



University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)

Your 2020 Annual General Meeting Newsletter

September 2020



Chair's introduction

I am pleased to introduce the 2020 member newsletter, which the Trustees are providing in place of the members' annual general meeting (AGM).

First of all, I hope that you and your family are keeping safe and well at this unusual and difficult time. As you might expect, the Trustees are not able to hold the members' AGM in the normal way at the University buildings this year. Instead, we have prepared this newsletter to provide you with an update on how we are managing the Scheme.

The newsletter includes information on the funding position and investment performance of the Scheme. We have also included some information on the measures we are taking to ensure that your benefits remain secure and that we can continue to pay your benefits on time.

Please stay in touch with us via the Pensions Office and if your circumstances change (e.g. change of address), please let us know using the contact details below.

Where possible, we would be grateful if you can email the Pensions Team as they are still working from home.

Address: Pensions Office
Finance Department
University of Aberdeen
King's College
Aberdeen
AB24 3FX

Email: pensions@abdn.ac.uk

We very much hope to be back at the University in person for the 2021 AGM and we look forward to seeing you then. In the meantime, please stay safe and well.

Jacquelynn Crow
Chair of Trustees
UASLAS

Keeping your pension safe

As you know, most office workers including the Trustees' advisors and service providers are still working from home. Over the last six months we have worked closely with our advisors to put in place extra measures to ensure that pensioner members continue to receive their monthly pension payments in full and on time. We have also taken steps to ensure that all members' benefits are safe and secure. The timely payment of pensions and the security of all members' benefits will continue to be our key priorities during this challenging time.

During this period we have asked the Scheme administrators, Prudential, to prioritise benefit payments for new retirements and bereavements. As a result, it is possible that some other requests from members may take a little longer than usual to process. We hope you understand and we would like to thank you for your patience and understanding if this occurs.

Be alert for pension scams

There has been a significant increase in the number of pension scams since the coronavirus outbreak started. These scams often include fraudulent links and/or may ask you to call a phone number. Some scam emails are designed to look very realistic. **Make sure you don't click links in any suspicious looking emails, and never respond to any unsolicited messages that ask for any of your personal information or financial details.**

Please read the following leaflet to find out more on how to avoid being scammed.
<https://www.fca.org.uk/scamsmart/how-avoid-pension-scams>

Funding update

With the support of the Scheme Actuary, the Trustees are currently working with the University to finalise the 2019 valuation of the Scheme. This valuation is expected to show an

improvement in the Scheme’s funding position since the previous valuation carried out in 2016. The following table sets out the provisional results of the 2019 valuation and the results of the 2016 valuation.

	31 Jul 2016	31 Jul 2019
Assets	£135.5m	£165.1m
Liabilities	£158.7m	£174.7m
Deficit	£23.2m	£9.6m
Funding level	85.4%	94.5%

The table shows a significant improvement in the funding position between 2016 and 2019, which is largely due to strong investment performance over the period.

We are currently working with the University to agree the contributions payable to the Scheme. After the 2019 valuation has been finalised and the contributions agreed, we will write to you to confirm the results.

We also wanted to reassure you that the Scheme remains in a strong position despite the challenging market conditions seen in 2020 due to the impact of the Coronavirus. The Scheme’s stable funding position is due to the actions taken by the Trustees to reduce risk and protect members’ benefits. More information on this is provided in the following section on investments.

Investments

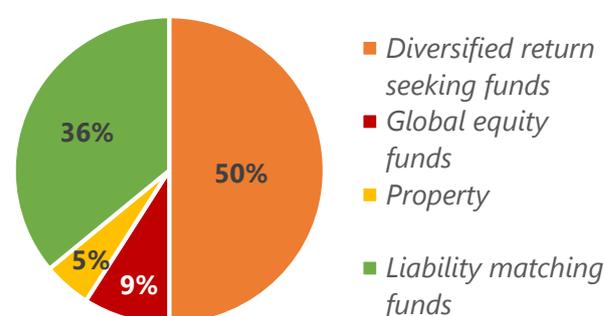
The return on the Scheme assets in each of the past four years is set out in the table below.

	Return on assets (%)	Year-end asset value
2016/17	13%	£149.5m
2017/18	6%	£156.2m
2018/19	8%	£165.0m
2019/20	5%	£170.1m

The table shows that the assets have delivered strong returns over the past four years, including a positive return in the most recent year which saw significant market volatility due to the impact of Covid-19. Over the period, the Scheme assets have increased in value from £135.5m at 31 July 2016 to £170.1m at 31 July 2020.

Investment strategy

The Trustees have made a number of changes to the Scheme’s investment strategy to reduce risk whilst maintaining the required level of expected returns. The following chart shows the current allocation of the Scheme assets.



The new investment strategy is designed to deliver long term asset growth relative to the liabilities and will also provide a high level of protection if changes in market conditions lead to an increase in the liabilities.

The University

The University is committed to supporting the Scheme. Working together, the Trustees and University have put in place arrangements to ensure the security of members’ benefits. These arrangements include contributions to remove the deficit over the next 9 years and a bank guarantee for the full amount of the deficit to provide security while the deficit is being paid off.

The Trustees will continue to work with the University to ensure that the Scheme is properly funded and that members are supported throughout their full period of membership of the Scheme.

Where can I get more information?

If you have any other questions about the Scheme, please contact the Pensions Office in the first instance. If you want to find out more about the Scheme, you can obtain copies of the documents listed below from the UASLAS Pensions website at the following address:

<https://www.abdn.ac.uk/staffnet/working-here/pensions-208.php#panel8557>

Scheme Guide and Factsheets

The Guide and Factsheets provide full details of the benefits provided under UASLAS

Annual report and accounts

This shows changes in the Scheme membership during the year as well as providing details of income and outgo

Other documents

Here, you can find the formal documents that set out the Trustees' approach to funding and investment

Actuarial valuation reports

These reports provide detailed information on how the Scheme is funded including the assumptions used by the actuary

