we do not expect a sustainable increase in yields in the near term. In fixed income markets, investment grade corporate bonds offer the best return potential as corporate fundamentals remain in good shape.

Appendix 5

EARLY RETIREMENTS

A summary of early retirements by employees in Bromley's Pension Fund in the current year and in previous years is shown in the table below. With regard to retirements on ill-health grounds, this allows a comparison to be made between their actual cost and the cost assumed by the actuary in the triennial valuation. If the actual cost of ill-health retirements significantly exceeds the assumed cost, the actuary will be required to consider whether the employer's contribution rate should be reviewed in advance of the next full valuation. In the three year period 2007-2010, the long-term cost of early retirements on ill-health grounds was well below the actuary's assumption in the 2007 valuation of £800k p.a. In the latest valuation of the fund (as at 31st March 2010), the actuary assumed a figure of £82k in 2010/11, rising with inflation in the following two years. In 2011/12, there were six ill-health retirements with a long-term cost of £500k and, in the first half of 2012/13, there were two ill-health retirements with a long-term cost of £235k. Provision was made in the Council's budget for these costs and contributions have been and will be made to reimburse the Pension Fund, as result of which the level of costs will have no impact on the employer contribution rate.

The actuary does not make any allowance for other early retirements, however, because it is the Council's policy to fund these in full by additional voluntary contributions. In 2011/12, there were 58 other (non ill-health) retirements with a total long-term cost of £1,194k and, in the first half of 2012/13, there were 29 with a total long-term cost of £472k. Provision has been made in the Council's budget for severance costs arising from LBB staff redundancies and contributions were made in 2011/12 (and will be made in 2012/13) to the Pension Fund to offset these costs. The costs of non-LBB early retirements have been recovered from the relevant employers.

Long-term cost of early retirements	**Ill-Health**		**Other**	
	No	£000	No	£000
Qtr 2 – Sept 12 - LBB	1	30	12	196
- Other	-	-	8	120
- Total	1	30	20	316
Total to date – LBB	2	235	21	352
- Other	-	-	8	120
- Total	2	235	29	472
Actuary's assumption - 2010 to 2013		82 p.a.		N/a
- 2007 to 2010		800 p.a.		N/a
Previous years – 2011/12	6	500	58	1,194
- 2010/11	1	94	23	386
- 2009/10	5	45	21	1,033
- 2008/09	6	385	4	256
- 2007/08	11	465	11	260

PENSION FUND REVENUE ACCOUNT AND MEMBERSHIP

	Final Outturn 2011/12 £'000's	Estimate 2012/13 £'000's	Actual to 30/09/12 £'000's
INCOME			
Employee Contributions	5,766	5,800	2,700
Employer Contributions	22,291	22,500	10,500
Transfer Values Receivable	4,261	4,000	500
Investment Income	8,489	9,000	5,800
Total Income	40,807	41,300	19,500
EXPENDITURE			
Pensions	20,465	22,000	11,000
Lump Sums	6,500	6,400	3,200
Transfer Values Paid	1,820	4,000	1,500
Administration	1,819	1,900	800
Refund of Contributions	11	-	-
Total Expenditure	30,615	34,300	16,500
Surplus/Deficit (-)	10,192	7,000	3,000

MEMBERSHIP	**31/03/2012**	**30/09/2012**
Employees	5,040	4,977
Pensioners	4,628	4,703
Deferred Pensioners	4,165	4,336
	13,833	14,016