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# **BRITISH COAL STAFF SUPERANNUATION SCHEME**

**Annual General Meeting**

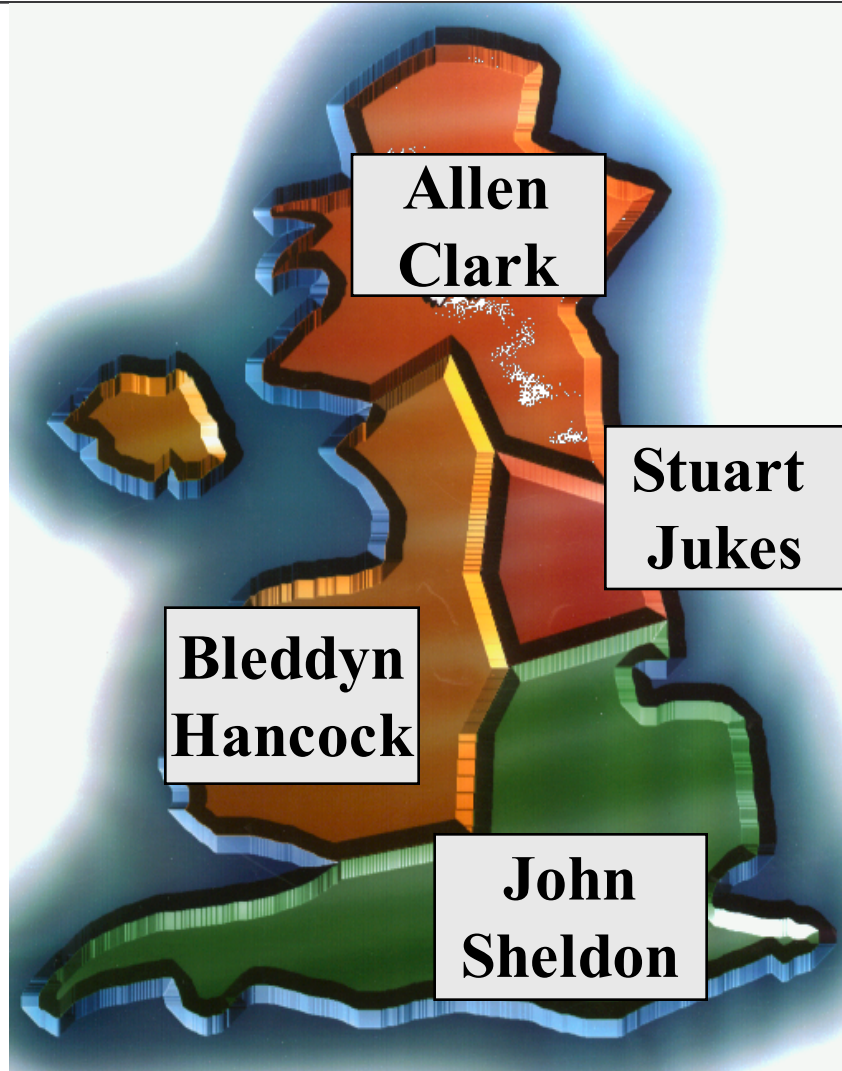
**Sheffield**

**6 October 2016**

## **Dame Kate Barker**

Chairman of the  
Committee of Management

**Pensioner  
Representatives**





# Appointed Members

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## **Kate Barker**

Chairman of the Committee of Management

## **Dick Barfield**

Chair of the Investment Sub-committee

## **Alan Whalley**

Chair of the Risk and Assurance Sub-committee

## **Jim Shearer**

Chair of the Administration and Benefits Sub-committee  
and the Discretions & Appeals Sub-committee



# AGM Programme

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|--------------------------------------|------------------------|
| 1. Chairman's Report                 | Kate Barker            |
| 2. Investment Strategy & Performance | Dick Barfield          |
| 3. Key Financial Information         | Jon Heathfield         |
| 4. Open Forum                        | Chaired by Kate Barker |
| 5. Chairman's Summary                | Kate Barker            |

# Administration Changes

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- Capita appointed to replace Aon Hewitt as Scheme Administrator
- Capita responsible for paying all benefits and dealing with members' queries from 1 August 2017
- Website and Pensions News refreshed
- Payslips provided 3 times a year - £400,000 cost savings

# Funding Objectives

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- Total future payments £18bn
- Annual investment returns required 1.8% above RPI
- Annual pension payments £629m
- Income from assets (net of expenses) £136m



# ISC Chairman's Presentation

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## **Dick Barfield**

Appointed Trustee and  
Chairman of the  
Investment Sub-committee



**Investment Objectives**

**Strategic Asset Allocation**

**Investment Performance**

**Brexit**

# Asset Allocation at 31 March 2016

	Actual %	Target %
<b>Fixed income</b>	<b>31.6</b>	<b>38.5</b>
Cash	0.9	0.0
Developed global govt bonds & credit	11.8	17.5
Emerging global govt bonds & credit	6.2	0.0
Private debt	9.2	13.5
Special Situations Debt	3.5	7.5
<b>Equities and property</b>	<b>65.8</b>	<b>57.5</b>
Public Equity	36.7	30.0
Private Equity	14.2	12.5
UK property and infrastructure	14.9	15.0
Global Macro	2.2	2.5
Shipping	0.4	1.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

# Actual Asset Allocation Changes

	31 March 2016	31 March 2015
	%	%
<b><u>Fixed income</u></b>	<b>31.6</b>	<b>21.0</b>
Cash	0.9	10.6
Developed global govt bonds & credit	11.8	0.0
Emerging market govt bonds & credit	6.2	5.7
Private debt	9.2	3.9
Special Situations Debt	3.5	0.8
<b><u>Equities and property</u></b>	<b>65.8</b>	<b>76.7</b>
Public Equity	36.7	51.5
Private Equity	14.2	12.0
UK property and infrastructure	14.9	13.2
Global Macro	2.2	2.3
Shipping	0.4	0.0
<b><u>Total</u></b>	<b>100.0</b>	<b>100.0</b>

# Annualised Return on Assets

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	<b>% p.a.</b>
<b>1 year</b>	<b>2.73</b>
<b>3 years</b>	<b>8.16</b>
<b>5 years</b>	<b>8.04</b>

# Investment Performance

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The table below shows the Scheme Returns versus the Benchmark Returns

	<b>Scheme Return</b> %	<b>Benchmark</b> %
<b>1 year</b>	<b>2.73</b>	<b>0.54</b>
<b>3 years</b>	<b>8.16</b>	<b>6.96</b>
<b>5 years</b>	<b>8.04</b>	<b>7.02</b>

- Unwinding of equity options releasing cash of £395m prior to June referendum
- Sales of further £400m of overseas equities & EMD in July
- Currently £825m of cash
- Enough to cover all pension payments until November 2017
- Returns to date since year end have been good

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# **Jon Heathfield**

Scheme Secretary



# Fund Account & Net Assets

	£ million	£ million
Pensions & lump sums	(648)	
Administration Expenses	(4)	
Payments to Guarantor	(500)	
<i>Total expenditure</i>		<i>(1,152)</i>
Investment income less expenses	136	
Increase in market value of investments	92	
<i>Total return on investments</i>		<i>228</i>
<i>Net decrease in the value of the Fund</i>		<i>(924)</i>
Net assets at 31 March 2015		9,571
Net assets at 31 March 2016		8,647





# Scheme Expenses

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	<b>2016</b> <b>£000</b>	<b>2015</b> <b>£000</b>
Investment Management Expenses	55,468	52,491
Pension Administration Expenses	3,268	4,166

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# **OPEN FORUM**

**Annual General Meeting**

**Sheffield**

**6 October 2016**

# Looking Forward

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- New Administrator
- Certainty of member benefits
- Working hard to ensure the Scheme remains well funded
- Thank you for your questions and for attending today

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