



The Pensions Trust



# Update

Our Employer's Magazine

Issue 3

This Winter 2005 issue includes:

- Investment Strategies
- Fund Manager Profile
- Trust News
- Customer Satisfaction



Pension Scheme  
Administrator of the Year



# From the Chief Executive

First, a very welcome positive trend to report. I am pleased to say that our overall membership figures are projected to grow by about 9.5% this year, including an increase in active members. At a time when many pension funds are suffering from stagnating or declining membership, this is very good news.

Here are some of the challenging issues we continue to face:

- The FSTE100 index needs to increase by 30% or so to get back to the 7,000 level of December 1999. Despite recent strong growth in the stock market, there is still a long way to go.
- The cost of pensions has become significantly more expensive. Reasons include pensioners living a lot longer than had been previously anticipated, and low income (yields) on Government bonds known as gilts. Very roughly the cost of buying the same amount of pension has increased about 25% to 30% over the last 5 years.
- Low interest rates and low inflation mean the real value of benefits (i.e. adjusted for inflation) is more than it used to be.

These factors necessitate managing assets and investment strategies in a very different way. We have therefore launched a new comprehensive Scheme Specific Investment Strategy to enable us to do this successfully. Almost 90% of our assets are now being managed this way, with the agreement of the employers concerned.

Since we introduced the Strategy, typically over the nine months we have achieved an investment return of approximately 13.5%, which is well in line with the targets we set our investment managers. We have also successfully ensured that investment fees are kept to a minimum and we are very happy with the low costs incurred. Our other, non-investment, costs have continued to reduce significantly in line with our Business Plan expectations.

We monitor our service delivery very carefully and are pleased to report improvements in the time we take to do the work required and in the way we respond to customers. These improvements led to our being awarded Professional Pensions "Pension Scheme Administrator of the Year 2005".

Despite difficult times for all pension funds in the UK, and a raft of new pension regulations, we are making steady and continued progress on many levels.

Richard Stroud  
Chief Executive



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# News

## Growth Plan News

We have recently written to all employers with Growth Plan members about some complex and difficult decisions that the Board has made about the future of the Growth Plan. The following is a summary of the information contained in those letters.

### Growth Plan Bonuses October 2005

The Board has regrettably decided that no discretionary increases can be awarded to Growth Plan pensions in payment this year. However, Growth Plan Series 2 and 3 pensions in payment will be increased as required by law and the rules of the Growth Plan.

### Growth Plan Bonus Prospects

This is now the third year that no discretionary increase can be paid. Following advice received from the Scheme Actuary the Board has decided that it would be imprudent to consider discretionary increases before the financial position of the Growth Plan is sufficiently strengthened. This cautious approach is designed to strengthen the Growth Plan balance sheet and thereby increase the certainty required by members for the long term. Increases in world stock markets over the past year have helped but



not sufficiently to materially improve the funding of the Growth Plan. On present assumptions it now appears that it could take up to 10 to 15 years before bonuses can be declared.

### Growth Plan Investment Strategy

One of the key features of Growth Plan Series 3 is the guarantee that the value of members' personal funds can never go down. To make sure that this guarantee can be supported going forward, the Board has reviewed the Plan's investment strategy. Accordingly, we have decided to invest the assets backing Growth Plan Series 3 liabilities in a cash/monetary portfolio, with effect from 1 October 2005. We recognise that, in the long term, investment returns and, therefore, discretionary bonuses, for members in Growth Plan Series 3 are likely to be lower than they would be with an asset mix that includes bonds and equities. However, the Scheme Actuary has advised that in order to be able to honour the guarantee in the future, Growth Plan Series 3 liabilities should not be exposed to future stock market fluctuations nor to possible down-turns in returns from long term bonds and property.

With regard to Growth Plan Series 1 and 2, we have maintained an investment strategy based on 65% equities that should, potentially, produce higher returns. This should help to improve the overall funding level of the Plan.

### New Products

While many members will value the guaranteed element of Growth Plan Series 3, we recognise that some may wish to have a potentially higher yielding investment option including equities, property and bonds. To meet this need, we will be introducing new money purchase products from 1 October 2006. Members will then be able to choose whether to stay in the Growth Plan or transfer all their Growth Plan benefits to the new products.

### Employer Debt on Withdrawal

New regulations, which came into force on 2 September 2005, have changed the method of calculating any debt due when an employer withdraws from a multi-employer scheme. The calculation changes from a share of the deficit calculated on the Minimum Funding Requirement (MFR) basis to a share of the deficit calculated on a full buy-out basis. A detailed explanation of how these new regulations apply to Growth Plan was contained in the letters issued to all Growth Plan employers in October 2005. Please contact us on 0845 123 6662 if you have any queries on the Growth Plan or the new regulations.

## ISPEN Election Results

We are pleased to announce the election of Ray Hart (Employer Nominated Representative) to replace Trudi Turner who stood down from the Independent Schools' Pension Scheme Committee (ISPEN). Catherin Forrester (Member Nominated Representative) was elected again after standing down but offering herself for re-election.



## SCVO Election Results

We are pleased to announce that the results of the SCVO Final Salary Pension Scheme Pensions Advisory Committee.

There were vacancies for one Employer Nominated Representative and two Member Nominated Representatives.

As we received fewer nominations than the number of vacancies, Derek Walpole of The Family Fund Trust has been re-elected. As Derek was nominated in both categories he will be deemed to have been re-elected in the same position as he served his previous term of office, as an Employer Nominated Representative.

## The Trust Wins Award for Best Ongoing Communication

It is with great pleasure that we can announce that the Trust won the award for "Most Effective Communications (Ongoing)" at the Pensions Management Awards 2005 held on the 21 October 2005.

The winning submission was described by one of the judges as "just excellent" and that "it couldn't be faulted" because of its "easy to understand website, CD-Rom, pensions calculator and audio arrangements for the blind."

The judges also liked the way the website communicated at different levels extremely well and covered all the bases, using technology and straightforwardly.



## New Director

John Hanlon, a Member Nominated Director, has retired from his position on the Board of Directors. John was first elected to the Board in 1996 and has been re-elected ever since. When John was first elected as a members' representative he worked for Nithsdale Council of Voluntary Services from where he has since retired. John has also been a member of the Chair's, Audit & Compliance and Investment Committees.

John's successor is Stephen Duckworth, who was runner up in the last election. Until 2002 Stephen worked for the National Housing Federation, where he was a Director for over 20 years. Stephen is a Chartered Accountant and was

previously finance director of a large London-based Housing Association.

Stephen has represented the Federation on the SHPS Committee for the past four years and is also the SHPS representative on the Chair's Investment Committee. For the last year he has been Chair of an African and Caribbean elders day centre in West London and is also on the Board of the Association of Charitable Foundations.

Stephen will have to stand for re-election in the Board of Directors Elections in 2006. These elections take place in February 2006 and the new directors are appointed from March 2006.

# Spotlight on: Customer

We provide our comprehensive service package to over 4,000 employers. Understanding what is important to our customers is crucial to helping us improve, and so we recently undertook our first ever in-depth employer satisfaction survey. The findings offer a valuable insight into where we meet our clients' expectations and where our next improvement should be.

The study – carried out in late 2004 – took the form of in-depth interviews across a cross-section of our clients and was commissioned to The Leadership Factor, an independent organisation specialising in customer satisfaction measurement.

The sample of over 200 customers (from HR and Payroll contacts to Senior contacts at member organisations) provides a very reliable guide to customer satisfaction with The Pensions Trust.

This article presents the report's key findings.

## Employer Satisfaction

Employers were asked to score their level of satisfaction for 19 criteria, identified as most important in our research, giving a mark out of 10, where 10 signifies 'completely satisfied' and 1 signifies 'completely dissatisfied'. The results are a telling insight into our performance (over page).

The highest scoring requirements were generally related to staff and the provision of information, whereas the lower scoring requirements tended to relate to financial matters.

Three requirements received average scores of below 7.50, indicating that there is room for improvement in these areas. These ratings all relate to financial aspects of our service, and financial matters are typically

the hardest components in which to attain high marks in customer satisfaction surveys.

Respondents were asked two further questions regarding their overall satisfaction with The Pensions Trust. The first question was as follows: "Taking all things into account, what score reflects how satisfied or dissatisfied you are with The Pensions Trust overall?" Respondents were then asked: "And what score reflects how satisfied or dissatisfied you were a year ago?"

The scores suggest that employers are noticeably more satisfied than they were a year ago, and those who gave reasons stated that communications and the quality of information had improved. This is very encouraging.

We have measured our overall success in satisfying our customers by using a Satisfaction Index™. Since some customer priorities will be more important to them than others, the Index attaches more weight to the more important factors. The resulting Index is a weighted average score, expressed as a percentage.

The Pensions Trust's Satisfaction Index™ for employers, then, is 79.2%.

This means nothing in isolation, so we compared this with over 400 similar sets of figures for other customer service organisations. We are pleased that in our first such survey, our performance was in the top half of the satisfaction league table. However, as we are only just in the top half, we will be aiming to improve this.



# r Satisfaction



We found that on average, our HR and Payroll contacts were slightly more satisfied than our Senior contacts at member organisations.

## Loyalty

Not surprisingly, the report highlighted the strong link between customer satisfaction and loyalty. Higher levels of customer satisfaction will lead to greater customer loyalty. The opposite is also true.

Customer recommendations are a key indication of loyalty and so to measure this we asked employers: "How likely or unlikely would you be to recommend The Pensions Trust to a work colleague or other for their pension provision?"

Respondents were again asked to answer along a 10-point scale with the average recommendation score for The Pensions Trust at 8.31. The fact that 50% of employers gave a score of 9 or 10 for this question was very encouraging indeed.

Respondents were asked to comment on their marks and those who gave high scores said they would recommend The Pensions Trust, as the service is outstanding and the schemes and packages are exceptional and simple to use.

## Room for Improvements

In recent years, much of our focus has been on improving the timeliness of our service delivery, with some considerable success. In the first six months of 2005, over 35,000 cases were dealt with, and 99.7% of these were completed within 10 working days, beating the (95%) target set by the Trustee.

We know from the survey results that our focus needs to move on to other areas in order to improve further.

The accuracy of information that we record and provide will both be improved as we migrate more of our data collection services onto the internet. We believe strongly that we share the responsibility for recording accurate data with our employers.

We are aiming to provide you with a service that helps you to help us to do this properly. Initial feedback from employers suggests that more use of web-based technologies and straight through processing of information will be very popular with many of our HR and Payroll contacts.

One of the main concerns employers have on behalf of members as well as themselves is that pensions will be paid as expected. The twin issues of 'security of assets' and the 'investment strategy and performance' are paramount to the running of a successful pension scheme.

"Our service was rated in the top half of the satisfaction league table"

We will ensure full compliance with new pension scheme regulations, including the regulations relating to the Pensions Protection Fund, aimed at providing greater member security.

We will also be required to provide more information to members on the funding provisions of their pension arrangements and this information will allow members – and employers – to have a better overall view of this aspect of security.

Additionally, our Annual Report sets out the actions that we take to ensure that the assets of our members are secure. In addition we promise to deliver members' benefit statements within three months of their statement date and we are well underway in delivering scheme-specific investment strategies.

## Conclusion

There are a lot of positives to be drawn from our first comprehensive, scientific survey into customer satisfaction.

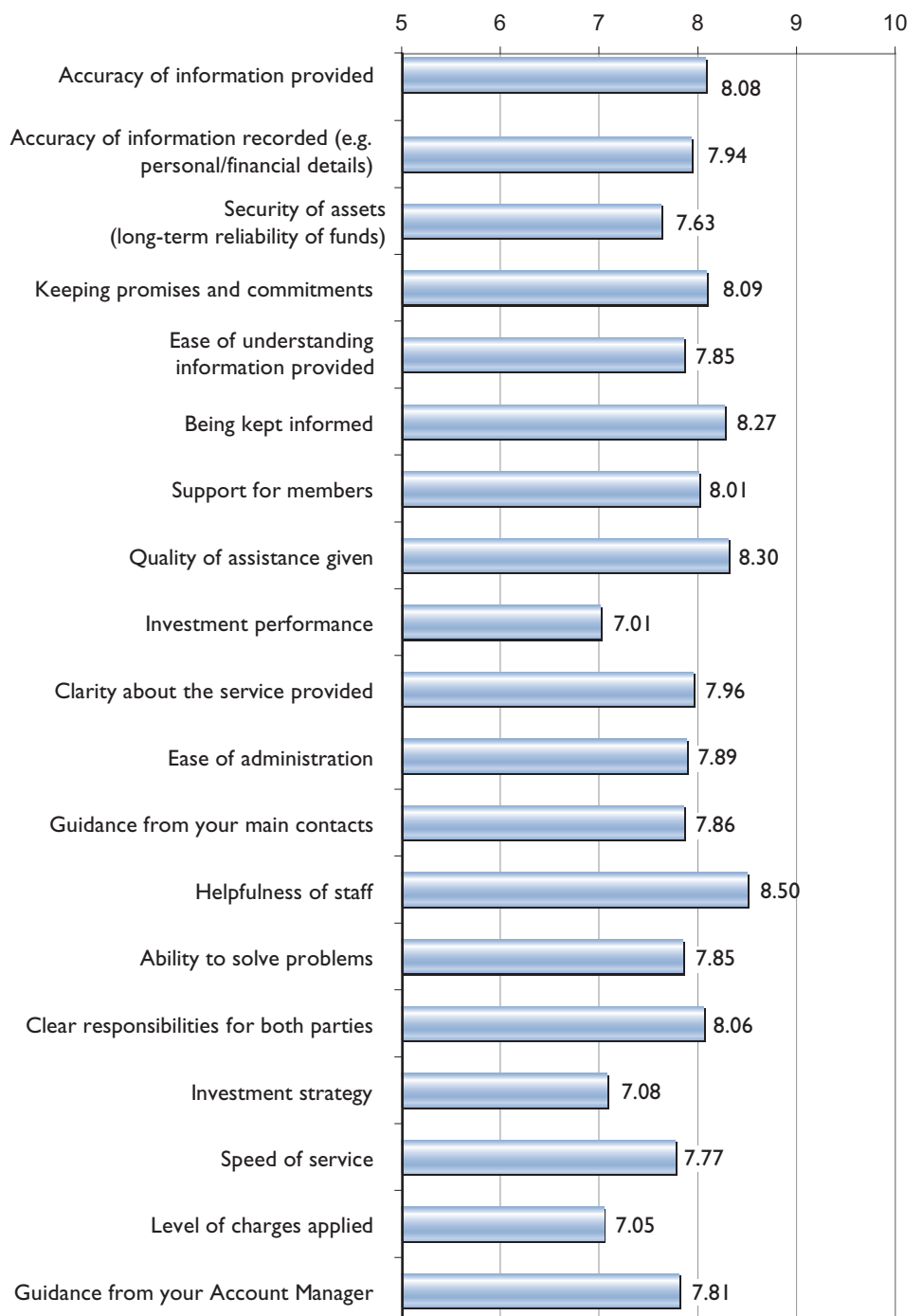
In undertaking this survey and listening to our clients, we feel much more able to improve our service in line with customer requirements, rather than simply our own.



As with any service provider, high levels of customer satisfaction are paramount. For this reason, a key target of our new five year business plan is to take customer satisfaction to a higher level so that we improve from being just in the top half to being in the top quartile (top 25%) of customer service organisations.

We want to be as good as we can in every aspect of our offering and we will continue listening to our clients to ensure we do.

# Satisfaction Ratings



# Fund Manager Profile

## Standard Life Investments

Standard Life Investments was appointed by The Pensions Trust in July 2000 to manage a segregated corporate bond portfolio (i.e. a separately managed portfolio of bonds issued by companies and other non-government organisations). Their Investment Team is based in Edinburgh and as at 30 June 2005 managed assets for the Trust valued at approximately £93 million.

The following article looks at how they manage investments on behalf of the Trust:

Standard Life Investments (based in Edinburgh) was formed as a separate, wholly owned subsidiary of The Standard Life Assurance Company in 1998 and since then its assets under management have grown to around £105 billion, as at 30 June 2005, including £38 billion in bonds.

The company uses an investment process called 'Focus on Change' to establish what are the most important factors affecting the stock and how they will alter the price. To do this Standard Life Investments asks five key questions:

What are the key drivers?

What's changing?

What expectations are implied in the price?

Why will the market change its mind?

What is the trigger?

It then analyses the answers before deciding to buy or sell a stock. One of the important considerations is what investors in the stock are expecting to happen and how this will affect the price.

In seeking answers to these questions, Standard Life Investments uses a range of tools to look at investment prospects across a range of markets. When it comes to investing in corporate bonds, the initial approach is to look at general market conditions using the following steps:

**Step 1** – Our Fund Managers consider which type of bond offers the best value. Bonds fall into several categories, each of which carries a different degree of risk and potential returns. They will then decide how much risk they are prepared to take and how aggressive they want to be.

**Step 2** - Research is conducted into interest rates – looking at current trends and any potential changes that may have an impact on investment returns.

**Step 3** - Having carried out general research into the market conditions we then look at the characteristics of particular sectors, such as financials, automobile manufacturers or retailers. Bond Managers at Standard Life Investments do this alongside our Equity Managers, who use the same type of research when choosing shares. One other factor that we take into account of before coming to our final decision on how to invest is how many new bonds are likely to be issued in the near term because this can affect bond prices.

Standard Life Investments is particularly keen to invest in companies that take an interest in environmental issues. To achieve this, it has strict ethical guidelines and holds around 2,500 meetings each year with the senior managers of major companies.

**Step 4** - (the final step) is deciding which bonds to buy. This is crucial, particularly if the decision is to hold lower-rated bonds, which are more risky. The Bond Team at Standard Life Investments uses its own system of credit scoring to help identify companies that are more likely to have financial problems in the future.

The Team also uses external tools to ensure an active hands-on approach to measuring and managing risk at every stage in the management of portfolios. Among the systems used are those provided by market leaders such as BARRA Cosmos, UBS Credit Delta, Cafit and Charles River Investment Management System, with the results added to other elements of the research to build a portfolio that matches our client's risk profile.

The Standard Life Investments approach centres on building a partnership with clients, working with them as well as for them. We believe that the best way to achieve this is by tailoring the service to include regular contact with clients on major issues including any significant events or strategic decisions.

The processes in place at Standard Life Investments are designed to give clients peace of mind and ensure their funds are managed within pre-agreed limits and parameters.

# Trust News

## New Business Plan implemented for 2005-2010

We have now produced a Business Plan for the period 2005-2010 and this was recently approved by the Directors (formally Trustees). We have decided to change our mission statement, our statement of purpose. The statement now reads "The lowest cost provider of a comprehensive pension service to our customers."

This is to reflect the fact that our aim is to provide an all-inclusive service so that our customers do not need to employ staff or other organisations as is the case with our competitors. We find our competitors do produce what appears to be a lower quotation per service than us, but when all the "extras" are factored in we find that our total cost is significantly cheaper.

We have identified that we need to work more closely with all of our customers and become more focused on understanding all issues from the customer's perspective. This means that new products which are launched need to fully meet customer's requirements. Inherent in this will be a good service delivery and, although we believe this is in place already, we need to validate it with regular surveys so that we can monitor progress.

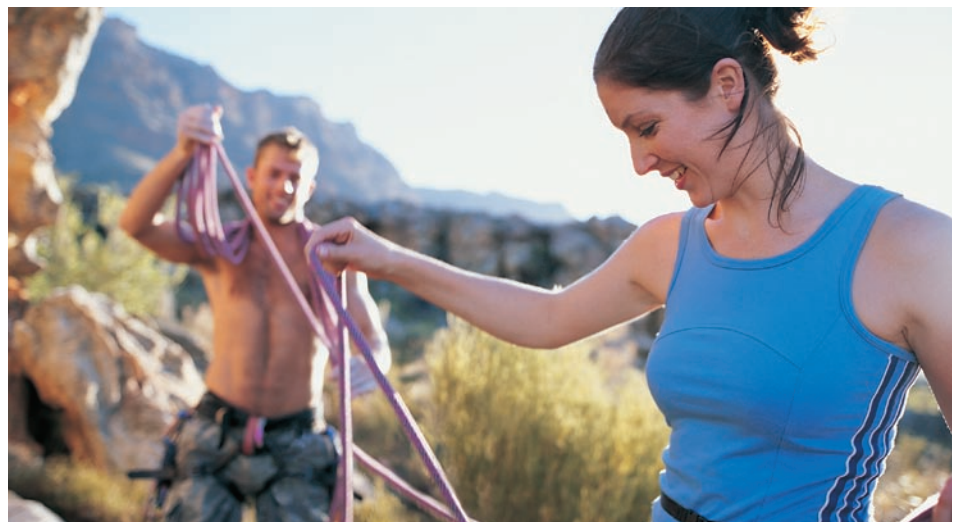
In an organisation which better responds to customer needs, our staff need to improve understanding of customer requirements and appreciate the Trust's values. This means that we need to be more aware of how we recruit, train and develop.

In staff systems we also need to be aware that cost is important. It is quite easy just to go for low cost but that invariably means that quality of service suffers. We need to get the balance right.

We need to ensure we have systems that deliver service to our customers. We want to move towards collecting more data and contributions electronically and be able to provide more information on the internet.

Investment returns is a vital issue and we want to make sure that we employ good investment managers who deliver good returns and have value for money investment fees. We also want to ensure that for the benefit of our customers, we do not take excessive risks in this area.

**"The lowest cost provider of a comprehensive pension service to our customers."**



# E-Business Work Continues

The internet is fast becoming a central part of the activities of all organisations, and pensions are no longer an exception. We are all finding it easier to deal with our suppliers and customers using internet technologies, from the speed of email to online banking and purchasing systems. We have been working on developing an internet strategy that will avoid many of the pitfalls encountered by early adopters, and that it is easy to use, secure and meets your needs.

The internet can become a central part of our interaction with you - our customers. Strategic use of the web has the potential to:

- Revolutionise the dissemination and quality of communication.
- Increase the speed of communication.
- Build a community among customers and the Trust.
- Transform operations to provide enhanced services.

In March 2005 we launched an entirely new website that used the latest technology and provided increased functionality for our customers. This was a crucial first stage in providing a technology platform that would allow us to deliver our vision. In addition we also launched the first of our Scheme sites for the Social Housing Pension Scheme (SHPS), [www.shps.org.uk](http://www.shps.org.uk) to provide tailored information to members of that Scheme. It is our intention to extend this facility to other Schemes.

We have been working with some employers who agreed to participate in some market research to understand how they interact with us, and what they like and more importantly dislike about managing their pension arrangements. This is now being used to begin development of the second phase of our e-business strategy, that of providing online access to employers' data.

This is an exciting time for all of us and hopefully the new web services once developed will enhance your experience in dealing with us and increase accuracy and efficiency of our interactions.

## Vision

The Trust will be a leader among pensions administration companies in the use of electronic technologies to advance the Trust's work in the provision of retirement solutions to workers in the third sector. The use of web technology will enhance access to the Trust and provide greater support to employers, employees, and deferred and pensioner members. The web will be embraced as a fully integrated and dynamic tool by all departments to promote access and service. Our presence will provide the foundations for creating and sustaining a virtual community that services and engages all our constituents.



# Spotlight on: Investm

Prior to the launch of the Scheme Specific Investment Strategy in October 2004, The Pensions Trust used a one-size fits all approach for its pension schemes. This meant that the Trust invested its assets in line with the average UK pension scheme and used this as its benchmark (i.e. the WM All Funds Average) for measuring performance.

In 2003 The Pensions Trust commissioned a report from its investment advisers, the purpose of which was to devise a way of allowing its participating pensions schemes to have their own tailored investment strategies. The idea behind this approach was to allow the Trust to consider the following vital factors before determining an investment strategy for each individual pension scheme:

- The results of the latest actuarial valuation.
- The key investment aims and objectives.
- The views of the sponsoring employers after considering both their financial strength and attitude to risk.

This was the beginning of a process that led to the launch of the Trust's Scheme Specific Investment Strategy in October 2004.

## Asset Allocation and Strategy Groups

In their report, the Trust's advisers also considered asset allocation strategies (i.e. the split between the major asset classes such as equities and bonds) consistent with the

desired level of risk. They then tested these strategies under various economic scenarios to find out the impact on the Trust's pension schemes. From there they recommended combinations (or benchmarks) for the major asset classes with some consideration of alternative asset classes such as property. The final step was proposing an appropriate benchmark for each pension scheme.

Our advisers initially looked at the broad split between equity and non-equity investment for each pension scheme and allocated each one to a broad strategy group appropriate to its liabilities.

The strategy groups were as follows:

Asset Type	Grp (1%)	Grp (2%)	Grp (3%)	Grp (4%)
Equity	75	65	45	30
Non-Equity	25	35	55	70

However after consultation with our clients the Trust subsequently decided to allow (where appropriate) individual pension schemes to opt for a split between equities and non-equities based on 5% increments e.g. 75% equities and 25% non-equities, 70% equities and 30% non-equities, etc.

## Investment Building Blocks: Funds and Fund Managers

The building blocks (as at 31 August 2005) for the new investment strategy are as follows:

Asset Type: Equity	Asset Type: Non-Equity
The Global Equity Fund	The Index Linked Fund The Fixed Income Fund The Property Fund

The funds are structured as follows:

### a. Global Equity Fund

The Pensions Trust currently employs four investment managers to run portfolios for the Global Equity Fund – Legal & General Investment Management, Barclays Global Investors, Fidelity Investments, and Capital International. Legal & General is a passive or index-tracking manager and is expected to provide a return in line with equity markets.

Our other managers are "active" and are expected to use their skill and experience to beat the market.

# ent Strategies



The Global Equity Fund invests in shares registered across the globe and generally targets the following amounts invested across the following geographical regions:

United Kingdom .....	50%
Continental Europe .....	17%
North America .....	17%
Japan .....	10%
Pacific basin in Japan .....	4%
Emerging Markets.....	2%

However Barclays Global Investors, Fidelity and Capital International are given limited discretion to choose investments outside their benchmarks when they believe doing so may add value.

The Trust also removes most the effects of foreign currency movements by using a “currency overlay programme” i.e. 50% of the Trust’s currency exposure to investments in North America, Europe and Japan is effectively neutralised.

## b. Index-Linked Fund

The Pensions Trust currently employs two fund management firms to run portfolios for the Index-Linked Fund – Legal & General Investment Management and Morley Fund Managers. Morley is an active manager whilst Legal & General is passive.

The Index-Linked Fund generally targets 100% investment in index-linked gilts but Morley are given a very limited amount of discretion to purchase investments other than index-linked gilts where they think this might add value.

## c. Fixed Income Fund

The Pensions Trust currently employs three investment management firms to run portfolios for this fund – Legal & General Investment Management, Morley Fund Managers and Standard Life Investments. Again Legal & General are our passive manager whilst the other two are active.

The Fixed Income Fund generally targets the following amounts invested across the following types of investments:

UK Government Bonds .....	60%
UK Non-Government Bonds ..	40%

Both Morley and Standard Life are given a limited amount of discretion to invest in alternative investments where they think this might add value.

## d. Property Fund

The Pensions Trust employs a property manager (CB Richard Ellis Investors) to manage a portfolio of commercial properties covering areas such as industrial estates, retail outlet and offices. However the Trust does not include residential properties in its portfolio and all property investments are in the United Kingdom.

## Performance Objectives and Risk Controls

As each pension scheme now uses the funds shown above to follow its own investment strategy a one-size fits all approach to assessing the Trust’s investment performance is no longer appropriate. This means that the old performance benchmark requiring the

Trust to compare itself to a peer group (the WM All Funds Average) ceased being relevant after 30 September 2004.

Monitoring investment performance became far more complicated as the Trust has to consider:

- How well the strategy is working for each individual pension scheme
- How well the Global Equity, Index Linked, Fixed Income and Property funds are doing
- How well each individual investment manager is doing.

The Trust had to ensure that each individual manager and fund was taking the amount of risk appropriate for the agreed performance objective. The Trust also had to monitor whether all managers were complying with the terms of their individual investment management agreements and the Statement of Investment Principles

## Taking This Forward

Given that the Trust has now made it possible for each individual pension scheme to follow a bespoke investment strategy, the next step is to begin a dialogue with our clients as to how we can best report on investments in our stewardship reports. Our Account Managers look forward to taking the opportunity to begin this discussion.

# Our People

## Introducing Jacqueline Bliss Employer Nominated Director



The Pensions Trust is governed by Verity Trustees Ltd - the sole corporate Trustee of the Fund - and its former Trustees are now known as Directors. For simplicity we have used the more common term of Trustee(s) throughout this article.

Jacqueline Bliss represents The Pensions Trust in two key areas; as an Employer Nominated Director, since 2001, and as Chair of the Investment Committee. These two roles are critical to the smooth and effective running of The Pensions Trust. In addition, to these two roles, Jacqueline is a Chartered Accountant with 16 years' Board level experience within voluntary, commercial and public sectors and has 13 years' experience of pension fund trusteeship. Jacqueline holds a PMI Trustee Certificate.

### **Why did you decide to become a Trustee?**

I believed strongly that good pensions should be made available to people working in the not-for-profit sector, and I felt that The Pensions Trust offered a unique range of pensions products and provided a very valuable service. I already had around 10 years' experience as a pension scheme Trustee and of pensions administration when I first stood for election as a Trustee for the Trust, gained within both defined benefit and defined contribution funds.

### **What skills are needed to become an effective Trustee?**

Obviously, a Trustee needs to have understanding of the law relating to pensions, and to occupational schemes in particular, and also to be conversant with the rules and documents governing the scheme for which he or she is a Trustee. In terms of more general skills, effective Trustees for The Pensions Trust are likely to bring expertise in one or more of strategic planning, financial management, human resources, sales and/or marketing. I believe that all Trustees also need experience and understanding of good corporate governance, and increasingly risk-management is becoming a vital skill.

### **Describe your responsibilities both as a Employer Nominated Director and as Chair of the Investment Committee.**

Our responsibilities as Trustees include ensuring that the scheme complies with all relevant aspects of law; collect and pay out required contributions, benefits

and levies; maintain accurate records; appoint professional advisers; approve and file the annual Trustees' report and accounts; take investment decisions; and provide information to scheme members, including to employers.

My role as Chair of the Investment Committee is to facilitate the meetings and deliberations of the Investment Committee. This involves considering the rolling agenda to ensure all appropriate matters come to the Committee; ensuring that the Trust's appointed investment managers attend Committee meetings at least annually to present stewardship reports; considering the skills of Committee members to ensure that appropriate training is provided to address any gaps; and, of course, chairing the meetings themselves so that these run smoothly and the required decisions are made.

### **Is too great an onus placed on Trustees to increase their investment expertise?**

No, I don't think so. A very significant element of the success or otherwise of any pension fund will be the investment return achieved, as well as the amount of risk taken with those investments, so I believe it is vital that all Trustees have a working knowledge of investment strategy, and that a significant number of the Trustee body has a more expert understanding of portfolio design and management.

## Introducing Emma Page Pensions Administration Manager (Leeds)



Next in the series of profiles of key staff at the Trust we quiz Emma Page, Pensions Administration Manager.

We find out how she arrived at her current position, what her job involves and what she feels makes the Trust different as an employer and as a pensions provider.

Emma has been at the Trust for over 4 years. She joined as Benefit Administrator and has climbed steadily through the ranks. Emma now heads up the administration function in Leeds which consists of 8 teams, who are responsible for all aspects of administration of members' benefits.

### Where did you work before you joined and what was your role?

The University of Leeds as a Pensions Assistant. We administered an in-house pension scheme and also the Universities Superannuation Scheme (USS) and NHS schemes.

I joined The Pensions Trust as a Benefit Administrator in 2001.

### How did you first get involved with pensions?

By accident! I applied for a temporary position at the University to cover someone's maternity leave. It was then decided that the workload was such that the University would take me on as a permanent member of staff.

### What attracted you to working at The Pensions Trust?

The ethos of the Trust.

As I was used to working for an organisation where the focus was very much on the best interests of the members I wanted to work somewhere with similar values.

Also, as much as I enjoyed my time at the University, it was only a very small department and there was no real scope for progression. The Pensions Trust gives staff plenty of opportunities for training and development.

### What would you say are the most important aspects of your job?

Providing excellent service to all our customers be they members, employers or fellow employees.

### What do you like best about your job?

The work is very varied as we administer a large number of pension schemes. I enjoy the organisational side to my role as well.

### If there is such a thing, describe a typical day. Does a typical day exist?

Every day is different, as my role involves not just the day-to-day administration of the pension schemes but also responsibility for staffing issues including selection and recruitment of new staff.

I do try and plan ahead for the work I will be doing each day but, invariably, something urgent will turn up and my plans have to be changed.

### How do you feel The Pensions Trust makes a difference to its members?

Members are able to contact the Trust directly with any queries they have rather than having to go through their employers to get information. This one-to-one contact helps to foster a feeling of trust between the members and The Pensions Trust.

The fact that we are constantly striving to reduce our costs is another very important factor for our members.

### If you were not working for The Pensions Trust what would you like to be doing?

I'm not really sure what job I would like to be doing but I would like to have the opportunity to travel more than I have done in the past.

# Noticeboard

## Electronic Data Submission

Please contact Pension Support Services (PSS) if you would like to begin providing contributions and salary information in an electronic format. This creates less paper and if done correctly, helps us to reduce the cost of administering your schemes. Please contact the PSS team on **0113 394 2894**

## Winter Intouch Magazine

If you would like to receive additional copies for your staff, or an electronic version please contact us at:-

[update@thepensiontrust.org.uk](mailto:update@thepensiontrust.org.uk)

## Congratulations

To Jacki Johnston who has become a Fellow of the PMI from September 2005. Fellowship is the highest grade of Membership of the Institute. It is only available to Associates of the Institute who have been qualified for at least five years, and recognises their additional experience and standing in the profession.

## Let Us Know How We're Doing

Please feel free to tell us how we are performing. We appreciate your feedback. If we could do things better; please tell us.

If one of our staff has given notable customer service, we'd also like to know.

## Welcome

We would like to welcome the following employers who have joined the Trust in the last 6 months:-

- Relate
- East End Homes
- Community First
- The Oldham Hulme Grammar School
- Foundation Housing
- Downland Housing Association

## SHPS Recruitment Logo

If you would like a copy of the SHPS Recruitment Logo please e-mail us at:-

[shpslogo@thepensiontrust.org.uk](mailto:shpslogo@thepensiontrust.org.uk)

## Exhibitions

We will be attending the following exhibitions in 2006 :-

- CHASE 2006
- NCVO Annual Conference
- NHF Housing Finance
- CIH Harrogate
- NHF Annual Conference

If you are visiting any of these events please come along and introduce yourself; we would be delighted to see you.

A full list of exhibitions we are attending can be found on our website at [www.thepensiontrust.org.uk](http://www.thepensiontrust.org.uk)

## New E-zine Launched

In August 2005 the Trust launched a new E-zine. This was issued to existing employers.

If you would like to receive future issues please contact us at:-

[update@thepensiontrust.org.uk](mailto:update@thepensiontrust.org.uk)

## Staff Presentations

If you are interested in a presentation for your staff, please contact our New Business Team on: **0845 123 6660**.

## Dates to Remember

### February

15-16

CHASE 2006  
Gallery Hall & Business Design  
Centre, London

16-17

Cymorth Cyrmu Annual Supported  
Housing Conference,  
North Wales Conference Centre

21

NCVO Annual Conference  
The Brewery, London

### March

15-16

NHF Housing Finance Exhibition,  
The Marquee, University of  
Warwick

### May

10

ICAS Charities Conference,  
The Moat House, Glasgow

17-18

ISBA Annual Conference,  
Harrogate International Centre

## Fund Performance

Over the nine month period ended 30 June 2005 (i.e. the first nine months of The Pensions Trust's new scheme specific investment strategy) the performance of the four main funds used by most of our pension schemes was as follows:

Name	Fund Performance %	Benchmark Performance %	Relative Performance %
Global Equity Fund	15.5	15.0	+0.5
Fixed Interest Fund	8.2	8.1	+0.1
Index Linked Fund	7.6	7.2	+0.4
Property *	13.4	8.0	+5.4

\* Over the last 12 months

We are pleased to inform you that all four funds have outperformed their benchmarks.

### Equity Markets

Equity markets have continued to provide much improved returns since the bear markets experienced by investors between 2000 and 2003.

Over the 12 months ended 30 June 2005, investment performance was driven by strong figures across most equity markets. The only exception was Japan where the returns were negative.

### Bond Markets

On the whole, bonds did not perform quite as well as equities over the 12 months ended 30 June 2005. Fixed interest government

bonds (FTSE UK Gilts All-Stock Index) returned 10.9% and corporate bonds (iBoxx Sterling Non Government All Stocks Index) returned 12.6%.

The index-linked gilt market as represented by the FTSE UK Gilts Index Linked returned 10.1% over the 12 months ended 30 June 2005.

### Property Markets

Property continued to maintain its position as one of the more stable investment vehicles returning 17.5% over the 12 months to the end of June 2005 (as represented by the performance of the IPD Monthly Index).

# Your Letters

## Dear The Pensions Trust

Thank you for your comprehensive letter in response to my complaint. The twin aim of writing to Richard Stroud in the first instance was to make him aware of deficiencies in service delivery within The Pensions Trust and to elicit a response to my original request for some pension projections. As far as I am concerned, both of these have been met. I did indeed receive the letter containing the information originally requested and your letter confirms that the deficiencies in service have been investigated, acknowledged and acted upon. For this I am grateful. I have no need to take the matter further within your complaints procedure.

## Dear The Pensions Trust

Thank you very much for coming down to see us. Everyone much appreciated your contribution and the work that had gone into the papers for the meeting.

## Dear The Pensions Trust

We have just received the latest edition of Update. The content is fine – so far as I have been able to read it. My eyesight is fairly good – I can read even the smallest newspaper print when it is in black and white – but I am finding it a strain to read Update, simply because of the lack of contrast in the print. Any partially sighted person would find it virtually impossible to read; and this is just

not acceptable. I cannot see why you cannot stick to black on white or black on cream, with perhaps colour in the headings, but if you must have colour in the general text at least you should stick to the principal of having dark print on a lighter contrasting background. Light print on a dark background, as your pages 2 and 3, is particularly difficult.

## Response

We value our customers opinions and comments and we will do our best to take these on board. You will have noticed that in this edition of Update we have changed the main text from grey to black so it is much easier for our partially sighted readers to read.



We have included a selection of letters received from employers which we felt might be of interest to readers.

If you have any comments on the layout of Update please contact us at the addresses below.

Going forward we would be delighted to hear your views on this magazine, our services or any specific issues you are facing that you would like to share with fellow members.

Please write to:

Suzy Brear  
The Marketing Department,  
The Pensions Trust,  
6 Canal Wharf,  
Leeds LS11 5BQ

Or email  
[update@thepensionstrust.org.uk](mailto:update@thepensionstrust.org.uk)

# Directory

## Board of Directors

### John Alleston (Chair)

Retired, Former Administration Director, The Guinness Trust

### Jacqueline Bliss

Former Director of Finance & Administration, Coram Family

### Valerie Ching

Administrator, Medina Valley Centre

### Stephen Duckworth

Retired, Finance Director

### Philip Edwards

Retired, Pensions Manager

### Lynda Howe

Finance & IT Director, York Housing Association

### Dennis Jones

Payroll Manager, ExtraCare Charitable Trust

### John Kent

Retired, Management Accountant

### Richard Marshall

Retired, Finance Director

### Alison Massie

Executive Director of Finance & IT Services, Trust Housing Association

### Bruce Nelson

Chartered Accountant

### Barry Smith

Finance Director, Safe Haven Yorkshire

### Clare Smith (Deputy Chair)

Director of Human Resources, Leonard Cheshire

### David Prince

Accountant, Cheadle Hulme School

### Clive Unitt

Finance Director, Sadeh Lok Housing Group Ltd

### Maurice Whiteley

Chartered Accountant

## Board Secretary

### Frances Klejnow

Board Secretary

If you would like to contact any of the Board please do so via Frances Klejnow at the following e-mail address:

[frances.klejnow@thepensiontrust.org.uk](mailto:frances.klejnow@thepensiontrust.org.uk)

## Heads of Department

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New Business Consultant

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#### Ruth Yates

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### Edinburgh

#### Roddy Hoffman

New Business Consultant

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The Pensions Trust

You wouldn't put up with it in any other walk of life. So why is it that when you pay someone to administer your occupational pension, you often end up doing a lot of the work yourself?

The Pensions Trust is a unique 'one stop' comprehensive pension service, designed exclusively for the not-for-profit sector.

As a not-for-profit organisation ourselves, we understand your requirements and offer a cost effective service that takes care of everything.

Over 4,000 organisations are already enjoying peace of mind with our award-winning service. Why not join them today? Then the only job you'll have to do is your own.

**To find out more about us, call our new business team on 0845 123 6660 or e-mail [contact@thepensionstrust.org.uk](mailto:contact@thepensionstrust.org.uk) quoting ref TA2005**

[www.thepensionstrust.org.uk](http://www.thepensionstrust.org.uk)

“Once you've changed the sheets and cleaned the bath you'll have a lovely room.”



Pension Scheme Administrator of the Year