

Yorkshire Co-operatives Limited Employees'
Superannuation Fund

pensionsfocus

Summer 2016



Welcome

Welcome to pensionsfocus - the members' report for the Yorkshire Co-operatives Limited Employees' Superannuation Fund ('Fund').

This report provides a summary of the Fund accounts over the year to 31 January 2015. It also includes an update on how the Fund's assets are invested.

The Trustee sent you a valuation update report at the end of 2015 that showed the Fund had a funding level of 77% at 31 January 2015. A copy of this report is available on the Co-op's pensions website at www.pensions.coop.

The Fund accounts over the year to 31 January 2016 will be available at www.pensions.coop, from November 2016.

Changes to the Trustee

You may remember from the last issue of **pensionsfocus**, the Trustee company that manages the Fund has changed. From 1 December 2014, the Trustee for the Fund and the United Fund is TCG Northern Trustees Limited.

The Trustee Board comprises:

- **Independent Trustee Director appointed by the Co-op**
Independent Trustee Services Limited (Lead Director: Chris Martin)
- **Appointed by the Co-op**
Russell Gill - Head of Membership & Social Goals, Co-op (Chair of the Trustee Board)
Mark Brewer - Head of Planning and Reporting, Finance, Co-op
Matthew Speight - Divisional Managing Director, Food, Co-op
Rachel Woodman - Director of Transformation, Co-op
- **Appointed from members of the Fund and the United Fund**
Terry Auckland - pensioner member of the Fund
Sarah Horne - closure member of the United Fund
John Macbeth - pensioner member of the United Fund

With best regards from The Trustee

Help for visually impaired members

A large print version of this report is available on the Co-op's pensions website, www.pensions.coop

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Please note: your benefits are determined by and subject to the Fund Rules as amended from time to time (the Rules). If there is any conflict between any information in this members' report and the Rules, the Rules will be overriding and will determine the benefits you receive. You can request a copy of the Rules from Mercer (see page 8).

Please note that the Co-op reserves the right to amend the future benefits provided under the Fund from time to time and will notify members of any proposed changes.

Our accounts

During 2014, the Fund increased in value by over £10 million. As at 31 January 2015, it was worth £109 million.

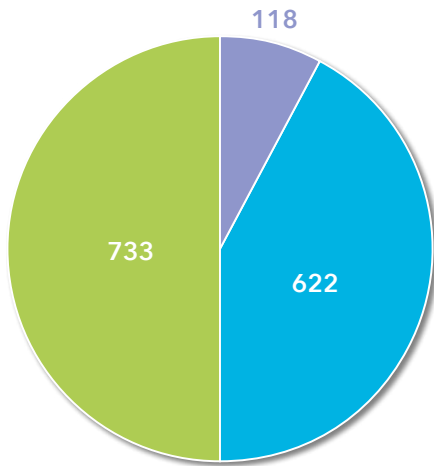
The Trustee produces formal accounts, which are audited by Deloitte, an independent company. Deloitte has confirmed that the 2014/15 accounts give an accurate picture of the money paid into and out of the Fund during the financial year to 31 January 2015. You can see a full copy of the accounts at www.pensions.coop

Value of the Fund as at 1 February 2014	£98.7m
Plus income	£7.6m
including contributions from the Co-op of £3.2m and investment income of £4.4m	
Less expenditure	(£4.7m)
including pensions and other benefits of £4.5m	
Change in market value	£7.7m
an increase in the value of the assets during the year	
Value of the Fund as at 31 January 2015	£109.3m



Who's in the Fund?

As at 31 January 2015, the Fund had 1,473 members.



Closure members 118

These members were still working for the Co-op at 31 January 2015 but are no longer paying contributions into the Fund.

Deferred members 622

These members haven't yet started to receive their pension but have a pension in the Fund.

Pensioner members 733

These members are receiving a pension from the Fund.

Total 1,473

Controls

The Trustee looked at the controls in place to manage risks and make sure members receive a high quality service. Deloitte also checks the controls as part of the annual audit.

Our investments

The Trustee monitors how the money in the Fund is invested on a regular basis. The way the money is invested means that the Fund can pay out all the pensions that have been promised to members.

Investment performance

Over the year to 31 December 2014, the Fund's investments grew by 8.7%, which was lower than the target set by the Trustee of 13%.

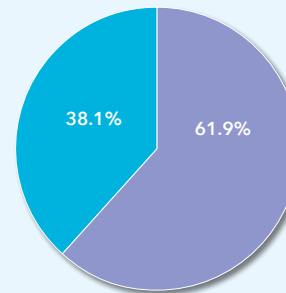
Over the three-year period to 31 December 2014, the Fund's investments grew by 7.8% a year, which was below the target of 9.3% a year.

Investment strategy

The long-term aim of the Fund's investment strategy is to ensure the Fund's assets keep up with changes in the value of the pensions it has to pay in the years ahead.

The Trustee revised the investment strategy after the 2014 valuation to help reduce the likelihood of large changes in the funding level. The Trustee monitors the funding level and investment strategy regularly to ensure risks are managed appropriately. A review of the growth investments is currently under way.

Investment split - 31 December 2014



Growth investments

61.9%

Growth investments consist of shares, property and diversified growth.

Risk reducing investments

38.1%

Includes government bonds, company bonds and investments which are designed to protect the Fund's funding level from changes in the interest rates and inflation.

You can download a copy of the **Statement of Investment Principles (SIP)**, which describes the investment strategy, from the Co-op's pensions website: www.pensions.coop

Changes to State pensions

Your Fund pension is paid on top of any State pension you may receive. From 6 April 2016, anyone reaching State pension age will receive the new State pension. The new State pension replaces the basic State pension and additional State pension (S2P/SERPS).

6 April 2016

If you reached State pension age before this date, the maximum weekly basic State pension amount is

£119.30

After this date, the maximum weekly amount of State pension is

£155.65



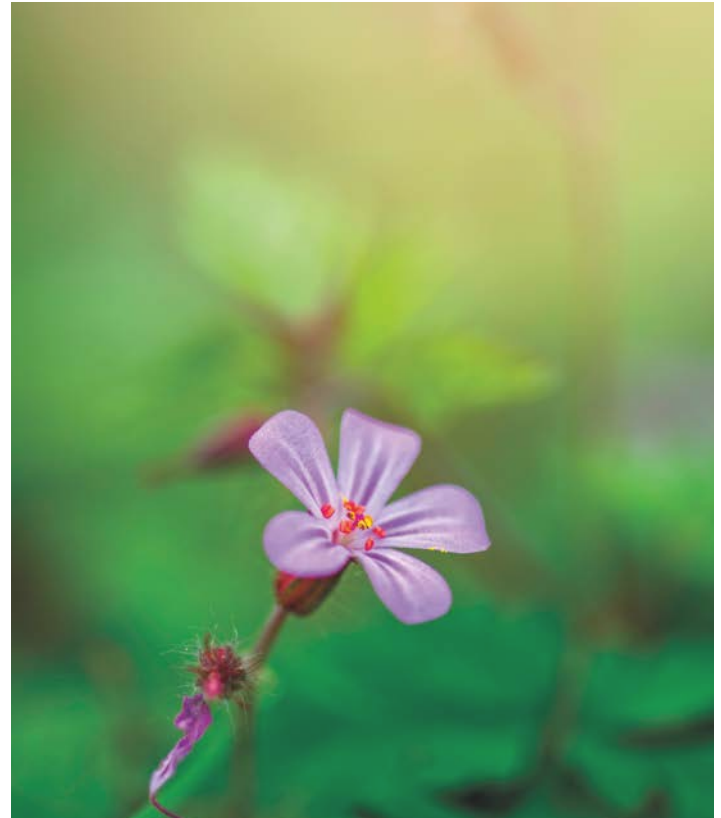
(reduced for any period you were in a scheme which was contracted out of the additional State pension)

To get the full State pension, you need to have paid National Insurance for 35 years.

That's an increase of 5 years.

To get any State pension, you need at least 10 years of National Insurance payments.

The new State pension is an individual benefit, so spouses will not be able to inherit State pension from their partner's National Insurance record.



Get in touch

Please remember to update your nomination form if your circumstances change, and tell us if you move house so we can keep in touch. If you work for the Co-op, any change to your address details will be updated when you update your employee records with HR.

Pensioner members

For questions about the payment of your pension:

In writing:

Pensions Payroll Team
HR People Services
Co-operative Group Limited
7th Floor
1 Angel Square
Manchester M60 0AG

By phone:

0330 606 9449

Deferred and closure members

If you have any questions in relation to your pension, or would like any more information, please contact the Fund's administrator, Mercer:

In writing:

Mercer Limited
Belvedere
12 Booth Street
Manchester M2 4AW

By phone:

0870 010 1461

By email:

Co-opGroupPensions@mercer.com

Please quote the name of the Fund and your National Insurance number when making contact.

General queries

If you have any concerns that cannot be dealt with by Mercer, or if you wish to give us your comments or suggestions on this report, please contact the Pensions Department:

In writing:

Pensions Department
Dept 10406
Co-operative Group Limited
1 Angel Square
Manchester M60 0AG

By phone:

Pensioner members: **0843 751 1701**

All other members: **0843 751 1700**

By email:

utdpensions@co-operative.coop



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