

24 February 2016

Dear Member

YMCA Pension & Assurance Plan
Summary Funding Statement for Period Ending 1 May 2015

The YMCA Pension Plan Trustee Ltd is the Trustee of the YMCA Pension & Assurance Plan and in this capacity we look after the Plan. As a person entitled to benefits from the Plan we are writing to give you an update of the Plan's funding position. The purpose of this letter is to provide you with an update of the funding position as at 1 May 2015. We will send you a statement like this each year to let you have updated information about the funding of the Plan.

London Office
29-35 Farringdon Road
London EC1M 3JF
T 020 7186 9500
DD 020 7186 9517
www.pensions.ymca.org.uk

The ongoing funding level

The latest approximate valuation update was carried out as at 1 May 2015 and the final results are shown in the table below together with the results of the latest formal actuarial valuation as at 1 May 2014.

A comparison of the funding positions	1 May 2015	1 May 2014
Assets	£111.5m	£90.8m
Amount needed to provide benefits	£152.0m	£129.5m
Shortfall	£40.5m	£38.7m
Funding level	73%	70%

The YMCA Pension and Assurance Plan closed from the 1 May 2007 to:

1. New entrants
2. Future accrual of service for those still in active membership at the 30 April 2007.

From 1 May 2011 agreement was reached to break the link with final salary.

From the 1 May 2015 participating employers are now making contributions of approximately £3 million per year towards the shortfall. In addition they are also making annual contributions towards the expenses of the Plan.

The estimated amount needed, in addition to the existing Plan assets, to ensure that all members' benefits could have been paid in full if the Plan had started winding up at 1 May 2015 was about £104 million. Inclusion of this information does not imply that the Trustee is thinking of winding-up the scheme.

Change in funding position

The Trustee's policy is to invest in a broad range of assets. As at 1 May 2015, the Scheme had a target allocation of 61% growth assets and 39% matching assets. The Trustees have delegated responsibility for setting the asset allocation within the growth and matching portfolios to Mercer Limited in its role as Delegated Investment Manager. The matching assets consist of investment grade corporate bonds, government bonds and other assets that are chosen to be broadly aligned with the characteristics of the liabilities. The growth assets are well diversified and consist of Equities, Bonds, Property and Alternatives. Triggers are in place to switch assets from the growth portfolio to the matching portfolio as the funding level improves.

Payment to Participating Employers

There has not been any payment to participating employers out of the Plan funds in the previous twelve months.

HOW THE PLAN OPERATES

How is my pension paid for?

Participating employers pay contributions to the Pension Plan so that the Plan can pay pensions to members when they retire.

The money to pay for members' pension is held in a common fund. It is not held in separate funds for each individual.

How is the amount the Plan needs worked out?

The Trustee obtains regular valuations from the Plan Actuary of the benefits earned by members. Using this information, the Trustee comes to an agreement with the Principal Employer on future contributions. A formal notice is attached describing the Plan Actuary's responsibilities under the Data Protection Act.

The importance of the Participating Employers' support:

The Trustee's objective is to have enough money in the Plan to pay pensions now and in the future. However, success of the Plan relies on the participating employers continuing to support the Plan because:



- Participating employers will be paying the future expenses of running the Plan on an annual basis
- The funding level can fluctuate and when there is a funding shortfall, the Participating employers will usually need to put in more money; and
- The target funding level may turn out not to be enough so that the participating employers will need to put in more money.

What would happen if the Plan started to wind up?

If the Plan winds up, you might not get the full amount of pension you have built up even if the Plan is fully funded. However, whilst the Plan remains ongoing, even though funding may temporarily be below target, benefits will continue to be paid in full.

THERE ARE NO PLANS TO WIND THE PLAN UP.

If the Plan were to start to wind up, the participating employers would be required to pay enough into the Plan to enable the members' benefits to be completely secured with an insurance company. It may be, however, that the participating employers would not be able to pay this full amount. If the participating employers became insolvent, the Pension Protection Fund might be able to take over the Plan and pay compensation to members.

Further information and guidance is available on the Pension Protection Fund's website at www.pensionprotectionfund.org.uk. Or you can write to the Pension Protection Fund at Knollys House, 17 Addiscombe Road, Croydon, Surrey, CRO 6SR

Why does the funding plan not call for full solvency at all times?

The full solvency position assumes that benefits will be secured by buying insurance policies. Insurers are obliged to take a very cautious view of the future and need to make a profit. The cost of securing pensions in this way also incorporates the future expenses involved in administration. By contrast, our funding plan assumes that participating employers will continue in business and support the Plan.

What is the scheme invested in?

The Trustee's policy is to invest in a broad range of assets subject to asset class limits as follows:

UK Equities	25%
Overseas Equities	25%



Bonds	40%
Property	<u>10%</u>
	100%

The latest updated Investment Implementation Policy Document and Statement of Investment Principles is published on the pension website.

Notice to members regarding the Plan Actuary as a Data Controller

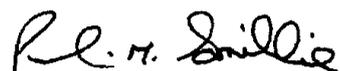
In line with recent guidance from the Institute and Faculty of Actuaries, the Plan Actuary, Colin Price of Xafinity Consulting, Phoenix House, 1 Station Hill, Reading, RG1 1NB is registered as a Data Controller for the purposes of the Data Protection Act. This registration covers the information processed about you as a member of the Plan. Your information is used for the purposes of carrying out the statutory duties of the Plan Actuary and in particular valuing the Plan's assets and liabilities and will never be shared with any person outside of the Xafinity Group. The data processed may include information about your health if you make a claim for ill health retirement benefits but this data will only be used if passed to him by the Plan Trustee. Information will be kept for regulatory purposes to demonstrate his compliance with actuarial practice and regulation.

Where can I get more information?

If you have any other questions, or would like any more information, please contact us. A list of more detailed documents, which provide further information, is attached. If you want us to send you any of these documents please let us know.

Please help us keep in touch with you by telling us if you change address. A form for this purpose is enclosed.

Yours sincerely



Paul Smillie
Company Secretary

The YMCA Pension Plan Trustee Ltd
Lisieux Way
Taunton



Somerset
TA1 2LB
Tel: 01823 325860
Fax: 01823 276773
Email: paul.smillie@england.ymca.org.uk

Additional documents available on the pension website

The following documents are available online at:
www.pensions.ymca.org.uk

- The Statement of Investment Principles. This explains how the Trustee invests the money paid into the Plan.
- The Schedule of Contributions. This shows how much money is being paid into the Plan.
- The 2014 Triennial Valuation
- The 2015 updated Valuation
- The Annual Report and Accounts of the YMCA Pension & Assurance Plan, which shows the Plan's income and expenditure in the year up to 30 April 2015.
- The Fifth Definitive Trust Deed and Rules

If members are unable to access the pension website or cannot open a pdf document, please contact Isabel Kaye who will provide a hard copy of the relevant documents.

