

Pension

AUTUMN 2018 • PENSIONER LINCOLNSHIRE MEMBER NEWSLETTER



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London Borough of Hounslow Pension Fund joins WYPF

We're very pleased to welcome members of the London Borough of Hounslow Pension Fund, which has joined our shared-service arrangement from 1 August 2018. We look forward to offering Hounslow's members the high-quality service already enjoyed by members in West Yorkshire and Lincolnshire.



London Borough of Hounslow

National Fraud Initiative

We have taken part in the Cabinet Office's National Fraud Initiative (NFI) for many years. It's a data matching exercise that helps prevent and detect fraud. Taking part means we regularly provide sets of data to the Minister for the Cabinet Office. See <https://www.gov.uk/government/collections/national-fraud-initiative> for more.

The NFI compares information held by and between around 1,300 organisations like councils, police, hospitals and private sector companies. This helps to identify fraud, errors and overpayments. Under the Fair Processing and the Data Protection Act we have to tell you that your data will be processed in this way.

Data protection

You can read about how our policy on data protection covers the proper management of personal data privacy at www.wypf.org.uk/data

LPF Local Pension Board

Local Pension Boards were introduced in April 2015, under the Public Service Pensions Act 2013. Their role is to assist the administering authority (Lincolnshire County Council) in the administration and governance of the fund, and to ensure compliance with the relevant regulations.

The board consists of an independent Chairman, two scheme member representatives and two scheme employer representatives. They provide an oversight function to the fund and work closely with the pensions team at Lincolnshire and the administrators at WYPF.

Much of the work that the board does is to ensure that processes are in place so that scheme members, whether they are contributing, deferred or pensioners, receive a high-quality and timely service. They also make

sure that employers in the fund are providing accurate information, in line with the regulations, so that WYPF can respond promptly to any scheme member events, such as retirements.

Should the board have any concerns about how the fund is being managed or where employers are not meeting their responsibilities, and are not content with any suggested changes or improvement plans in place, they have a duty to report these matters to the Pensions Regulator.

A full report of the work done by the board over the last year is included in the fund's *Annual Report and Accounts*, which can be found at **www.wypf.org.uk**

Information on board membership and meetings can be found on the council's website at **<http://lincolnshire.moderngov.co.uk/>**

Moving house?

If you move house, we need to know your new address to keep your records up to date and make sure personal or sensitive information doesn't go to your old address, putting you at risk of identity fraud. So when you move, please let us know about it as soon as you can.



Fund report 2018

Introduction by Jo Ray, Pension Fund Manager, LPF

At the end of 2017/18, the value of the fund was £2.189 billion – an increase of £74 million from the previous year.

Our Pensions Committee meets quarterly and reviews the asset allocations and the strategic benchmark, based on expected investment returns. It also monitors administration performance and provides governance across all aspects of the Pension Fund. It is now three years since the creation of the Lincolnshire Pension Board, which assists the committee and oversees the governance and administration of the fund. An annual report on the work of the board is included within the full annual report. Our shared-service pensions administration partnership

with West Yorkshire Pension Fund continues to develop, improving service for members, while also improving resilience and bringing efficiency savings to the Lincolnshire Fund.

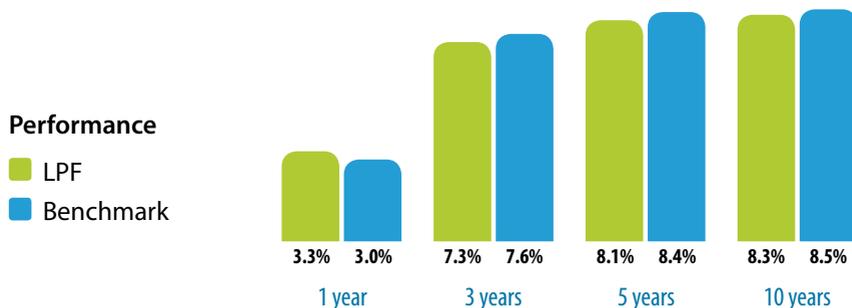
The government's requirement for funds to pool assets has continued to keep us very busy, working with 11 other funds to form the Border to Coast Pensions Partnership. The project is still on track to begin transitioning assets into the new company in July 2018. Assets from the Lincolnshire fund are not expected to begin moving across to Border to Coast until next year.

This summary gives a flavour of our full Annual Report and Accounts, published on our shared website at www.wyppf.org.uk

Performance

Our investment return was 3.3% in 2017/18, 0.3% above the return for the Fund's strategic benchmark of 3.0%.

Actual investment performance against the Fund's strategic benchmark performance is set out in the table below. Across all periods the returns are positive, and the longer-term return, whilst slightly behind the benchmark, is ahead of the long-term required return set by the fund's actuary of 4.0% (as per the March 2016 triennial valuation).



Fund account

Opening assets of the fund at 1 April 2017	£2,115.4m
Investment return and income	
Return on investments	£55.0m
Investment income	£17.8m
Dealing with members	
Benefits paid	(£91.2m)
Contributions (including transfer in £7.1m)	£104.4m
Management expenses (including administration, manager fees and governance)	(£12.0m)
Closing net assets of the fund at 31 March 2018	£2,189.4m
Closing net assets made up of	
• Market value of fund investment portfolio	£2,167.9m
• Net current assets (debtors, overdraft and creditors)	£21.5m
Total (closing assets of the fund at 31 March 2018)	£2,189.4m

Ten biggest equity holdings at 31 March 2018

	Company	Market value	Percentage of total fund
1	Royal Dutch Shell	33.3	1.5
2	British American Tobacco	31.9	1.5
3	Microsoft	24.7	1.1
4	HSBC	23.6	1.1
5	Reckitt Benckiser	22.5	1.0
6	Unilever	22.5	1.0
7	BP	16.3	0.8
8	JP Morgan	16.1	0.7
9	Apple	15.6	0.7
10	Visa	15.0	0.7
Total		221.5	10.1

LPF investment management arrangements

The arrangements for segregated management of the fund's assets, in place at 31 March 2018, are set out below. Portfolio values include cash at the balance sheet date.

Segregated investment management mandates

Asset class	Manager	Market value £m	% of the fund
Global equities – (Ex UK)	Invesco	502.3	22.9
Global equities	Schroders	123.9	5.7
Global equities	Columbia Threadneedle	132.6	6.1
	Total segregated equities	758.8	34.7

Pooled funds – the fund also invests in a number of asset classes by means of collective investment vehicles, also known as pooled funds.

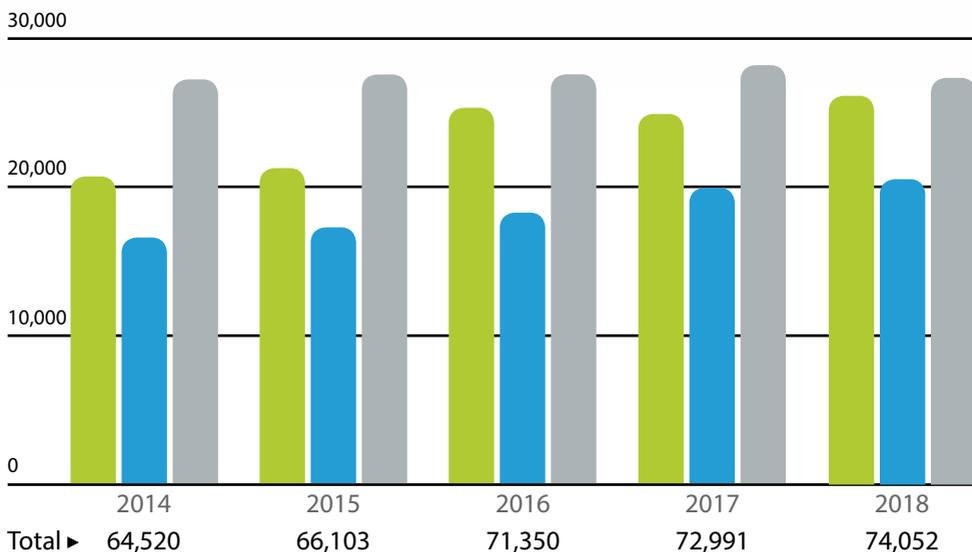
Asset class	Manager	Market value £m	% of the fund
Property and infrastructure	Franklin Templeton	3.9	0.2
	Igloo	2.5	0.1
	Aviva	46.6	2.1
	Royal London	23.5	1.1
	Rreef	0.5	0.0
	Blackrock	41.4	1.9
	Standard Life	76.0	3.5
	Total UK property	194.4	8.9
Infrastructure	Innisfree	32.5	1.5
	Infracapital	1.5	0.1
	Pantheon	1.5	0.1
	Total UK Property	35.5	1.7
Alternatives	Morgan Stanley	268.2	12.2
UK Equities	Legal and General	264.1	12.1
Global Equities	Morgan Stanley	178.7	8.2
Fixed Interest	Blackrock	403.8	18.4
	Total Pooled Vehicles	1,374.0	62.9

Local Government Pension Scheme membership

There were 74,052 members and beneficiaries from 219 employers at 31 March 2018. The fund is reasonably mature, with deferred members (those that are no longer in the scheme but will be entitled to a pension at some point in the future) making up 37% of the overall membership and pensioner members 28%.



■ Contributors
 ■ Pensioners
 ■ Deferred beneficiaries



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We welcome visitors at

County Offices • Newland • Lincoln • LN1 1YL

We are open weekdays 8.00am to 5.15pm (4.45pm on Fridays)

Ask for the pensions team at reception.

New bank account?

If you change the account we pay your pension into, please tell us at least three weeks before payday to avoid delays to your pension.

Which tax office deals with my pension?

Please contact HMRC if you have a query about tax on your pension. Phone 0300 200 3300 and quote your National Insurance number and tax office reference 072/W6. Their address is

Pay As You Earn
HM Revenue and Customs
BX9 1AS

Published autumn 2018 by West Yorkshire Pension Fund
The information in this newsletter relates to LPF pensioner members only and can't be treated as a statement of the law.
Available in large type, Braille or in audio format on request.