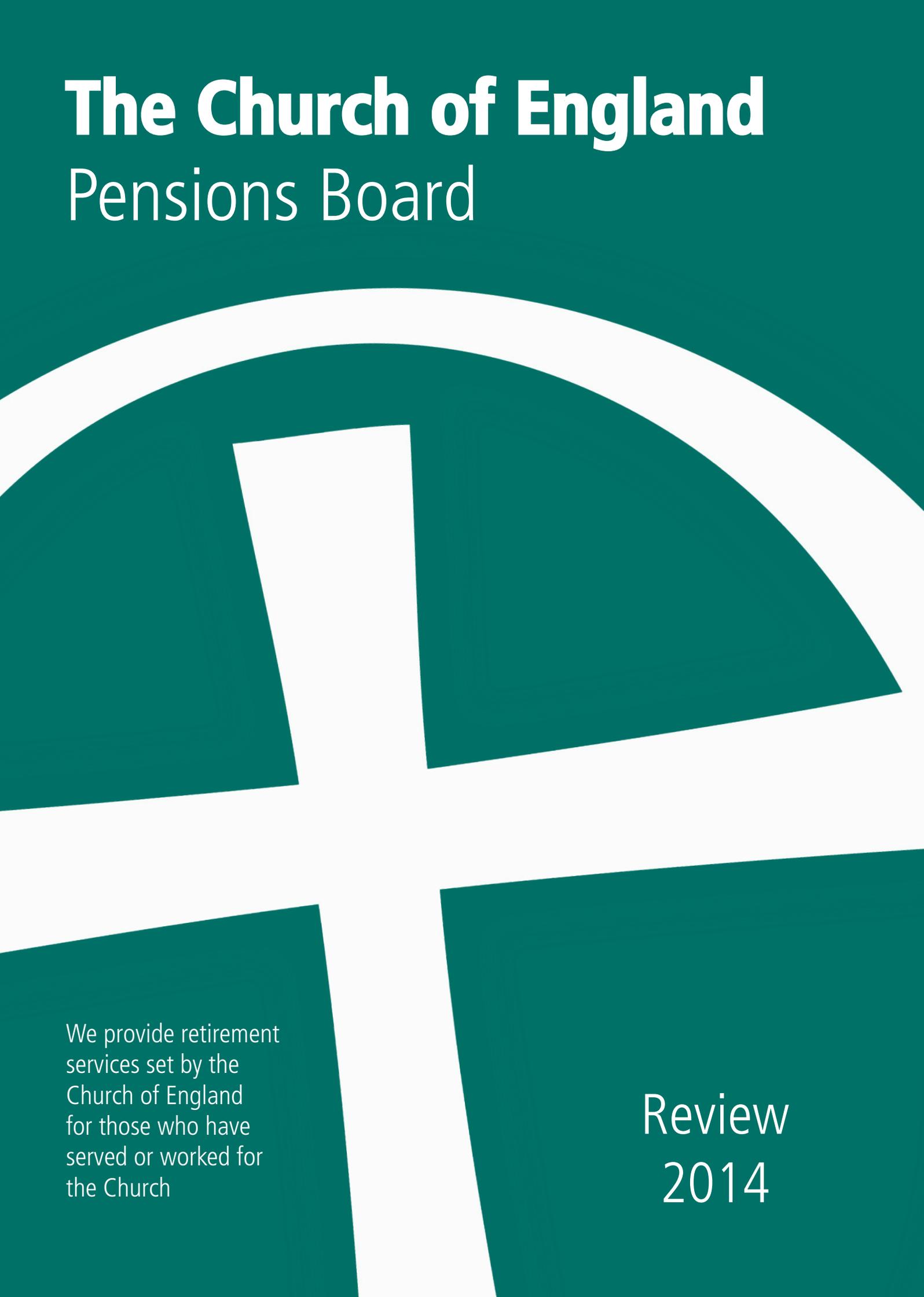


The Church of England Pensions Board



We provide retirement services set by the Church of England for those who have served or worked for the Church

Review
2014



Introduction from the Chairman

A common theme of the Board's work in 2014 was "taking risk off the table". We have taken decisions to create a more stable environment for our two largest pension funds, as well as ensuring that our retirement housing provision will be sustainable for future generations.

At the General Synod in July, we announced important changes to our main retirement housing offer - the CHARM scheme's rental arm - to provide a better experience for our current and future customers. The rental scheme is taken up by 20-30% of retiring clergy who have not been able to make their own retirement housing provision; it is an important aspect of the retirement services we offer.

In announcing these changes, we recognised that we had a duty to ensure that our housing offer was affordable and transparent for all. This included those who funded the offer through the General Synod as well as those who took up the offer of accommodation. Details of the changes, which followed an extensive period of consultation and took effect in April 2015, are set out on our website www.cepb.org.uk.

In addition to making the changes to our housing offer, we have been working on a new source of long-term finance for the CHARM scheme to complement and diversify our current funding facility. We anticipate making an announcement on this by the middle of 2015. On the pensions front, we took two important decisions to provide a more stable environment for the employers participating in our schemes, and to reinforce the security of the schemes for members. The first of these was a "buy-in" of a proportion of the liabilities in the defined benefit section of the Church Workers Pension Fund (CWPF). This was akin to buying an insurance contract which covered the pensions of a proportion of the CWPF's members and provided them with enhanced security. It also provided greater stability to the employers participating in the fund.

The CWPF is our most complex fund and provides a service to a large number of Church-related employers including dioceses, cathedrals and parishes. During the year we put in place a new section of the scheme which met the "auto-enrolment" requirements of the Pensions Act 2008. We also worked on the valuation of this scheme, which was concluded early in 2015.

Secondly, it has been our intention to switch over a period of time some of the assets of the Church of England Funded Pensions Scheme (CEFPS) from return-seeking assets (e.g. equities) to those which matched the scheme's liabilities (e.g. bonds), but the price of bonds had made this difficult. Whilst we had been able to make small switches, the circumstances were right to make a larger switch late in the year. The decision reduced investment risk in the fund, and thereby should provide more stability for the employers participating in it.

During 2015, we will be focusing on the staff pension fund and preparing for the clergy funded scheme's valuation at the end of the year. We will seek to better understand our customers and their expectations, and work closely with the employers, dioceses and all our partners to continue to improve on the delivery of our services.

Jonathan Spencer
Chairman

During 2014 we ...

assisted over 35,000 people
across more than 280 employers



managed funds in
excess of £1.8 billion



provided housing to
around 2,500 retired clergy
and their dependants



Assists over 35,000 people across more than 280 employers



Church of England Funded Pensions Scheme

Provides pensions and other benefits for clergy and others in stipendiary ministry



Church Workers Pension Fund

Centralised pension scheme for employers connected with the ministry and mission of the Church of England

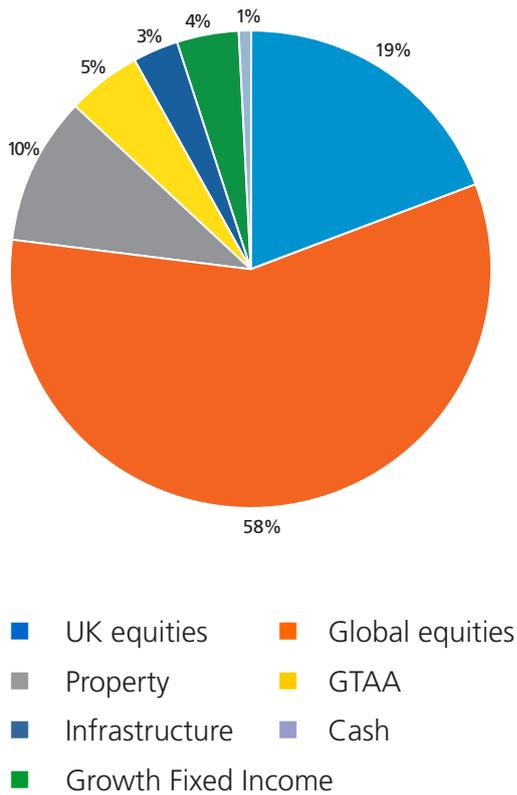


Church Administrators Pension Fund

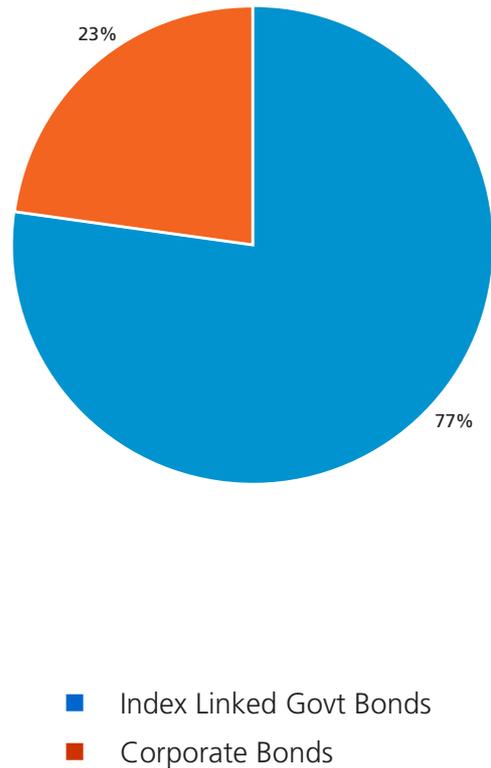
Pension Scheme for the lay staff of the National Church Institutions

Manages funds in excess of £1.8 billion

Return Seeking Pool



Liability Matching Pool



	1 year % pa	3 years % pa	5 years % pa	10 years % pa
<i>Total assets:</i>	9.7	11.6	9.2	7.2
<i>Liability Matching Pool</i>	18.1	6.0	10.1	8.7
<i>Return Seeking Pool</i>	8.5	12.5	9.2	6.9
<i>Comparator: RPI+3%</i>	4.6	5.5	6.4	6.1

**Provides housing to around
2,500 retired clergy and their dependants**



Shared Ownership

Assisting around 120 households
In 2014, 7 new properties acquired at a cost of £0.5m



Rental Property

Assisting around 1,200 households
In 2014, 59 new properties acquired at a cost of £11.3m



Supported Living

Assisting around 250 people in seven
Christian retirement communities

The Church of England Pensions Board

Appointed Members

Dr Jonathan Spencer CB (Chairman)
 Jeremy Clack FIA
 Canon David Froude ACIB
 Roger Mountford



Elected by the House of Laity

Simon Baynes
 Jane Bisson
 Dr Graham Campbell
 Nicolette Fisher
 Alan Fletcher FCII
 Brian Wilson FIA

Member Nominated Trustees

The Revd Fr Paul Benfield
 The Rt Revd Richard Blackburn
 (to February 2015)
 Ian Boothroyd
 The Revd Paul Boughton
 The Revd Nigel Bourne
 Ian Clark
 John Ferguson
 The Revd Canon Ian Gooding
 The Rt Revd Alan Wilson
 (from 1 June 2015)

Executive Team

Bernadette Kenny (Chief Executive)
 Paul Burrage (Accounting)
 Michael Cole (Risk Management)
 Peter Dickinson (Pensions)
 Linda Ferguson (Customer Insight)
 Pierre Jameson (Investments)
 Lee Marshall (Chief of Staff)
 Loraine Miller (Housing)
 Ian Theodoreson (Chief Finance Officer)

Employer Nominated Trustees

Clive Hawkins
 Canon Sandra Newton

VISION

We will deliver a professional, high quality and efficient service to our customers, respecting their needs and the needs of those who provide us with the money to do this

VALUES

We are part of the Church of England

We understand our customers and their needs

We work closely with employers, dioceses and all our partners and take careful account of their views

We behave with openness and integrity

We take pride in doing a good job

We value our people and the contribution they make

STRATEGIC OBJECTIVES

Manage the pension schemes efficiently and effectively in accordance with the scheme rules and apply an investment strategy that maximises the Board's ability to ensure all liabilities are met as they fall due

Provide quality retirement housing while demonstrating good value for money

Achieve a sustainable return on the Board's investment funds, acting in accordance with the National Church Institutions' ethical policies

Understand our customers' needs and expectations and use this information to improve delivery of our services

Maintain our ability to comply with all regulatory and legal requirements

Provide value for money to the Church with the resources we are given to run the business

Create a working environment which motivates and develops our people to give of their best and take pride in working for the Church of England Pensions Board

The full Annual Report and Financial Statements for 2014 can be obtained from our website www.cepb.org.uk

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housing@churchofengland.org

Pensions Helpline 020 7898 1802
pensions@churchofengland.org

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