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Advisory Panel – voting now open
Come to the Pensions Fair
Autumn competition



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Welcome

Welcome to the latest edition of *The Quill*, the newsletter for members of the Royal County of Berkshire Pension Fund.

In this issue we have an exciting assortment of articles on a variety of different subjects which we hope you will enjoy.

As usual with our Autumn issue we have included a summary of the Annual Report and Accounts for 2008/2009 on pages 4-5. If you would like a copy of the full publication please contact the Pension Team.

We would also like to take this opportunity to invite you to attend our Annual Meeting of Stakeholders and Pensions Fair event which will be held

on Thursday, 12 November. Full details of these events can be found on pages 8 and 12 and we look forward to meeting with you on the day.

Nominations for member representation of the Berkshire Pension Fund Advisory Panel have now been received – and we invite you to cast your vote for your preferred candidate on page 15.

We have also included a few reminders on pages 16-17 regarding the latest pension news and in particular we invite you to visit our website which is constantly updated with new features and articles relating to the Berkshire Pension Fund.

We hope you enjoy reading this latest edition of *The Quill*. As always, we

would welcome your views, particularly on our newsletters or about the service we provide in general, so please feel free to contact the Pension Team. Our details can be found on the back page of this newsletter.



Councillor John Lenton
*Chairman, Berkshire Pension Fund and
Berkshire Pension Fund Advisory Panels*

Fund Accounts

	£'000
Income	
Employer contributions	54,534
Employee contributions	23,456
Transfer values received	5,046
Investment income	38,099
Total income	121,135
Expenditure	
Benefits payable	56,695
Payments to and on account of leavers	5,740
Fund administration and management costs	3,851
Total expenditure	66,286
Net income	54,849
Balance sheet	
Quoted investments	602,723
Managed funds	366,289
Current assets	71,439
Less current liabilities	-31,401
Net assets at 31 March 2009	1,009,050






LGPS membership

As at 31 March 2009, there were nearly 45,000 members in the Royal County of Berkshire Pension Fund. Of this number, over 19,000 are actively employed by over 120 organisations within the Berkshire area, with this number continuing to increase.



The breakdown of membership is reflected below:



 Active members	19,339
 Deferred members	14,772
 Pensions in payment (including dependants' benefits)	10,882
TOTAL	44,993

Investments

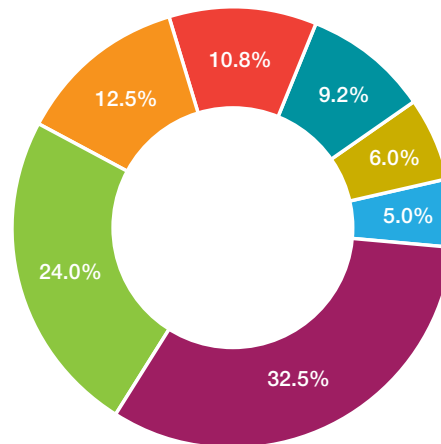
The Pension Fund Panel is responsible for setting the strategic asset allocation for the investment of the Fund's assets (see chart opposite).

The Panel reviewed and agreed a new asset allocation policy during the financial year 2008/09 which will be deployed during the 2009/10 financial year. The objective of the new asset allocation is to diversify the Fund's assets across a broader universe of investable assets. Contained within the 32.5% allocation to equities is a 10% allocation to private equity.

A combination of external investment managers and the in-house investment team based in Maidenhead manage the Fund's assets. Each manager is given a specific benchmark and a target return objective above the specific benchmark. The in-house assets are managed on a conservative basis and this is reflected by their target returns matching the benchmark returns, whilst the external managers are expected to produce returns higher than their benchmarks.

If you would like a copy of the full version of the Annual Report and Accounts for 2008/2009 please contact Joanne Brazier on 0118 9559009 or email Joanne.Brazier@rbwm.gov.uk

New asset allocation



Global equities	32.5%
Bonds	24.0%
Other alternatives	12.5%
Property	10.8%
Commodities	9.2%
Infrastructure	6.0%
Active currency	5.0%

During the 2008/09 financial year, the Panel terminated the active currency management programme with Record Currency Management following a sustained period of poor performance, but retained them for currency hedging.

As at 31 March 2009, the Fund employed the following external managers:

- ▶ JP Morgan Fleming – UK equity portfolio
- ▶ Wellington Management International – global equity portfolio
- ▶ Fidelity International – diversified bond portfolio
- ▶ IPM Informed Portfolio Management AB – global equity enhanced index portfolio
- ▶ Record Currency Hedging – passive currency hedging of overseas assets

The investment performance of the principal managers used by the Fund is summarised in the table opposite.

The managers' performance excludes currency movements in the 4th quarter of 2008, which adversely affected overall Fund performance.

Funds	1 Year to 31 Mar 2009 % p.a.	3 Years to 31 Mar 2009 % p.a.
Total Fund	-28.2	-10.3
Total Fund Benchmark	-23.2	-8.1
Relative Performance	-5.0	-2.3
Internally Managed Assets	-20.4	-4.8
Benchmark	-22.5	-7.2
Relative Performance	+2.1	+2.4
JP Morgan Fleming	-34.1	-11.5
Benchmark	-32.9	-10.2
Relative Performance	-1.2	-1.3
Wellington Management	-22.6	-8.1
Benchmark	-21.9	-8.1
Relative Performance	-0.7	0.0
Fidelity International	-4.2	-0.1
Benchmark	-2.0	+0.8
Relative Performance	-2.2	-0.9

Annual Meeting 2009

You are invited to attend our Annual Meeting on Thursday, 12 November 2009 which is being held in the Council Chamber at Easthampstead House, Bracknell.

The meeting is open to all members of the Royal County of Berkshire Pension Fund. In attendance will be members of the Berkshire Pension Fund Panel and the Pension Fund Advisory Panel including the Chairman, Councillor John Lenton. Also present will be Nick Greenwood, Pension Fund Manager and Kevin Taylor, Pension Administration Manager.

The meeting will commence at 11am with a view to finishing at approximately 12:15pm. Refreshments will be provided.

To assist us in planning the meeting we would be grateful if you could confirm your attendance by completing the reply slip opposite. Please be advised that spaces are limited and priority will be given to members who have indicated their attendance.



Annual Meeting attendance request

Full Name

Home Address

Postcode

Tel No

Email

Please return this form to Joanne Brazier, Royal County of Berkshire Pension Fund, 3rd Floor, Thames Tower, 37-45 Station Road, Reading, Berkshire, RG1 1LX. Alternatively you can fax us on 0118 950 2672.

If you would like to confirm your attendance by email please contact us at Joanne.Brazier@rbwm.gov.uk

All bookings will be confirmed by return of email or post.



Autumn Sudoku competition

For a chance to win a £25 high street gift voucher kindly donated by our in-house AVC providers, Prudential, why not have a go at our Spring Sudoku competition.

Please send your entry to Joanne Brazier, Royal County of Berkshire Pension Fund, 3rd Floor, Thames Tower, 37-45 Station Road, Reading, RG1 1LX, to reach us by 30 November 2009. The winner will be drawn at random from the correct entries received. Good luck!

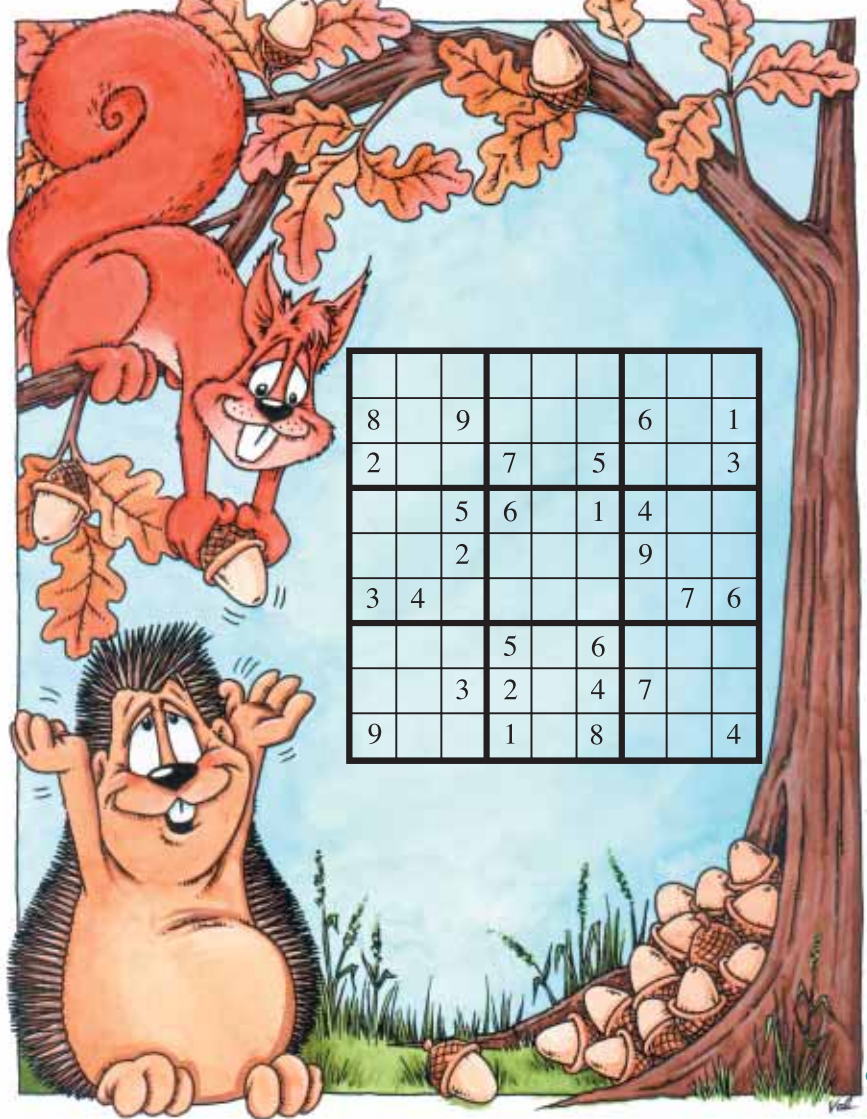
Please note this competition is not open to members of the administration or investments pension teams.

Full Name _____

Address _____

Postcode _____

Telephone number _____



8		9				6		1
2			7	5				3
		5	6	1	4			
		2				9		
3	4						7	6
			5	6				
		3	2	4	7			
9			1	8				4



Have you considered the retirement you want?

The LGPS is an excellent pension scheme, but have you considered paying extra towards your income on retirement?

**To answer this, ask yourself the following questions:
Do you know...**

- 1 the basic facts of the Local Government Pension Scheme?
- 2 if you will have a shortfall in the income you would like for retirement?
- 3 tax relief is currently available to you from pension contributions?
- 4 what is meant by Additional Voluntary Contributions (AVCs)?
- 5 how to use your AVCs to potentially help you retire earlier than your main scheme retirement age?
- 6 that the level of AVCs is flexible?

7 that your pension scheme selected Prudential as your AVC provider?

8 how much of your AVC fund can currently be taken as a tax-free lump sum, when you retire?

Although we don't give advice, with our support you can answer the questions above, and make informed choices that best suit you. It's always a good time to plan for retirement and help yourself to make a difference.

This service is free, so why not call us on 0845 607 0077, quoting the reference 001651.

Lines are open 9am-6pm weekdays. Calls may be monitored or recorded for quality and security purposes.

Retirement has more potential with

PRUDENTIAL



Berkshire Pensions Fair 2009

To coincide with our annual meeting (see page 8) we are holding a Pensions Fair on Thursday, 12 November 2009 in the Function Room, Easthampstead House, Bracknell.

The Pensions Fair will be open to all members of the Pension Scheme and will run from 10:30am until 3:30pm. Entry is free and no appointment is necessary.

Representatives will be in attendance from:

Berkshire Pension Fund – Pension Team, answering queries on all aspects of the Local Government Pension Scheme.

Berkshire Pension Fund – Payroll Team, offering guidance on any tax or income queries for members who are in receipt of a Berkshire pension.

Prudential, offering advice on increasing your pension entitlement through Additional Voluntary Contributions.

Age Concern Berkshire, offering help and advice on a wide variety of topics.

A comprehensive range of literature from these organisations will also be available.

Directions to Easthampstead House are available by contacting us on 0845 602 7237 or you can email us at info@berkshirerpensions.org.uk

Details are also available via our website at www.berkshirerpensions.org.uk

All are welcome to attend and we look forward to seeing you on 12 November.



Pension Panel

- the nominations are in!

Nominations for representation on the Berkshire Pension Fund Advisory Panel are now in!

In our Spring edition of *The Quill* we invited our members to nominate themselves for a position on the Berkshire Pension Fund Advisory Panel. There are vacancies for two panel representatives, one active and one retired or deferred Scheme member. The nominations are now in and details of the short-listed candidates are listed on the following pages.

To cast your vote please complete the return slip on page 15. Please vote for one active member from the list. Voting is now open and will close on 31 December 2009. Please send your completed voting slip to Joanne Brazier, Berkshire Pension Fund, Thames Tower, 3rd Floor, 37-45 Station Road, Reading, Berkshire, RG1 1LX.

Alternatively, you can cast your vote online at www.berkshirerpensions.org.uk/current-members.htm



Active member representation nominees:

Mr Keith Abnett

Lives in: Aldershot, Hampshire

Mr Abnett is employed as a Town Clerk at Wokingham Town Council and has been a member of the LGPS for over 11 years. Mr Abnett has a keen interest in all matters of a financial nature and has experience in such areas as personal finances/investments, the running of medium to small businesses and now in Local Government. He was general secretary to an environmental/engineering charity attending the Heathrow Terminal 5 Inquiry.

Mr Abnett reads with interest the triennial report and actuarial valuations of the Berkshire Pension Fund when they are published and also monitors the national trends and comments that are made in both the business and personal financial sections of the press.

Mr Abnett feels that his wide financial experience would be of great value to the Advisory Panel and he is very aware of the pressures both public and political that are now being brought to bear, along with the aspirations of those in the Berkshire Pension Fund.

Mr Jean Sebastian Champeau

Lives in: Purley on Thames, Berkshire

Mr Champeau is a Senior Licensing and Enforcement Officer for Reading Borough Council. Mr Champeau has 24 years' experience working for Reading Borough Council in various roles including Head Groundsman and Cleansing Manager.

Mr Champeau has a keen interest in the stock market and has a good understanding of shares, stocks and bonds with a main interest in small oil companies with a value of less than £13 million in the AIM market. Mr Champeau is a clear supporter of the pension fund and a firm believer in clear sensible management of funds.

Mr Graeme Herd

Lives in: Gerrards Cross, Buckinghamshire

Mr Herd has a good theoretical knowledge of pension investments through working on his MBA and has put this into practice when working for M&G Investment Management. Mr Herd had obtained the Investment Management Certificate qualifying him as a market professional in the UK. Through consultancy work with the Prudential, Irish Life and Scottish Amicable he has gained specific pensions industry knowledge. Mr Herd has an in-depth understanding of pension legislation and also has an honours degree in Mathematics.

Mr Herd has been appointed to the Advisory Council on the National Archives, chaired by the Master of the Rolls, to provide advice on Freedom of Information to the Lord Chancellor. Mr Herd is currently employed as Head of ICT at Slough Borough Council.

**PLEASE SELECT ONE CANDIDATE
FROM THE LIST BELOW:**

Active membership representation:

Keith Abnett

Jean Sebastian Champeau

Graeme Herd

**Please quote your National Insurance number below
before returning your voting slip:**

National Insurance number:

Please return your completed voting slip to Joanne Brazier, 3rd Floor,
Thames Tower, 37-45 Station Road, Reading, Berkshire, RG1 1LX





Berkshire Pension Fund Your website – a reminder

Don't forget to visit the new website at www.berkshirepensions.org.uk where you can access information about the Berkshire Pension Fund and how it is administered within Berkshire.

You can also view documents and download our extensive range of pensions literature directly from the website.



Pension news

Due Diligence policy statement released

The Royal Borough of Windsor & Maidenhead ('RBWM'), acting as the administering authority for the Royal County of Berkshire Pension Fund, takes its responsibilities for the management of the Fund's assets very seriously.

With this in mind, the Fund recognised the importance of formulating a Due Diligence policy to ensure that the Fund has suitable controls and procedures in place.

The Fund's Due Diligence policy statement is available to view or download via our website at www.berkshirerpensions.org.uk/policies.htm

Updated LGPS video released...

An updated version of the new-look LGPS 2008 video has been produced by the Local Government Employers Organisation (LGE). It covers why the Scheme has changed, what makes the LGPS one of the best pension schemes available, and how the key changes affected existing members being moved over to the new-look Scheme on 1 April 2008.

The video can be viewed at www.berkshirerpensions.org.uk/lgps_video.htm



Contribution bandings reminder

The contribution percentage you pay is now determined by how much you earn, as assessed by your employer and in accordance with the table below:

Band	Salary range	Contribution rate
1	£0 - £12,600	5.5%
2	Over £12,600 to £14,700	5.8%
3	Over £14,700 to £18,900	5.9%
4	Over £18,900 to £31,500	6.5%
5	Over £31,500 to £42,000	6.8%
6	Over £42,000 to 78,700	7.2%
7	Over £78,700	7.5%

The salary bands will increase each year in line with the Retail Price Index (RPI). The RPI measures inflation in regular household expenditure, including mortgages, fuel and food.

If you work part-time, when determining which rate you should pay, your employer will have to consider the level of earnings that you would have received had you been an equivalent full-time employee.

To find out more about pension contributions please visit www.berkshirerpensions.org.uk/contributions.htm



Useful contacts

You may find these contacts for external organisations within the pensions industry useful:

HMRC for any tax queries: www.hmrc.gov.uk

The Pension Service offering advice about claiming your State Pension: **0845 606 0265**

As part of the Government's drive to improve its online services for citizens, all the information on The Pension Service website, including the State Pension Age calculator, will move to the Directgov website (www.direct.gov.uk) at the end of September 2009.

Prudential Assurance Company the Local Government AVC provider: **0845 600 0343**;
www.pru.co.uk

The Pension Tracing Service a free service for tracing old or lost pensions: **0845 6002 537**

Citizens Advice Bureau 0845 071 6379;
www.citizensadvice.org.uk

The Pensions Advisory Service an independent organisation offering help and advice on all pension schemes: **0845 601 2923**;
www.pensionsadvisoryservice.org.uk



Contact us

We hope you enjoyed reading this issue of *The Quill*. If you have any queries or comments about the articles in this newsletter, please contact the Pension Team:

Royal County of Berkshire Pension Fund, 3rd Floor, Thames Tower,
37-45 Station Road, Reading RG1 1LX

Helpdesk: 0845 602 7237

Overseas telephone number: +44 118 955 9001

(telephone lines are open Monday to Friday 8:30am to 5pm)

Fax: 0118 950 2672

Email: info@berkshirerpensions.org.uk

If you would prefer to visit us in person to discuss your pension you are welcome to call in to our office Monday to Friday between 9am and 5pm.

Please note that our '0845' helpdesk number is now a free-call number from BT landlines.



*The Quill is printed on ClaroSilk,
an elemental chlorine-free (ECF)
paper sourced from certified,
sustainably managed forests.*

**If you would like this newsletter in
large print, audio or braille format
please contact Joanne Brazier
on 0118 955 9009 or email
joanne.brazier@rbwm.gov.uk**

The Royal Borough of Windsor and Maidenhead is the administering authority to the Royal County of Berkshire Pension Fund.