



West Yorkshire Pension Fund

Lincolnshire
Pension Fund



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NEWSLETTER

AUTUMN/WINTER 2021 • PENSIONER MEMBERS



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Lincolnshire fund report 2021

Introduction by Jo Ray, Head of Pensions, LPF

At the end of 2020/21, the value of the fund was £2.7 billion* – an increase of £524.3 million from the previous year, more than recovering the market losses of 2019/20 which resulted from the start of the pandemic.

As for most people, things were different this year, with our Pensions Committee meeting virtually but managing to continue its business as normal. Some asset changes were implemented over the year, with investments into a multi asset credit fund managed by Pimco, investments into the Border to Coast UK Equity fund and a residential property fund managed by Hearthstone. One long-standing manager, Invesco, was terminated and the funds reallocated into the Border to Coast Global Equity Alpha fund and to the Legal and General Future World Fund. Our administration provider, West Yorkshire Pension Fund (WYPF), also maintained its usual level of service as staff adapted to working from home. The Lincolnshire Pension Board, representing scheme employers and members, also moved to virtual meetings, and continued its role in overseeing the governance and administration of the fund. An annual report on the work of the board is included within the full pension fund annual report.

The government's requirement for local government pension funds to pool assets has continued to keep us very busy, with Lincolnshire working closely with the 10

partner funds within Border to Coast Pensions Partnership Ltd. The company has continued to grow as the partner funds have transferred assets, with £21.7bn of assets under management as at 31 March 2021, including £1.35bn of the Lincolnshire Pension Fund's assets.

Stewardship and responsible investment are an integral part of the fund's investment strategy and decision making, and the fund works closely with Border to Coast to ensure that it invests in a sustainable way. Through Border to Coast, and also in its membership with the Local Authority Pension Fund Forum (LAPFF), the fund engages with companies on key environmental, social and governance issues, such as carbon reduction, executive pay, human rights and fair accounting. The fund is always keen to hear its members' views on stewardship, so please contact us at pensions@lincolnshire.gov.uk with any comments you may have. Please note – this email address is **not** for any pension benefit queries – please use the normal contact email of pensions@wypf.org.uk.

This summary gives a flavour of our full **Annual Report and Accounts**, which will be published on our shared website at wypf.org.uk. Please do take a look, and let me have any feedback.

**At the time of writing, figures are in draft, due to the late receipt of valuations from some of the Fund's illiquid investments.*

Fund account

Draft fund account for the year ended 31 March 2021

Opening assets of the fund at 1 April 2020	£2,219.3m
Investment return and income	
• Return on investments	£515.4m
• Investment income	£18.8m
Dealing with members	
• Benefits paid	(£118.9m)
• Contributions (including transfers in of £10.6m)	£120.6m
Management expenses (including administration, manager fees and governance)	(£11.6m)
Closing net assets of the fund at 31 March 2021	£2,743.6m
Closing assets made up of	
• Total net investments	£2,714.8m
• Net current assets (debtors, creditors and cash)	£28.8m
Total closing assets of Lincolnshire Pension Fund at 31 March 2021	£2,743.6m

Ten biggest investments in the fund

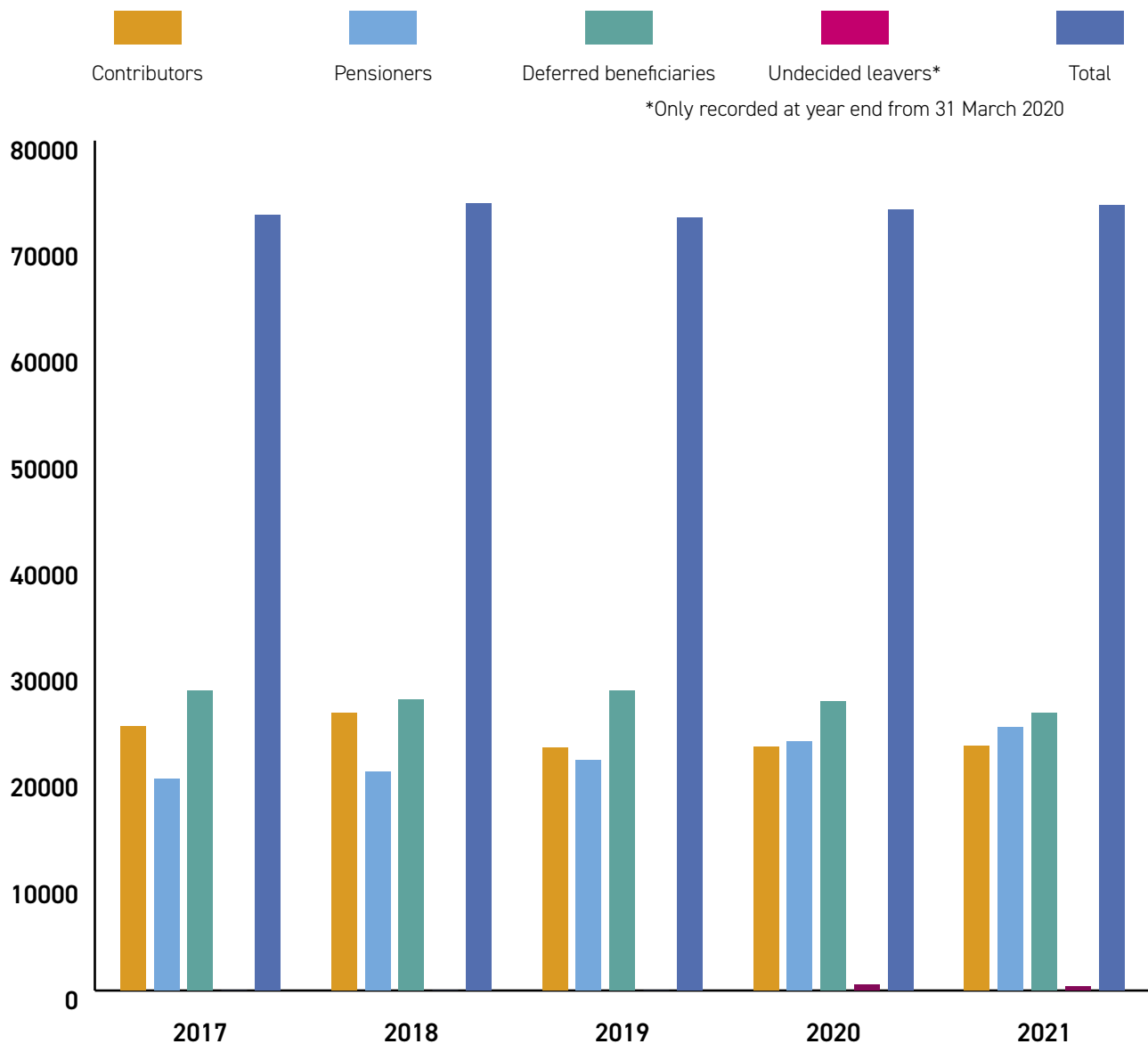
at 31 March 2021

	Market Value £m	Proportion of fund %
Border to Coast Global Equity Alpha Fund	711.5	25.9
Border to Coast UK Listed Fund	442.9	16.1
Legal and General Future World Fund	410.9	15.0
Morgan Stanley Alternative Investments	359.9	13.1
Border to Coast Investment Grade Credit Fund	195.9	7.1
PIMCO Multi Asset Credit Fund	87.4	3.3
Blackrock Aquila Life Corporate Bond Fund	75.8	2.8
Aberdeen Standard Property Fund	65.3	2.4
Aviva Property Fund	49.9	1.8
Blackrock Aquila Life > 5 Year Index Linked Gilt Fund	47.3	1.7
	2,448.8	89.2

LGPS membership

There were 73,944 members and beneficiaries (plus 383 undecided leavers) and 249 contributing employers at 31 March 2021. The fund is reasonably mature, with pensioner and 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 68.8% of the overall membership.

Membership trends over a five-year period



Performance

Our **investment return** was 23.3% in 2020/21, ahead of the return for the fund's strategic benchmark of 22.1%. Market returns recovered strongly over the year, bouncing back from the lows of March 2020, with the biggest impact being the out performance of the Border to Coast Global Equity Alpha Fund.

Actual investment performance against the fund's strategic benchmark performance is set out in the table below. The longer-term return, whilst slightly behind the benchmark, is well ahead of the long-term required return of 4.0%, set by the fund's actuary (as per the March 2019 triennial valuation).

Period	Fund Return	Benchmark Return
1 year	23.3%	22.1%
3 years annualised	7.9%	8.3%
5 years annualised	9.2%	9.3%
10 years annualised	7.9%	8.0%

Investment management arrangements

The arrangement for management of the fund's assets, in place at 31 March 2021, is set out below. The £2.3m within the segregated mandates table is due to the timing of dividends received and outstanding tax claims due following the termination of this mandate.

Segregated investment management mandates

Asset Class	Manager	Market value £m	% of the fund
Global Equities – (Ex UK)	Invesco	2.3	0.1

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

Pooled funds

Asset Class	Manager	Market value £m	% of the fund
Fixed Interest	Blackrock	153.5	5.6
	Border to Coast	195.9	7.1
	Total Fixed Interest	349.4	12.7
UK Equities	Border to Coast	442.9	16.1
Global Equities	Border to Coast	711.5	25.9
	Legal and General	410.9	15.0
	Total Equities	1,565.3	57.0
Property	Aberdeen Standard	78.3	2.9
	Aviva	49.9	1.8
	Blackrock	40.4	1.5
	Franklin Templeton	0.6	0.0
	Hearthstone	6.0	0.2
	Igloo	0.2	0.0
	Royal London	24.0	0.9
	Rreef	0.1	0.0
	Total UK Property	199.5	7.3
Infrastructure	Infracapital	9.1	0.3
	Innisfree	34.5	1.3
	Pantheon	6.9	0.2
	Total Infrastructure	50.5	1.8
Private Equity	Aberdeen Standard	1.6	0.1
	Capital Dynamics	2.6	0.1
	Pantheon	8.2	0.3
	Total Private Equity	12.4	0.5
Alternatives	Morgan Stanley	359.9	13.1
Multi Asset Credit	PIMCO	89.4	3.3
Total Pooled Vehicles		2,626.4	95.7

The new name for Money Advice Service

Money Advice Service (including The Pensions Advisory Service and The Pension Wise Service) changed to MoneyHelper in June 2021. All in one place, get clear, free and impartial money and pension help. MoneyHelper is our direct to consumer brand of the Money and Pensions Service.

Their new website address from early June 2021 is [moneyhelper.org.uk](https://www.moneyhelper.org.uk)

Whatever your circumstances or

Death grants in retirement

You may have nominated somebody to get your death grant when you were working, but you can do it in retirement too – as long as you are under age 75 at date of death and left employment on or after 1 April 2008.

A death grant is a one-off tax-free lump sum on top of any pension due to your husband, wife, partner or children if you die. Conditions apply depending on when you retired and the options you chose, but the grant is usually ten times your yearly pension less any pension already paid (only up to age 75). It's up to you to decide who gets your death grant and if you nominate it can help those you leave behind avoid paying inheritance tax.

For more about all this see www.wyph.org.uk/deathbenefits, and if you want to make a nomination, or change one you've already made, you can download a form at www.wyph.org.uk/deathgrant

plans, MoneyHelper is on your side. Online or over the phone, you'll get clear money and pensions guidance, and pointers to trusted services, if you need more support.

Open to everyone, MoneyHelper is helping people to clear their debts, reduce spending and make the most of their income. To support loved ones, plan ahead for major purchases and find out about entitlements. To build up savings and pensions, and know their options.

Moving house?

If you move house, we need to know your new address – not only to keep your records up to date but to make sure personal or sensitive information going to your old address doesn't put you at risk of identity fraud. So when you move, please let us know your new address as soon as you can.

Contact us

Phone 01274 434999

Monday to Friday 8.45am to 4.30pm

Email pensions@wyph.org.uk

Our postal address is
PO Box 67 Bradford BD1 1UP

Our office in Lincoln remains closed for the time being because of the pandemic. Please check our website for updates on this.

Privacy and your data

Read how we use the data we hold about you at
www.wyph.org.uk/privacy

What to do if you become a scam victim

Being scammed can take a huge toll on people's mental health. **Mind** and **Victim Support** have confidential helplines that provide support to consumers who have been hit and you can get more information from their websites.

There are some immediate practical steps you can take if you think you've been scammed however. Call your bank directly, first checking its website for the correct number to ring. If the fraud involved any of your personal information, consider signing up for a Protective Registration with fraud prevention organisation **Cifas**, which costs £25 for two years. Cifas is an independent, not-for-profit organisation working to reduce fraud and related financial crime in the UK. Check out their website at www.cifas.org.uk for information.

Change your passwords for any accounts that have been compromised due to fraud - and any that use the same password. Set up two-factor authentication wherever possible to provide another layer of protection.

Be ScamSmart – don't fall for scams in the first place

The Financial Conduct Authority (FCA) and The Pensions Regulator (TPR)'s ScamSmart campaign warns you to be on your guard if you receive unexpected offers about your pension. If you are ever in doubt about a pension offer, visit www.fca.org.uk/scamsmart