

Susan Martin – Review of the Year

INTRODUCTION

THANK YOU SIR MERRICK AND GOOD MORNING EVERYONE.

AS YOU JUST HEARD, THERE'S A LOT HAPPENING AT LPFA. WE ANTICIPATED THIS IN OUR PRESENTATIONS AT THE LAST TWO FUND MEMBERS AND IT IS GOOD TODAY TO BE IN A POSITION TO SHARE WHAT WE HAVE DONE ON YOUR BEHALF.

I'D LIKE TO START BY SAYING THAT I'M DELIGHTED THAT WE CAN WELCOME SIR MERRICK HERE TODAY AS OUR NEW CHAIRMAN. SINCE JOINING US NEARLY FIVE YEARS AGO HE HAS BROUGHT VALUABLE ADVICE, WISE COUNSEL AND DEDICATED SERVICE, AND I'M CERTAIN HE WILL CHAIR THE BOARD WITH HIS CHARACTERISTIC HUMOUR AND GOOD NATURE.

I WOULD ALSO LIKE TO THANK EDI FOR HIS EFFORTS OVER THE PAST TWO AND HALF YEARS. WE ARE CERTAINLY IN A STRONGER PLACE.

STRATEGY

AS SIR MERRICK SAID, OUR PARTNERSHIP WITH LANCASHIRE IS MOVING AHEAD STRONGLY. TEAMS FROM FUNDS ARE WORKING CLOSELY TOGETHER, MEETING REGULARLY AND IN CONSTANT COMMUNICATION. ON A PERSONAL LEVEL IT GIVES ME GREAT SATISFACTION TO SEE THE COLLABORATION COMING TOGETHER SO WELL.

THE VERY NATURE OF THE NEW PARTNERSHIP APPROACH, SUCH AS WITH GREATER MANCHESTER ON INFRASTRUCTURE AND WITH LANCASHIRE ON POOLING OUR FUNDS, WILL GIVE MORE CERTAINTY TO MEMBERS AND EMPLOYERS AND PROVIDE A MORE EFFICIENT AND CHEAPER WAY OF INVESTING THE FUNDS HELD. WE WILL KEEP YOU UPDATED AS WE GO FORWARD.

FUND PERFORMANCE THIS YEAR

SO, HOW HAVE WE FAIRED FINANCIALLY THIS YEAR? I'M PLEASED TO TELL YOU THAT OUR FUND ON THE TRIENNIAL VALUATION BASIS, THAT IS THE BASIS THE ACTUARIES USE TO VALUE THE FUND AND PART OF OUR REGULATORY FRAMEWORK, HAS RISEN STEADILY THIS YEAR AND AS AT THE END OF JUNE STOOD AT AROUND NINETY-SEVEN PER CENT.

WE HAVE ALSO BEEN WORKING WITH OUR ACTUARIES, BARNETT WADDINGHAM, TO DEVELOP SOFTWARE FOR US SO THAT WE CAN REPORT ON OUR FUNDING LEVEL WHENEVER WE NEED TO, RATHER THAN WAITING EVERY THREE YEARS LIKE MANY OTHER FUNDS DO. THIS MEANS WE HAVE OUR FINGERS ON OUR PULSE. FOR AS YOU KNOW OUR FUNDING POSITION IS THE START POINT FOR ALL OUR PLANNING TO ENSURE THAT YOU RECEIVE YOUR BENEFITS WHEN THEY ARE DUE.

WHILST OUR ASSETS UNDER MANAGEMENT HAVE DECREASED SLIGHTLY BY TWO HUNDRED AND SEVENTY-THREE MILLION POUNDS FROM £4.9BN TO £4.6BN, THIS IS INFLUENCED SIGNIFICANTLY BY A ONE OFF, LARGE SCALE TRANSFER OUT OF THE SCHEME BY MINISTRY OF JUSTICE EMPLOYERS AS THE GOVERNMENT DEPARTMENT SOUGHT TO CONSOLIDATE SOME OF ITS SMALLER FUNDS IN TO ONE.

THIS ACCOUNTED FOR APPROXIMATELY FOUR HUNDRED AND THIRTY MILLION POUNDS LEAVING THE FUND. WHEN TAKING THIS EXCEPTIONAL ONE OFF INTO ACCOUNT, WE ACTUALLY SAW AN UNDERLYING INCREASE IN THE FUND OF ONE HUNDRED AND FIFTY-TWO MILLION OR 3.1%.

THEREFORE, IF NOT FOR THE MOJ CONSOLIDATION, I'D BE ABLE TO TELL YOU THAT WE HAD OVERTAKEN THE £5BN ASSET UNDER MANAGEMENT MARK!

HOWEVER, AS THE MOJ SCHEME IS IN DEFICIT IT MEANT THAT THE TRANSFER TOOK OVER 6,000 MEMBERS WITH LIABILITIES OF OVER FOUR HUNDRED AND SEVENTY MILLION OUT OF THE FUND.

IN TERMS OF OUR INVESTMENTS, WE SAW NINE PER CENT GROWTH. GIVEN HOW THE RANGE OF ECONOMIC AND GEO-POLITICAL EVENTS OVER THE LAST YEAR AFFECTED THE MARKETS, SUCH AS THE SITUATION IN GREECE AND UNCERTAINTY AROUND WORLD EVENTS, WE ARE RIGHTLY PLEASED WITH THIS PERFORMANCE.

OF COURSE THE WORLD HAS NOT STOOD STILL AND A COUPLE OF WEEKS AGO WE HAD FUN AND GAMES IN CHINA, BUT MORE OF THAT LATER.

INVESTMENT APPROACH

NOT LONG AFTER OUR FUND MEMBER FORUM LAST YEAR WE WELCOMED CHRIS RULE AS OUR NEW CHIEF INVESTMENT OFFICER. HIS ADDITION HAS QUICKLY BEEN A STRONG POSITIVE FOR THE TEAM AND OUR STRATEGY.

UNDER CHRIS WE HAVE CONTINUED TO BUILD OUR IN-HOUSE RESOURCE IN INVESTMENT, FINANCE AND RISK MANAGEMENT, AS WELL AS BRINGING MORE INVESTMENTS IN-HOUSE AND WORKING ON OUR PARTNERSHIPS WITH OTHER FUNDS AND FUND MANAGERS. OUR BELIEF IS THAT SCALE, IN-HOUSE EXPERTISE AND GOOD GOVERNANCE WILL ENABLE US TO CLOSE THE FUNDING GAP BY IMPROVED RETURNS, REDUCED COSTS AND BETTER OWNERSHIP OF OUR ASSETS.

WE CONTINUE TO BUILD OUR EQUITY PORTFOLIO IN HIGH QUALITY STOCKS AND HOLD THEM FOR THE LONG TERM. RECENTLY AFTER CAREFUL CONSIDERATION WE TOOK ADVANTAGE OF THE TURMOIL IN CHINA AND INVESTED ANOTHER ONE HUNDRED MILLION POUNDS IN OUR IN HOUSE PORTFOLIO TAKING IT TO OVER SIX HUNDRED MILLION POUNDS.

WE KNOW THAT SELECTING COMPANIES WE BELIEVE IN CAN GENERATE THE CASH FLOWS AND REAL GROWTH NEEDED TO MEET OUR LIABILITIES IS THE RIGHT ONE FOR US.

WE ARE ALSO TARGETING NEW INVESTMENTS IN ALTERNATIVE DEBT. MOST RECENTLY, WE SELECTED APOLLO, A LEADING GLOBAL ALTERNATIVE INVESTMENT MANAGER, AS OUR ALTERNATIVE CREDIT MANAGER.

THEY WILL OVERSEE OUR ONE HUNDRED AND FIFTY MILLION POUND ALLOCATION TO ALTERNATIVE CREDIT INCLUDING DISTRESSED DEBT, REAL ESTATE DEBT AND PRIVATE LENDING. WE SEE THE MOVE INTO ALTERNATIVE CREDIT AS YET ANOTHER EXAMPLE OF OUR GROWING EXPERTISE IN INNOVATIVE INVESTMENTS AND A FURTHER AID TOWARDS OUR DEFICIT REDUCTION.

IN ORDER TO MAKE OUR SELECTION, WE UNDERTOOK A EUROPEAN TENDER PROCESS AND CREATED A NATIONAL FRAMEWORK – A SHORTLIST OF FOUR MANAGERS. THIS FRAMEWORK CAN NOW ALSO BE USED BY ALL OTHER LGPS FUNDS TO SELECT FROM THOSE FOUR ALTERNATIVE CREDIT MANAGERS WITHOUT HAVING TO COMPLETE THE FULL EUROPEAN TENDER PROCESS. SO WE HAVE USED OUR EXPERTISE AND RESOURCES TO THE WIDER BENEFIT OF THE LGPS.

I'D ALSO LIKE TO TALK TO YOU ABOUT OUR STEWARDSHIP OF THE FUND.

RESPONSIBLE INVESTMENT AND STEWARDSHIP

GOOD GOVERNANCE, INCLUDING GOOD STEWARDSHIP OF OUR ASSETS, IS IN OUR DNA. IT INCLUDES THE WAY THE FUND AND ITS ASSETS ARE DIRECTED AND

CONTROLLED, AND THE POLICIES AND APPROACHES FOLLOWED TO ENSURE A WELL-MANAGED FUND

WE COMBINE THIS WITH GOOD STEWARDSHIP, WHICH IS THE MANAGEMENT AND CARE OF SOMETHING YOU ENTRUST US WITH – YOUR RETIREMENT SAVINGS.

AS SUCH WE CONSIDER A VARIETY OF THINGS WHEN WE REVIEW OUR CURRENT ASSETS OR WHEN WE CONSIDER NEW INVESTMENTS, SUCH AS THE LONG TERM ABILITY TO PAY YOUR BENEFITS WHEN THEY FALL DUE.

I'M TAKING THIS OPPORTUNITY TO TELL YOU MORE ABOUT THE FUND'S APPROACH IN THIS AREA AND HOW WE GO ABOUT BALANCING THE VARIOUS CONSIDERATIONS THAT CONTRIBUTE TO DECISIONS ABOUT WHAT WE INVEST IN AND HOW WE SEEK TO HAVE A POSITIVE INFLUENCE OVER THE COMPANIES AND ASSETS WE HAVE FINANCIAL INTERESTS IN.

AS PART OF OUR STRENGTHENING OF OUR RISK MANAGEMENT APPROACH WE LAUNCHED A STEWARDSHIP GROUP, UNDER THE OVERSIGHT OF CHRIS RULE, OUR CIO. IT IS THIS GROUP'S DUTY TO REVIEW OUR INVESTMENTS AGAINST OUR INVESTMENT PRINCIPLES AND DETAIL REGULARLY WHERE WE ARE INVESTING, OUR VOTING INTENTIONS, AND COMMUNICATIONS WITH FUND MANAGERS REGARDING THESE ISSUES. THE GROUP ALSO INCLUDES OUR STEWARDSHIP OFFICER AND MYSELF, AS WELL AS OTHERS.

WHILE WE HAVE BROUGHT SOME OF RESOURCE IN-HOUSE, THE MAJORITY OF OUR INVESTMENTS CURRENTLY ARE MANAGED BY EXTERNAL FUND MANAGERS IN POOLED ARRANGEMENTS. HOWEVER, BOTH OUR INTERNAL AND EXTERNAL INVESTMENT MANAGERS FOLLOW THE GUIDANCE SET OUT IN OUR STATEMENT OF INVESTMENT PRINCIPLES AND WE CONTINUE TO MEET REGULARLY WITH THEM.

WE HAVE BEEN CLEAR WITH OUR FUND MANAGERS THAT THIS IS AN AREA THAT WE TAKE SERIOUSLY AND ARE WILLING TO ACT IF THEY DO NOT TAKE OUR VIEWS IN TO ACCOUNT. FOR EXAMPLE, WE HAVE ASKED OUR FUND MANAGERS TO REPORT WHERE AND HOW THEY VOTED IN OUR INTERESTS AND THEIR STEWARDSHIP ACTIVITIES, AND WE HAVE EXITED RELATIONSHIPS WITH MANAGERS THAT WERE NOT FULLY TRANSPARENT IN THE PAST.

WE HAVE ALSO ENGAGED WITH AN ORGANISATION CALLED CARBON DISCLOSURE PROJECT WHO ARE PROVIDING AN IN-DEPTH ANALYSIS OF OUR INTERNAL EQUITY PORTFOLIO TO GIVE US A GREATER TRANSPARENCY OF OUR FULL CARBON FOOTPRINT. ONCE RECEIVED WE WILL TRANSLATE THE FINDINGS INTO ACTIONS AND

PROVIDE YOU WITH AN UPDATE ON OUR PROGRESS NEXT YEAR.

WE ALSO CONTINUE TO SUPPORT COLLABORATIVE PROJECTS LIKE THE UN PRINCIPLES FOR RESPONSIBLE INVESTING AND PARTICIPATE IN NETWORKS PROVIDED BY THE NATIONAL ASSOCIATION OF PENSION FUNDS AND THE LOCAL AUTHORITY PENSIONS FUND FORUM.

WE BELIEVE IT IS ONLY BY ENGAGING WITH COMPANIES WE CAN HAVE ASSURANCE THAT THEY HAVE A SOUND BUSINESS PLAN AND A LONG TERM FUTURE. IT IS NOT IN THESE COMPANIES' INTEREST TO PRODUCE, SELL OR BASE THEIR PROFITS AROUND FINITE RESOURCES.

FOR EXAMPLE, THROUGH OUR ASSOCIATION WITH THE LOCAL AUTHORITY PENSION FUND FORUM, A COLLABORATION OF NEARLY SEVENTY LGPS FUNDS, WE SUPPORTED THEIR RESOLUTION AT SHELL'S 2015 AGM ON STRATEGIC RESILIENCE FOR 2035 AND BEYOND. THE RESOLUTIONS ASKED SHELL TO REPORT ON THEIR OPERATIONAL EMISSIONS MANAGEMENT AND LOW-CARBON ENERGY RESEARCH AND DEVELOPMENT. THE RESOLUTIONS WERE INTENDED TO STRETCH SHELL TO SET OUT THEIR BUSINESS STRATEGY IN ALIGNMENT WITH REMAINING WITHIN A TWO DEGREE INCREASE IN GLOBAL TEMPERATURES.

IN TERMS OF THE INVESTMENTS THEMSELVES, WE ASSESS THE RISK FROM FOSSIL FUELS IN THE SAME FRAMEWORK AS WE WOULD ASSESS ANY INVESTMENT RISK IN ANY SECTOR. IF THE FUNDAMENTAL OUTLOOK DETERIORATES TO THE EXTENT THAT WE DO NOT BELIEVE THAT OUR INVESTMENTS WILL CONTINUE TO DELIVER OUR REQUIRED RETURNS, WE WILL OF COURSE FIND BETTER ALTERNATIVES AVAILABLE.

FINALLY, WE ARE KEEN TO ENSURE THAT WE PROVIDE ACCURATE AND UP TO DATE DETAILS ON OUR WEBSITE OF ALL OUR ACTIVITIES. HOWEVER, WE CAN ONLY DO SO AT A HIGH LEVEL GIVEN THAT OUR INVESTMENTS ARE CHANGING REGULARLY, AS WE TAKE ADVANTAGE OF THE MARKET TO BUY OR SELL AND WHEN WE ARE IN POOLED FUNDS.

FOR THOSE MEMBERS THAT HAVE ASKED, WHAT I CAN TELL YOU IS THAT OUR DIRECT EXPOSURE TO FOSSIL FUELS IS EXTREMELY SMALL AT FORTY TWO MILLION POUNDS, WHICH IS LESS THAN ONE PER CENT OF THE FUND. IT IS ALSO WORTH NOTING THAT WE HOLD APPROXIMATELY FIFTY SIX MILLION POUNDS IN RENEWABLE ENERGY ASSETS AT PRESENT, THAT'S FOURTEEN MILLION MORE THAN FOSSIL FUELS.

IN SUMMARY, OUR KEY AIM MUST BE TO ENSURE WE CLOSE OUR DEFICIT SO THAT WE CAN CONTINUE TO PAY YOUR BENEFITS. IT IS OUR FIDUCIARY DUTY TO MAKE

INVESTMENTS WHERE WE SEE THE BEST RETURN FOR OUR EMPLOYERS AND MEMBERS, AND WE WILL CONTINUE TO MEET THIS DUTY.

WE BELIEVE GOOD GOVERNANCE IS A PREREQUISITE FOR SOUND INVESTMENTS. WE EXPECT THOSE COMPANIES IN WHICH WE INVEST TO ALSO VALUE GOOD GOVERNANCE, AND WE DEMAND THE SAME OF OURSELVES.

GOVERNANCE

IN 2014 WE WELCOMED THE DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT'S LGPS GOVERNANCE CONSULTATION AND WERE PLEASED THAT IT RECOMMENDED GREATER INVOLVEMENT OF MEMBERS AND EMPLOYERS IN THE OVERSIGHT OF THE ADMINISTERING AUTHORITIES. WE WERE DISAPPOINTED INITIALLY, THAT HAVING BEEN PRAISED BY LORD HUTTON FOR OUR EXCELLENT GOVERNANCE WITH OUR LONGSTANDING MEMBER AND EMPLOYER PANELS WE WERE REQUIRED TO REPLACE THEM.

HOWEVER, THIS IS AN OPPORTUNITY FOR US TO BUILD ON THE EXCELLENT WORK OF OUR MEMBER AND EMPLOYER PANELS OVER THE YEARS, AND TO COME TOGETHER IN A LOCAL PENSION BOARD. OUR THANKS TO ALL OF YOU WHO HAVE GIVEN UP YOUR TIME AND ENERGY TO SUPPORT US THROUGH YOUR MEMBERSHIP OF EITHER THE MEMBER OR EMPLOYER PANELS.

EARLIER THIS YEAR, WE ANNOUNCED THE APPOINTMENT OF WILLIAM BOURNE (WHO JOINS US TODAY) AS INDEPENDENT CHAIR TO OUR LOCAL PENSIONS BOARD AND IN JUNE WE APPOINTED BOTH THE EMPLOYER AND MEMBER REPRESENTATIVES.

THE PRIMARY AIM OF THE LOCAL PENSION BOARD IS TO ASSIST LPFA IN COMPLYING WITH LGPS AND OTHER REGULATIONS, BUT I WILL LET WILLIAM WILL TELL YOU MORE ABOUT THIS SHORTLY.

TEAM AND BOARD

WE HAVE ALSO SEEN CHANGES ON OUR MAIN STATUTORY BOARD. AS YOU KNOW, OUR CHAIRMAN EDI TRUELL HAS STEPPED DOWN FROM THE LPFA BOARD. TONY DALWOOD REPLACES EDI AS CHAIR OF THE INVESTMENT COMMITTEE. TONY HAS BEEN ON OUR BOARD FOR NEARLY FIVE YEARS AND IS ALREADY A VALUED MEMBER OF THE INVESTMENT COMMITTEE. HE HAS A RAFT OF INVESTMENT EXPERIENCE FROM COMPANIES SUCH AS SVG INVESTMENT MANAGERS, SCHRODERS AND UBS. WITH HIS BACKGROUND IN PUBLIC AND PRIVATE EQUITY WE'RE CONFIDENT THAT OUR INVESTING FUTURE IS IN GOOD HANDS. TONY WORKED CLOSELY WITH ME LAST YEAR

WHEN WE WERE RECRUITING CHRIS RULE, OUR CIO, AND I AM DELIGHTED HE IS OUR NEW INVESTMENT COMMITTEE CHAIR.

WE'VE ALSO HAD A CHANGE AT THE EXECUTIVE TEAM LEVEL. LUKE WEBSTER, OUR CHIEF FINANCE AND RISK OFFICER STEPPED DOWN AT THE END OF JULY TO RETURN TO MAINSTREAM LOCAL GOVERNMENT.

IN THE INTERIM WE HAVE APPOINTED DR ANGELA SMITH.

ANGELA WAS A PARTNER IN A BIG FOUR ACCOUNTING FIRM FOR MANY YEARS AS WELL AS HELD SEVERAL TOP FINANCE ROLES IN FINANCE, RISK, UNDERWRITING AND ACTUARIAL FIRMS.

AFTER READING THEORETICAL PHYSICS AT CAMBRIDGE AND A DOCTORATE ON BLACK HOLES AT OXFORD, I'M SURE YOU WILL BE PLEASED THAT YOU LITERALLY HAVE A ROCKET SCIENTIST MANAGING THE RISK TO YOUR PENSIONS!!

WE ARE FORTUNATE THAT MIKE ALLEN REMAINS AT THE HELM AS OUR PENSIONS DIRECTOR PROVIDING US WITH THE BENEFIT OF HIS KNOWLEDGE WHICH IS SECOND TO NONE – DEFINITELY A PENSION GURU.

EMPLOYER SERVICES

RISK MANAGEMENT IS A KEY FOCUS FOR US AND WE WILL CONTINUE TO KEEP YOU UP TO DATE WITH OUR APPROACH VIA THE WEBSITE, NEWSLETTERS AND FORUMS.

OVER THE LAST TWO YEARS WE HAVE ALSO MITIGATED RISK TO THE FUND THROUGH FINANCIAL CHECKS ON EMPLOYERS AND SECTOR SPECIFIC COVENANT CHECKS. AS PART OF OUR ONGOING DISCUSSIONS WITH EMPLOYERS WE HAVE INCREASED THE FUNDS SECURITY BY A FURTHER THREE HUNDRED AND SIXTY-FOUR MILLION. WE HAVE DONE THIS IN ORDER TO CLOSE OUR DEFICIIT AND ALSO TO REDUCE THE RISK OF THESE LIABILITIES FALLING ON OTHER FUND EMPLOYERS OR TAXPAYERS.

OUR APPROACH IS INNOVATIVE IN THE LGPS AND WE BELIEVE THAT MONITORING EMPLOYER COVENANT IS A KEY REQUIREMENT UNDER THE PENSIONS REGULATOR GUIDANCE FROM APRIL 2015.

IT ALLOWS THE MOST SECURE FUND EMPLOYERS TO BENEFIT, REDUCES THE RISK OF INHERITING OTHER EMPLOYERS LIABILITIES AND OFFERS CHOICES TO THE LESS SECURE EMPLOYERS AROUND MANAGING THEIR LIABILITIES IN THE LONGER TERM. WE ARE ALSO WORKING WITH BOTH LANCASHIRE AND HERTFORSHIRE ON EMPLOYER

RISK MANAGEMENT AS WELL AS HAVING DETAILED DISCUSSIONS WITH THREE OTHER LGPS FUNDS.

OUR SERVICE TO YOU

THE LPFA AND THIRD PARTY ADMINISTRATION TEAMS HAVE ALSO BEEN WORKING HARD OVER THE LAST YEAR TO IMPLEMENT THE NEW LGPS AND FIRE SCHEMES. IMPLEMENTING THESE CHANGES PROVED A CHALLENGE; HOWEVER, I AM DELIGHTED THE TEAMS WERE ABLE TO PROVIDE CONTINUITY OF SERVICE DURING THIS PERIOD OF TRANSITION.

SOME OF THE HIGHLIGHTS OVER THE PAST YEAR INCLUDE:

- ISSUED ANNUAL BENEFITS STATEMENTS ONLINE FOR THE FIRST TIME TO **6,500** MEMBERS, WHICH RESULTED IN A SAVING OF **£3,000** IN PRINT AND POSTAGE COSTS WE WOULD LIKE TO REPORT FURTHER SAVINGS TO YOU NEXT YEAR AND SO PLEASE SIGN UP FOR OUR ONLINE SERVICE.
- COLLECTED **FIFTY PER CENT** OF ACTIVE MEMBER E-MAIL ADDRESSES, GIVING US THE OPPORTUNITY TO TARGET COMMUNICATIONS ONLINE TO THESE MEMBERS
- **38** LPFA FUND EMPLOYERS ARE NOW USING THE MONTHLY RETURN DATA SUBMISSION - THIS REPRESENTS **THIRTY TWO PER CENT** OF THE TOTAL MEMBERSHIP
- **NINETY- NINE PER CENT** OF EMPLOYER FORMS ARE SUBMITTED ONLINE VIA OUR YOURFUND WEBSITE

OVER THE LAST YEAR OUR PENSIONS PAYROLL TEAM HAVE PAID OVER **FIFTY THOUSAND** PENSIONERS AND DEPENDENTS IN THE UK AND **FOURTEEN HUNDRED** ABROAD.

MANY OF OUR OVERSEAS PENSIONERS ARE NOW PAID THROUGH WESTERN UNION, WHICH MEANS THEY NOT ONLY RECEIVE THEIR PENSION PAYMENTS A LOT QUICKER, BUT THEY ARE ALSO ABLE TO COLLECT THEIR PENSIONS FROM A LOCAL WESTERN UNION OUTLET CLOSE TO HOME, WHICH IS AN ADVANTAGE.

IT IS ALWAYS OUR AIM TO ENSURE YOU RECEIVE YOUR PAYMENTS QUICKLY, EFFICIENTLY - AND MOST IMPORTANTLY ON TIME.

OVER THE LAST 12 MONTHS, **NINETY-EIGHT PER CENT** OF QUERIES WERE COMPLETED WITHIN OUR EXPECTED TIMESCALES AND WE CONTINUE TO WORK WITH EMPLOYERS TO REDUCE EXPECTED DELIVERY TIMES. WE REMAIN ON TRACK TO MEET THIS FIGURE

AGAIN IN 2016.

EVERY MONTH WE ASK FUND MEMBERS FOR THEIR FEEDBACK ON OUR SERVICE. THE SURVEY ASKS HOW RESPONSIVE WE HAVE BEEN IN DEALING WITH QUERIES AS WELL AS HOW HELPFUL AND KNOWLEDGEABLE OUR STAFF HAVE BEEN.

OVER THE PAST YEAR, **NINETY-EIGHT PER CENT** OF LPFA MEMBERS SURVEYED WERE SATISFIED WITH OUR SERVICE, WHICH IS MUCH THE SAME AS PREVIOUS YEARS. WE ARE COMMITTED TO IMPROVING OUR SERVICE AND WILL USE YOUR FEEDBACK TO HELP US ACHIEVE THIS YEAR AFTER YEAR.

ON THE SUBJECT OF IMPROVEMENTS, WE HAVE BEEN WORKING ON ENHANCING OUR ONLINE MEMBER SELF SERVICE FACILITY, WHICH ALLOWS YOU TO VIEW YOUR PENSION PAYSLEIPS AND P60S ONLINE, AS WELL AS UPDATE YOUR PERSONAL DETAILS SUCH AS CHANGE OF ADDRESS AND BANK DETAILS.

TWENTY SEVEN PER CENT OF ACTIVE MEMBERS AND **SIX PER CENT** OF PENSIONERS ARE NOW USING MEMBER SELF SERVICE, SO IF YOU HAVE NOT ALREADY SIGNED UP TO THIS SERVICE, I WOULD ENCOURAGE YOU TO DO SO. WE HAVE AN ONLINE SERVICES HELPDESK IN THE FOYER AND OUR STAFF WOULD BE MORE THAN HAPPY TO HELP YOU REGISTER FOR THE SERVICE OR PROVIDE YOU WITH A SYSTEM DEMONSTRATION.

IF YOU HAVE ANY IDEAS OF HOW WE CAN FURTHER IMPROVE OUR SERVICES WE'D LOVE TO HEAR FROM YOU. IT IS IMPORTANT THAT WE RECEIVE FEEDBACK IN ORDER TO CONTINUALLY IMPROVE OUR SERVICE TO YOU SO PLEASE COMPLETE THE SURVEY IN YOUR WELCOME PACK TODAY OR ALTERNATIVELY COMPLETE THE ONLINE SURVEY AT A LATER STAGE.

YOUR FEEDBACK IS IMPORTANT TO US, AS MUCH AS THE FUND IS IMPORTANT TO YOU. IN FACT, I WAS QUITE HEARTENED TO SEND A BIRTHDAY CARD TO EDWARD HIGGINS OBE ON HIS 100TH BIRTHDAY IN MARCH AT THE REQUEST OF HIS FAMILY, WHICH IS SOMETHING THAT WE ARE LOOKING TO DO REGULARLY (OR AS REGULARLY AS PEOPLE TURNING 100 WILL ALLOW!). CURRENTLY THERE ARE SEVENTY-THREE FUND MEMBERS WHO ARE OVER ONE HUNDRED YEARS OF AGE.

ANNUAL REPORT

BEFORE SIR MERRICK INTRODUCES WILLIAM BOURNE, I JUST WANT TO MENTION OUR 'YEAR IN REVIEW' DOCUMENT, WHICH YOU WILL HAVE RECEIVED AT THE END OF JULY.

THE YEAR IN REVIEW TAKES THE PLACE OF THE SUMMARY ANNUAL REPORT, WHICH WE HAVE DISTRIBUTED IN PREVIOUS YEARS. THAT WAS A SNAPSHOT OF THE YEAR AND INCLUDED SOME OF OUR HIGH LEVEL UNAUDITED FIGURES.

GIVEN ALL THE NEWS AND DEVELOPMENTS THAT HAVE OCCURRED OVER THE PAST YEAR, AND IN ORDER TO AVOID ANY CONFUSION OVER PRECISE NUMBERS, WE SHIFTED THE FOCUS OF THIS REPORT TO THE IMPACT AND FUTURE IMPLICATIONS OF ALL THESE CHANGES.

WE HOPE YOU ENJOYED THE NEW LAYOUT, AND DON'T FORGET WE WILL STILL BE PUBLISHING OUR FULL ANNUAL REPORT AND ACCOUNTS ON OUR WEBSITE AT THE END OF THIS MONTH SO PLEASE KEEP AN EYE OUT.

CONCLUSION

IN CLOSING, I WOULD LIKE TO THANK YOU ALL FOR ATTENDING AND FOR YOUR TIME TODAY. I HOPE YOU ENJOY THE REST OF THE PRESENTATIONS AND WE LOOK FORWARD TO SEEING YOU ALL AGAIN NEXT YEAR.

THANK YOU.