Public Employees’ Pension Fund

Annual Report 2019

Contents

Introduction

Welcome to the Annual Report and Financial Statements for the Public Employees' Pension Fund ("PEPF" or the "Fund".)

The PEPF is the pension fund consisting of the Final Salary Scheme (also called the Public Employees' Contributory Retirement Scheme (PECRS)) and the Career Average Scheme (also called the Public Employees' Pension Scheme (PEPS)). These schemes provide pension benefits to public servants, excluding teachers, in Jersey.

Overview

Total Fund value as at 31 December 2019	Fund value increase in 2019	Investment Return in 2019	Benchmark Return in 2019
£2.252 billion	**£190 million**	**11.2%**	**11.4%**

During the course of 2019, the assets of the PEPF increased in value by £190 million to £2.252 billion. This increase comprised investment return of (£226.4 million) less benefits paid exceeding contributions, and expenses, of £36.7 million.

The 2019 returns reflect a positive year for markets and a steep recovery from the negative returns seen in 2018. The Fund's investments increased by 11.2%, which was significantly in excess of the Fund target return (but marginally below the market benchmark). This favourable position ensures that the Fund is able to continue to meet its obligations to pay pensioners.

The asset value at the end of 2019, however, has since fallen back owing to the impact on financial markets of the Corona virus COVID-19 pandemic. The position is being monitored closely. Fortunately, the portfolio is well diversified with a long-term time horizon and with limited, if any, need to sell investments in the short term to meet cash flow.

Over five years, the Fund has produced an annualised return of 6.6% against a target return of 4.7% and, over ten years, an annualised return of 8.0% against a target return of 4.4%. The long term position, therefore, remains healthy.

A more detailed assessment of annual performance is included in the Investment Performance section of these accounts.

The changes to the Scheme that began with the Regulations agreed in 2015 continued to be implemented during 2019, with members of the Final Salary Scheme transferring to the Career Average Scheme on 1 January 2019. On 1 January 2019, over 4,400 members of the Final Salary Scheme were transferred to the Career Average Scheme for their future accrual. Scheme members within seven years of their normal retirement age on 31 December 2018 or on a 1/45th accrual had the option to remain in the Final Salary Scheme. 842 members so-opted to remain in the Final Salary Scheme on 1 January 2019; by the end of 2019 this number had fallen to 617.

The Fund normally undergoes an actuarial valuation at least every three years. However, the Regulations made in 2015 required a valuation to be carried out for the year ended 31 December 2018, the date of transfer for most members to the Career Average Scheme. The valuation, published in early

2020, concluded that at that point both the Final Salary Scheme and Career Average Scheme were sustainable. The Final Salary Scheme had a funding level (the relationship between estimated future pension payments and the funds held to pay for those pensions) of 99.95%. The Career Average Scheme had a small surplus of £3.26 million, equivalent to a funding level of 120.5% (a position reflecting the immaturity of the Scheme). The next actuarial valuation will be at 31 December 2021.

During 2019, Fund membership increased to over 16,200 members. Pensions of £84 million were paid to pensioners living in Jersey and 26 other countries, principally the United Kingdom.

These topics are explained in more detail in this report.

Members, Managers and Advisors

Members of the Committee of Management

Chairman	
Mr G Pollock	
Employer Representatives	**Member Representatives**
Mr J L Everett Mr S Laing Mr T A Le Sueur OBE Mr J Mills CBE Dr E Sallis OBE^ Mr S Warner	Mr C Bambury* (appointed Jan 2019) Mr M De La Haye OBE* (appointed Jan 2019) Mr J R Fosse Mr T Querns Mr M A Q Richardson Miss B Ward

^Admitted Body Representative *Pensioner Representative

The Committee is established under Article 4 of the Public Employees' (Pensions) (Jersey) Law 2014, and governed by Regulations made under it in 2015. Committee members are appointed by the Chief Minister on the recommendation of the Minister for Treasury and Resources for terms of up to five years, which may be extended for a second term of up to five years. The Chairman is appointed to the Committee by the Chief Minister for separate five-year terms on the recommendation of the Minister for Treasury and Resources and with the agreement of the majority of the Employer and Member representatives. Mr. Pollock was reappointed as Chairman in June 2019 for a second term, to 30 June 2024.

Advisors to the Committee of Management

Actuary	AON	Independent Auditors	PricewaterhouseCoopers LLP
Custodian	Northern Trust	Investment Advisor	Mercer LLC
Bankers	HSBC Plc	Legal Advisors	Carey Olsen DLA Piper Osborne Clarke LLP

Secretary to the Committee of Management – Mrs J Ward

Fund Administrator - The Treasurer of the States

Investment Managers

Arrowgrass Capital Partners LLP
Baillie Gifford & Co
BlackRock Investment Management (UK) Limited
Capula Investment Management
CQS
Hayfin Capital Management
Legal and General Investment Management
Lansdowne Partners Limited
Park Square Capital
PGIM Real Estate
Rokos Capital Management LLP
Veritas Asset Management (UK) Limited

Participating Employers

The principal employer is the Government of Jersey.

All new permanent employees of the Government of Jersey are admitted into the Career Average Scheme. There are other organisations which participate in the Schemes with the consent of the Chief Minister; these are known as Admitted Bodies.

Scheme Employer	
Government of Jersey	
Admitted Bodies	
Andium Homes Limited	Jersey Overseas Aid Commission (JOAC)
Beaulieu Convent School Limited	JT (Jersey) Limited
Brig-y-Don Children's Home	Les Amis Limited
Comité des Connétables	Parish of St Brelade (including Maison St Brelade)
Office of the Information Commissioner	Parish of St Clement
Family Nursing & Home Care (Jersey) (Incorporated FNHC)	Parish of Grouville
Jersey Gambling Commission	Parish of St Helier
Jersey Advisory and Conciliation Service (JACS)	Parish of St Lawrence
Channel Island Competition & Regulatory Authority (CICRA)	Parish of St Martin
Jersey Employment Trust (JET) (including Workforce Solutions Limited)	Parish of St Ouen
Jersey Financial Services Commission (JFSC)	Parish of St Saviour
Jersey Heritage Trust	Ports of Jersey Limited
Jersey Post Limited	

During 2019, the States of Jersey Development Company Limited withdrew from its Admitted Body status and repaid its share of the past service debt, which was £0.66 million.

Governance Arrangements

Summary of Governance Arrangements

The Fund is governed and administered under the Public Employees' (Pension Scheme) (Administration) (Jersey) Regulations 2015. The Committee of Management manages the Fund. It sets the investment strategy, appoints and instructs the Actuary and investment and legal advisers, and works to ensure that benefits are paid to members in accordance with law. The Administrator is the Treasurer of the States. The Committee of Management appoints and terminates investment managers with the approval of the Minister for Treasury and Resources.

A number of sub-committees take the lead on particular aspects of work, reporting to the Committee of Management. The table below shows their membership at the year end. Each sub-committee is assisted by the Secretary, members of the Administrator team and Advisors as appropriate.

Committee Member	Investments	Ill Health and Death Benefits	Communications	Audit
Mr G Pollock (Chairman)	●			
Mr C Bambury			Chairman	
Mr M De La Haye OBE				●
Mr J L Everett				●
Mr J R Fosse			●	
Mr S Laing	●			
Mr T A Le Sueur OBE				Chairman
Mr J Mills CBE	Chairman	●		
Mr T Querns		●		
Mr M A Q Richardson	●			
Dr E Sallis OBE	●			
Miss B Ward				●
Mr S Warner		Chairman	●	
Number of meetings in 2019	6	As required	As required	3

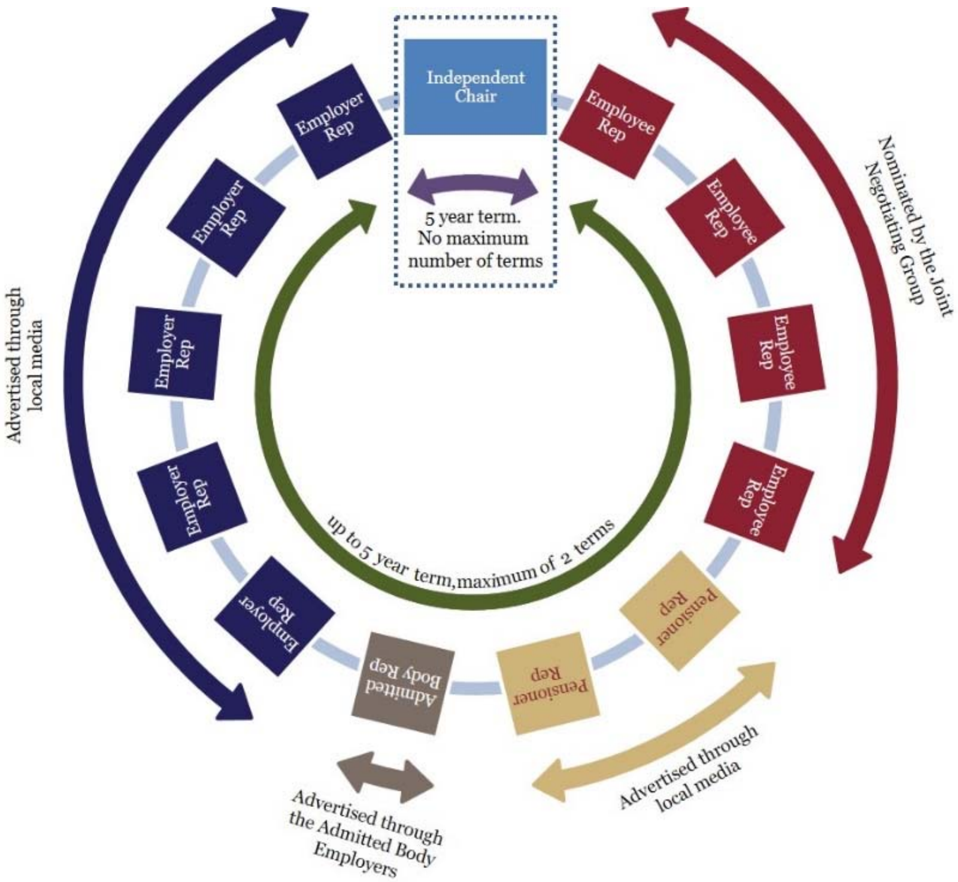
Review of the Year

Fund changes

2019 saw the continuation of the movement of the Fund's membership from the Final Salary Scheme to the Career Average Scheme. By the year end, membership of the Career Average Scheme had increased to over 6,800. (The Final Salary Scheme had been closed to new members on the 31 December 2018; all new employees from 1 January 2016 had joined the Career Average Scheme).

Members who have moved from the Final Salary Scheme to the Career Average Scheme have their accrued rights in the former protected (including the link to final salary at the end of their career, for any service up to the date of change). 1,065 Scheme members who were within seven years of their normal retirement age on 31 December 2018 or on a 1/45th accrual had the option to remain in the Final Salary Scheme; 842 elected to remain. At 31 December 2019 this cohort had reduced to 617.

The Committee of Management comprises an independent chairman, four employee representatives, two pensioner representatives, five employer representatives and one Admitted Body employer representative.



Actuarial Valuation

The most recent actuarial valuation at 31 December 2018 was completed for both the Final Salary Scheme and Career Average Scheme of the PEPF in December 2019 and was presented to the States of Jersey in January 2020. An actuarial valuation was required on that date under the Public Employees' (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015 (the legislation that closed the Final Salary Scheme to new membership and opened the successor Career Average Scheme). A fresh valuation will normally be commissioned every subsequent three years.

The valuation shows the relationship between the liabilities (being pensions and other benefits), and the assets held to meet those liabilities. The Actuary uses a range of assumptions in order to assess the financial position of each Scheme including the average life expectancy of Scheme members, investment returns, inflation and interest rates.

A Funding Strategy Statement sets out the framework for action to be taken at an actuarial valuation. The current Statement can be reviewed on the Fund's website.

The 2018 actuarial valuation assumed that the Final Salary Scheme would gradually be de-risked over the period 2021 to 2041. This reflects the fact that although some existing Final Salary Scheme members will continue to pay into the Fund until the mid-2020s, the Scheme's members from then on will comprise solely those in receipt of, or due, a pension, thus crystallising liabilities. The following table includes the key financial assumptions used in the valuation.

	Final Salary Scheme %	Career Average Scheme %
Discount rate*	For the period to 31 December 2021: 5.0 % per annum. Then gradually declining over the following 20 years to 4.1% per annum	5.2% per annum
Jersey inflation	2.95	2.95
Rate of salary increase	3.95	3.95
Management expense	0.7	0.7
Mortality assumption	SAPS S3 "All lives" tables with 105% scaling factor and allowance for future improvements in mortality, with a long-term rate of improvement of 1.5% p.a.	

* The discount rate is the rate used to value the current cost of future pension obligations

The main conclusions from the actuarial valuation as at 31 December 2018 were that:

- In the Final Salary Scheme there was a past service deficit of £1.1 million, corresponding to a funding level of 99.95%.

- The valuation of the Final Salary Scheme was within the "funding corridor" of 95% to 105%.

- In the Career Average Scheme there was a small past service surplus of £3.26 million, corresponding to a funding level of 120.5%. This position reflected the fact that the Scheme was relatively new; the surplus is expected to reduce over time. In accordance with the transitional arrangements set out in the Funding and Valuation Regulations, the Career Average Scheme actuarial valuation at 31 December 2018 had no impact on the benefits payable.

In line with the Funding Strategy Statement, in early 2020 the Actuary updated the terms for benefit options including the terms relevant for transfers into, and transfers out of, the Fund.

The next actuarial valuation is due to be undertaken as at 31 December 2021. The Scheme Actuary will review and update the terms for benefit options as soon as practicable following the signing of the valuation, which must be done by the end of March 2023.

Pension increases

Final Salary Scheme and Career Average Scheme pensions in payment and deferred pensions are increased each year in line with the previous September's Jersey RPI provided that the Fund's financial position remains satisfactory. The Fund has been able to continue paying increases in line with Jersey RPI.

Pension increases for the last 5 years have been:

1st January	Jersey RPI % (as at 30 Sept of preceding year)	**Final Salary Scheme** Pension Increase %	**Career Average Scheme** Pension Increase %
2016	0.9	0.9	n/a
2017	2.0	2.0	2.0
2018	3.1	3.1	3.1
2019	4.3	4.3	4.3
2020	2.7	2.7	2.7

Pension increases are subject to the financial position of the respective Schemes remaining satisfactory and are thus not guaranteed.

Administration

The Fund is administered by the Public Employees' Pension Team (PEPT) on behalf of the Treasurer of the States (the Administrator of the schemes). This service is provided to the Committee of Management within the service standards set out in a Pension Administration Strategy. The PEPT reports to the Committee of Management quarterly on how it is performing against target service standards.

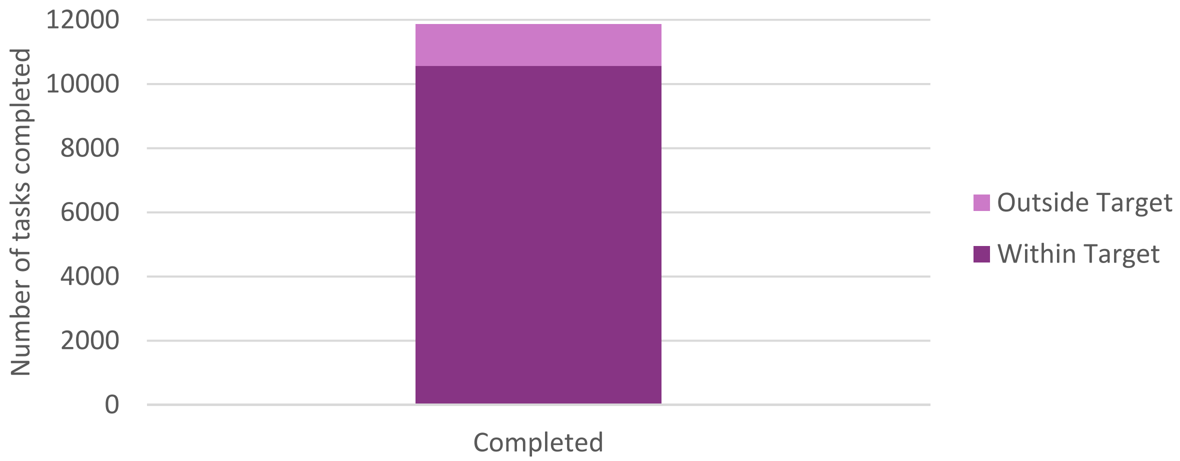
Fund members are increasingly aware of the value of their pension benefits and over the last year work has progressed to ensure that literature and letters better meet members' requirements. Increased use of modern communication channels is being made to provide information in a manner requested by Fund members. Delivering communications digitally is also much more cost effective for the Fund.

The PEPT use the Government of Jersey Tell Us Once service to receive notifications of Fund member deaths. This enables the PEPT to deal sensitively with any death and to put in place any survivor benefits that are due. Using the Tell Us Once service has helped the PEPT to meet its duty of confirming to the Committee of Management that Fund benefits are being correctly paid to eligible members. The PEPT also receives changes of contact details through the Tell Us Once service.

The Public Employees' (Pension Scheme) (Administration) (Jersey) Regulations 2015 introduced a requirement for a Pension Administration Strategy to be produced to outline the policies and procedures governing the administration of the Fund. In 2016, a Pension Administration Strategy was agreed following consultation with Admitted Employers. The Pension Administration Strategy outlines the target service standards for the Administrator and is reviewed annually.

In 2019, the PEPT processed 89% of tasks within five days, marginally behind the target to complete 90% of tasks within five days (following the receipt of complete information). During the year the PEPT continued to experience a relatively high number of transfer out requests and payments. This is a trend that many UK defined benefit pension schemes have also experienced. All transfers out are calculated to be cost neutral so that they do not affect the sustainability of the Fund. In 2019, £25 million was transferred out of the Fund.

2019 Service Standards

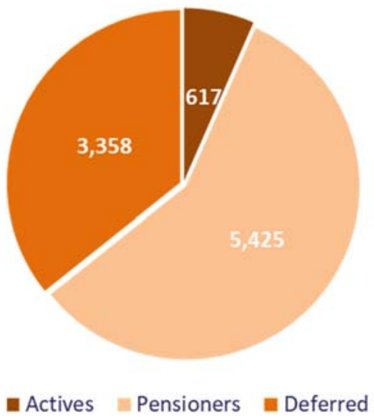


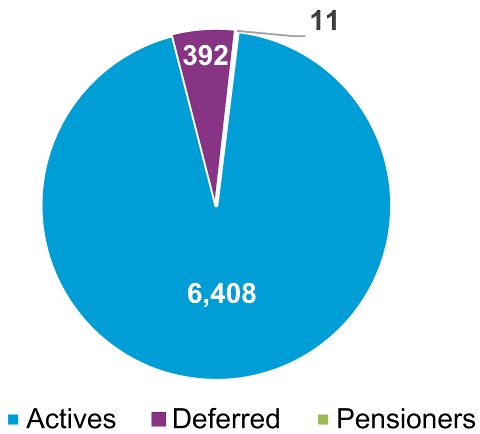
The assets of the Final Salary Scheme and the Career Average Scheme are invested together through the Fund to minimise costs. The split of assets between the Final Salary Scheme and the Career Average Scheme is managed using an approach agreed by the Committee of Management. This process includes monitoring the monthly cash flow of the Career Average Scheme and investing any excess of income over expenditure on a monthly basis in the Fund on a pro-rata basis across all investment managers. The Financial Statements reflect the assets, liabilities, contributions and expenses of the Fund as a whole, with the split for the Career Average Scheme detailed in Appendix C.

Membership

At the beginning of 2019 most Active members of the Final Salary Scheme moved to the Career Average Scheme for future accrual. At the end 2019, the Active membership of the Fund comprised of 6,408 Career Average Scheme members and 617 Final Salary Scheme members, 7025 in all.

The total membership of the Fund increased during the year to 16,211 (2018: 15,597).





Final Salary Scheme Total Membership

9,400

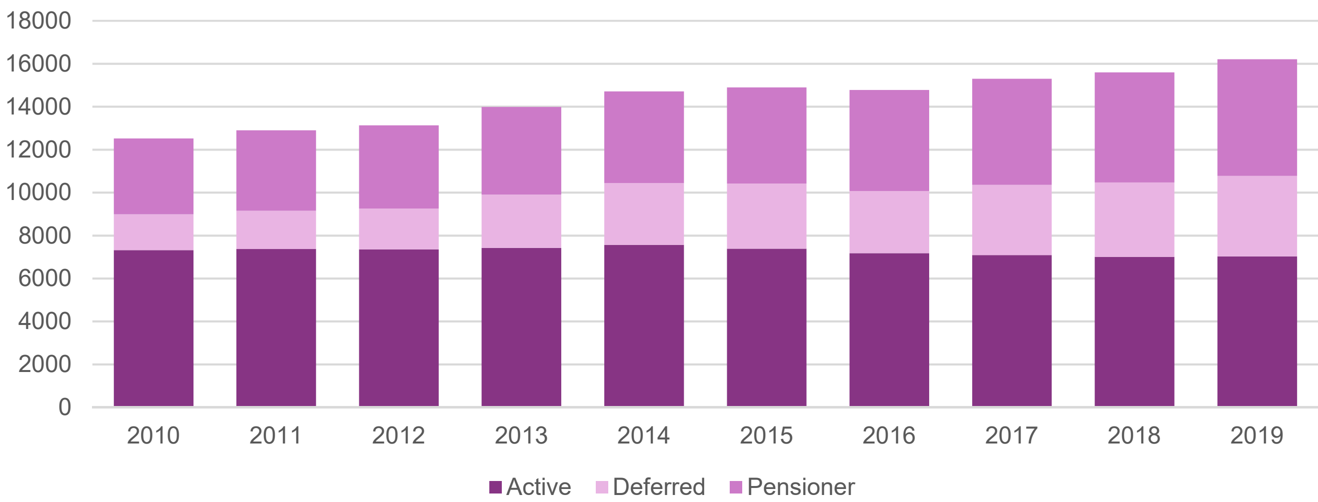
Career Average Scheme Total Membership

6,811

Total Membership

16,211

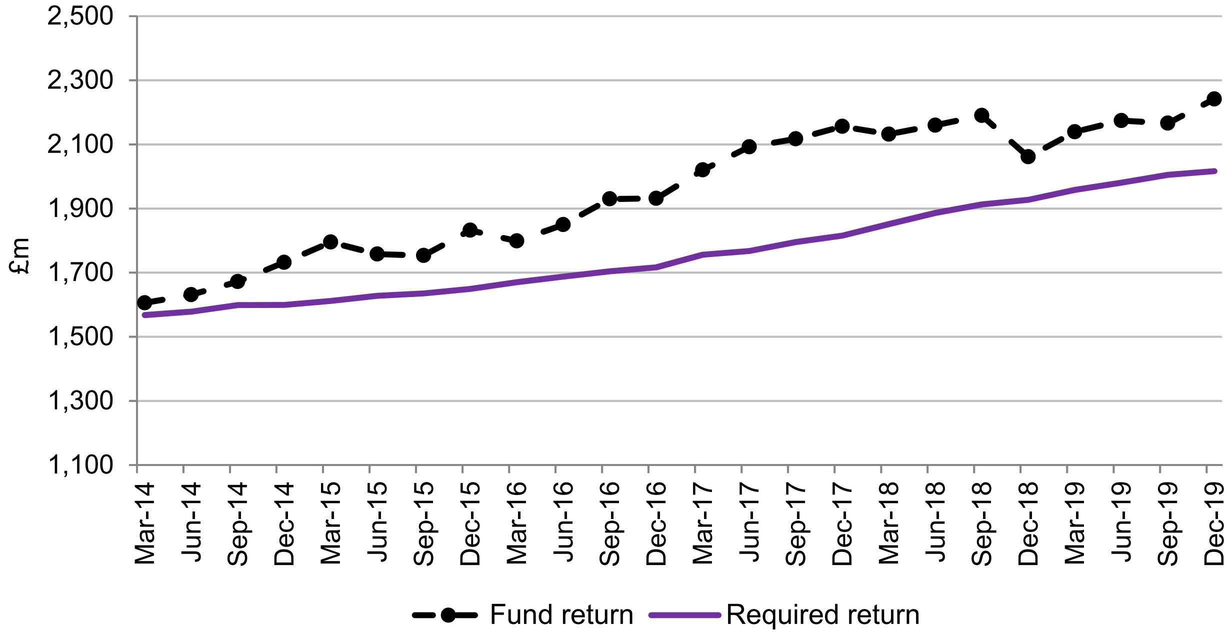
Total membership of the Final Salary Scheme and Career Average Scheme over the last 10 years



Investment Performance

During 2019, the Fund's assets increased in value by £190 million to £2.252 billion. The investment objective is to secure returns sufficient to meet all liabilities as they fall due and this essential task is approached through diversification of asset classes, a suitable range of investment managers and a variety of investment strategies.

The 2018 actuarial valuation set a long-term requirement for return on assets of Jersey RPI plus 2.05% per annum. Over the last ten years, the Fund's investment return has remained above this level, notwithstanding short term fluctuations.



At the end of 2019, the Fund's assets were split between 12 investment managers, with cash managed by Northern Trust, the Fund's custodian. The Fund has a fund level benchmark which is a weighted composite of the benchmarks for the asset classes within the Fund's strategic asset allocation. This benchmark provides a useful indication of how the Fund has performed compared with the market generally. See page 15 for further details.

In 2019, the Fund delivered a return of 11.2% compared with the fund level benchmark of 11.4%. Relative performance is expected to vary across managers, with the asset allocation intended to provide a variety of return drivers. Consequently, individual managers are expected to perform well in differing market conditions and at different points in the economic cycle. This allows the Fund to seek to maximise its return objectives over a full market cycle.

During 2019, underperformance was concentrated in two managers, namely Legal and General Investment Management and Arrowgrass Capital Partners LLP.

Legal and General Investment Management manages a passive fundamental indexation vehicle which invests in a broad index of global companies with positions systematically sized, based on a number of fundamental measures such as a cash flow (rather than market capitalisation, as would be applied in a 'traditional' passive equity mandate). This fund is specifically held to offset a bias to "growth factors" by the two equity managers. Although the manager has underperformed the market index, the equity asset class as a whole continues to outperform and the Committee of Management remains satisfied with the manager's ability to generate long term returns.

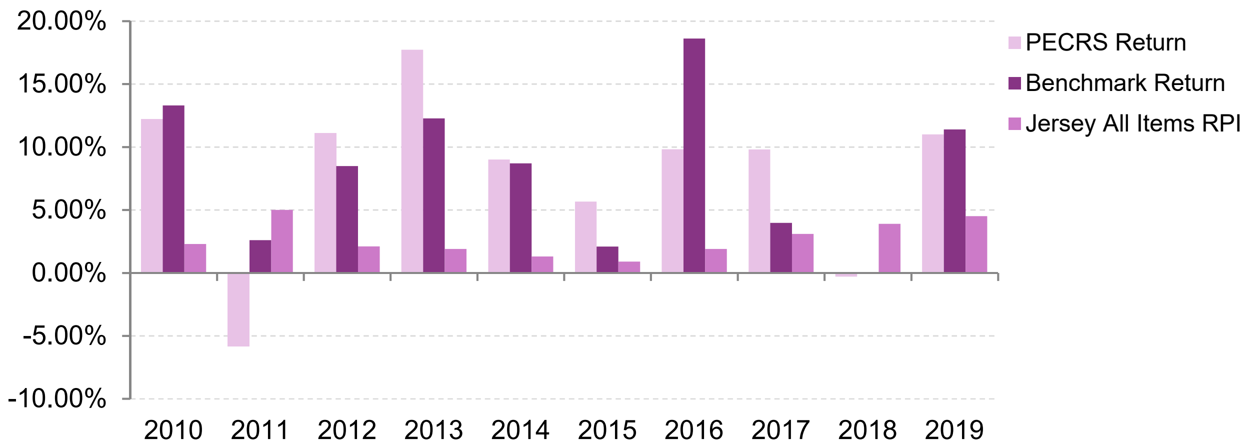
Arrowgrass Capital Partners LLP also underperformed during the year. Following a period of review, the Committee of Management concluded that they had lost conviction in the manager's ability to meet their investment objectives and instructed the manager to return capital. Although Arrowgrass had generated a positive performance since inception, the Committee concluded that there had been an erosion in the effectiveness of the manager's underlying strategy and better alternatives could be deployed.

Although underperformance against benchmark is always disappointing, the most important indicator is performance relative to the required return. The table below shows the Fund's performance against both the fund level benchmark and the required return as determined by the Actuary. The Fund has met, and continues to meet, its requisite return over time.

Time period	Performance Actual %	Benchmark return %	Required return %
1 Year	11.2	11.4	4.2
3 Years	6.7	5.3	5.4
5 Years	6.6	6.6	4.7
10 years	8.0	8.1	4.4

The performance of individual managers is monitored against appropriate benchmarks that are decided, with regard to the advice of the Investment Advisor, when a manager is appointed. These are based on national and global market indices, or appropriate performance objectives. Absolute return investment managers are typically allocated a cash benchmark.

The following histogram shows overall Fund returns compared with the benchmark for the ten years 2010 to 2019. Over that whole period, the Fund's investments achieved a return of 8.1% per annum against a fund benchmark of 8.0% per annum. The Jersey RPI over the same period was 2.5% per annum meaning that the Fund's investments have, on average, achieved a real rate of return above the Jersey RPI of 5.5% per annum.



The following table gives the value of the assets for which each fund manager was responsible, and the actual and benchmark performance achieved throughout the year.

	Fund Manager	Value of Fund (£m)	2019 performance Performance %	Benchmark Performance %	Over / (Under) performance %
Equity	Baillie Gifford & Co[1]	316.7	27.9	22.4	5.5
	Legal and General Investment Management	318.8	20.7	26.2	(5.5)
	Veritas Asset Management (UK) Ltd[1]	291.8	25.0	22.4	2.6
Alternatives	Arrowgrass Capital Partners LLP	84.3	(9.6)	0.0	(9.6)
	Lansdowne Partners Limited	191.8	(1.2)	0.8	(2.0)
	Capula	82.7	6.7	0.0	6.7
	Rokos	78.8	7.8	0.0	7.8
Bonds	CQS	159.8	6.4	0.9	5.5
	BlackRock Investment Management (UK) Limited	144.9	10.7	11.1	(0.4)
Cash	Northern Trust	23.7	0.7	0.9	(0.2)
Property	PGIM Real Estate (Commercial)	207.9	3.2	2.2	1.0
	PGIM Real Estate (Residential)	93.6	(1.6)	2.2	(3.8)
Private Debt	HayFin Capital Management I	4.8	9.6	0.0	9.6
	HayFin Capital Management II	131.1	6.8	0.0	6.8
	HayFin Capital Management III[2]	59.9	1.8	0.0	1.8
	Park Square Capital	57.9	4.4	0.0	4.4
		2,248.5	**11.2**	**11.4**	**(0.2)**

1 This includes broker cash under the control of these investment managers

2 Performance from inception when assets first invested October 2019

Developments during the year

The Investment Sub-committee held meetings with all the Fund's investment managers during the year, both at St Helier and in the UK (London and Edinburgh), as part of its continued work to keep all aspects of the Fund's investment portfolio under review and in good repair.

The main movements in investments were:

- **Closure of Arrowgrass Capital Partners LLP**
  During the year, Arrowgrass Capital Partners LLP was given notice to liquidate and return the assets it managed on behalf of the Fund. This was then followed by the decision of Arrowgrass itself to close its fund and return capital to investors. About 90% of the Fund's monies were returned by the end of the first quarter of 2020. Two additional managers were identified in replacement, both of which run direct lending and infrastructure debt mandates. At the year end, both were being considered for appointment.

- **Additional investment in private debt**
  The Investment Sub-committee recognises the benefits of investing in private debt. Funds of this nature have capital committed to them which is drawn over time and then returned in tranches at the end of the investment period, thus creating continuing liquidity. To maintain a constant level of exposure, periodically new commitments must be made to offset capital that is being returned. The Fund first invested in this asset class in 2013 through the Hayfin Direct Lending Fund I. This fund is currently returning capital following a successful investment period. Subsequent commitments to the class included £100 million committed to Park Square Credit Opportunity Fund III and £150 million to Hayfin Direct Lending Fund II (of which respectively £55m and £131m had been drawn by the end of 2019). During 2019, a further investment of £150m was committed to Hayfin Direct Lending Fund III (of which £50m had been drawn by end of 2019).

- **Disinvestment from equity portfolios**
  During 2019 the Investment Sub-committee closely monitored a divergence from the strategic asset allocation due to the continued buoyancy of equity markets. In order to keep close to strategy and appropriate risk levels, the Fund divested £16.5 from Baillie Gifford and £52m from Veritas, retaining the cash to finance investment in alternative asset classes and to pay benefits.

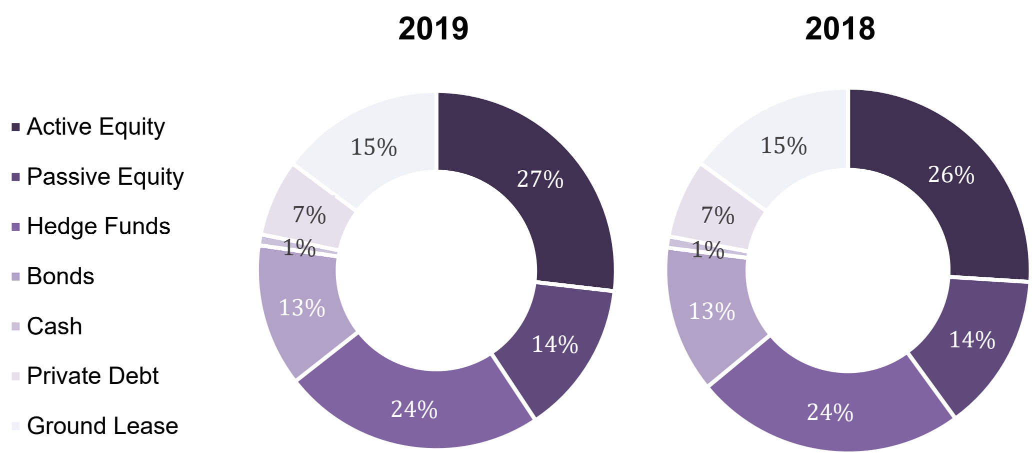
Post year end events

Post year end the portfolio suffered losses as the market reacted to the Covid-19 crisis and its impact on the world economy. Immediate consequences were the suspension of trading of the Fund's investment in PGIM Commercial Fund due to current valuation uncertainty. The Committee of Management see this as a sensible step to protect investors which might otherwise be disadvantaged. It is not possible, at this time, to quantify the change in market value in a meaningful way, due to the ongoing volatility. The Committee of Management continue to monitor the positon closely.

Assets Under Management

The Fund's assets are diversified across different investment managers, investment styles and asset classes by the Investment Sub-committee. The paragraphs below summarise key points in relation to the Sub-committee's approach. Further detail is available in The Statement of Investment Principles (found on the Fund's website (www.gov.je/yourpension)).

In allocating assets to an individual manager, the need for diversification is balanced against the importance of allocating to each a sufficient amount of money to allow them to contribute meaningfully to overall performance. The Investment Sub-committee is also mindful of the weight of governance requirements from having too many managers. At the end of 2019, the number of investment managers of the Fund was twelve (2018: twelve). The Investment Sub-committee, following the advice of the Investment Advisor, believes this achieves an appropriate balance between the requirements of diversification and oversight.



Investment Strategy

The 2018 actuarial valuation included a target investment return of Jersey RPI plus 2.05%. The investment strategy was developed to achieve at least this target return over the long term. In targeting this return, the Investment Sub-committee considers the amount of risk that it is necessary to take and sets a strategy that it believes will best be able to ensure delivery of this long term target.

Active portfolio management can add value and, where appropriate, "active" managers are appointed rather than managers who passively replicate an investment benchmark. The Committee of Management recognises the fact that active managers may underperform their respective benchmarks from time to time but is firmly of the view, based on detailed performance evidence, of the benefits of active management in a well-diversified, large fund, such as the PEPF.

Day-to-day management of individual investments (including their selection, the ongoing monitoring and administration of them, and the exercise of their voting rights) is delegated to the appointed investment management firms. They are given discretion to buy and sell investments on behalf of the Schemes, subject to agreed limits and rules.

The Investment Sub-committee (supported by the Investment Advisor) continually monitors the performance of investment managers, using national or global benchmarks or other appropriate performance objectives. All investment managers are visited or invited to present to the Sub-committee, with a frequency sufficient to ensure complete coverage. This is a valuable way of ensuring full and rigorous cognisance of performance and to identify upcoming opportunities and possible problems.

The table below sets out the Fund's investment strategy and the long-term strategic allocation in place at the year end.

Asset Category	Current Benchmark (PECRS Ex SLB & PEPS) %	Actual Assets %
Growth Investments	**63.0**	**64.0**
Equities	40.0	40.0
Alternatives	23.0	24.0
Bond-Like Investments	**37.0**	**36.0**
Property	14.2	15.0
Bonds	22.8	20.0
Cash	-	1.0
Total	**100**	**100**

Note: The PECRS asset allocation is stated excluding the Salary Linked Bond. Further details about the salary linked bond can be found in the Statement of Investment Principles at www.gov.je/yourpension and in the glossary to this Report.

In order to achieve the target level of investment return, an appropriate level and balance of risk needs to be taken, which may expose the Fund to downside risk and the possibility that returns do not keep pace with those required to meet the Fund's liabilities. Risk can materialise in a number of different ways, including equity risk, liability risk or operational risk. The Statement noted above explains this more fully. Risk, however, is managed primarily through diversification - by both asset class and manager. Operational risks are addressed through due diligence checks prior to investment and ongoing performance monitoring. No fund such as the PEPF is immune to the swings of fortune in global markets; the task is to be as well diversified as possible, so to better weather poor conditions when they occur.

Ethical, Social and Governance aspects of investing

The Investment Sub-committee entrusts to each of its investment managers the development and application of policies in relation to the UK Corporate Governance Code and the UK Stewardship Code and how they take into account aspects of good stewardship and environmental, social and governance ("ESG") issues in their investment decisions. The Sub-committee receives annual reports from each investment manager summarising their respective policies and how they have exercised voting rights attaching to the stocks held during the year.

Conclusion

2019 has been a significant year for the Fund, with the successful transfer of the majority of Active members from the Final Salary Scheme to the Career Average Scheme. The Fund has strong governance arrangements which have served it well during this period of transition. They will continue to evolve in 2020 to ensure they remain fit for purpose for the effective oversight of the dual schemes.

2019 saw a good investment performance, with a net £221.6 million added to the Fund, recovering the losses experienced in 2018 and continuing a long period of returns in excess of the Fund's target. Together, this puts the Fund in a somewhat cushioned position as we head into the unfolding Corona virus Covid-19 event, whose economic effects may or may not be dissipated by the end of the next period.

As ever, the Fund's financial position is being kept under careful review by the Committee of Management and they will continue to work closely with the Public Employees' Pension Team to ensure that the Fund's robust governance arrangements remain appropriate to meet any economic or organisational challenges Covid-19 throws forward.

The Fund relies greatly on the hard work of officers, consultants, actuaries, advisors and investment managers, as well as the members of the Committee of Management, who serve in an honorary capacity where they are not themselves Active employees, and I would like to thank them all, on behalf of the whole membership, for their hard work and commitment.

Gordon Pollock BSc, FFA
Chairman of the Committee of Management,
28 May 2020

Statement of Responsibilities

Responsibilities in respect of the financial statements.

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Treasurer of the State (the "Treasurer") . Public Employees' (Pension Scheme) (Administration) (Jersey) Regulations 2015 require the Treasurer to prepare, and have professionally audited, annual accounts of the Fund which:

- show a true and fair view of the financial transactions of the Fund during the Fund year and of the amount and disposition at the end of the Fund year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year; and

- contain the information specified in the Public Employees' (Pension Scheme) (Administration) (Jersey) Regulations 2015, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Treasurer is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are preapred on a going concern basis unless it is inappropriate to presume that the Fund will continue as a going concern.

The Treasurer is also responsible for making available certain other information about the Fund in the form of an annual report.

The Treasurer also has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The States of Jersey are also responsible for the maintenance and integrity of the States of Jersey website. Jersey legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Fund Account for the year ended 31 December 2019

	Dealings with members	Notes	2019 (£'000)	2018 (£'000)
Payments In	Employer contributions		52,791	48,471
	Employee contributions		19,286	16,532
	Total Contributions	4	**72,077**	**65,003**
	Transfers in		4,531	1,425
	Other income	5	331	435
	Total Payments In		**76,939**	**66,863**
Payments out	Benefits paid or payable	6	84,676	78,695
	Payments to and on account of leavers	7	26,192	40,340
	Administrative expenses	8	2,803	2,131
	Total Payments Out		**113,671**	**121,166**
	Net withdrawals from dealings with members		**(36,732)**	**(54,303)**
	Net returns on investments			
	Change in market value of investments	9	221,550	(46,355)
	Investment income	10	21,021	17,121
	Investment administration expenses	11	(16,177)	(13,553)
	Net returns on investments		**226,394**	**(42,787)**
	Net increase / (decrease) in the Fund's assets during the year		189,662	(97,090)
	Opening net assets		2,061,914	2,159,004
	Closing net assets		**2,251,576**	**2,061,914**

The notes on pages 23 to 36 form part of these Financial Statements.

Statement of Net Assets Available for Benefits as at 31 December 2019

Investment assets	Notes	2019 (£'000)	2018 (£'000)
Equities	9	567,461	507,285
Pooled Investment Vehicles	9	1,606,056	1,487,457
		2,173,517	**1,994,742**
Cash	9	64,498	65,242
Other investment balances	9	10,439	23
		2,248,454	**2,060,007**
Investment liabilities			
Other investment balances	9	-	(180)
Total net investments		**2,248,454**	**2,059,827**
Current assets	16	5,439	4,450
Current liabilities	17	(2,317)	(2,363)
Total net assets available for benefits		**2,251,576**	**2,061,914**

The Financial Statements summarise the transactions of the Fund and deal with the net assets available for benefits at the disposal of the Committee of Management. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Fund year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the report on actuarial valuation on pages 9 and 10 of the Annual Report, and these Financial Statements should be read in conjunction with it.

In accordance with Regulation 21 of the Public Employees' (Pension Scheme) (Administration) (Jersey) Regulations 2015 the Financial Statements have been prepared by the Treasurer of the States and have been audited.

The notes on pages 23 to 36 form part of these Financial Statements.

Richard Bell
Director General & Treasurer of the States
28 May 2020

Gordon Pollock BSc, FFA
Chairman of the Committee of Management
28 May 2020

These Financial Statements were received and approved on behalf of the Committee of Management on 28 May 2020.

Notes to the Financial Statements for the year ended 31 December 2019

1. Constitution

The Final Salary Scheme and the Career Average Scheme are retirement Schemes governed under the Public Employees' (Retirement) (Jersey) Law 1967 and the Public Employees' (Pensions) (Jersey) Law 2014. Under the Public Employees' (Pensions) Jersey Law 2014 the Fund shall operate for the two respective Schemes.

The postal and electronic address of the Schemes can be found on page 49 of these accounts.

2. Basis of Preparation

The individual Financial Statements have been prepared in accordance Financial Reporting Standards 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland and guidance set out in the Statement of Recommended Practice (revised 2018).

In June 2018, a revised SORP was issued which is applicable to accounting periods commencing on or after 1 January 2019. The revised SORP has been adopted for the first time in these Financial Statements. The adoption of the revised SORP has not had a material impact on Financial Statements however, it has required certain additions to, or amendments of disclosure in the Financial Statements.

3. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

a) Investment income

Bank interest is accounted for on an accruals basis. Dividend income from equities is recognised when the securities are quoted ex-dividend. Income from managed property funds are accounted for on an accruals basis when the dividend is declared.

b) Benefits and payments to and on account of leavers

Benefits are recognised as they become due and payable.

Where members can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

c) Contributions

Employer and employee contributions are recorded when the employee contributions are deducted from payroll. Both are based on a percentage of salary for the period to which they relate. Additional contributions (e.g. payments to augment pensionable service by the purchase of additional years either

by the employer or, through the additional voluntary contribution facility, by the employee) are recorded when they are deducted from payroll.
The Schemes have additional voluntary contributions arrangements whereby individuals can pay additional contributions which are invested in the Fund enabling members to gain additional years and days of pensionable service.

The employers' contributions for the Salary Linked Bond are accounted for in accordance with the agreement on which they are based.

d) Transfers

Transfer values represent the capital sums either receivable in respect of members from other pension plans of previous employers or payable to the pension plans of new employers for members who have left the Fund.

Transfer payments are accounted for on an accruals basis on the date the Treasurer of the receiving plan accepts the liability. In the case of individual transfers, this is normally when the payment of the transfer value is made.

e) Other expenses

All fees and expenses are accounted for on an accruals basis.

f) Valuation of investments

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

Market values of listed investments held at the year-end are taken at bid-prices or last trade prices depending on the convention of the stock exchange on which these are quoted. Foreign currency prices are expressed in sterling at the closing exchange rates on the last business day of the Fund's financial year.

The valuation of the investment units held in the pooled funds is based on the closing bid prices of the units as confirmed by valuations received from the investment manager. These valuations are based on the bid prices of the underlying investments held by the custodian of the pooled fund.

The ground lease investments are valued, as advised by the investment manager, at the proportion due to the Fund of the open market value of the assets in the Fund valued in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. Capital calls are recognised from the date the Fund is notified of the event. Transaction costs, being incremental costs that are directly attributable to the acquisition or disposal of an investment, are added to purchase costs and netted against sale proceeds as appropriate.

g) Taxation

The Final Salary Scheme and the Career Average Scheme are exempt from Jersey income tax by virtue of Article 131 of the Income Tax (Jersey) Law 1961. Thus they are exempt from income tax in respect of income derived from the investments and deposits of the Schemes, ordinary annual contributions made by the Scheme members and gains made from investments held.

h) Currency

The Fund's functional currency and presentational currency is pounds sterling. Assets and liabilities denominated in foreign currencies are expressed in sterling at the rates of exchange at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction.

4. Contributions

States Employees	2019 (£'000)	2019 (£'000)	2018 (£'000)	2018 (£'000)
Employers				
Normal		**33,034**		**32,507**
Additional				
Past Service Debt	8,157		7,658	
Augmentation	245		206	
Voluntary Early Retirement	-		-	
		8,402		**7,864**
Members				
Normal	14,437		12,910	
Additional voluntary contributions	284		422	
		14,721		**13,332**
Admitted Bodies				
Employers				
Normal	10,178		7,594	
Past service debt	1,177		506	
		11,355		**8,100**
Members				
Normal	4,509		2,988	
Additional voluntary contributions	56		212	
		4,565		**3,200**
Total Contributions		**72,077**		**65,003**

Past service debt contributions are being paid by the principal employer until 2053 and some Admitted Bodies until 2083 in accordance with Schedule 5 of the Public Employees' (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015. During 2019, the Jersey Development Company withdrew its Admitted Body status and repaid its share of the past service debt totalling £0.66 million.

5. Other income

	2019 (£'000)	2018 (£'000)
Claims on death benefit insurance	**331**	**435**

The Fund holds an insurance policy with Aviva which provides death in service cover.

6. Benefits paid or payable

	2019 (£'000)	2018 (£'000)
Pensions	74,281	68,995
Commutations and lump sum retirement benefits	10,064	9,207
Lump sum death benefits	331	493
Total Benefits	**84,676**	**78,695**

7. Payments to and on account of leavers

	2019 (£'000)	2018 (£'000)
Refund of contributions	860	500
Transfers out	25,332	39,840
Total payments to and on account of leavers	**26,192**	**40,340**

8. Administrative Expenses

	2019 (£'000)	2018 (£'000)
Salaries and office costs	1,057	1,009
Actuarial fees	560	276
Audit fees	65	67
Legal fees	100	34
Chairman and secretary fees	98	93
Premium on death insurance policies	862	574
Pension system development	35	63
Other expenses	26	15
Total Administrative Expenses	**2,803**	**2,131**

9. Reconciliation of Net Investments

	Value at 1.1.19 (£'000)	Purchases at cost (£'000)	Sales proceeds (£'000)	Change in Market Value (£'000)	Value at 31.12.19 (£'000)
Equities	**507,285**	94,668	(167,382)	132,890	**567,461**
Pooled Investment Vehicles	**1,487,457**	141,567	(111,628)	88,660	**1,606,056**
	1,994,742	**236,235**	**(279,010)**	**221,550**	**2,173,517**
Cash	**65,242**				**64,498**
Total	**2,059,984**				**2,238,015**
Pending Trades	**(180)**				**33**
Accrued Income	**-**				**10,197**
Accrued Interest	**23**				**209**
Total other investment balances	**(157)**				**10,439**
Total net investments	**2,059,827**				**2,248,454**

The analysis of pooled investment vehicles by type is shown in note 14.

10. Investment Income

	2019 (£'000)	2018 (£'000)
Dividends from equities	14,734	9,672
Income from managed property funds	6,755	7,493
Income on cash deposits	243	280
Other income	128	7
	21,860	**17,452**
Realised (loss) / gain on foreign exchange	(234)	118
Less irrecoverable withholding tax	(605)	(449)
Total investment income	**21,021**	**17,121**

11. Investment Administrative Expenses

	2019 (£'000)	2018 (£'000)
Investment management expenses	15,745	13,167
Custodian expenses	102	70
Investment advisory expenses	330	306
Other investment expenses	-	10
Total Investment Administrative Expenses	**16,177**	**13,553**

The appointed investment managers are entitled to fees based upon a percentage of the net assets under management. The percentage varies from 0.05% to 2% based on the complexity of the asset class under management. In addition, hedge fund and private debt managers are paid performance fees if they out-perform their benchmark. The Investment Advisor receives a flat fee for services rendered and performance related fee based on the performance of the individual investment managers.

12. Investment Transaction Costs

Transaction costs are included in the cost of purchases and deducted from sales proceeds in the reconciliation in note 9. Direct costs which relate wholly to equities are analysed as follows:

	2019 Total (£'000)	2018 Total (£'000)
Fees	68	81
Commissions	83	138
Total	**151**	**219**

In addition to the direct transaction costs disclosed above, indirect costs are incurred through the bid/ offer spread on some pooled investment vehicles and charges made within those vehicles. It has not been possible to quantify such indirect transaction costs.

13. Fair Value of Investments

The fair value of investments has been determined using the following hierarchy.

- Level 1 – Unadjusted quoted prices in active markets for identical securities that the entity can access at the measurement date.
- Level 2 – Inputs (other than quoted prices) that are observable for the instrument, either directly or indirectly.
- Level 3 – Significant unobservable inputs i.e. for which market data is unavailable.

Pooled investment vehicles which are traded regularly are generally included in level 2. Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair values applies, valuation techniques are adopted and the vehicles are included in level 3 as appropriate.

The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated. Where the value of the pooled investment vehicle is primarily driven by fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustments are made.

The Fund's investment assets have been included at fair value within these levels as follows:

		Level 1 (£'000)	Level 2 (£'000)	Level 3 (£'000)	2019 Total (£'000)
Investments	Equities	548,159	19,302	-	567,461
Investments	Pooled investment vehicles	-	463,643	1,142,413	1,606,056
Investments	Cash	64,498	-	-	64,498
	Pending Trades	33	-	-	33
	Accrued Income	10,197	-	-	10,197
	Accrued Interest	209	-	-	209
	Total investments	**623,096**	**482,945**	**1,142,413**	**2,248,454**

Analysis for the prior year end is as follows:

		Level 1 (£'000)	Level 2 (£'000)	Level 3 (£'000)	2018 Total (£'000)
Investments	Equities	488,167	19,118	-	507,285
Investments	Pooled investment vehicles	-	395,528	1,091,929	1,487,457
Investments	Cash	65,242	-	-	65,242
	Pending Trades	(180)	-	-	(180)
	Accrued Interest	23	-	-	23
	Total investments	**553,252**	**414,646**	**1,091,929**	**2,059,827**

14. Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks to which the Fund is exposed to at the end of the reporting period. These risks are set out by FRS 102 as follows:

Credit risk: is the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss.

Market risk: this is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, each of which is further detailed as follows:

- **Currency risk**: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

- **Interest rate risk**: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

- **Other price risk**: This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Committee of Management is responsible for determining the Fund's investment strategy. The Committee of Management has set the investment strategy for the Fund after taking appropriate advice from its professional advisors. This strategy includes ranges for the proportion of assets to be included in each asset class. The day-to-day management of the asset within each portfolio of the Fund, including the full discretion for stock selection, is the responsibility of the investment manager.

The Fund has exposure to the above risks because of the investments it makes to implement its investment strategy. The Committee of Management primarily manages these risks through the adoption of a long-term investment strategy that is diversified both by asset class and manager. The risks are monitored on an ongoing basis by the Investment Sub-committee by regular reviews of the investment portfolios.

The following table summarises the extent to which the various classes of investments are affected by financial risks:

	Market Risk				2019 Value (£m)	2018 Value (£m)
Asset Category	Credit	Currency	Int Rate	Other		
Segregated						
Equities		✓		✓	567.5	507.3
Pooled Investment Vehicles						
Equities		✓		✓	318.8	264.6
Property	✓		✓		300.0	301.9
Bonds	✓	✓	✓		304.7	281.1
Private Debt	✓	✓	✓		245.0	155.3
Alternatives	✓	✓		✓	437.6	484.5
Cash	✓		✓		64.5	65.2
Pending Trades	✓	✓	✓		-	(0.2)
Accrued income	✓				10.2	-
Accrued Interest	✓	✓			0.2	-

Investment Strategy

The main priority of the Committee of Management when considering the investment policy for the Fund is the aim to ensure that the benefits payable to members are met as they fall due whilst maintaining required liquidity. The table on page 18 details the current investment strategy of the Fund.

The core "growth" asset used by the Fund is equities as the Committee believes that they represent the most cost effective, easiest and most transparent way to achieve a higher level of investment return over the long-term. The Committee recognises however that the performance of equities can be volatile over time.

The Committee has invested in other "growth-like" alternatives (away from equities) that still target a reasonably high investment return, to diversify the Fund's growth assets. These provide a different source of return less correlated to equities, which should help to reduce the risk of being over-exposed to any one market, asset class or manager, and enabling a smoother return over time. Examples of this include hedge funds.

Bond-like assets are defined by the Committee of Management as those assets that are aiming to achieve a much more stable return (when compared to growth assets) typically with a strong focus on the provision of income.

The core "bond-like" asset used by the Fund is bonds with the target allocation focused on gilts (bonds issued by the UK government) and investment grade UK corporate bonds (bonds issued by high quality companies in sterling). Within the bond allocation, the Committee has a wide degree of flexibility to invest in other bonds away from the strategic allocation, which it thinks it is appropriate to do so on valuation grounds at present. Examples of this include taking a more global approach, investing in high yield bonds, private debt, or considering the bonds of emerging market economies.

Credit Risk

The Fund holds cash directly and invests in pooled investment vehicles which invest in emerging market sovereign government bonds, corporate bonds, private debt and property. The value at year-end amounted to £849.7 million (2018: £738.3 million). The Fund is therefore directly exposed to credit risk arising from these pooled investment vehicles and is indirectly exposed to credit risks arising on the underlying investments held by these pooled investment vehicles.

The market value of investments generally reflect an assessment of credit risk in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

All the segregated assets of the Fund are held by the Fund's custodian, Northern Trust. Bankruptcy or insolvency of the custodian may delay the Fund's ability to exercise any rights with respect to securities held by the custodian; however as they are held in named accounts the assets will not be included on the balance sheet of the custodian. Cash not forming part of the investment assets is swept daily into the Northern Trust Sterling Fund account to minimise the amount that is included on the custodian's balance sheet.

The selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring fenced from the pooled manager, the regulatory environment in which the managers operate and diversification of investments amongst a number of pooled arrangements. The Committee of Management and the Fund Administrator review due diligence checks, carried out on their behalf, on appointment of new pooled investment managers. Ongoing monitoring of any changes to the operating environment of the pooled manager is carried out with assistance from the Investment Advisor.

A summary of the pooled investment vehicles by type of arrangement is as follows:

Pooled investment vehicles	2019 Value (£m)	2018 Value (£m)
Open ended investment Company	304.7	281.1
Shares of a limited partnership	682.7	639.8
Open ended unit trust	299.9	301.9
Unit linked insurance contract	318.8	264.6
Total exposure:	**1,606.1**	**1,487.4**

In addition, the notes below provide more detail on how this risk is managed and mitigated for the different classes.

Emerging Market Debt

Credit risk arising on non-investment grade bonds held indirectly as part of the Fund's emerging market debt mandate is mitigated through diversification of the underlying securities to minimise the impact of default by any one issuer. This is the position at the current and previous year end.

Cash balances

Credit risk arising on cash held within financial institutions is mitigated by ensuring those institutions are at least investment grade credit rated. This is the position at the current and previous year end.

Currency Risk

The Fund is subject to currency risk because some of the Fund's investments from its segregated investment mandates are denominated in a foreign currency. Indirect currency risk arises from the Fund's investment in sterling priced pooled investment vehicles which hold underlying investments denominated in foreign currency. The Committee of Management minimises the direct risk by investing in Sterling denominated share classes when appointing new investment managers.
The net currency exposure at the current and previous year-end was: -

	2019		2018	
	Direct Exposure (£m)	Indirect Exposure (£m)	Direct Exposure (£m)	Indirect Exposure (£m)
Pound sterling	95.4	944.1	57.5	1,683.5
Euro	86.5	264.9	63.9	(1.2)
US Dollar	383.2	258.1	370.6	(164.4)
Japanese Yen	-	33.4	0.0	2.3
Other	67.2	113.3	47.0	175.9

Interest rate risk

The Fund is subject to indirect interest rate risk through a number of pooled investment vehicles that hold investments in bonds, cash, private debt and ground leases. These holdings are monitored in the context of the overall investment strategy. Investment managers will also manage interest rate risk in line with policies and procedures put in place in the investment manager agreements. Cash held to fund ongoing benefits and expenditure is kept to a minimum by ongoing monitoring with the majority of cash held with the custodian in a global sweep account.

Indirect interest rate risk	2019 (£m)	2018 (£m)
Private debt	245.0	155.3
Corporate bonds	159.8	150.2
Ground lease	300.0	301.9

Other Price Risk

Other price risk arises principally in relation to the Fund's return seeking portfolio which includes equities and hedge funds held either as segregated investments or through underlying investments in pooled investment vehicles.

The Fund has set a target asset allocation of 63% of investments being held in growth investments. The Fund manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets held with various high quality investment managers who are monitored by the Investment Advisor and Investment Sub-committee on an ongoing basis.

At the year end, the return seeking portfolio represented 60.8% of the total investment portfolio (2018: 62.7%).

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due i.e. that cash is not available when required. The Fund therefore takes steps to ensure that there are adequate cash resources to meet its commitments. This is monitored on an ongoing basis to ensure cash is available to meet the pensioner payroll costs, expenses and also to meet investment commitments.

The Fund has immediate access to cash held at HSBC, as of the year end this balance was valued at £5.2 million (2018: £0.3 million). This operational balance is used to fund short term obligations such as benefit payments and is kept to a minimum to reduce credit risk. The Fund also has the ability to access immediate cash held by Northern Trust which, as at 31 December 2019 was £64.5 million (2018: £65.2 million).

15. Concentration of investments

The Fund invests in a range of pooled funds which at an underlying level contain a wide range of diversified investment holdings, for example the largest holding managed by Legal and General contains almost 3,000 underlying stocks. The pooled investment funds that account for more than 5% of the net assets of the Fund were:

	2019 £'000	2019 %	2018 £'000	2018 %
Legal & General FTSE RAFI AW3000 (Net WHT) Ind	318,780	14%	264,639	13%
PGIM UK Ground Lease Fund	206,848	9%	204,451	10%
Lansdowne Developed Markets Fund Limited	191,842	9%	194,092	9%
CQS Credit Multi Asset Fund	159,819	7%	150,234	7%
BlackRock EM	144,863	6%	130,889	6%
Hayfin DLF II	131,060	6%	120,225	6%
PGIM Residential	93,025	4%	97,440	5%
Arrowgrass Master Fund	84,267	4%	139,793	7%

16. Current Assets

	2019 (£'000)	2018 (£'000)
Contributions – Employers	151	385
Contributions – Members	50	126
Other debtors	-	1,875
Cash balances	5,237	253
Advances to Government of Jersey	1	1,811
	5,439	**4,450**

17. Current Liabilities

	2019 (£'000)	2018 (£'000)
Benefits payable	592	940
Other creditors	1,725	1,423
	2,317	**2,363**

18. Contingencies and Commitments

In the opinion of the Committee of Management, the Fund had no contingent liabilities at 31 December 2019 (2018: nil).

At 31 December 2019, the Fund had undrawn commitments to fund private debt vehicles (Park Square and HayFin) amounting to £144.4 million (2018: £106.2 million).

19. Related Party transactions

In line with the requirements of the updated SORP, transactions with related parties have been split between the following categories:

- Key management personnel of the entity or its parent (in the aggregate);

  The Chairman and Secretary to the Committee of Management receive remuneration as detailed in Note 8. Within the Committee of Management Board there are three Active (2018: six) and five Pensioner members (2018: three). There were no other related party transactions during the year

- Entities that provide key management personnel services to the entity; and

  The Treasury & Exchequer, a department of the Government of Jersey, provides creditor payment, payroll, cash management and financial ledger services for the Final Salary Scheme and Career Average Scheme. At the year-end a sum of £1,313, was owed to the Fund by the Government of Jersey in respect of transactions with the department (2018: £1,810,564). During the year an amount of £1,042,798 (2018: £980,768) was paid to the department in respect of the services provided.

20. Post Balance Sheet Events

Since the year end and at the time of writing, events continue to unfold in regard to the Corona virus (COVID-19) pandemic. This is a non-adjusting subsequent event, as is does not impact the valuation of asses as at the year end date. The long-term impact on the Fund and its underlying investments is currently unclear. Global markets experienced a significant downturn in the first quarter of 2020 when the risks were first identified. Early institutional responses included blanket shutdowns, widely disrupting businesses. The primary concern for markets is the duration of the measures put in place as a result of the outbreak. The underlying investment managers' of the Fund continue to monitor the virus and its effect on the global economy and their respective portfolios. The Committee of Management has also noted the increased operational risk posed to the Fund and its service providers due to global and local restrictions on movement that have been enacted by various governments. It continues to monitor this situation. It is not possible, at this time, to quantify the change in market value in a meaningful way, due to the ongoing volatility.

Independent Auditors' Report to the Committee of Management of the Public Employees' Pension Fund

Report on the audit of the Financial Statements

Opinion

In our opinion, Public Employees' Pension Fund's financial statements:

- show a true and fair view of the financial transactions of the Fund during the year ended 31 December 2019, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

- have been properly prepared in accordance with the Public Employees' (Pension Scheme) (Administration) (Jersey) Regulations 2015.

We have audited the financial statements, included in the annual report, which comprise: the statement of net assets available for benefits as at 31 December 2019; the fund account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Treasurer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Treasurers has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

Reporting on other information

The other information comprises all the information in the annual report other than the financial statements and our auditors' report thereon. The Treasurer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Committee of Management and the Treasurer for the financial statements

As explained more fully in the statement of responsibilities, the Treasurer is responsible for ensuring that the financial statements are prepared and for being satisfied that they show a true and fair view. The Treasurer is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Treasurer is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Treasurer of the States either intends to wind up the Fund/Schemes, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Committee of Management as a body in accordance with the Public Employees' (Pension Scheme) (Administration) (Jersey) Regulations 2015 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Leeds
31/5/ 2020

Statement of Scheme Actuary

Name of Scheme: Government of Jersey Public Employees' Pension Fund

Effective Date of Valuation: 31 December 2018

1. **Security of prospective rights**

   The assets of the Public Employees' Pension Fund ("the Fund") are used to provide pensions and other benefits under both the Public Employees' Contributory Retirement Scheme ("the Final Salary Scheme") and the Public Employees' Pension Scheme ("the Career Average Scheme").

   It is our opinion that, on a going concern basis, the resources of the Fund are expected in the normal course of events to meet in full the liabilities of the respective Schemes as they fall due, assuming all future increases to pensions and deferred pensions effective on or after 1 January 2019 will be in line with the annual increase in the All Items Retail Prices Index for Jersey (Jersey RPI).

   This opinion is based on the financial position of the Schemes at the effective date, 31 December 2018, and does not take account of more recent developments. Our report on the valuation of the Fund as at 31 December 2018 was signed on 17 December 2019.

   The valuation report disclosed a marginal deficit in the Final Salary Scheme of £1.1M at the effective date of the valuation, equivalent to a funding ratio (assets divided by the present value of the liabilities) of 99.95%. The Committee of Management and the Chief Minister agreed that no adjustments to benefits were required following the valuation.

   The valuation report disclosed a surplus in the Career Average Scheme of £3.26M, which is equivalent to a funding ratio of 120.5%. In accordance with the Funding Strategy Statement, this surplus will be retained in the Career Average Scheme.

   A further valuation will be carried out as at 31 December 2021.

2. **Security of accrued rights on discontinuance**

   It is our opinion that, on a discontinuance basis, the Fund's assets at the effective date were sufficient to cover 95% of its accrued liabilities as at that date, based on pension increases equal to the minimum increases specified in the Regulations governing the Fund. This assumes that the Fund discontinued on the valuation date, even though the Regulations currently governing the Fund do not envisage the Fund's discontinuance (i.e. the future accrual of benefits and payment of contributions into the Fund being discontinued). By accrued liabilities we mean benefits arising in respect of Pensioners, Deferred pensioners and Active members for service prior to the effective date, on the basis that all Active members are treated as if they had terminated pensionable service on the effective date with entitlement to deferred pensions. A procedure was agreed between the Policy & Resources Committee and the Fund's Committee of Management, as documented in an Act of the Policy & Resources Committee dated 20 November 2003, for dealing with the shortfall transferred to the Fund arising from the changes made to the Fund in 1987 (the "pre-1987 debt"). This agreement was described in our report on the actuarial valuation of the Fund as at 31 December 2018 and is reproduced in Appendix A to this statement. The provisions of the Fund were amended to deal with the debt in that manner.

The above opinion assumes that, should there ever arise any question of the Fund's discontinuance, the capitalised value of the debt would be assessed at the point of discontinuance and paid off in full by the Government of Jersey at that point or over a period of time in accordance with the above agreement.

3. Further information

   Further information underlying this statement is set out in Appendix B to this statement.

Jonathan Teasdale
Fellow of the Institute and Faculty of Actuaries
AON Limited

12 February 2020

Appendix A – The Ten Point Agreement

The framework agreed between the Policy and Resources Committee and the Committee of Management for dealing with the pre-1987 debt was documented in a ten-point agreement approved by Act of the Policy and Resources Committee dated 20 November 2003. The provisions of the agreement, which have subsequently been reflected in Regulations approved by the States of Jersey on 27 September 2005, enable us to treat the pre-1987 debt as an asset of the Final Salary Scheme for valuation purposes. The text of the agreement is reproduced below.

1. The States confirms responsibility for the Pre-1987 Debt of £192.1 million as at 31 December 2001 and for its servicing and repayment with effect from that date on the basis that neither the existence of any part of the outstanding Debt nor the agreed method of servicing and repayment shall adversely affect the benefits or contribution rates of any person who has at any time become a member of the Scheme.

2. At the start of the servicing and repayment period, calculated to be 82 years with effect from 1 January 2002, the Employers' Contribution rate will be increased by 0.44% to the equivalent of 15.6%. These contributions will be split into 2 parts, namely a contribution rate of 13.6% of annual pensionable salary and an annual debt repayment. The Employer's Contribution rate will revert to 15.16% after repayment in full of the Debt.

3. During the repayment period the annual Debt repayment will comprise a sum initially equivalent to 2% of the Employers' total pensionable payroll, re-expressed as a cash amount and increasing each year in line with the average pay increase of Scheme members.

4. A statement of the outstanding debt as certified by the Actuary to the Scheme is to be included each year as a note in the States Accounts.

5. In the event of any proposed discontinuance of the Scheme, repayment and servicing of the outstanding Debt shall first be rescheduled by the parties on the advice of the Actuary to ensure that paragraph (1) above ("Point 1") continues to be fulfilled.

6. For each valuation the States Auditor shall confirm the ability of the States to pay off the Debt outstanding at that date.

7. If any decision or event causes the Actuary at the time of a valuation to be unable to continue acceptance of such servicing and repayment of the Debt as an asset of the Scheme, there shall be renegotiation in order to restore such acceptability.

8. In the event of a surplus being revealed by an Actuarial Valuation, negotiations for its disposal shall include consideration of using the employers' share to reduce or pay off the Debt.

9. As and when the financial position of the States improves there shall be consideration of accelerating or completing repayment of the Debt.

10. The recent capital payment by JTL of £14.3m (plus interest) reduced the £192.1m total referred to in (1) by £14.3m and if any other capital payments are similarly made by other Admitted Bodies these shall similarly be taken into account."

Appendix B – Additional Information from the Actuary

1. Notes on our opinion on the security of prospective rights

The resources of the Fund at 31 December 2018 that we have taken into account for the purposes of this statement consisted of:

a) the existing assets, including net current assets and liabilities, which had a value of £2,061.9M at 31 December 2018.

b) future contributions payable by members and employers at the various rates specified in the Regulations or, where applicable in the case of particular employers, the rates specified in the Actuary's latest contribution certificate.

c) future pre-1987 debt repayments payable to the Final Salary Scheme by particular employers in accordance with the rates specified in the Actuary's latest contribution certificate.

2. Notes on our opinion on the security of accrued rights on discontinuance

In calculating the value of the Fund's accrued liabilities assuming the Fund was discontinued, we have estimated the terms that might be offered by insurance companies for determining the cost of immediate and deferred annuities to secure the liabilities, plus a provision to cover expenses. In practice an alternative to purchasing annuities to secure the liabilities would be to continue running the Fund as a closed fund.

The Regulations governing the Fund provide for annual increases in line with the Jersey RPI at present, although lower increases may be paid where an actuarial review has disclosed that the financial condition of the Fund is no longer satisfactory. We have assumed that in a discontinuance situation the pension increases provided would be equal to the minimum increases specified in the Regulations i.e. nil increases for the Final Salary Scheme and 50% of RPI for the Career Average Scheme.

3. Methods and assumptions

The actuarial methods and assumptions underlying the opinions in this Statement are as set out in our full report on the valuation of the Fund as at 31 December 2018.

Appendix C – Split between Schemes

Final Salary Scheme / Career Average Scheme Split

Assets of the Fund are invested together, however, they are ring fenced between the separate Schemes. This note details the split between both Final Salary Scheme and Career Average Scheme.

Fund Account for the year ended 31 December 2019:

Dealings with members		Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Payments in	Employer contributions	34,735	18,056	52,791
	Employee contributions	17,422	1,864	19,286
	Total Contributions	**52,157**	**19,920**	**72,077**
	Transfers in	2,541	1,990	4,531
	Other income	140	191	331
	Total payments in	**54,838**	**22,101**	**76,939**
Payments out	Benefits	233	84,443	84,676
	Payments to and on account of leavers	914	25,278	26,192
	Administrative expenses	1,097	1,706	2,803
	Total Payments Out	**2,244**	**111,427**	**113,671**
	Net additions / (withdrawals) from dealings with members	**52,594**	**(89,326)**	**(36,732)**
Net returns on investments				
Change in market value of Investments		4,418	217,132	221,550
Investment income		419	20,602	21,021
Investment administration expenses		(749)	(15,428)	(16,177)
	Net returns on investments	4,088	222,306	**226,394**
Net increase in the Fund's assets during the year		56,682	132,980	**189,662**
Opening net assets		19,212	2,042,702	**2,061,914**
	Closing net assets	**75,894**	**2,175,682**	**2,251,576**

PEPF Public Employees Pension Fund

Fund Account for the year ended 31 December 2018:

	Dealings with members	Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Payments In	Employer contributions	8,213	40,258	48,471
Payments In	Employee contributions	4,042	12,490	16,532
	Total Contributions	**12,255**	**52,748**	**65,003**
Payments In	Transfers in	94	1,331	1,425
Payments In	Other income	-	435	435
	Total Payments In	**12,349**	**54,514**	**66,863**
Payments	Benefits paid or payable	(13)	78,708	78,695
Payments	Payments to and on account of leavers	341	39,999	40,340
Payments	Administrative expenses	205	1,926	2,131
	Total Payments Out	**533**	**120,633**	**121,166**
	Net additions / (withdrawals) from dealings with members	**11,816**	**(66,119)**	**(54,303)**
	Net returns on investments			
	Change in market value of investments	(627)	(45,728)	(46,355)
	Investment income	-	17,121	17,121
	Investment administration expenses	-	(13,553)	(13,553)
	Net returns on investments	**(627)**	**(42,160)**	**(42,787)**
	Net increase in the Fund's assets during the year	**11,189**	**(108,279)**	**(97,090)**
	Opening net assets	**8,023**	**2,150,981**	**2,159,004**
	Closing net assets	**19,212**	**2,042,702**	**2 ,061,914**

Statement of Net Assets available for Benefits as at 31 December 2019:

	Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Investment assets			
Unitised Investment Balances	74,211	2,174,243	2,248,454
Current assets*	1,711	5,437	7,148
Current liabilities*	(28)	(3,998)	(4,026)
Total net assets available for benefits	**75,894**	**2,175,682**	**2,251,576**

*As of 31 December 2019 the current assets of the Career Average Scheme include £1,709 thousand due from the Final Salary Scheme. A corresponding value is recognised as a current liability in the Final Salary Scheme. These balances net to nil and are not split out as a current asset/liability in the Statement of Net Assets Available for Benefits of the combined Fund.

Statement of Net Assets available for Benefits as at 31 December 2018:

	Career Average Scheme (£'000)	Final Salary Scheme (£'000)	Total (£'000)
Investment assets			
Equities	5,093	502,192	507,285
Pooled Investment Vehicles	13,405	1,474,052	1,487,457
	18,498	**1,976,244**	**1,994,742**
Cash	703	64,539	65,242
Other investment balances	-	23	23
	19,201	**2,040,806**	**2,060,007**
Investment liabilities			
Other investment balances	-	(180)	(180)
Total net investments	**19,201**	**2,040,626**	**2,059,827**
Current assets	113	4,337	4,450
Current liabilities	(102)	(2,261)	(2,363)
Total net assets available for benefits	**19,212**	**2,042,702**	**2,061,914**

Glossary

Accrual (of pension benefit): This is the process by which future benefits under the two Schemes are build up and are typically expressed as a fraction of a year's pensionable earning. The rate of accrual differs between the two Schemes. The accrual of benefit will be an asset to the individual member and a liability to the respective Scheme.

Actuary: A consultant who advises the Fund and at least every three years formally reviews the assets and liabilities of the Schemes and produces a report on the Schemes' financial position.

Admitted Bodies: Bodies whose staff can become members of the Final Salary Scheme and Career Average Scheme by virtue of an agreement made between the Chief Minister, Committee of Management and the relevant body.

Benchmark: A yardstick against which the investment performance of a fund manager can be compared, usually the index relating to the particular assets held.

Benefit options: Members have a number of options to enhance (AVC) or take their benefits (transfer out), the assumptions and results of the valuation will affect the terms of these options.

Career Average Revalued Earnings (CARE) Scheme: A pension scheme where benefits are built up for each working year and then "revalued" annually by an agreed index.

Committee of Management: Board to manage the Fund under the powers vested in it by Regulations governing the respective Schemes. Comprising of; a chairman, 5 employer representatives, 4 member representatives, 2 pensioner representative and 1 Admitted Body employer representative.

Corporate Bonds: Investment in certificates of debt issued by a company. These certificates represent loans which are repayable at a future date with interest.

Deferred Pension: The inflation linked retirement benefits payable from normal retirement age to a member of the Fund who has ceased to contribute as a result of leaving employment.

Equities: Ordinary shares in UK and overseas companies traded on a stock exchange. Shareholders have an interest in the profits of the company and are entitled to vote at Shareholders' meetings, which can be traded on a recognised stock exchange before the repayment date. The Fund may also hold a limited amount of unlisted equity where dealers directly facilitate the 'over the counter' buying and selling of equities outside of recognised stock exchanges.

Fixed Interest Securities: Investments in mainly government but also company stocks, which guarantee a fixed rate of interest. The securities represent loans which are repayable at a future date.

Funding Level: The relationship between the value of a scheme's assets and its actuarial liability. This is normally expressed as a percentage.

Ground Lease: A long lease (typically 125 years or longer) granted by the freeholder on a piece of land in return for a ground rent. At the end of the lease the land and the building normally revert to the freeholder.

Jersey RPI: Jersey Retail Prices Index is the rate of inflation that pension benefits are linked to.

Managed and unitised funds: A pooled fund in which investors can buy and sell units. The pooled fund then purchases investments, the returns on which are passed on to the unit holders. This enables a broader spread of investments than investors could achieve individually.

Market Value: The price at which an investment can be bought or sold at a given date.

Pending trades: Trades that have been instructed but not settled at year end.

PEPF: Is the pension Fund, as defined under Article 5 of the Public Employees' (Pension) (Jersey) Law 2014, for the Final Salary Scheme (see PECRS) and the Career Average Scheme (see PEPS).

PECRS: Is the Public Employees' Contributory Retirement Scheme, also referred to the 'Final Salary Scheme'. This is the larger of the two schemes within PEPF in terms of assets and liabilities, it pays pension benefits, subject to conditions, based on final salaries. Closed to new members, this is also the older of the two schemes with new employees of the States of Jersey instead joining the newer PEPS scheme.

PEPS: Is the Public Employees' Pension Scheme also referred to as the 'Career Average Scheme'. This is currently the smaller of the two Schemes within PEPF in terms of assets and liabilities, due to its recent inception providing only a short period to amass both assets and liabilities. The Scheme pays pension benefits, subject to conditions, based on career average revalued earnings (CARE). The Scheme is open to all new employees of the States of Jersey and Admitted Bodies, but also includes members who were moved from the Final Salary Scheme on 1 January 2019.

PEPT: The Public Employees' Pension Team, a section of the Government of Jersey's Treasury & Exchequer who perform the day to day administration of the Final Salary Scheme and the Career Average Scheme of the PEPF.

Return: The total gain from holding an investment over a given period, including income and increase (decrease) in market value.

Salary linked bond (or Pre 1987 debt): A payment arrangement agreed between the Government of Jersey and the Committee of Management for dealing with the shortfall transferred to the Fund arising from the changes made to the Final Salary Scheme in 1987.

Segregated assets: Assets that the Fund holds where the custodian holds individual assets on behalf of the Fund that are managed by an investment manager. This is different to Pooled assets where the Fund invests with other investors in a pool of assets, and the Fund owns units in the pool as opposed to the individual assets.

SORP: Statement of Recommended Practice, 'Financial Reports of Pension Schemes (revised June 2018)', this is guidance on how to prepare the Financial Statements.

States Employment Board: The State's Employment Board is the employer of all public sector employees in Jersey and is responsible for fixing the terms and conditions of these employees.

Transfer Value: These are sums which represent the capital value of past pension rights which a member may transfer on changing pension Schemes.

Unitised Investment Balances: The Career Average Scheme and Final Salary Scheme pool funds for investment purposes. The aim is to provide greater investment opportunities, economies of scale and minimise fees and costs. To ensure appropriate ring fencing of assets is maintained and to efficiently and transparently manage the portfolio, units in the combined investment portfolio are allocated between the two Schemes. Unitised Investment Balances represent the holding in the combined PEPF portfolio held by either respective Scheme.

Contacts and Further Information

If you know someone who would like this document in another format. All published documents are available from the Public Employees' Pension Team.

Call us on (01534) 440227 (available Monday to Friday from 9am to 5pm)

Come and see us in Customer and Local Services at La Motte Street on Tuesdays between 8:30am and 1pm

Alternatively, you may contact us via the Schemes electronic or postal address detailed below:

Email:
pept@gov.je

Postal address:
Public Employees' Pension Fund
Public Employees' Pension Team
19-21 Broad Street
St Helier
Jersey
Channel Islands
JE2 3RR

Website:
www.gov.je/yourpension