

The newsletter for members of



West Yorkshire Pension Fund

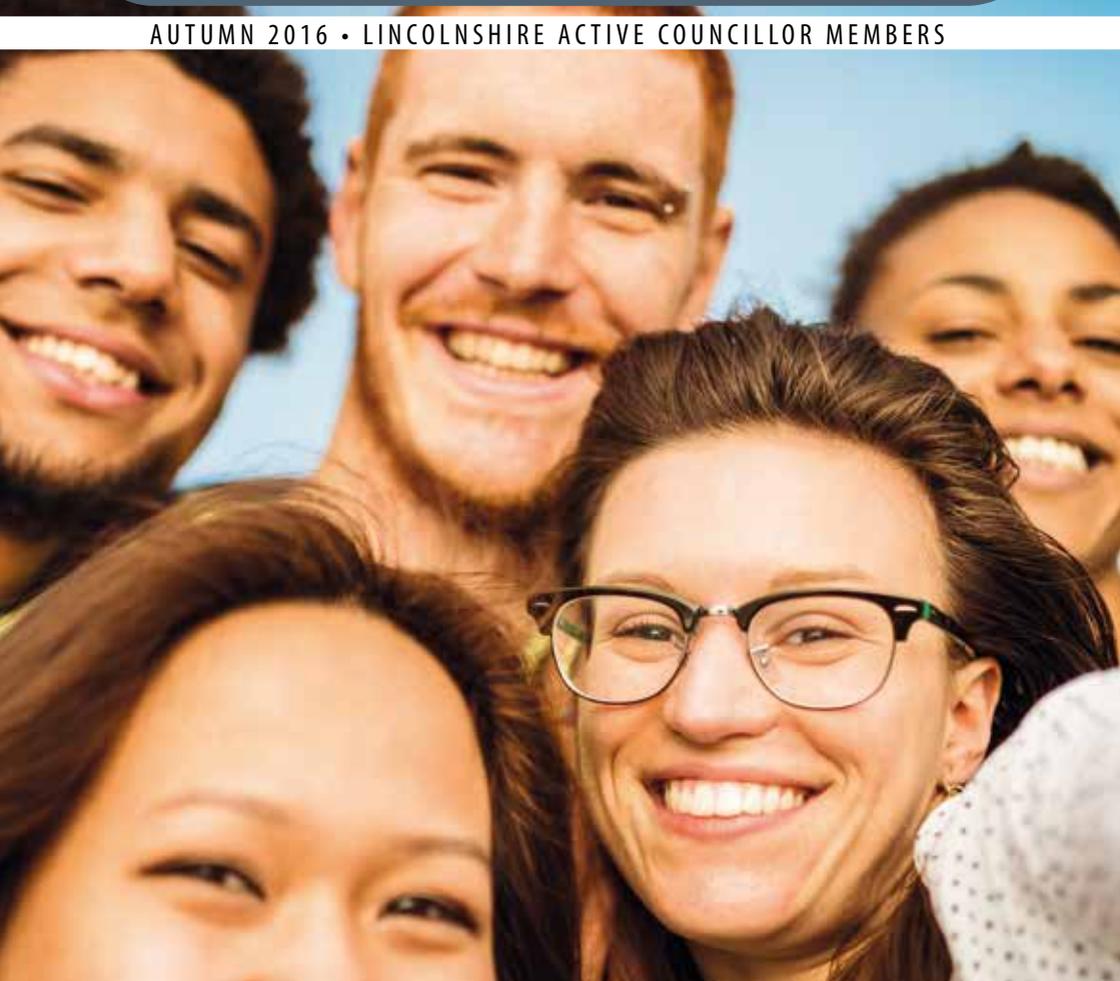
Lincolnshire
Pension Fund



Pension

NEWSLETTER

AUTUMN 2016 • LINCOLNSHIRE ACTIVE COUNCILLOR MEMBERS



Book
now!

**Annual
meeting**

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**2016
fund report**

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Corporate member of
Plain English Campaign
Committed to clearer
communication

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Book now for our first ever



We invite you to attend our first ever annual meeting for members in Lincoln on 23 November 2016. The Chairs of the Pensions Committee and the Pension Board and the Pension Fund Manager will present at the meeting, and we'll have a guest speaker with a topic that's of general interest to our members.

Jo Ray will chair the meeting. After the presentations our panel will answer your questions.

Book now!



When and where

The meeting is on Wednesday 23 November 2016 starting at 10.15am.

It's at **The Alive Conference Centre**, Newland, Lincoln.

Visit www.aliveconferences.org.uk for more information about the venue.

How to book

Book online at www.wypf.org.uk/lincsmeeing

Or phone 01274 434999.

We'll send you more information about the meeting once you've booked. Places are limited and it's first-come, first-served so please book early.

If you book by phone, please have your member number or your National Insurance number handy so we can help you quickly.

Have you nominated somebody to get your death grant yet?

Nobody wants to think about dying, but isn't it reassuring to know, just in case, that you're in a pension scheme with great death benefits?

On top of a pension for your husband, wife, civil partner, and possibly your children if you die while still an active member of the scheme, there's also a one-off tax-free **death grant** that's around twice your pensionable allowance.

Who gets this? You decide.

If you do this it usually means any payouts are free from inheritance tax.

If you want to make sure everyone gets the right share of your death grant and still haven't told us who you would like it to go to, download a form now from www.wypf.org.uk/deathgrant



Pension scams

Don't be a victim!

A joint pensions industry and government operation is working to stamp out pension scams, also known as **pension liberation fraud**.

Pension scammers use incentives to entice members to transfer their pension savings. For most people the offers will be bogus.

They claim they can help members access their pension before the legal minimum age of 55. But it's normally only in rare circumstances, such as ill health, that you can take retirement benefits before age 55.

If you are taken in by a pension scam and agree to transfer, you will probably lose most, if not all, of your pension savings. You could also receive tax charges of over half the value of your pension.

Transfer time limit warning

If you do decide to transfer your pension after taking appropriate advice, you must leave the scheme and choose to transfer your pension at least one year before your Normal Pension age. You can read more about all the issues on our website and at the official scams site –

www.pension-scams.com

Got your pension statement?

Most of you should by now have received your 2016 pension statement from us. If not, please tell us so we can make sure you get yours.

We're anti fraud

We've been taking part in the National Fraud Initiative (NFI) for many years to help protect the money members pay into the pension fund.

The NFI has helped trace going on for £1.2 billion in fraud, error and overpayment in the UK since its launch in 1996.

The NFI matches electronic data within and between public and private sector bodies to prevent and detect fraud. Under the Fair Processing and the Data Protection Act we have to tell you that your data will be processed in this way.

Moving house?

Don't forget to tell us!
Phone 01274 434999 or
Email pensions@wypf.org.uk

Lincolnshire fund report 2016

Introduction by Jo Ray – Pension Fund Manager, LPF

At the end of 2015/16 our net asset value was £1.759 billion – an increase of £2.8 million from the previous year-end.

Our Pensions Committee meets quarterly and reviews asset allocations and our strategic benchmark, based on expected investment returns. It also monitors administration performance, and provides governance across all aspects of the fund. The Lincolnshire Pension Board began to assist the committee and oversee fund governance and administration from 1 April 2015 when our shared-service partnership with West Yorkshire Pension Fund also began, following the end of the Mouchel contract. Despite some big

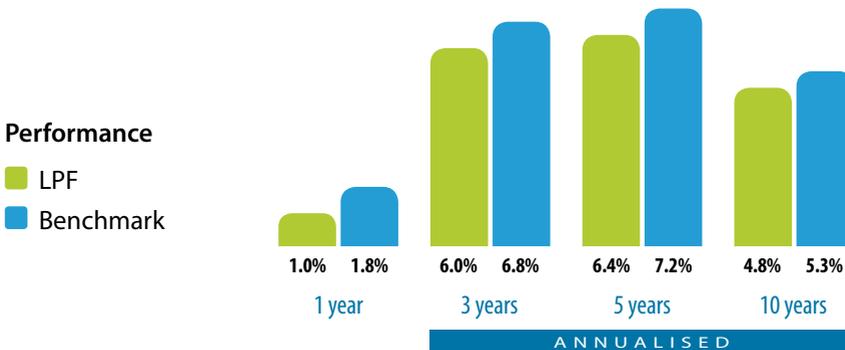
challenges over the year, we are starting to see the benefits we hoped for, namely improving the quality of service for members while also improving resilience and bringing efficiency savings to the Lincolnshire fund. The government's requirement for funds to pool assets has kept us very busy working with 12 other funds to form the **Border to Coast Pensions Partnership**. Much more work is required to meet the April 2018 deadline.

This summary gives a flavour of our draft **Report and Accounts**, which we will publish on lincolnshire.gov.uk and wypf.org.uk in October 2016.

Lincolnshire Pension Fund performance

Our investment return was 1.0% in 2015/16, 0.8% below the return for the fund's strategic benchmark of 1.8%. It was a mixed year for managers' performance, with returns ranging from -12% to +12%.

Actual investment performance against the fund's strategic benchmark performance is set out in the table below. Our annual return of 1.0% (as measured by the fund's performance measurement provider, J.P. Morgan) compares well to the average Local Authority return of 0.2%. The longer-term return, whilst behind the benchmark, is ahead of the long-term required return set by our actuary of 4.6%.



Fund account

Opening assets of the fund at 1 April 2015	£1,756.3m
Investment return and income	
Return on investments	-£23.1m
Investment income	£27.9m
Dealing with members	
Benefits paid	-£83.4m
Contributions (including transfer in £7.1m)	£92.4m
Management expenses (including administration, manager fees and governance)	-£11.0m
Closing net assets of the fund at 31 March 2016	£1,759.1m
Closing net assets made up of	
• Market value of fund investment portfolio	£1,744.2m
• Net current assets (debtors, overdraft and creditors)	£14.9m
Total (closing assets of the fund at 31 March 2016)	£1,759.1m

Ten biggest equity holdings at 31 March 2016

	Company	Market value	Percentage of total fund
1	Royal Dutch Shell	£25.1m	1.4%
2	British American Tobacco	£20.9m	1.2%
3	Reckitt Benckiser	£17.4m	1.0%
4	Microsoft	£17.2m	1.0%
5	Apple	£16.9m	1.0%
6	HSBC	£16.2m	0.9%
7	Unilever	£15.4m	0.9%
8	Alphabet	£14.0m	0.8%
9	GlaxoSmithKline	£12.6m	0.7%
10	Vodafone	£11.8m	0.7%
Total		£167.5m	9.6%

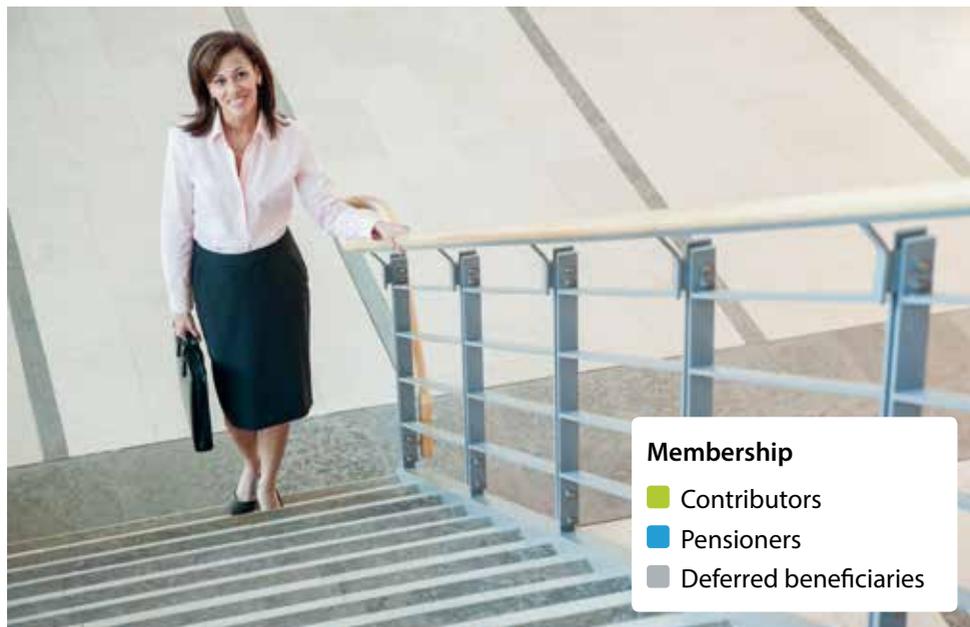
LPF investment management arrangements

The arrangements for segregated management of the fund's assets, in place at 31 March 2016, are set out below. Portfolio values include cash at the balance sheet date.

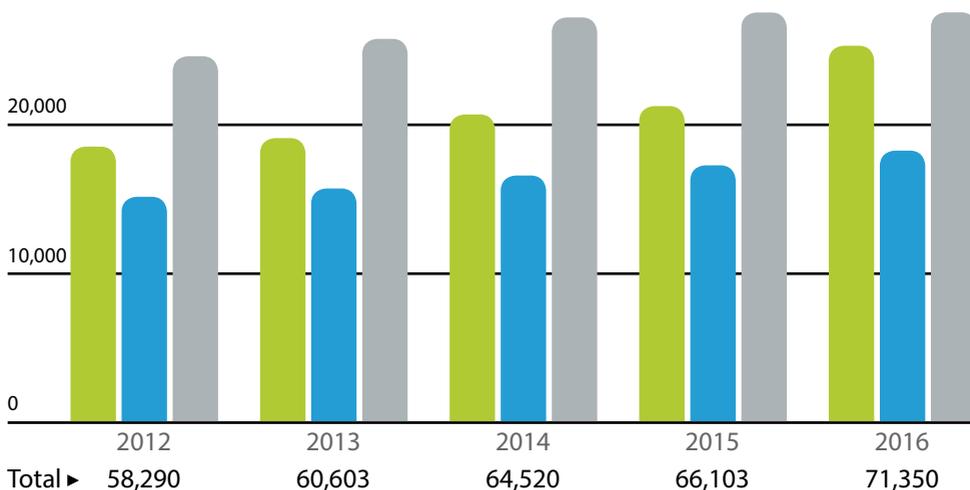
Segregated investment management mandates			
Asset class	Manager	Market value £m	% of the fund
UK equities	Lincolnshire County Council	332.9	18.9
Global equities – (Ex UK)	Invesco	365.3	20.8
Global equities – all countries	Neptune	81.7	4.6
Global equities – all countries	Schroders	88.5	5.0
Global equities – all countries	Threadneedle	94.7	5.4
	Total segregated equities	963.1	54.8
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	8.9	0.5
	Igloo	4.4	0.3
	Innisfree	27.4	1.6
	Aviva	41.8	2.4
	Royal London	21.2	1.2
	Rreef	3.2	0.2
	Blackrock	20.4	1.2
	Standard Life	72.1	4.1
	Total UK property	199.3	11.3
Private equity	Capital Dynamics	15.8	0.9
	Pantheon	27.2	1.5
	Standard Life	12.1	0.7
	EIG	1.2	0.1
	Total private equity	56.3	3.2
Alternatives	Morgan Stanley	183.4	10.4
	Total alternatives	183.4	10.4
Global equities	Morgan Stanley	99.0	5.6
	Total global equities	99.0	5.6
Fixed interest	Blackrock	119.6	6.8
	BMO	108.0	6.1
	Total fixed interest	227.6	13.0

Local Government Pension Scheme membership

There were 71,350 members and beneficiaries from 225 employers at 31 March 2016. The fund is reasonably mature, with deferred members (those no longer in the scheme but entitled to a pension at some point in the future) making up 39% of the overall membership, and pensioner members 26%.



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relates to active councillor members
only and can't be treated as a
statement of law.

Please contact us if you would like
this newsletter in large type, Braille,
on tape or in another language.

