

# PENSIYNAU

ADRODDIAD BLYNYDDOL

O FESEN DERWEN A DYF



2019

# Cynnwys

Rhagair y Cadeirydd .....1

Cyflwyniad .....3

Crynodeb .....4

Cyflogwyr sy'n Cymryd Rhan

Cyfranwyr

Aelodau o Bwyllgor y Gronfa Bensiwn

Aelodau o Banel Cyngori'r Gronfa Bensiwn

Aelodau o Fwrdd y Gronfa Bensiwn

Adroddiad Materion Gweinyddu .....9

Cyflwyniad

Prisiad Actiwaraid

Llywodraethu

Diogelwch Seibr

Pensiwn CThEM - Newidiadau Treth

Awto-gofrestru

Cysoni Isafswm Gwarantedig Pensiynau

Rhyddid i Ddewi / Sgamiau Trosglwyddo

Atal a Chanfod Twyll

Edrych Tuag at y Dyfodol

Gwybodaeth am Gyflawniad

Nifer yr Aelodau

Dadansoddiad o'r Aelodaeth



Adroddiad ar Faterion Buddsoddi .....17

Cyflwyniad

Rheoli Buddsoddi

Cyflawniad Buddsoddiadau

Cyflawniad Rheolwyr y Gronfa

Manylion Rheolwyr y Gronfa

Elw a Chollidion ar Fuddsoddiadau

Trefnau Gwarchod

Ffioedd Rheolwyr a Chynghorwyr y Gronfa

Dadansoddiad o'r Buddsoddiadau ar sail Gwerth Teg

Dosbarthiad Daearyddol y Gronfa

Dadansoddiad o'r Incwm Buddsoddi

Dadansoddiad a Asedau'r Gronfa

Y Daliadau Mwyaf

Datganiad y Strategaeth Fuddsoddi

Datganiad Cydymffurfio ag Egwyddorion Myners

Adroddiad ar y Cyfrifon .....31

Cyfrif y Gronfa

Datganiad Asedau Net

Nodiadau ar Gyfrifon y Gronfa Bensiwn

Cyfraniadau

Barn yr Archwilydd

Adroddiad yr Actiwari .....41

Cyflwyniad

Sefyllfa Actiwaraid

Adroddiad ar Faterion Cyfathrebu .....45

Cyfarfodydd Blynyddol

Desg Gymorth

Gwefan

Cyflwyniadau

Datganiadau Buddion Blynyddol

Trefnau Cyfathrebu Electronig

CPLIL 2014

Cynydd yng Nghostau Byw

Llywodraethu'r Gronfa Bensiwn .....47

Bwrdd Pensiynau Lleol

Newyddion Diweddaraf gan y Cadeirydd

Strwythur Llywodraethu

Presenoldeb y Panel Pensiynau

Gwybodaeth a Sgiliau

Risg

Partneriaid .....55

Manylion Cyswllt y Cyfranwyr .....56



# Rhagair y Cadeirydd



Mae'n bleser gennyf, a minnau'n Gadeirydd Pwyllgor Cronfa Bensiwn RhCT, i gyflwyno Adroddiad y Gronfa Bensiwn eleni.

Mae'n destun gofid mawr i mi yn gyntaf sôn am farwolaeth drist y Cyngorydd Robert Smith, cyd-gyngorydd uchel ei barch a oedd yn cael ei werthfawrogi'n fawr. Byddai Robert bob amser yn gwneud cyfraniad cadarnhaol yn ei swyddogaeth fel Dirprwy Gadeirydd Pwyllgor y Gronfa ochr yn ochr â'i swyddogaeth ehangach yn aelod etholedig uchel ei barch o Gyngor Bwrdeistref Sirol Rhondda Cynon Taf.

Hoffwn i ddiolch i'r holl Aelodau Etholedig sydd wedi gwasanaethau yn rhan o'r pwyllgor yn ystod y flwyddyn ac hefyd i Fwrdd y Gronfa Bensiwn sy'n parhau i helpu a chefnogi'r Gronfa i gyflawni ei gyfrifoldebau o ran llywodraethu a chydymffurfio yn effeithiol.

Mae Cronfa RhCT wedi cyflawni'n dda unwaith eto eleni, gan elwa ar gyflawniad marchnad cadarn. Canlyniad hyn oedd sicrhau safle yn y chwarter uchaf. Cynyddodd cyfanswm gwerth y Gronfa dros y flwyddyn o £3.2 biliwn i £3.4 biliwn ar 31 Mawrth 2019. Rydyn ni wedi parhau i ailalinio asedau yn unol â'n strategaeth dyrannu asedau ddiweddaraf, gan ail-gydbwysu risg/enillion pan oedd y cyfle mwyaf priodol yn codi.

Mae cydweithrediad Partneriaeth Pensiwn Cymru yn parhau i wneud cynnydd da yn erbyn cerrig milltir allweddol. Cefais y fraint o gael fy mhenodi'n Gadeirydd Cyd-bwyllgor Llywodraethu Partneriaeth Pensiwn Cymru ar gyfer y flwyddyn 2018/19. Yn ystod y flwyddyn hefyd cyrhaeddwyd carreg filltir allweddol, gyda'r trosglwyddiad cychwynnol o asedau i'r gronfa ar ffurf Soddgyfrannau Alpha Uchel Byd-eang.

Mae nifer y pensiwnwyr a dibynyddion yn y Gronfa wedi cynyddu eto; mae dros 19,700 o aelodau/ddibynyddion sydd erbyn hyn yn elwa ar y cynllun gwerthfawr yma, gyda chyfanswm o werth £128 miliwn o fuddion pensiwn yn cael eu talu yn ystod y flwyddyn.

Rwy'n falch o roi gwybod am gefnogaeth barhaus y Gronfa i'r cynllun prentisiaeth, ar ôl sicrhau cyflogaeth barhaol ar gyfer derbyniad 2017/18, gyda dau brentis arall wedi'u penodi yn ystod 2019. Bydd yr ymrwymiad parhaus i ddatblygu carfan y Gronfa Bensiwn a buddsoddi mewn technolegau newydd yn helpu i sicrhau bydd y gwasanaeth sy'n cael ei ddarparu ar gyfer aelodau ein cynllun yn goroesi unrhyw newidiadau yn y dyfodol.

Yn ystod y flwyddyn, cymerodd fforymau llywodraethu'r Gronfa ran mewn ymgynghoriad ffurfiol a gwaith Bwrdd Cyngori'r Cynllun, gan gynnwys y prosiect 'Llywodraethu da' diweddar.

I gloi, bu'n flwyddyn hynod gadarnhaol o dwf mewn buddsoddiad gan arwain at Brisiad 2019, gyda phroffil aelodaeth sylweddol yn helpu i sicrhau parhad y cynllun yma.







# Cyflwyniad



Rwy'n falch o ddweud ein bod ni wedi cael blwyddyn lwyddiannus arall mewn perthynas â chyflawniad buddsoddiadau'r Gronfa, er gwaetha'r sefyllfa wleidyddol changach a'r ansicrwydd sy'n dylanwadu ar farchnadoedd byd-eang, gan gynnwys dwysâd rhyfel masnach posibl. Llwyddodd y Gronfa i gyflawni enillion cadarnhaol iawn o 8.8% yn 2018/19, diolch yn bennaf i enillion soddgyfrannau rhagorol. Cynhaliodd Cronfa Rhondda Cynon Taf ei safle o fewn y chwarter uchaf o gronfeydd pensiwn awdurdodau lleol dros y 5 mlynedd ddiwethaf. Roedd gwerth y Gronfa dros £3.4 biliwn ar 31 Mawrth 2019.

Mae'r cynnydd mawr yma wedi cyfrannu at gynydd yn ein lefel ariannu amcangyfrifedig, sef 98% ar 31 Mawrth 2019. Fel y cafodd ei grybwyll y llynedd, yn dilyn adolygiad o'n strategaeth dyrannu asedau ac wrth ystyried ein lefel ariannu well ar y pryd, daeth y Pwyllgor Pensiynau i'r casgliad y dylen ni amrywiaethu'r risg buddsoddi yn y gronfa ymhellach. Dechreuodd y cynllun graddol i ailunio dyraniad ein hasedau yn ystod blwyddyn ariannol 2018/19, a bydd hyn yn parhau i newid wrth i gyfleoedd addas gael eu nodi.

Mae'r Gronfa Bensiwn hefyd yn cydnabod bod rheoli newid yn yr hinsawdd ac allyriadau carbon yn un o'r ffactorau risg ar gyfer buddsoddiadau ein cronfa pensiwn a'i bwriad yw sicrhau trosglwyddiad carbon trefnus. Bydd hi'n gweithio gyda'i rheolwyr cronfa a chwmnïau buddsoddi i gyflawni'r diben hwnnw, gan sicrhau bod modelau busnes y cwmni wedi'u halinio â dyfodol cynaliadwy. Yn hyn o beth, mae rheoli buddsoddiad gweithredol yn gynhenid anghynhwysol ac mae'r Gronfa'n mynnu bod ei holl reolwyr buddsoddi yn ystyried risgiau sy'n gysylltiedig â'r hinsawdd yn briodol yn ogystal â risgiau Amgylcheddol, Cymdeithasol a Llywodraethu eraill wrth wneud penderfyniadau o fewn eu portffolios priodol.

Mae Partneriaeth Pensiwn Cymru yn parhau i esblygu, ac erbyn diwedd y flwyddyn ariannol roedd ganddi asedau gwerth £3.9 biliwn yn y 2 Is-Gronfa Soddgyfrannau Alpha Uchel Byd-eang. Mae cyfnodau pellach o drosglwyddo asedau mewn perthynas â Soddgyfrannau a Llog Sefydlog y DU ac Ewrop bellach yn cael eu datblygu ar gyfer 2019/20.

Mae fframweithiau a threfniadau llywodraethu Partneriaeth Pensiwn Cymru yn parhau i ddatblygu gyda Strategaeth Buddsoddi Cyfrifol bellach ar waith ac wedi'i chymeradwyo gan y Cyd-bwyllgor Llywodraethu. Mae'r Cyd-bwyllgor Llywodraethu hefyd wedi gweithio ar ddiffinio ei Strategaeth Credoau a Chyfathrebu ac erbyn hyn mae ganddo wefan bwrsasol ar waith.

Mae prisiaid actiaraidd nesaf y Gronfa ar 31 Mawrth 2019 ar y gweill ac mae'r gwaith bron â'i gwblhau (ar adeg ysgrifennu). Rydyn ni wedi ymgymryd ag adolygiadau cyfamed lle bo angen ac wedi cytuno ar y rhagdybiaethau actiaraidd sylfaenol. Bydd cyflogwyr yn cael eu hysbysu cyn gynted â phosibl o'r canlyniadau sy'n dod i'r amlwg a'r goblygiadau cyfradd cyfrannu (yn effeithiol o 1 Ebrill 2020) er mwyn helpu i gefnogi eu prosesau pennu cyllideb priodol.

Mae'r Llywodraeth a Bwrdd Cynghori'r Cynllun Pensiwn Llywodraeth Leol wedi oedi eu prosesau 'cap cost' priodol ar gyfer y cynllun, oherwydd achos Llys Apêl (McCloud). Mae amcangyfrif o'r effaith ar rwymedigaethau'r Gronfa wedi cael ei gynnwys ym Mhrisiad 2019 er ei bod hi'n debygol y bydd hi'n cymryd tipyn o amser i ddod i gasgliad o ran y rhwymedi gwirioneddol.

Roedd hi'n braf nodi'r sylwadau cadarnhaol a wnaed gan gynrychiolydd y Rheoleiddiwr Pensiynau yng Nghyfarfod Cyffredinol Blyneddol y Gronfa y llynedd. Mae'r Gronfa yn cymryd ei chyfrifoldebau o ran llywodraethu corfforaethol ac ansawdd data o ddifrif, yn archwilio cyfleoedd i wella yn barhaus ac mae ganddi drefniadau monitro a rheoli risg ffurfiol ar waith. Yn ddiweddar, mae'r Rheoleiddiwr Pensiynau wedi cyhoeddi ei ganfyddiadau yn dilyn adolygiad o 10 cronfa Cynllun Pensiwn Llywodraeth Leol ac yn cymharu ei gydymffurfiaeth â'r argymhellion 'arfer da' sy'n cael eu cynnwys ynddyn nhw.

Cronfa Bensiwn RhCT yw'r Gronfa Cynllun Pensiwn Llywodraeth Leol fwyaf sy'n gweithredu yng Nghymru. Mae ganddi dros 73,000 o aelodau, ar draws ystod amrywiol o Gyflogwyr. Mae Fforwm Cyfathrebu'r Gronfa sy'n cynnwys cynrychiolwyr Cyflogwyr ac Undebau Llafur, yn parhau i alluogi ymgysylltiad gweithredol â grwpiau o randdeiliad i helpu i gyflawni a llunio gwelliannau. Enghraifft o hyn yw'r cymorth sy'n cael ei roi i hyrwyddo manteision hunan-wasanaeth i aelodau ar draws aelodaeth ein cynllun.

Hyderaf bydd yr wybodaeth sydd yn yr adroddiad yma o gymorth ichi, ond os ydych chi o'r farn bod modd gwella ar yr adroddiad a'i gynnwys, bydden ni'n croesawu eich sylwadau.

# Crynodeb

## Cyflogwyr sy'n cymryd rhan

### Awdurdod Gweinyddu

Cyngor Bwrdeistref Sirol Rhondda Cynon Taf

### Cyrff Derbyniedig

Agored Cymru

Ymddiriedolaeth Ddiwylliannol Awen

Capita Glamorgan Consultancy

Cymdeithas Gyrfa Cymru

Gyrfa Cymru - Mid Glamorgan and Powys Limited

DBW FM Ltd (Finance Wales Investment Ltd gynt)

Development Bank of Wales Plc  
(Finance Wales Plc gynt)

Drive Ltd

Halo Leisure

KGB Cleaning Ltd

Uned Ddata Llywodraeth Leol

Sefydliad i'r Deillion Merthyr Tudful

Ymddiriedolaeth Hamdden Merthyr Tudful

Cartrefi Cymoedd Merthyr

Gofal Cymdeithasol Cymru (Cyngor Gofal Cymru gynt)

Trivallis

Tai Cymoedd i'r Arfordir

Llywodraeth Cymru  
(Asiantaeth Datblygu Cymru gynt)

Cyd-bwyllgor Addysg Cymru

### Cyrff Cofrestredig a Dynodedig

Amgen Cymru

Cyngor Cymuned Bedlinog

Cyngor Cymuned Bracla

Coleg Pen-y-bont ar Ogwr

Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr

Cyngor Tref Pen-y-bont ar Ogwr  
(dim aelodau gweithredol ar hyn o bryd)

Consortiwm Canolbarth y De

Prif Gwnstabl De Cymru

Coleg Y Cymoedd

Cyngor Cymuned Coety Uchaf

Cyd-bwyllgor Amlosgfa Llangrallo

Cyngor Cymuned Cwm Garw

Cyngor Cymuned Gelligaer

Cyngor Cymuned Hirwaun a Phenderyn

Cyngor Cymuned Llanbradach  
(dim aelodau gweithredol ar hyn o bryd)

Cyngor Cymuned Llanharan

Cyngor Cymuned Llanhari  
(dim aelodau gweithredol ar hyn o bryd)

Cyngor Cymuned Llantrisant

Cyngor Cymuned Llanilltud Faerdref

Cyd-bwyllgor Amlosgfa Llwydcoed

Cyngor Tref Maes-teg

Coleg Merthyr Tudful

Cyngor Bwrdeistref Sirol Merthyr Tudful

Comisiynydd Heddlu a Throseddau De Cymru

Cyngor Cymuned Pont-y-clun

Cyngor Tref Pontypridd

Coleg Brenhinol Cerdd a Drama Cymru

Awdurdod Tân De Cymru

Tribiwnlys Prisio De Cymru

Cyngor Cymuned Llansanffraid ar Ogwr

Cyngor Cymuned Tonyrefail

Prifysgol De Cymru

Cyngor Cymuned Ynysawdre

## Diffiniadau'r Cyrff

### Cyrff Cofrestredig

Mae'r rhain yn cynnwys Cyngorau Sir, Awdurdodau'r Heddlu ac Asiantaeth yr Amgylchedd ymhlith sawl un arall.

### Cyrff Dynodedig

Mae gofyn bod cyrff sydd â'r hawl i benderfynu, megis Cyngorau Cymuned, benderfynu pwy o blith y rhai hynny y maen nhw'n eu cyflogi sy'n cael ymuno â'r cynllun.

### Cyrff Derbyniedig

Gall Cyrff Derbyniedig gymryd rhan yn y cynllun drwy gytundeb derbyn. Caiff y Cyrff Derbyniedig yma nodi un ai rhai o'u gweithwyr sy'n cael ymuno â'r cynllun ynteu bawb.

# Tudalen y Cyfranwyr (Pwy yw pwy)

## **Pennaeth Gwasanaeth Pensiynau, Cyflogres a Thaliadau** - Ian Traylor

Mae Ian wedi bod yn gwasanaethu ym maes llywodraeth leol ers 1990 gan ddechrau gyda Chyngor Sir Morgannwg Ganol a throsglwyddo i Gyngor Rhondda Cynon Taf yn ystod cyfnod yr aildrefnu ym 1996. Mae gan Ian gefndir cadarn ym maes rheolaeth ariannol / rheoli risgiau ac mae e wedi treulio'r rhan fwyaf o'i yrfa yn gweithio ym maes Archwilio Mewnol. Ymunodd Ian â'r Gwasanaeth Pensiynau yn 2006 ac mae e'n aelod gweithredol o Banel Cyngori'r Gronfa Bensiwn.



## **Blaen Gyfrifydd, Y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn** - Yvonne Keitch

A hithau wedi gwasanaethu ym myd llywodraeth leol ers dros 30 o flynyddoedd, mae Yvonne yn gyfrifol am weinyddu buddsoddiadau'r gronfa bensiwn. Mae hi wedi bod yn rheoli buddsoddiadau'r gronfa ers 1995.



## **Cyfrifydd y Trysorlys a'r Gronfa Bensiwn** - Vanessa Thomas

Dechreuodd Vanessa weithio yn y byd llywodraeth leol yn 1989, pan ymunodd â Chyngor Bwrdeistref Cwm Rhondda. Trosglwyddodd i Gyngor Rhondda Cynon Taf yn ystod cyfnod yr aildrefnu ym 1996.

Mae hi wedi gweithio yn rhan o'r garfan buddsoddi ers 2005. Ar hyn o bryd, hi yw'r swyddog sy'n gyfrifol am gynnal a chadw, a chau cyfrifon y Gronfa Bensiwn.



## **Uwch Reolwr y Garfan** - Catherine Black

Ymunodd Catherine â ni yn 2013. Cyn hynny bu'n gweinyddu pensiynau mewnol mewn cwmni manwerthu rhyngwladol, gan gynnwys gweithredu newidiadau rheoleiddiol, cyfrifo pensiynau aelodau a rhoi cyflwyniadau i aelodau o'r cynllun.



# Aelodau o Bwyllgor y Gronfa Bensiwn

## **Cadeirydd Pwyllgor y Gronfa Bensiwn** - Y Cyngorydd Mark Norris

Y Cyngorydd Norris yw'r Aelod o'r Cabinet ar faterion Gwasanaethau Corfforaethol ac mae e'n cynrychioli ward Cwm Clydach. Mae e wedi bod yn Gadeirydd Pwyllgor y Gronfa Bensiwn ers y cyfarfod cyntaf ar 5 Gorffennaf 2016.



## **Aelod o Bwyllgor y Gronfa Bensiwn** - Y Cyngorydd Robert Smith

Mae'r Cyngorydd Robert Smith yn aelod o'r Pwyllgor Archwilio a Phanel Troseddau'r Heddlu (Corff Allanol). Mae e'n Aelod Lleol sy'n cynrychioli ward Cwm Rhondda. Y Cyngorydd Smith yw Is-Gadeirydd Pwyllgor y Gronfa Bensiwn ers mis Mai 2017.



## **Aelod o Bwyllgor y Gronfa Bensiwn** - Y Cyngorydd Gareth Caple

Mae'r Cyngorydd Caple yn Is-gadeirydd y Pwyllgor Cynllunio a Datblygu, yn aelod o'r Pwyllgor Gwasanaethau Democrataidd, y Pwyllgor Craffu ar faterion Cyllid a Chyflawniad, y Pwyllgor Trosolwg a Chraffu, y Pwyllgor Archwilio, Cyngor Iechyd Cymuned Cwm Taf (Corff Allanol), Pwyllgor Trosolwg a Chraffu Bwrdd Gwasanaeth Cyhoeddus Cwm Taf ac yn Aelod Lleol sy'n cynrychioli ward y Cymer. Mae'r Cyngorydd Caple wedi bod yn aelod o Bwyllgor y Gronfa Bensiwn ers mis Mai 2017.



## **Aelod o Bwyllgor y Gronfa Bensiwn** - Y Cyngorydd Emyr Webster

Mae'r Cyngorydd Webster yn Aelod Lleol sy'n cynrychioli ward Treorci. Mae e wedi bod yn aelod ers cyfarfod cyntaf Pwyllgor y Gronfa Bensiwn ar 5 Gorffennaf 2016.



## **Aelod o Bwyllgor y Gronfa Bensiwn** - Y Cyngorydd Lewis Hooper

Mae'r Cyngorydd Lewis Hooper yn aelod o'r Pwyllgor Craffu – Plant a Phobl Ifainc a'r Pwyllgor Craffu ar faterion Cyllid a Chyflawniad. Mae e'n Aelod Lleol sy'n cynrychioli ward Ton-teg. Mae e wedi bod yn aelod o Bwyllgor y Gronfa Bensiwn ers ei gyfarfod cyntaf ym mis Ionawr 2018.





# Aelodau o Banel Cyngori'r Gronfa Bensiwn

**Cyfarwyddwr Gwasanaethau Cyllid a Digidol a Swyddog Adran 151** - Barrie Davies, C.P.F.A.  
Ymunodd Barrie ag Awdurdod Lleol Cyngor Morgannwg Ganol yn 1985 gan symud i Rongdd Cynon Taf yn dilyn ad-drefniad ym 1996. Mae Barrie yn aelod gweithredol o'r Panel Cyngori ar Fuddsoddi a Gweinyddu. Cafodd ei benodi i'w swydd bresennol ym mis Mawrth 2019.



**Cyfarwyddwr Gwasanaeth Cyllid a Dirprwy Swyddog Adran 151** - Paul Griffiths C.P.F.A.  
Mae Paul wedi bod yn gwasanaethu ym maes llywodraeth leol ers 1989 gan ddechrau gyda Chyngor Sir Morgannwg Ganol a throsglwyddo i Gyngor Rhondda Cynon Taf yn ystod cyfnod yr aildrefnu ym 1996. Mae gan Paul gefndir mewn rheolaeth ariannol, Archwilio Mewnol a rheoli cyflawniad corfforaethol, ac fe'i penodwyd i swydd Cyfarwyddwr Gwasanaeth - Gwasanaethau Cyllid a Gwella ym mis Mawrth 2019. Daeth Paul hefyd yn aelod o'r Panel Cyngori ar Fuddsoddi a Gweinyddu ym mis Mawrth 2019.



**Pennaeth Gwasanaeth Pensiynau, Cyflogres a Thaliadau** - Ian Traylor  
Mae Ian wedi bod yn gwasanaethu ym maes llywodraeth leol ers 1990 gan ddechrau gyda Chyngor Sir Morgannwg Ganol a throsglwyddo i Gyngor Rhondda Cynon Taf yn ystod cyfnod yr aildrefnu ym 1996. Mae gan Ian gefndir cadarn ym maes rheolaeth ariannol / rheoli risgiau ac mae e wedi treulio'r rhan fwyaf o'i yrfa yn gweithio ym maes Archwilio Mewnol. Ymunodd Ian â'r Gwasanaeth Pensiynau yn 2006 ac mae e'n aelod gweithredol o Banel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn.



**Blaen Gyfrifydd, Y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn** - Yvonne Keitch  
A hithau wedi gwasanaethu ym myd llywodraeth leol ers dros 30 o flynyddoedd, mae Yvonne yn gyfrifol am weinyddu buddsoddiadau'r gronfa pensiwn. Mae hi wedi bod yn rheoli buddsoddiadau'r gronfa ers 1995.



**Pennaeth Materion Cyllid (Addysg ac Adroddiadau Ariannol)** - Stephanie Davies F.C.C.A.  
Yn dilyn gyrfa yn y sector preifat, ymunodd Stephanie â Chyngor Rhondda Cynon Taf yn 2000 fel Blaen Gyfrifydd gyda chyfrifoldeb dros baratoi cyfrifon statudol y Cyngor. Yn ei swydd bresennol, un o gyfrifoldebau Stephanie yw rheoli carfan buddsoddi'r Gronfa Bensiwn a daeth hi'n aelod o Banel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn yn ystod 2014.



**Cyfrifydd y Trysorlys a'r Gronfa Bensiwn** - Vanessa Thomas  
Dechreuodd Vanessa weithio yn y byd llywodraeth leol yn 1989, pan ymunodd â Chyngor Bwrdeistref Cwm Rhondda. Trosglwyddodd i Gyngor Rhondda Cynon Taf yn ystod cyfnod yr aildrefnu ym 1996. Mae hi wedi gweithio yn rhan o'r garfan buddsoddi ers 2005. Ar hyn o bryd, hi yw'r swyddog sy'n gyfrifol am gynnal a chadw, a chau cyfrifon y Gronfa Bensiwn.



**Carolyn Dobson**

Mae Carolyn Dobson yn Gynghorydd Buddsoddi Annibynnol ar ran nifer o Gronfeydd Pensiwn Llywodraeth Leol, gan gynnwys Asiantaeth yr Amgylchedd, Cyngor Sir Swydd Stafford, Cyngor Sir Buckingham a Bwrdeistref London Borough of Enfield. Roedd hi'n Gyfarwyddwr Materion Buddsoddi gyda chwmni Abbey Asset Managers. Mae ganddi dros 30 mlynedd o brofiad yn rheoli cronfeydd ac yn gynghorydd materion buddsoddi.



**David Cullinan**

Mae David wedi gweithio fel Cynghorydd Buddsoddi Annibynnol y Gronfa ers naw mlynedd. Mae e'n gweithio'n hunangyflogedig bellach ar ôl gweithio am dros 30 o flynyddoedd i State Street. Roedd e'n rheoli cysylltiadau ag amrediad eang o gleientiaid – cronfeydd pensiwn, cwmnïau rheoli asedau, cwmnïau yswiriant, elusennau a sefydliadau. Mae ei gefndir ym maes cyfrifeg buddsoddiadau, gwerthuso buddsoddiadau a phrisio unedau. Treuliai ran helaeth o'i yrfa yn mesur cyflawniad cronfeydd y sector cyhoeddus ac yn benodol ar goladu ystadegau tymor hir a thueddiadau ar ran y Cynllun Pensiwn Llywodraeth Leol.



# Aelodau o Fwrdd y Gronfa Bensiwn

## Cynrychiolydd cyflogwyr

Yr Athro Hugh Coombs  
(Cadeirydd), Prifysgol De Cymru



## Cynrychiolydd cyflogwyr

Mr David Francis,  
Coleg y Cymoedd



## Cynrychiolydd aelodau

Mr Rob Whiles,  
Pensiynwr y Gronfa  
Bensiwn RhCT



## Cynrychiolydd aelodau

Mrs Angela Pring  
Aelod o Gronfa Bensiwn RhCT  
a chynrychiolydd undeb llafur  
(Unsain)



■ Ian Traylor

Pennaeth Gwasanaeth Pensiynau, Cyflogres a Thaliadau



# Adroddiad Materion Gweinyddu



## Cyflwyniad

Hoffwn i ddiolch i'n cyflogwyr am eu cefnogaeth mewn perthynas â glanhau data a chyflwyno data diwedd blwyddyn wrth baratoi ar gyfer Prisiad 2019. Mae hyn yn helpu i sicrhau bod y Gronfa yn parhau i roi gwybodaeth gywir i Actiwari'r Gronfa ac Aelodau ein Cynllun yn ei Datganiadau Buddion Blyneddol.

Yn ystod y flwyddyn, cwblhaon ni nifer o weithrediadau ar y cyd gan gynnwys ein 'Cynllun Gwella Data'. O ganlyniad, mae sgôr data gwell (amodol) wedi cael ei roi i'r 'Rheoleiddiwr Pensiynau' yn yr adroddiad blyneddol.

Mae gwelliannau pellach ar y gweill, sy'n cynnwys, cwblhau'r broses o gyflwyno cyflwyniadau data misol 'i-connect' ar draws Cyflogwyr y Gronfa sy'n weddill. Mae hon yn weithred allweddol a fydd yn helpu i wella prydlongdeb ac ansawdd data aelodau.

Er mwyn sicrhau bod gan y Gwasanaeth adnoddau digonol i fodloni disgwyliadau ein rhanddeiliaid allweddol, rydyn ni'n parhau i gefnogi a datblygu carfan y Gronfa Bensiwn, a buddsoddi ynddi, trwy hyfforddiant technegol a recriwtio pellach trwy'r rhaglen brentisiaeth.

Er bod y Gronfa wedi gweld cynnydd yn y niferoedd oherwydd y cyfleuster hunanwasanaeth "Fy Mhensiwn Ar-lein", bydd rhagor o waith hyrwyddo yn cael ei wneud. Mae hyn yn cael ei gefnogi gan y Cyflogwyr a'r Undebau Llafur sy'n cael eu cynrychioli ar fforwm cyfathrebu'r Gronfa.

## Prisiad Actiwaraid

Dechreuodd y Prisiad tair blynedd ym mis Ebrill 2019. Cafodd y cyflwyniadau data eu rhoi i'r Actwari ac Adran Actwari'r Llywodraeth erbyn y terfyn amser cytunedig a chytunwyd ar y llinynnau mesur cychwynnol. Wrth ymgymryd â'r Prisiad, bydd yr Awdurdod Gweinyddu yn ystyried ac yn adolygu ei amcanion ariannol tymor hir a strategol yn unol â'i Ddatganiad Strategaeth Ariannu.

Bydd y twf mewn enillion buddsoddi ers y cylch prisio diwethaf yn gwella sefyllfa ariannu gyffredinol Cronfa Bensiwn RhCT yn sylweddol. Bydd ystyriaeth a darpariaeth briodol yn cael eu rhoi mewn perthynas â'r goblygiadau ar ymrwymtiadau cynllun y sector cyhoeddus o ganlyniad i achos cyfreithiol McCloud.

## Llywodraethu

Ar lefel genedlaethol, mae Bwrdd Cyngori'r Cynllun Pensiwn Llywodraeth Leol wedi oedi eu gwaith ar gynigion "cap cost", ochr yn ochr â modelu gan y Trysorlys, nes bod rhwymediâu McCloud yn dod i ben.

Comisiynodd Bwrdd Cyngori'r Cynllun adolygiad i 'Llywodraethu Da' yn y CPLIL, ac yn dilyn arolwg o holl Gronfeydd CPLIL, mae dau weithgor wedi'u sefydlu i drafod y canlynol:

- Safonau a Chanlyniadau
- Cydymffurfio a Gwella

Mae swyddogion yn parhau i gydweithio'n agos â Bwrdd Cronfa Bensiwn RhCT er mwyn ystyried ar y cyd risg a chydymffurfiaeth. Hwylusir cyfarfodydd Cadeiryddion Byrddau Pensiwn Cymru, sy'n cynnwys diweddariad gan yr awdurdod sy'n eu cynnal mewn perthynas â gweithrediadau Partneriaeth Pensiwn Cymru.

## Diogelwch Seibr

Ym mis Ebrill 2018, cyhoeddodd y Rheoleiddiwr Pensiynau 'Egwyddorion Diogelwch Seibr ar gyfer Cynlluniau Pensiwn'. Mae Cronfa RhCT wedi adolygu ei chydymffurfiaeth a'i threfniadau ac mae Pwyllgor a Bwrdd y Gronfa Bensiwn wedi cael yr wybodaeth ddiweddaraf ynglŷn â'r risgiau a'r rheolaethau cysylltiedig.

## Newidiadau i Drethi Pensiwn Cyllid a Thollau Ei Mawrhydi

### Lwfans Oes

Lwfans Oes yw uchafswm y cynilion pensiwn y mae modd eu cronni drwy gydol eich oes sy'n elwa ar ostyngiad treth y DU. O ganlyniad i Ddeddf Cyllid 2016, mae lefel y Lwfans Oes arferol wedi gostwng eto o 6 Ebrill 2016. Mae'r gostyngiad o £1.25 miliwn i £1 miliwn ar gyfer y blyneddoddd treth 2016/17 a 2017/18. Cynyddwyd y lwfans oes ar gyfer blwyddyn dreth 2018/19 i £1.03 miliwn ac mae'n £1.055 miliwn ar gyfer blwyddyn dreth 2019/20.

Mae unrhyw gynilion pensiwn sy'n uwch na'r lwfans oes yn ddarostyngedig i'r tâl lwfans oes. Bydd y tâl yma'n parhau i fod fel a ganlyn:

- 55% os cymerir y gweddill fel cyfandaliad
- 25% os cymerir y gweddill fel incwm, hynny yw, pensiwn.

Bydd cyfle i ddiogelu unrhyw gynilion pensiwn a gafodd eu cronni cyn 6 Ebrill 2016 rhag tâl Lwfans Oes (ar gyfer cynilion o dros £1 miliwn hyd at uchafswm cyffredinol o £1.25 miliwn ar 5 Ebrill 2016) os bodlonir meini prawf Cyllid a Thollau Ei Mawrhydi. Mae modd gwneud cais am Ddiogelwch Unigol neu Ddiogelwch Sefydlog y Lwfans Oes drwy wasanaeth ar-lein newydd Cyllid a Thollau Ei Mawrhydi: <https://www.gov.uk/guidance/pension-schemes-protectyour-lifetime-allowance#individual-protection-2016>



## Lwfans Blynnyddol

Ers i'r Lwfans Blynnyddol ostwng i £40,000, rydyn ni wedi gweld rhagor o achosion o aelodau sy'n rhagori ar y lwfans yma ac yn cael eu trethu. Mae hyn yn golygu treth sy'n daladwy gan aelodau trwy eu proses hunanasesu unigol neu efallai y bydd cyfle i drefnu opsiwn 'cynllun yn talu' gyda Chronfa Rhondda Cynon Taf.

Mae Carfan Cyfathrebu'r Gronfa yn cyhoeddi llythyr a ffeithlen ar gyfer aelodau unigol sydd efallai wedi cael eu heffeithio gan y Lwfans Blynnyddol.

Ar 6 Ebrill 2016, cyflwynodd y llywodraeth y 'Lwfans Blynnyddol Graddedig' ar gyfer unigolion ag "incwm wedi'i addasu" o dros £150,000. Bydd 'incwm trothwy' o £110,000 yn berthnasol ar gyfer unigolion sydd â chyflogau is. Bydd yn rhoi sicrwydd iddyn nhw os dim ond bob hyn a hyn y byddan nhw'n ychwanegu at eu cynilion pensiwn. Os yw incwm net yr unigolyn yn llai na £110,000, fyddan nhw ddim fel arfer yn destun i'r lwfans blynnyddol graddedig. Cyfradd gostyngiad yn y lwfans blynnyddol yw £1 am bob £2 y mae'r incwm wedi'i addasu yn fwy na £150,000, hyd at ostyngiad o £30,000 ar y mwyaf.

Lansiodd Cyllid a Thollau Ei Mawrhydi gyfrifiannell ar-lein er mwyn helpu aelodau i ganfod swm y lwfans blynnyddol y maen nhw wedi ei ddefnyddio <https://www.tax.service.gov.uk/paac>

## Awto-gofrestru

Yn ystod y flwyddyn, ymgwymerodd nifer o Gyflogwyr â'u hailgofrestru lle mai Cronfa RhCT oedd eu cynllun diofyn. Bydd angen i Gyflogwyr y Gronfa sicrhau eu bod yn parhau i gydymffurfio â holl ofynion rheolau cymhwysedd awto-gofrestru ac yn cyfathrebu yn briodol â gweithwyr ar yr adegau perthnasol.

## Cysoni Isafswm Gwarantedig Pensiynau

Yn dilyn yr opsiwn i gcontractio allan o Bensiwn y Wladwriaeth ychwanegol a ddaeth i ben yn Ebrill 2016 a chyflwyno Pensiwn y Wladwriaeth haen sengl newydd, bydd hawliau contractio allan presennol aelodau'r cynllun yn cael eu diogelu o hyd. Serch hynny, bydd gwasanaethau cymorth Cyllid a Thollau Ei Mawrhydi yn cael eu lleihau ac fe'u tynnwyd yn ôl ym mis Rhagfyr 2018.

Daeth Cronfa RhCT i ben â'i hymarfer cysoni yn ystod 2018 yn unol â dyddiad cau Cyllid a Thollau Ei Mawrhydi, gyda diweddariad cysoni terfynol yn cael ei roi i Bwyllgor a Bwrdd y Gronfa Bensiwn.

## Rhyddid i Ddewis / Sgamiau Trosglwyddo

Er nad yw'r rhyddid newydd yn berthnasol i'r CPLIL, mae rhagor o bobl wedi mynegi diddordeb i'r Gronfa yn y posibilrwydd o drosglwyddo buddion i drefniadau Cyfraniad Diffiniedig, er mwyn manteisio ar hyblygrwydd 'Rhyddid i Ddewis'.

Law yn llaw â rhyddid o'r fath, rydyn ni wedi gweld cynnydd cenedlaethol mewn sgamiau trosglwyddo pensiynau.

Mae'n ofynnol i'r Gronfa ymgymryd â gwiriadau diogelu diwydrwydd dyladwy, fodd bynnag, mae hyn wedi achosi gwrthdaro rhwng y Gronfa ac aelodau'r cynllun (a'u cynghorwyr) o ran oedi posibl mewn perthynas â'r broses drosglwyddo.

## Atal a Chanfod Twyll

Mae'r Gronfa Bensiwn yn rhan o'r Fenter Atal Twyll Genedlaethol sy'n canolbwyntio ar atal achosion o dwyll a llwgrwobrwyo. Yn rhan o'r fenter yma, mae asiantaethau cyhoeddus yn cael rhannu'r wybodaeth yma er mwyn i bawb fod yn effro i broblemau.

Mae gan y Gwasanaeth Pensiynau hefyd fynediad at Garfan Twyll Corfforaethol y Cyngor er mwyn cefnogi'r broses o fynd ar drywydd unrhyw anghysondebau posibl mewn pensiynau ac erlyn lle bo angen.

## Edrych Tuag at y Dyfodol

Yn ddiweddar, mae'r Rheoleiddiwr Pensiynau wedi cyhoeddi ei adroddiad i'r risgiau llywodraethu a gweinyddu mewn pensiynau gwasanaeth cyhoeddus, a oedd yn cynnwys ymgysylltu â 10 Cronfa CPLIL y DU. Mae'r adroddiad yn crynhoi'r canfyddiadau allweddol yn erbyn Cod Ymarfer y Rheoleiddiwr, a bydd Cronfa RhCT yn adolygu ei chydymffurfriad yn erbyn argymhellion perthnasol o arfer da a fyddai'n gwella'r trefniadau sydd eisoes ar waith yn y Gronfa.

Mae'r Llywodraeth wedi ymgynghori ar 'Newidiadau i'r Cylch Prisio Lleol a Rheoli'r Risg i Gyflogwyr'. Mae'r cynigion yn ystyried diwygio'r cylch prisio lleol i 4 blynedd, a fyddai'n alinio prisiadau lleol a phrisiadau cynllun. Mae ail ran yr ymgynghoriad yn archwilio'r materion y mae rhai Cyflogwyr yn dod ar eu traws ynghylch crisialu taliadau ymadael ac yn cynnig rhywfaint o hyblygrwydd yn amodol ar sicrwydd risg.

Diwygio Taliadau Ymadael: Yn dilyn fy natganiad y llynedd, mae'n aneglur o hyd i ba radda y mae Llywodraeth San Steffan yn bwriadu mynd ar drywydd pob diwygiad a'r amserlenni dan sylw. Daeth ymgynghoriad ar 'Gyfyngu ar daliadau ymadael yn y sector cyhoeddus, gweithredu rheoliadau' i ben ar 3 Gorffennaf 2019, ac rydyn ni'n aros am ddiweddariad.

## Gwybodaeth am Gyflawniad

Mae canlyniadau'r dangosyddion perfformiad allweddol a gafodd eu nodi a'u cytuno gan y Panel Pensiynau am y cyfnod hyd at 31 Mawrth 2019 wedi'u rhestru yn y tabl sydd gyferbyn.

## Safonau'r Gwasanaeth

Mae llawer o gyflogwyr y Gronfa wedi gwneud rhywfaint o resymoli ac ailstrwythuro mewnol dros y flwyddyn ddiwethaf. Mae hyn wedi cynyddu ein llwyth gwaith ar gyfer cynhyrchu costau ymddeol cynnar i gyflogwyr, ynghyd ag enghreifftiau a phhecynnau ymddeol i aelodau.

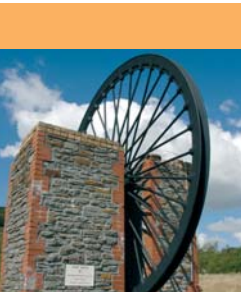
Mae darparu'r wybodaeth gymhleth yma mewn modd amserol a chywir wedi bod yn heriol ond rydyn ni wedi bodloni'r galw heb i safonau ein cyflawniad cyhoeddedig lithro a heb achosi anfantais i waith blaenoriaeth arall.

Mae hyn wedi cael ei gyflawni trwy ailddyrannu a thargedu adnoddau yn unol â'n hamcanion allweddol.

## Anghydfodau

Yn unol â deddfwriaeth, mae gan y Gronfa Bensiwn Weithdrefn Datrys Anghydfodau yn Fewnol sy'n ymdrin â chwynion ffurfiol yn erbyn y Cynllun. Yn ystod 2018/2019 derbyniwyd un gŵyn o dan y weithdrefn ond chafodd y gŵyn mo'i chadarnhau.

| Disgrifiad o'r Weithdrefn                                                                           | Targed Cyflawniad | Targed Ymyrraeth | Cyflawniad Gwirioneddol | Nifer yr achosion a gafodd eu prosesu |
|-----------------------------------------------------------------------------------------------------|-------------------|------------------|-------------------------|---------------------------------------|
| Amcangyfrif Ysgariad (amcangyfrif aelodau o'r cynllun)                                              | 10 diwrnod        | 95%              | 99.51%                  | 203                                   |
| Budd Diogel (hysbysiad i bobl sy'n gadael)                                                          | 10 diwrnod        | 90%              | 84.45%                  | 2662                                  |
| Ad-dalu Cyfraniadau (ad-daliad i aelodau o'r cynllun)                                               | 10 days           | 95%              | 94.14%                  | 665                                   |
| Cais gan Gyflogwr am Amcangyfrif Ymddeol                                                            | 5 diwrnod         | 95%              | 99.40%                  | 832                                   |
| Taliad Ymddeol (o aelodaeth weithredol)                                                             | 5 diwrnod         | 95%              | 98.29%                  | 584                                   |
| Budd Diogel yn Daliad adeg Ymddeol                                                                  | 5 diwrnod         | 95%              | 96.28%                  | 913                                   |
| Trosglwyddo i mewn (cyfrifiad o'r cynllun pensiwn blaenorol gan gynnwys ceisiadau trosglwyddo hwyr) | 10 diwrnod        | 90%              | 75.81%                  | 186                                   |
| Trosglwyddo allan (taliad i'r cynllun pensiwn sy'n derbyn yr arian)                                 | 10 diwrnod        | 95%              | 98.83%                  | 171                                   |



## Aelodaeth o'r Gronfa

### Nifer y Cyflogwyr

|                    | Gweithredol | Ddim yn weithredol bellach | Cyfanswm |
|--------------------|-------------|----------------------------|----------|
| Corff Cofrestredig | 31          | 23                         | 54       |
| Corff Derbyniedig  | 19          | 10                         | 29       |
| Cyfanswm           | 50          | 33                         | 83       |

Aelodaeth o'r Gronfa ar 31 Mawrth:

### Nifer yr aelodau sy'n cyfrannu

| Blwyddyn | 2015  | 2016  | 2017  | 2018  | 2019  |
|----------|-------|-------|-------|-------|-------|
| Nifer    | 25491 | 25501 | 23918 | 24109 | 23329 |

### Nifer y Buddiolwyr Gohiriedig

| Blwyddyn | 2015  | 2016  | 2017  | 2018  | 2019  |
|----------|-------|-------|-------|-------|-------|
| Nifer    | 20255 | 22358 | 24641 | 25956 | 27104 |

### Nifer y Pensiynwyr a'r Bobl sy'n Ddibynol

| Blwyddyn | 2015  | 2016  | 2017  | 2018  | 2019  |
|----------|-------|-------|-------|-------|-------|
| Nifer    | 18043 | 18470 | 18955 | 19262 | 19704 |

### Nifer yr alldyniadau heb eu penderfynu

| Blwyddyn | 2015 | 2016 | 2017 | 2018 | 2019 |
|----------|------|------|------|------|------|
| Nifer    | 2646 | 2400 | 2506 | 2667 | 2999 |

### Tueddiadau aelodaeth

|                       | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | % Cynnydd /<br>Gostyngiad<br>ers<br>17/18 |
|-----------------------|---------|---------|---------|---------|---------|-------------------------------------------|
| Cyflogwyr Gweithredol | 43      | 46      | 49      | 49      | 50      |                                           |
| Cyfranwyr             | 25491   | 25501   | 23918   | 24109   | 23329   | -3.24%                                    |
| Pensiynwyr            | 15499   | 15830   | 16315   | 16609   | 17025   | 2.50%                                     |
| Dibynyddion           | 2544    | 2640    | 2640    | 2653    | 2679    | 0.98%                                     |
| Buddiolwyr Gohiriedig | 20255   | 22358   | 24641   | 25956   | 27104   | 4.42%                                     |

### Cost y Gronfa i bob aelod

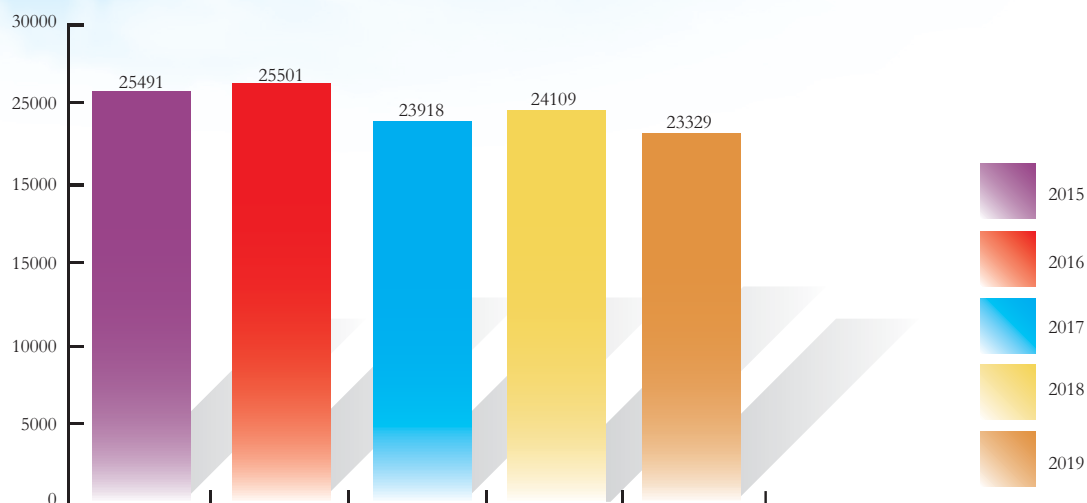
|                                   | Cost fesul aelod (£) | Cost fesul aelod (£) |
|-----------------------------------|----------------------|----------------------|
|                                   | 2017/2018            | 2018/2019            |
| Costau Gweinyddu                  | 25.39                | 25.15                |
| Treuliau Rheoli'r Buddsoddiadau   | 120.04               | 122.69               |
| Costau Goruchwylio a Llywodraethu | 4.29                 | 3.11                 |
| CYFANSWM                          | 149.72               | 150.95               |

Ar hyn o bryd, mae'r Gronfa Bensiwn yn cyflogi 26 aelod o staff gweinyddu llawn amser a 2 aelod yn adran buddsoddiadau a chyfrifon y Gronfa Bensiwn.

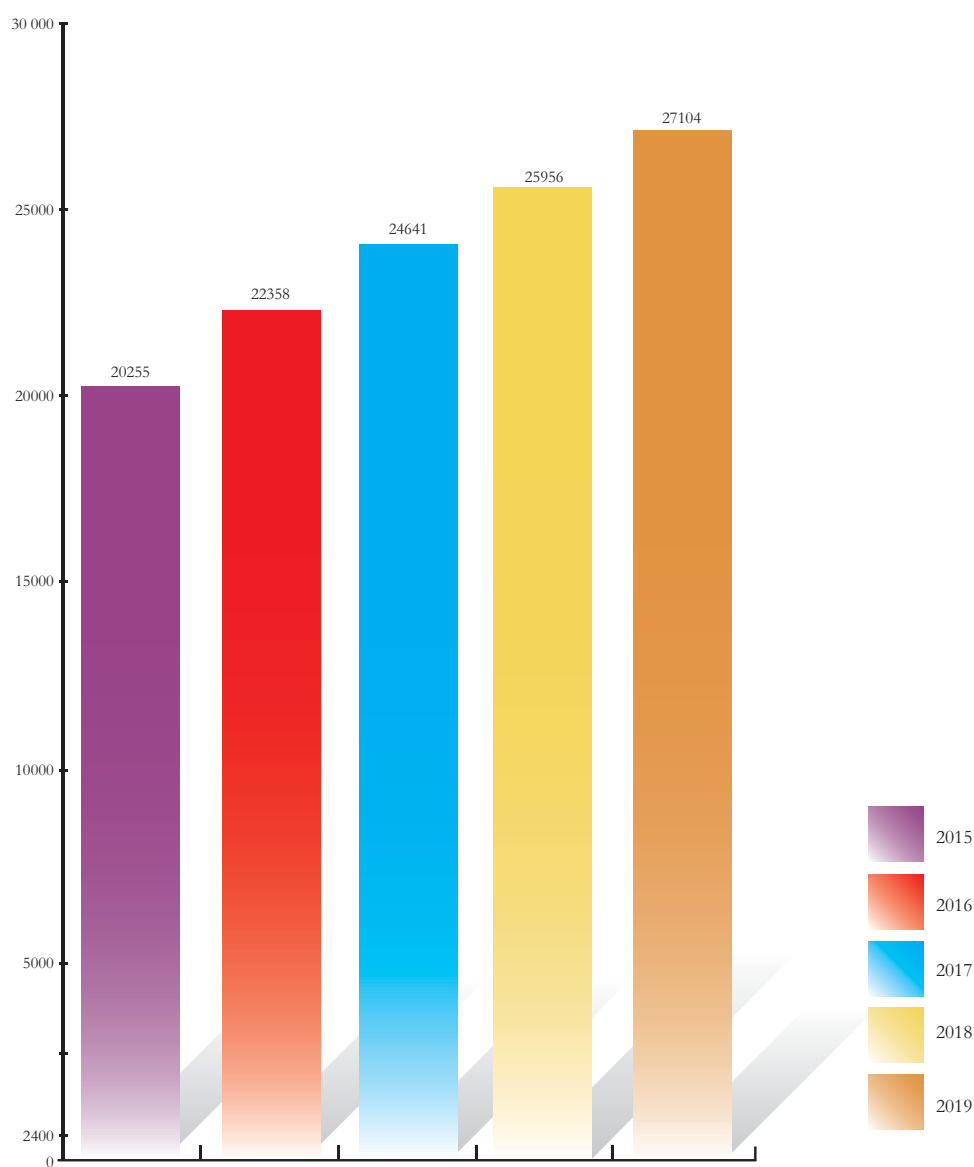
## Aelodaeth a Dadansoddiad o'r Gronfa

Aelodaeth y Gronfa ar 31 Mawrth:

### Nifer yr aelodau sy'n cyfrannu

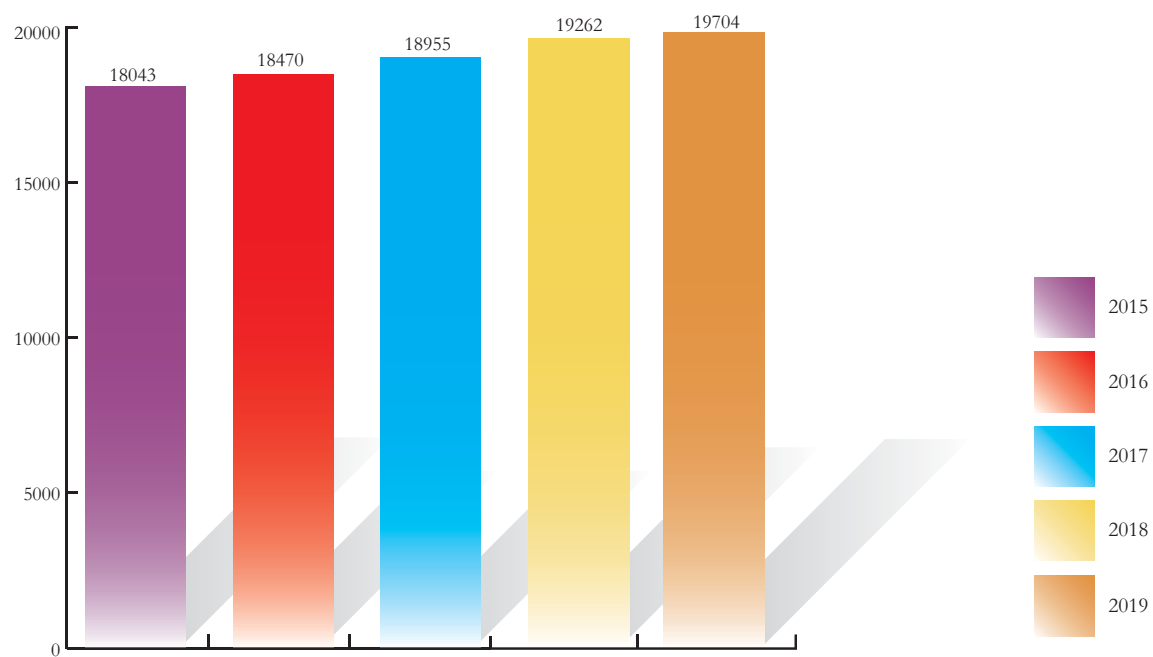


### Nifer y Buddiolwyr Gohiriedig

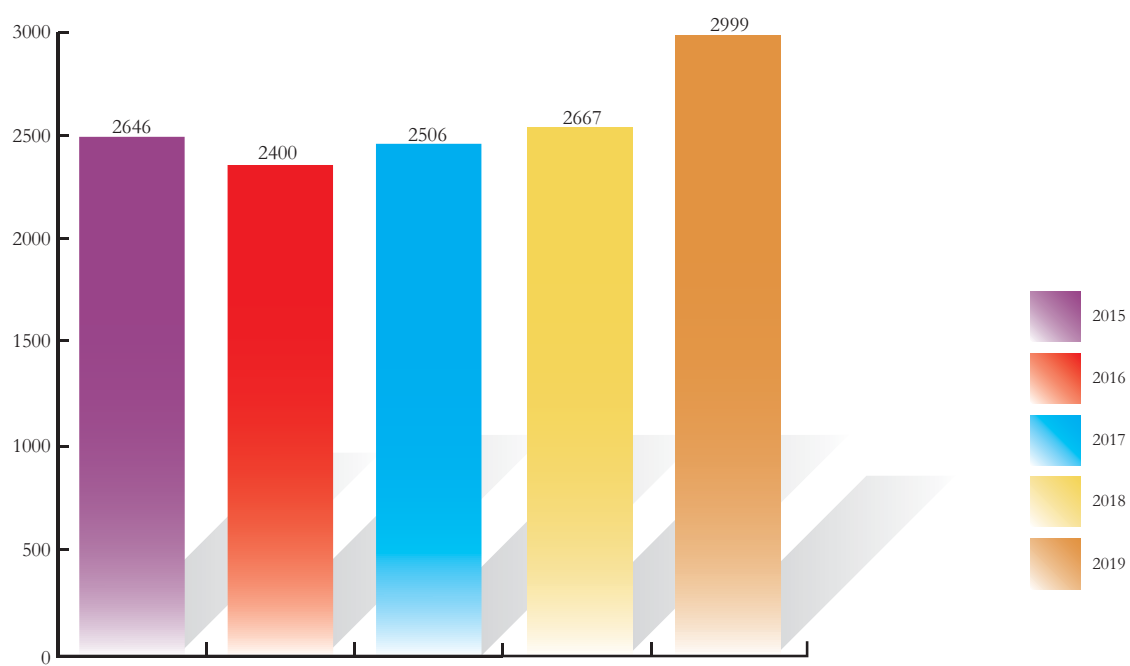




### Nifer y Pensiynwyr a'r Bobl sy'n Ddibynol



### Nifer yr alldyniadau heb eu penderfynu



## Dadansoddiad Aelodaeth

### Ymadawyr o statws gweithredol

|                                                                  | 2017        | 2018        | 2019        |
|------------------------------------------------------------------|-------------|-------------|-------------|
| Ad-dalu cyfraniadau                                              | 351         | 265         | 116         |
| Trosglwyddo cyfraniadau i gynlluniau eraill                      | 14          | 7           | 4           |
| Marw yn ystod gwasanaeth                                         | 13          | 19          | 18          |
| Ymddeol yn sgil salwch                                           | 34          | 44          | 30          |
| Ymddeol cynnar/arferol                                           | 170         | 134         | 157         |
| Ymddeoliadau yn sgil dileu swyddi / ystyriaethau effeithlonrwydd | 175         | 124         | 193         |
| Ymddeoliadau hyblyg                                              | 24          | 19          | 18          |
| Ymddeol hwyr                                                     | 84          | 54          | 64          |
| Optio Allan                                                      | 685         | 276         | 224         |
| Buddion diogel                                                   | 2811        | 2036        | 2017        |
| Ymadawyr Eraill                                                  | 175         | 160         | 272         |
| <b>Cyfanswm</b>                                                  | <b>4536</b> | <b>3138</b> | <b>3113</b> |



### Buddion Gohiriedig - rhai sy'n gadael y Cynllun

|                                                     | 2017       | 2018       | 2019       |
|-----------------------------------------------------|------------|------------|------------|
| Trosglwyddo cyfraniadau i gynlluniau eraill         | 138        | 163        | 144        |
| Marwolaethau                                        | 21         | 20         | 32         |
| Ymddeol yn sgil salwch                              | 9          | 6          | 8          |
| Ymddeol cynnar/arferol                              | 422        | 320        | 484        |
| Buddion eraill                                      | 24         | 12         | 2          |
| Nifer yr aelodau gohiriedig yn ailymuno â'r cynllun | 11         | 6          | 10         |
| <b>Cyfanswm</b>                                     | <b>625</b> | <b>527</b> | <b>680</b> |

■ Yvonne Keitch

Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn



# Adroddiad ar Faterion Buddsoddi

---



## Adroddiad ar Faterion Buddsoddi

Ar ddechrau'r flwyddyn ariannol, gwerth buddsoddiadau Cronfa Bensiwn Rhondda Cynon Taf oedd £3,203.6 miliwn. Erbyn 31 Mawrth 2019 roedd y Gronfa wedi tyfu i £3,456.6 miliwn.

Llwyddodd Cronfa Bensiwn Rhondda Cynon Taf i gyflawni enillion o 8.8% yn 2018/19, gan sicrhau safle rhif 7 yn ôl canran. Elwodd y Gronfa ar gyflawniad cryf y soddgyfrannau ac osgoi twf wedi'i amrywio (yr ased sy'n cyflawni waethaf). Roedd Cronfa Bensiwn Rhondda Cynon Taf ymhell o flaen y meincnod dros 3, 5, a 10 blynedd/mlynedd, gan sicrhau safle rhif 5 ar y raddfa yn ôl canran dros 3 blynedd, safle rhif 5 dros 5 mlynedd, a safle rhif 4 dros 10 mlynedd.

## Rheoli Buddsoddi

Mae Pwyllgor y Gronfa Bensiwn yn gyfrifol am drefnau gwaith rheoli strategol Cronfa Bensiwn Rhondda Cynon Taf yn unol â'i gylch gorchwyl.

Mae Cyfarwyddwr Gwasanaethau Rheng Flaen (ac yntau'n Swyddog Adran 151) a gaiff ei gefnogi gan Banel Buddsoddi a Gweinyddu'r Gronfa, wedi dirprwyo cyfrifoldeb am yr holl faterion gweithredol o ddydd i ddydd.

Cyfarwyddwr Cyfadran Gwasanaethau Cyllid a Digidol Rhondda Cynon Taf yw Cadeirydd y Panel, ac mae'r aelodau'n cynnwys dau gynghorydd annibynnol ac uwch swyddogion cyllid eraill.

Bydd y panel yn cyfarfod bob 3 mis i ystyried materion gweinyddu a buddsoddi ac i bennu polisi yn ôl sefyllfa'r farchnad ac i holi a herio'r Rheolwyr Materion Buddsoddiadau am eu cyflawniad. Ar hyn o bryd mae chwe mandad buddsoddi ar wahân.

Soddgyfrannau Traddodiadol Bailie Gifford, Soddgyfrannau Alpha Uchel Twf Byd-eang (Partneriaeth Pensiwn Cymru), Soddgyfrannau Alpha Uchel Cyfleoedd Byd-eang (Partneriaeth Pensiwn Cymru), Bondiau GAM BMO, Eiddo CBRE a Soddgyfrannau Goddefol BlackRock.

## Cyflawniad Buddsoddiadau

Mae'r tabl isod yn dangos cyflawniad, ar lefel dosbarth asedau, dros gyfnodau hanesyddol a fesurwyd hyd at 31 Mawrth 2019.

|                    | Blwyddyn |        | 3 blynedd |        | 5 mlynedd |        |
|--------------------|----------|--------|-----------|--------|-----------|--------|
|                    | Meincnod | Cronfa | Meincnod  | Cronfa | Meincnod  | Cronfa |
|                    | %        | %      | %         | %      | %         | %      |
| Soddgyfrannau      | 9.1      | 10.1   | 13.4      | 15.1   | 10.5      | 12.6   |
| Bondiau            | 3.7      | 4.3    | 4.1       | 4.9    | 5.5       | 6.0    |
| Eiddo              | 4.9      | 8.3    | 6.5       | 8.7    | 6.2       | 10.0   |
| Arian parod        | -3.8     | 0.3    | 0.3       | -0.5   | 0.3       | -0.2   |
| Cyfanswm yr Asedau | 7.8      | 8.8    | 10.6      | 12.1   | 8.9       | 10.6   |

## Cyflawniad Rheolwr y Gronfa

Mae manylion ynghylch cyflawniad perthynol pob rheolwr yn erbyn eu meincnodau perthnasol dros gyfnodau hanesyddol ar gyfer y flwyddyn hyd at 31 Mawrth 2019 yn y tabl.

| Mandad                       | Rheolwr y Gronfa | Blwyddyn |        | 3 blynedd |        | 5 mlynedd |        |
|------------------------------|------------------|----------|--------|-----------|--------|-----------|--------|
|                              |                  | Meincnod | Cronfa | Meincnod  | Cronfa | Meincnod  | Cronfa |
| Bondiau                      | BMO GAM          | 3.7      | 3.8    | 4.1       | 4.4    | 5.5       | 5.5    |
| Soddgyfrannau (traddodiadol) | Baillie Gifford  | 6.7      | 9.7    | 12.3      | 16.3   | 9.1       | 12.4   |
| Soddgyfrannau (goddefol)     | BlackRock        | 10.7     | 10.9   |           |        |           |        |
| Eiddo                        | CBRE             | 4.9      | 7.5    | 6.5       | 8.2    | 6.2       | 9.5    |

Penodwyd BlackRock yn rheolwr soddgyfrannau goddefol yn ystod mis Tachwedd 2016.

Daeth mandadau alpha uchel Newton a Baillie Gifford i ben ym mis Ionawr 2019. Trosglwyddwyd asedau i Bartneriaeth Pensiwn Cymru.

Yn dilyn adolygiad o ymrwymiadau'r asedau, terfynwyd mandadau soddgyfrannau'r DU ym mis Awst 2018, er mwyn cynyddu dyraniad y Gronfa mewn bondiau ac eiddo.





## Manylion Rheolwyr y Gronfa

Mae manylion gwerth marchnad buddsoddiadau Rheolwyr y Gronfa i'w gweld yn y tabl canlynol:

| Rheolwr y Gronfa                              | Gwerth Marchnad   |                   | Cyfran o'r Gronfa |                   |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                               | 31/03/18<br>£'000 | 31/03/19<br>£'000 | 31/03/18<br>£'000 | 31/03/19<br>£'000 |
| Baillie Gifford (Soddyfrannau)                | 734,706           | 799,135           | 22.9              | 23.2              |
| Baillie Gifford (Soddyfrannau Alpha Uchel)    | 748,744           | 0                 | 23.4              | 0                 |
| Newton (Soddyfrannau Alpha Uchel)             | 502,347           | 0                 | 15.7              | 0                 |
| Invesco (Soddyfrannau'r DU)                   | 137,544           | 0                 | 4.3               | 0                 |
| BlackRock (Soddyfrannau'r DU)                 | 139,837           | 0                 | 4.4               | 0                 |
| BlackRock (Soddyfrannau Goddefol)             | 138,755           | 153,809           | 4.3               | 4.4               |
| BMO GAM (Bondiau)                             | 589,971           | 857,306           | 18.4              | 24.8              |
| CBRE (Eiddo)                                  | 174,860           | 263,792           | 5.4               | 7.6               |
| Link (Gweithredwr Partneriaeth Pensiwn Cymru) | 0                 | 1,363,745         | 0.0               | 39.5              |
| Wedi'i Reoli'n Fewnol                         | 36,861            | 18,857            | 1.2               | 0.5               |
| <b>Cyfanswm</b>                               | <b>3,203,625</b>  | <b>3,456,644</b>  | <b>100.00</b>     | <b>100.00</b>     |

Doedd dim buddsoddiad unigol yn cyfrif am fwy na 5% o asedau'r Gronfa.

Mae gwerth marchnad y buddsoddiadau yn y tabl yma'n cynnwys buddsoddiadau tymor byr fel gweddill arian neu adneuo arian felly mae'n wahanol i gyfanswm y buddsoddiadau tymor hir yn unig.

Rydyn ni'n ceisio mynd i'r afael ag elfennau o risg buddsoddiadau trwy gyflogi nifer o reolwyr cronfa mewn ymgais i reoli risg rheolwyr, a gyda mandadau sy'n cynnwys ystod o asedau gan gynnwys soddyfrannau, bondiau ac eiddo. Mae disgwyl i reolwyr gynnal casgliad eang o gyfrifon buddsoddi a chydymffurfio â rheoliadau buddsoddi Cynllun Pensiwn Llywodraeth Leol, ynghyd ag unrhyw gyfyngiadau ychwanegol sy'n rhan o'u mandadau. Mae'r sector gwladol a diwydiant yn amrywio buddsoddiadau gwaelodol ymhellach.

Caiiff cyflawniad pob rheolwr ei fesur bob chwarter yn erbyn targed sydd wedi'i ddynodi yn erbyn meincnod penodol. Yn ei hanfod, mae hyn yn rhwystro rheolwyr rhag symud i ffwrdd yn rhy bell oddi wrth y nod, ond yn caniatáu peth hyblygrwydd i chwyddo elw ar fuddsoddiadau ar yr un pryd.

## Elw a cholledion ar Fuddsoddiadau

Ar gyfer y flwyddyn hyd at 31 Mawrth 2019, cafodd y Gronfa enillion o 8.8% yn erbyn enillion cyfartalog awdurdod lleol PIRC o 7.0% a oedd wedi'i restru'n rhif 7. Enillion y Gronfa dros 3 blynedd oedd 12.1% o'i gymharu â chyfartaledd PIRC o 10.5%, sef rhif 5 ar y raddfa yn ôl canran ymhlith y cronfeydd a gafodd eu mesur.

|                                               | 2017/18<br>£'000 | 2018/19<br>£'000 |
|-----------------------------------------------|------------------|------------------|
| Elw ar werthiannau                            | 176,900          | 657,501          |
| Colledion ar werthiannau                      | (35,942)         | (51,788)         |
| <b>Elw net / (colled) ar werthiannau</b>      | <b>140,958</b>   | <b>605,713</b>   |
| Newid yng ngwerth y farchnad                  | (5,928)          | (401,019)        |
| <b>Gwir gynnydd/ (gostyngiad) mewn gwerth</b> | <b>135,030</b>   | <b>204,694</b>   |

## Trefnau gwarchod

Mae Cronfa Bensiwn Rhondda Cynon Taf wedi penodi State Street i weithredu'n geidwad cyfranddaliadau'r Gronfa. Caiiff cyfranddaliadau'u dal yn ôl gorchymyn y ceidwad er budd Rhondda Cynon Taf. Mae cwmni State Street yn cael ei reoleiddio gan yr Awdurdod Gwasanaethau Ariannol. Mae Link, gweithredwr Partneriaeth Pensiwn Cymru wedi penodi Northern Trust i weithredu fel ceidwad ar gyfer cyfranddaliadau Partneriaeth Pensiwn Cymru.

## Ffioedd Rheolwyr a Chynghorwyr y Gronfa

Codir ffioedd rheolwr cronfa ar raddfa sy'n lleihau yn seiliedig ar werth marchnad y gronfa.

Yn ogystal â ffioedd rheolwyr cronfa, mae costau anuniongyrchol buddsoddiadau ym Mhartneriaeth Pensiwn Cymru yn cael eu hadlewyrchu yng ngwerth ased net yr unedau cyfun.

Mae cynghorwyr y gronfa'n derbyn tâl sefydlog bob blwyddyn am eu gwasanaethau ac am fynychu cyfarfodydd bob tri mis. Mae costau ychwanegol i'w talu yn achos cyfarfodydd arbennig eraill.

## Dadansoddiad o'r Buddsoddiadau ar sail Gwerth Teg

|                                                 | 2017/18   |                  | 2018/19   |                  |
|-------------------------------------------------|-----------|------------------|-----------|------------------|
|                                                 | £'000     | £'000            | £'000     | £'000            |
| <b>Soddgyfrannau</b>                            |           |                  |           |                  |
| Y DU                                            | 473,325   |                  | 279,594   |                  |
| Tramor                                          | 1,499,865 |                  | 396,482   |                  |
|                                                 |           | 1,973,190        |           | 676,076          |
| <b>Bondiau</b>                                  |           |                  |           |                  |
| Y DU                                            | 552,838   |                  | 767,811   |                  |
| Tramor                                          | 28,909    |                  | 76,117    |                  |
|                                                 |           | 581,747          |           | 843,928          |
| <b>Cronfeydd cyfun</b>                          |           |                  |           |                  |
| Y DU                                            | 156,755   |                  | 19,189    |                  |
| Sogyfrannau byd-eang Partneriaeth Pensiwn Cymru | 0         |                  | 1,363,745 |                  |
| Tramor - arall                                  | 237,113   |                  | 253,893   |                  |
|                                                 |           | 393,868          |           | 1,636,827        |
| <b>Cronfeydd cyfun - eiddo</b>                  |           |                  |           |                  |
| Y DU - arall                                    | 165,342   |                  | 260,292   |                  |
| Tramor - arall                                  | 2,489     |                  | 559       |                  |
|                                                 |           | 167,831          |           | 260,851          |
| <b>Cyfanswm y buddsoddiadau hirdymor</b>        |           | <b>3,116,636</b> |           | <b>3,417,682</b> |

Didy'r Gronfa ddim wedi cymryd rhan mewn unrhyw drefniadau benthyca stoc yn ystod y flwyddyn ond cytunwyd i wneud hynny yn y dyfodol.

Mae'r buddsoddiadau i gyd, ar wahân i eiddo, wedi'u nodi'n fuddsoddiadau a ddyfynnwyd, sydd wedi'u pennu'n fuddsoddiadau ar sail gwerth teg a bu dim gwaith aildosbarthu. Mae gwerthoedd yr asedau sydd wedi'u cario yn y fantolen yr un peth â'r Gwerth Teg uchod.

Mae gan y Gronfa Bensiwn contractau deilliadol sy'n cael eu priso fel ymrwymiad yn y Datganiad Asedau Net ar 31 Mawrth 2019.

Mae'r buddsoddiadau uchod yn Offerynnau Ariannol wedi'u dynodi'n "Werth Teg drwy Elw a Cholled". Mae pob incwm yn sgil buddsoddi, elw/colled ar waredu buddsoddiadau, a newidiadau yng ngwerth y buddsoddiadau yng Nghyfrif y Gronfa yn codi o Offerynnau Ariannol wedi'u dynodi yn "Werth Teg drwy Elw a Cholled", ac eithrio llog ar Arian Parod. Mae arian parod yn Offerynnau Ariannol wedi'u dynodi'n "Fenthyciadau a Derbyniadau".

Mae'r soddgyfrannau a'r arian parod wedi'u crybwyll wedi'u categorio'n ym hierarchaeth gwerth teg lefel 1. Mae bondiau, eiddo cyfun, buddsoddiadau cyfun ym Mhartneriaeth Pensiwn Cymru a chontractau deilliadol yn cael eu dosbarthu fel hierarchaeth gwerth teg lefel 2.

## Dosbarthiad Daearyddol y Gronfa

Mae Rheolwyr y Gronfa yn buddsoddi mewn cyfrannau mewn nifer o wledydd. Mae'r tabl isod yn nodi gwerth stociau a chyfrannau Rheolwyr y Gronfa ar 31 Mawrth 2019:

| Ardal                            | £'000            | %          |
|----------------------------------|------------------|------------|
| Soddgyfrannau'r DU               | 298,783          | 8.7        |
| Soddgyfrannau Ewrop              | 173,961          | 5.0        |
| Soddgyfrannau'r UD a Chanada     | 266,310          | 7.7        |
| Soddgyfrannau Siapan             | 11,988           | 0.3        |
| Soddgyrannau 'Pacific'           | 79,312           | 2.3        |
| Soddgyfrannau Rhyngwladol eraill | 118,804          | 3.4        |
| Soddgyfrannau Cyfun Byd-eang     | 1,363,745        | 39.5       |
| Bondiau                          | 843,928          | 24.4       |
| Eiddo                            | 260,851          | 7.6        |
| Arian Parod a Chyfrwerth         | 38,962           | 1.1        |
| <b>Cyfanswm</b>                  | <b>3,456,644</b> | <b>100</b> |

Dyw'r symiau a nodir ddim yn dangos cronfeydd heb eu clirio.

## Dadansoddi incwm yn sgil buddsoddi sydd wedi'i Gronni yn ystod 2018/19

|                                | DU £'000      | Tu allan i'r DU £'000 | Byd-eang £'000 | Cyfanswm £'000 |
|--------------------------------|---------------|-----------------------|----------------|----------------|
| Soddgyfrannau                  | 2,673         |                       | 34,182         | 36,855         |
| Bondiau                        | 22,885        | 1,225                 |                | 24,110         |
| Eiddo Amgen                    | 5,942         | 0                     |                | 5,942          |
| Arian Parod ac Opsiynau Eraill | 161           |                       |                | 161            |
| <b>Cyfanswm</b>                | <b>31,661</b> | <b>1,225</b>          | <b>34,182</b>  | <b>67,068</b>  |

Mae symiau a nodir yn dangos cronfeydd heb eu clirio.

## Dadansoddi asedau'r Gronfa, yn gywir ar 31 Mawrth 2019

|                                | DU £'000         | Tu allan i'r DU £'000 | Byd-eang £'000   | Cyfanswm £'000   |
|--------------------------------|------------------|-----------------------|------------------|------------------|
| Soddgyfrannau                  |                  |                       | 2,312,903        | 2,312,903        |
| Bondiau                        | 767,811          | 76,117                |                  | 843,928          |
| Eiddo Amgen                    | 260,292          | 559                   |                  | 260,851          |
| Arian Parod ac Opsiynau Eraill | 18,857           |                       | 20,105           | 38,962           |
| <b>Cyfanswm</b>                | <b>1,046,960</b> | <b>76,676</b>         | <b>2,333,008</b> | <b>3,456,644</b> |

## Y Daliadau Mwyaf

Y deg daliad mwyaf ar gyfer rheolwr y gronfa soddgyfrannau Baillie Gifford ar 31 Mawrth 2019 yw:

### 10 Daliad Mwyaf Baillie Gifford

| Cyfran            | £'000  |
|-------------------|--------|
| Amazon            | 19,765 |
| Cwmni Prudential  | 13,792 |
| BHP Billiton      | 12,668 |
| Diageo            | 11,758 |
| St James Place    | 10,074 |
| Wayfair           | 9,819  |
| Netflix           | 9,713  |
| Rio Tinto         | 9,408  |
| Royal Dutch Shell | 9,299  |
| IMCD Group NV     | 8,787  |
|                   |        |

# Datganiad y Strategaeth Fuddsoddi

## 1. Cyfrifoldeb Cyffredinol

Cyngor Bwrdeistref Sirol Rhondda Cynon Taf yw'r corff statudol dynodedig sy'n gyfrifol am weinyddu Cronfa Bensiwn Rhondda Cynon Taf ar ran y cyrff cyfansoddol sydd ar y rhestr a'r rhai hynny sydd wedi'u derbyn i'r Cynllun. Mae'r Cyngor yn gyfrifol am bennu polisi buddsoddi, penodi personau addas i weithredu'r polisi hwnnw ac adolygu a monitro'r buddsoddiadau yn rheolaidd.

Mae'r Cyngor wedi sefydlu Pwyllgor Cronfa Bensiwn sy'n gytbwys o ran gwleidyddiaeth. Mae'n cynnwys aelodau etholedig sy'n goruchwyllo cyfrifoldeb y Cyngor o ran gweinyddu'r Gronfa Bensiwn. Mae'r pwyllgor yma'n gyfrifol am drefnu rheoli strategol y Gronfa Bensiwn.

Mae'r Cyngor wedi penodi'r Cyfarwyddwr Cyfadrn - Gwasanaethau Corfforaethol a Rheng Flaen fel y swyddog sydd â chyfrifoldebau Adran 151 i arfer pwerau wedi'u dirprwyo i wneud penderfyniadau mewn perthynas â'i gyfrifoldebau o ran y Gronfa Bensiwn. Rydyn ni wedi sefydlu Panel Cyngori - Gweinyddu a Buddsoddi yn gefn iddo. Dyma'r aelodau o'r Panel:

- Dirprwy Swyddog Materion Adran 151
- Pennaeth Materion Cyllid (Addysg ac Adroddiadau Ariannol)
- Pennaeth Gwasanaeth (Pensiynau, Taliadau a Chyflogres)
- Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn
- Uwch Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn
- Cyngorwyr Annibynnol

Mae'r Panel a'r Pwyllgor yn cwrdd bob 3 mis. Dydy'r Cyngor ddim yn ymddiriedolwr yng ngwir ystyr y gair (yn dechnegol, Y Weinyddiaeth Tai, Cymunedau a Llywodraeth Leol yw'r ymddiriedolwr), ond yn hytrach, mae'n gweithredu fel lled-ymddiriedolwr.

Yn unol â gofynion Deddf Pensiynau Gwasanaethau Cyhoeddus 2013, mae Bwrdd y Gronfa Bensiwn wedi'i sefydlu er mwyn helpu Cyngor Rhondda Cynon Taf, ac yntau'n "Rheolwr Cynllun", i lywodraethu a gweinyddu Cronfa Bensiwn Rhondda Cynon Taf mewn modd effeithiol ac effeithlon.

Yn unol â Deddf Pensiynau Gwasanaethau Cyhoeddus 2013, adrannau 5(1) a 5(2), swyddogaeth y Bwrdd Pensiwn yw helpu Awdurdod Gweinyddu Cyngor Bwrdeistref Sirol Rhondda Cynon Taf, ac yntau'n Rheolwr Cynllun, i wneud y canlynol:

- Sicrhau cydymffurfiaeth â'r Prif Reoliadau ac unrhyw ddeddfwriaeth arall sy'n ymwneud â threfniadau llywodraethu a gweinyddu'r Cynllun Pensiwn Llywodraeth Leol;
- Sicrhau cydymffurfiaeth â'r gofynion a gafodd eu pennu gan y Rheoleiddiwr Pensiynau mewn perthynas â'r Cynllun Pensiwn Llywodraeth Leol; a
- Sicrhau bod y Cynllun Pensiwn Llywodraeth Leol yn cael ei lywodraethu a'i weinyddu'n effeithiol ac effeithlon gan Reolwr y Cynllun.

Bydd y Bwrdd Pensiwn yn goruchwyllo'r materion uchod ac oherwydd hynny, fydd e ddim yn gwneud penderfyniadau mewn perthynas â rheoli'r Gronfa ei hun.

Mae manylion llawn y trefniadau llywodraethu i'w cael ar [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

## 2. Prif Amcan y Gronfa

Prif amcan y Gronfa yw ariannu buddion pensiwn a chyfandaliadau i'r aelodau wedi iddyn nhw ymddeol neu i'r rheiny sy'n ddibynol arny'n nhw ar ôl i'r aelod farw, boed hynny cyn ymddeol neu wedi hynny, yn unol â rheoliadau'r Cynllun.

## 3. Amcanion Cyllido

Dylai Rhondda Cynon Taf weinyddu'r gronfa yn y fath fodd fel bo gwerth y gronfa, o dan amgylchiadau cyffredin, yn fwy na digon i dalu'r hyn sy'n ddyledus i'r aelodau hynny sydd wedi ymddeol a bod canran cyfraniadau'r aelodau sydd heb ymddeol yn cael ei phennu yn ddigonol ar gyfer cynnal costau'r dyfodol.

Mae'r Datganiad Strategaeth Ariannu a'r Datganiad Strategaeth Fuddsoddi yn rhan annatod o'i gilydd, a'u bwriad yw darparu cyfraddau cyfrannu sefydlog ar gyfer cyflogwyr.

Yr amcan buddsoddi yw sicrhau'r lefel uchaf bosibl o adenillion gyda lefel dderbyniol o risg, gan gynyddu sicrwydd y gost ar gyfer cyflogwyr a lleihau'r gost hirdymor.

Amcan y Gronfa yw sicrhau adenillion ar asedau'r Gronfa sy'n ddigonol, dros y tymor hir, i gwrdd â'r amcanion ariannu yn barhaus.

Bydd y Panel Buddsoddi a Gweinyddu, ar y cyd â Chyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen yn sicrhau bod un neu ragor o reolwyr y buddsoddiadau yn cael eu penodi i weinyddu asedau'r gronfa bensiwn yn unol â Rheoliadau Cynllun Pensiwn Llywodraeth Leol (Rheoli a Buddsoddi Cronfeydd) 2016.

Bydd cytundebau/mandadau yn cael eu sefydlu ar gyfer cyfarwyddo rheolwyr ynghylch y ffordd bydd y portffolio o fuddsoddiadau yn cael ei reoli.

Efallai bydd Pwyllgor y Gronfa Bensiwn, gan ystyried cyngor Cyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen, yn rhoi cyfarwyddiadau penodol ynghylch dyrannu asedau strategol a bydd yn sicrhau bod yr asedau'n addas mewn perthynas ag anghenion y Gronfa. Bydd gan reolwyr buddsoddi feincnod a tharged sy'n adlewyrchu eu mandad ac fe gân nhw ddefnyddio eu disgrisiwn llawn eu hunain i ddewis stociau unigol. Bydd disgwyl iddyn nhw gynnal portffolio amrywiol o fewn y cyfyngiadau sydd wedi'u pennu ym mhob mandad.



#### 4. Polisi Amrywiaethu: Gofyniad i fuddsoddi arian y gronfa mewn amrywiaeth eang o fentrau

Mae'r gronfa'n buddsoddi mewn ystod o ddosbarthiadau asedau i helpu i leihau risg y portffolio yn gyffredinol. O wneud hyn, bydd y tangyflawniad yma'n cael ei gydbwysu gan asedau sy'n cyflawni'n well ar yr adeg honno, os nad yw dosbarth ased unigol yn cyflawni'n dda. Mae'r portffolio hefyd yn cael ei amrywio i leihau anwadalrwydd mewn cyflawniad.

Mae'r gronfa'n cael ei amrywio i mewn i'r dosbarthiadau ased canlynol:

- Soddgyfrannau
- Bondiau
- Eiddo
- Arian Parod

Comisiynodd y Gronfa adolygiad Asedau / Atebolrwydd yn 2013. Nod sylfaenol yr adolygiad oedd gosod buddsoddiadau'r Gronfa er mwyn mwyhau'r tebygolrwydd o gyflawni'r elw tybiedig gyda'r prisiad actiwaraid (a lleihau'r risg o beidio â'i chyflawni), gan sicrhau bod y Gronfa Bensiwn yn cael ei buddsoddi yn y ffordd fwyaf effeithlon.

Cafodd Aon Hewitt ei benodi i roi'r farn ar risg/enillion strategaeth fuddsoddi bresennol y Gronfa Bensiwn. Yn dilyn hyn, gofynnwyd iddo roi sylwadau ac argymhell modelau eraill a allai gyflawni amcanion hirdymor y Gronfa.

Gan ddefnyddio dull enghreifftio ar gyfrifiadur, ymgwymerwyd ag efelychiadau ar gyfer strategaethau ased portffolios gwahanol. Amcangyfrifodd y model y tebygolrwydd o gyflawni amrywiaeth o ganlyniadau ariannu dros gyfnodau amser gwahanol o ystyried y strategaeth dyrannu asedau gyfredol. Cyflawnodd y dyraniad mwyaf yn y portffolio enillion a allai fod yn uchel, ond hwn oedd yr un â'r lefel uchaf o risg.

Cafodd strategaethau amgen ar gyfer dyrannu asedau eu hystyried yn fodd posibl o gynyddu amrywiaethu. Cafodd opsiynau eu hadolygu gan y Panel ar yr adeg honno. Nododd y Panel nad oedd Cronfa Rhondda Cynon Taf ar risg uchel o'i chymharu â chronfeydd CPLIL eraill, a bod rhai o'r dewisiadau amgen posibl wedi arwain at fuddsoddi mewn dosbarthiadau ased drud, ac yn farchnadoedd roedd hi'n anodd cael mynediad atyn nhw.

Daeth y Panel i'r casgliad y byddai'n aros gyda'r un strategaeth dyrannu asedau ar hyn o bryd.

Mae amrywiaethu ecwiti yn cael ei wella ymhellach drwy fod â 6 rheolwr a phob un â'i ddull/mandad gwahanol ei hun. Mae'r gronfa'n amrywio risg yr ecwiti trwy ddal yr ystod ganlynol o fandadau:

- Soddgyfrannau Traddodiadol Byd-eang
- Soddgyfrannau Alpha Uchel (2 reolwr)
- Soddgyfrannau'r DU (2 reolwr)
- Soddgyfrannau Goddefol

Yn dilyn yr uchod, dyma'r targed a'r canrannau uchaf o'r cyfanswm o'r holl fuddsoddiadau y byddwn ni'n eu buddsoddi mewn buddsoddiadau neu ddosbarthiadau ased penodol:

| Dosbarthiad yr Ased               | Canran darged y Gronfa | Canran uchaf o'r Gronfa |
|-----------------------------------|------------------------|-------------------------|
| Soddgyfrannau Alpha Uwch Byd-eang | 30%                    | 85%                     |
| Soddgyfrannau Traddodiadol        | 20%                    |                         |
| Soddgyfrannau'r DU                | 10%                    |                         |
| Soddgyfrannau Goddefol            | 5%                     |                         |
| Llog Sefydlog (Bondiau)           | 25%                    | 35%                     |
| Eiddo                             | 10%                    | 20%                     |
| Arian parod                       |                        | 10%                     |

Mae'r targed uchod yn ffurfio sail meincnod wedi'i addasu y mae cyflawniad y Gronfa yn cael ei fonitro yn ei erbyn. Mae'r meincnod wedi'i addasu yn symud yn unol ag ansefydlogrwydd y farchnad. Dydy dyraniad asedau'r portffolio ddim yn cael ei ail-gydbwysu'n rheolaidd, ond mae'n cael ei adolygu bob blwyddyn i sicrhau nad yw'r enillion targed yn cael eu heffeithio'n andwyol.

Chawn ni ddim caniatáu mwy na 5% o gyfanswm gwerth buddsoddiadau'r arian cronfa sydd yn gysylltiedig â Deddf Llywodraeth Leol a Chynnwys y Cyhoedd mewn Iechyd 2007.

Wrth asesu'r polisi amrywio, bydd y Gronfa yn ymgynghori â chynghorwyr annibynnol.

5. Polisi Dyrannu Asedau:  
Asesiad o addasrwydd  
buddsoddiadau penodol a'r mathau  
o fuddsoddiadau

Mae'r buddsoddiadau yn cael eu dewis yn ôl eu haddasrwydd i fodloni amcan cyffredinol y gronfa, sef, cwrdd â'r rhwymedigaethau pensiwn wrth iddyn nhw ddod yn ddyledus. Mae lefel ofynnol yr enillion yn cael ei llywio gan y prisiad actiwaraid teirblwydd.

Yn yr hirdymor, mae asedau anwadalrwydd isel megis buddsoddiadau gilt yn ymddwyn mewn modd tebyg i rwymedigaethau pensiwn ac felly fe fydden nhw'n "cyfateb â" phriodoleddau'r rhwymedigaethau pensiwn. Serch hynny, mae'r gofyniad i gyflawni elw uwch dros dymor hwy yn cael ei gyflawni (ar gyfartaledd) gan fathau eraill o asedau megis stociau neu eiddo.

Mae'r portffolio cyfredol wedi'i lunio gyda chynghor actiwaraid a chynghorydd annibynnol i gyrraedd lefel benodol o elw o fewn paramedrau risg.

Mae pob rheolwr wedi llofnodi cytundeb sy'n amlinellu meincnodau, targedau, ystod dyrannu asedau ac unrhyw gyfyngiadau perthnasol yn unol â chanllawiau'r Pwyllgor.

Mae'r canlynol yn dangos dyraniad y Gronfa ym mis Mawrth 2017:-

|                                  | % o'r Gronfa a fuddsoddwyd |
|----------------------------------|----------------------------|
| Soddgyfrannau'r DU               | 21%                        |
| Soddgyfrannau Gwledydd Tramor    |                            |
| UD                               | 27%                        |
| Cyfandir Ewrop                   | 13%                        |
| Soddgyfrannau Rhyngwladol eraill | 12%                        |
| Cyfanswm y Bondiau               | 19%                        |
| Eiddo                            | 6%                         |
| Arian parod ac Adneuon           | 2%                         |

Mae Pwyllgor y Gronfa Bensiwn wedi penderfynu peidio â buddsoddi mewn soddgyfrannau preifaf ar hyn o bryd.

Mae Pwyllgor y Gronfa Bensiwn wedi penderfynu peidio â benthg stoc ar hyn o bryd.

Mae'r Strategaeth Dyrannu Asedau yn cael ei hadolygu yn flynyddol i sicrhau bod enillion, risg ac anwadalrwydd yn cael eu rheoli ac yn gyson â'r strategaeth fuddsoddi gyffredinol.

6. Polisi ynglŷn â risg: Ymagwedd  
at risg, gan gynnwys y ffyrdd y mae  
risgiau'n cael eu mesur a'u rheoli

Mae'r Gronfa yn cadw Cofrestr Risg a gytunir gan y Panel Cyngori ar Fuddsoddi a Gweinyddu ac mae hynny'n cael ei adrodd i'r Bwrdd Pensiynau a'r Pwyllgor Pensiynau bob chwarter. Mae'r Gofrestr Risg yn archwilio i faterion cyllido, buddsoddi, gweithredu a llywodraethu, yn rhestru risgiau o ran tebygolrwydd ac effaith ac yn nodi mesurau lliniaru.

Risg Buddsoddi

Mae hyn yn cwmpasu eitemau megis cyflawniad marchnadoedd ariannol a rheolwyr buddsoddi'r Gronfa, ail-ddyrannu asedau mewn marchnadoedd anwadal, gan arwain at y risg o fuddsoddiadau sydd ddim yn cyflawni (incwm) neu gynyddu mewn gwerth (twf) yn ôl y rhagolygon. Enghreifftiau o risgiau penodol fyddai:

- asedau sydd ddim yn rhoi'r enillion gofynnol (am ba reswm bynnag, gan gynnwys tangyflawniad rheolwyr)
- risg systemig gyda'r posibilrwydd o anwadalrwydd marchnad ariannol rhyng-gysylltiedig a chydamserol
- cyllid annigonol i gwrdd â rhwymedigaethau wrth iddyn nhw ddod yn ddyledus
- mae cyngor actiwaraid annigonol, anaddas neu anghyflawn yn cael ei roi a'i weithredu
- methiant y parti arall

Dyma'r risgiau penodol sy'n gysylltiedig ag asedau a dosbarthiadau ased:

- soddgyfrannau – diwydiant, gwlad, maint a risgiau stoc
- incwm sefydlog – cromlin elw, risgiau credyd, risgiau hyd a risgiau'r farchnad
- asedau amgen – risgiau llif asedau, risg eiddo, risg alpha
- marchnad arian – risg credyd a risg llif asedau
- risg arian breiniol
- risgiau macro-economaidd

Trwy osod meincnodau ar gyfer hawliau'r rheolwyr i fuddsoddi arian y gronfa a thrwy gymharu cynnydd y buddsoddiadau â thargedau penodol, rydyn ni'n gofalu nad yw'r rheolwyr yn crwydro oddi wrth ein canllawiau cyffredinol. Eto i gyd, mae'n canllawiau ni'n ddigon ystywyth i reoli'r gronfa mewn modd a fydd yn cynyddu'r adenillion.

Yr amcan buddsoddi cyffredinol yw gwneud y gorau o adenillion buddsoddi a lleihau cyfraniadau cyflogwyr dros y tymor hir o fewn goddefiadau risg cytunedig.

Y gofyniad yw symud tuag at gyllid o 100% dros gyfnod o amser. Bydd y lefel ariannu yn cael ei chyfrifo bob 3 blynedd, yn dilyn proses adolygu gan yr actwari.

Mae asedau'r Gronfa yn cael eu rheoli ar sail weithredol (ac eithrio'r mandad Soddgyfrannau Goddefol Byd-eang) ac mae disgwyl iddyn nhw gyflawni'n well na'u meincnodau dros yr hirdymor. Yn y modd yma, y disgwyl yw y bydd y cyflawniad buddsoddi sy'n cael ei gyflawni gan y Gronfa yn fwy na'r gyfradd adennill y mae'r Actiwari wedi'i ragdybio o fewn y prisiad.

Mae rheolwyr buddsoddi'r Gronfa wedi cael meincnodau a thargedau cyfartalog wedi'u pwysoli i adlewyrchu eu mandadau. Mae gyda ni weithdrefnau monitro ar gyfer materion dyrannu asedau a dewis stoc y farchnad. Mae'r targedau cyfredol ar gyfer pob mandad fel a ganlyn:-

| Portffolio                              | Mynegai Meincnod Portffolio                                                                                                                                          | Targed Portffolio                                                   |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Rheolwr Soddgyfrannau Traddodiadol      | DU - FTSE All Share<br>US - FTSE All World<br>Ewrop – FTSE All World Europe<br>Dwyrain Pell - FTSE All World Developed Asia<br>Gwledydd Eraill - Mynegai Newydd MSCI | Mynegai Cyfansawdd + 1% y flwyddyn dros y cyfnod treigl 3 blynedd   |
| Rheolwr soddgyfrannau goddefol byd-eang | FTSE A W All World                                                                                                                                                   | Mynegai                                                             |
| Rheolwyr alpha-uwch byd-eang            | MSCI All Countries World Index                                                                                                                                       | Mynegai + 2% dros y cyfnod treigl 3 blynedd                         |
| Rheolwr Llog Sefydlog                   | Bondiau Llywodraeth y DU - FTS UK Govn All Stocks<br>UK Corfforaethol - IBoxx GBP Non Gilts                                                                          | Mynegai Cyfansawdd + 0.5% y flwyddyn dros y cyfnod treigl 3 blynedd |
| Rheolwr Eiddo                           | Mynegai Prisiau Defnyddwyr                                                                                                                                           | Mynegai +4.5%                                                       |

Mae'r Panel yn adolygu gwaith y rheolwyr yn gyson ar sail y data chwarterol a blyneddol mae'n eu cael gan asiantaethau rheoli cyflawniad allanol.

O benodi mwy nag un rheolwr dros ein buddsoddiadau, mae'r risg yn cael ei wasgaru.

Y disgwyl yw y bydd pob rheolwr yn cynnal portffolio amrywiol o fuddsoddiadau a chadw at y cyfyngiadau sydd wedi'u gosod o fewn eu cytundeb.

Mae gan Reolwyr Cronfa gyfyngiadau buddsoddi hefyd fel a ganlyn:

|                                        | Gov Bond Expos - Cyfanswm Isafswm 30% Mwyafswm 70% | Non Gov Exp 30% (ar y lleiaf) – 70% (ar y mwyaf) | Gwledydd eraill Exp - Cyfyngiad o 30% | Canran uchaf daliad o 15% ar gyfryngau cyfunol | Canran uchaf 10% mewn unrhyw ddaliad unigol | Uchafswm o 10% mewn arian parod | Uchafswm o 5% mewn arian parod | Dim un ecwiti tramor unigol yn fwy na 5% o gyfanswm gwerth y gronfa | Daliad uchaf posibl yn y cynllun ymddiriedolaeth - 25% | Uchafswm o 25% mewn Marchnadoedd Newydd | Daliad uchaf posibl yn y cynllun OEIC - 25% | Canran uchaf 10% mewn unrhyw ddaliad tramor (wedi'i ychwanegu Ion 16) |
|----------------------------------------|----------------------------------------------------|--------------------------------------------------|---------------------------------------|------------------------------------------------|---------------------------------------------|---------------------------------|--------------------------------|---------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------------------------------------------|
| BMOGAM Bondiau                         | ●                                                  | ●                                                | ●                                     | ●                                              |                                             |                                 |                                |                                                                     |                                                        |                                         |                                             |                                                                       |
| Baillie Gifford - Rheolwr Traddodiadol |                                                    |                                                  |                                       |                                                | ●                                           | ●                               |                                | ●                                                                   | ●                                                      |                                         |                                             |                                                                       |
| Alpha Uchel Baillie Gifford            |                                                    |                                                  |                                       |                                                | ●                                           | ●                               |                                |                                                                     | ●                                                      |                                         |                                             |                                                                       |
| Alpha Uchel Newton                     |                                                    |                                                  |                                       |                                                | ●                                           |                                 |                                |                                                                     | ●                                                      | ●                                       |                                             |                                                                       |
| Soddgyfrannau Goddefol BlackRock       |                                                    |                                                  |                                       |                                                | ●                                           |                                 |                                |                                                                     | ●                                                      |                                         | ●                                           | ●                                                                     |
| Soddgyfrannau Invesco UK               | DIM CYFYNGIADAU - CRONFA GYFUN                     |                                                  |                                       |                                                |                                             |                                 |                                |                                                                     |                                                        |                                         |                                             |                                                                       |
| BlackRock (soddgyfrannau goddefol)     | DIM CYFYNGIADAU - CRONFA GYFUN                     |                                                  |                                       |                                                |                                             |                                 |                                |                                                                     |                                                        |                                         |                                             |                                                                       |
| CBRE Eiddo                             |                                                    |                                                  |                                       |                                                | ●                                           |                                 | ●                              |                                                                     |                                                        |                                         |                                             |                                                                       |

Mae cyflawniad y marchnadoedd a'r rheolwyr yn cael ei adolygu'n rheolaidd gan y Panel Cyngori ar Fuddsoddi, sydd â'r sgiliau a'r hyfforddiant priodol sy'n ofynnol i ymgymryd â'r dasg yma. Mae'r Panel hefyd yn cael ei gefnogi gan Ymgynghorwyr Annibynnol sy'n rhoi cyngor i alluogi'r Panel i gyflawni ei swyddogaethau i'r safon orau bosibl.

## 7. Dull o gyfuno buddsoddiadau, gan gynnwys y defnydd o ddulliau buddsoddi ar y cyd a gwasanaethau wedi'u rhannu

Mae Partneriaeth Pensiwn Cymru wedi penodi Link Fund Solutions Ltd (Link) i sefydlu a rhedeg cyfrwng buddsoddi ar y cyd at ddefnydd cronfeydd CPLIL Cymru yn unig. Bydd hyn yn galluogi cyfuno asedau ar draws ystod o fathau o asedau.

Bydd Link yn sefydlu ac yn rhedeg Cynllun Cytundebol Awdurdodedig (cyfrwng cyd-fuddsoddi y DU sy'n effeithlon o ran trethi) ar ran Partneriaeth Pensiwn Cymru. Bydd gan y Cynllun Cytundebol Awdurdodedig is-gronfeydd mewn ystod o fathau o asedau a fydd yn diwallu anghenion cronfeydd CPLIL yng Nghymru, i'w galluogi i weithredu eu strategaethau dyrannu asedau gwahanol.

Gyda chefnogaeth Russell Investments, ac mewn ymgynghoriad â'r 8 cronfa CPLIL unigol, bydd Link yn dechrau'r broses o benodi nifer o reolwyr buddsoddi. Bydd cronfeydd y CPLIL yn cadw rheolaeth lawn dros benderfyniadau dyrannu asedau strategol. Bydd gan Northern Trust ddyletswyddau ceidwadol.

Drwy ddefnyddio llai o reolwyr buddsoddi a mandadau mwy o faint, disgwylir y bydd modd i Bartneriaeth Pensiwn Cymru leihau'r ffioedd, sef un o brif amcanion polisi'r Llywodraeth. Dyma grynoded o amcanion cyfuno Partneriaeth Pensiwn Cymru:

- Darparu swm cyson o adenillion dros ben ar ffioedd.
- Amrywiaethu risg rheolwyr.
- Lleihau ffioedd cyfartalog y rheolwyr.
- Cyflawni effeithlonrwydd treth trwy adennill treth wrth gefn ar ddifidendau (ar gyfer is-gronfeydd ecwiti heb fod yn y DU).
- Rhannu costau trosglwyddo mewn modd teg i mewn i is-gronfeydd.

## 8. Sut y mae elfennau cymdeithasol, amgylcheddol a llywodraethol yn cael eu hystyried wrth ddewis, peidio â dewis, cadw a chyflawni buddsoddiadau.

Y brif egwyddor sy'n rhedeg trwy bolisi materion buddsoddi'r Gronfa yw cael yr adenillion mwyaf posibl trwy fanteisio ar yr ystod lawn o fuddsoddiadau yn unol â rheoliadau'r Cynllun Pensiwn Llywodraeth Leol.

Er mai gwneud elw yw ein prif gyfrifoldeb, lle bo hyn yn bosibl, mae'r Gronfa yn ymroi i gynnwys ffactorau Buddsoddi Cyfrifol (ffactorau amgylcheddol, cymdeithasol a llywodraethu corfforaethol) yn y broses buddsoddi. Mae'r ffactorau nad ydyn nhw'n ariannol yma'n cael eu hystyried i'r graddau nad ydyn nhw'n niweidiol i adenillion buddsoddiadau'r Gronfa.

Gyda'r materion yma mewn cof, dylai penderfyniadau ynghylch dewis stociau y rheolwyr fod yn well, yn hytrach na chyfyngu ar ddewis mewn unrhyw ffordd. Dydy'r Gronfa ddim yn 'hidlo' stociau sydd ar gael i'r rheolwyr mewn modd negyddol.

Mae'r Gronfa yn mynnu bod ei reolwyr buddsoddi yn integreiddio'r holl ffactorau ariannol a'r ffactorau nad ydyn nhw'n ariannol, i'r broses gwneud penderfyniadau ar gyfer pob buddsoddiad. Ar ben hynny, mae'n disgwyl i'w reolwyr ymgysylltu, dylanwadu a hyrwyddo llywodraethu corfforaethol da yn rhagweithiol yn y cwmnïau a'r marchnadoedd y mae'r Gronfa yn agored iddyn nhw.

Mae holl reolwyr buddsoddi'r Gronfa wedi ymrwmo i Egwyddorion Buddsoddiad Cyfrifol y Cenhedloedd Unedig (UNPRI), sy'n annog perchnogion asedau a rheolwyr asedau i gynnwys materion amgylcheddol, cymdeithasol a llywodraethu i ddadansoddi buddsoddiadau a gwneud penderfyniadau, bod yn berchnogion gweithredol, ceisio datgelu materion amgylcheddol, cymdeithasol a llywodraethu a hyrwyddo'r egwyddorion o fewn y diwydiant.

Dyma'r chwe egwyddor:

- Byddwn ni'n cynnwys materion Amgylcheddol, Cymdeithasol a Llywodraethu yn y prosesau dadansoddi buddsoddiadau a gwneud penderfyniadau;
- Byddwn ni'n weinyddwyr gweithredol ac yn cynnwys materion Amgylcheddol, Cymdeithasol a Llywodraethu yn ein polisiau a'n harferion gweinyddu;
- Byddwn ni'n ceisio cydnabyddiaeth briodol ynglŷn â materion Amgylcheddol, Cymdeithasol a Llywodraethu gan y mentrau rydyn ni'n buddsoddi ynddyn nhw;
- Byddwn ni'n hyrwyddo derbyn yr Egwyddorion a'u gweithredu o fewn y diwydiant buddsoddi;
- Byddwn ni'n gweithio gyda'n gilydd i wella ein heffeithiolrwydd wrth weithredu'r Egwyddorion; a
- Bydd pob un ohonon ni'n adrodd ar ein gweithrediadau a'n cynnydd tuag at weithredu'r Egwyddorion.

Mae'r Gronfa yn aelod o Fforwm Cronfa Bensiwn Llywodraeth Leol (LAPFF). Diben LAPFF yw hyrwyddo buddiannau buddsoddi cronfeydd pensiynau llywodraeth leol, ac i gryfhau'u dylanwad, a hwythau'n gyfranddalwyr, ac ar yr un pryd â hyrwyddo cyfrifoldeb cymdeithasol corfforaethol a safonau cadarn o ran trefnau llywodraethu corfforaethol o blith y cwmnïau sy'n destun y buddsoddiadau.

## 9. Manteisio ar hawliau pleidleisio sy'n ymwneud â'r buddsoddiadau.

Caiff buddiannau buddsoddi hirdymor eu gwella gan y safonau llywodraethu corfforaethol a'r cyfrifoldebau corfforaethol uchaf. Gall llywodraethu gwael effeithio'n negyddol ar werth cyfranddaliwr.

Mae'r Gronfa yma'n cydnabod pwysigrwydd stiwardiaeth ac ymgysylltu trwy reolwyr y gronfa ecwiti wrth ddylanwadu'n gadarnhaol ar gwmnïau.

Y disgwyl yw y bydd holl reolwyr buddsoddi ecwiti gweithredol y Gronfa yn arfer eu hawliau pleidleisio i hyrwyddo llywodraethu corfforaethol da a chyfrifoldeb cymdeithasol ac amgylcheddol.

Mae'r Gronfa wedi cytuno ar batrwm pleidleisio sy'n cynnwys canllawiau ar arfer dda ynghylch trefnau llywodraethu. Mae asiantaeth bleidleisio annibynnol yn cael ei gyflogi i fonitro a chymharu cofnodion pleidleisio'r rheolwyr yn erbyn y templed yma.

## 10. Arweiniad Buddsoddi Da - Egwyddorion Myners.

Mae'r Gronfa yn asesu ac yn adolygu ei gydymffurfiaeth ei hun ag Egwyddorion Myners bob blwyddyn. Yn ôl ei hasesiad ei hun, mae'r Gronfa'n cydymffurfio'n llawn â'r egwyddorion isod:

Egwyddor 1. Gwneud Penderfyniadau Effeithiol

Egwyddor 2. Amcanion Clir

Egwyddor 3. Risg ac Ymrwymïadau

Egwyddor 4. Asesu cyflawniad

Egwyddor 5. Cyfrifoldeb o weinyddu

Egwyddor 6. Bod yn agored a threfnau adrodd

## Datganiad Cydymffurfio ag Egwyddorion Myners

### Egwyddor 1. Proses Effeithiol ar gyfer Gwneud Penderfyniadau

Dylai awdurdodau sy'n gweinyddu cronfeydd:

- Gwneir penderfyniadau gan bobl neu sefydliadau sydd â'r sgiliau, yr wybodaeth, y cyngor a'r adnoddau sy'n angenrheidiol i'w gwneud yn effeithiol a monitro eu gweithrediad; a
- Mae gan yr unigolion neu'r sefydliadau hynny ddigon o arbenigedd i allu gwerthuso a herio'r cyngor a gân nhw, a rheoli gwrthdaro buddiannau.

➡ Wedi cydymffurfio

### Egwyddor 2. Amcanion Clir

Dylai amcan(ion) cyffredinol ar gyfer buddsoddiadau fod ar gael ar gyfer y gronfa sy'n rhoi ystyriaeth i rwymedigaethau'r cynllun a'r effaith bosibl ar drethdalwyr lleol, cadernid y cyfamad o ran cyflogwyr sy heb fod yn awdurdodau lleol, a'r ymagwedd tuag at risg o ran yr awdurdodau gweinyddu a chyflogwyr y cynllun. Dylai ymgynghorwyr a rheolwyr buddsoddiadau gael gwybod beth yw nhw.

➡ Wedi cydymffurfio

### Egwyddor 3. Risg a rhwymedigaethau

Wrth osod ac adolygu eu strategaeth fuddsoddi, dylai awdurdodau gweinyddu ystyried ffurf a strwythur rhwymedigaethau. Mae'r rhain yn cynnwys y goblygiadau i drethdalwyr lleol, cryfder y cyfamad i'r cyflogwyr sy'n cymryd rhan, y risg o'u diffyg a'u risg hirhoedledd.

➡ Wedi cydymffurfio

### Egwyddor 4. Asesu cyflawniad

Dylai trefniadau fod ar waith ar gyfer mesur cyflawniad y buddsoddiadau, y rheolwyr buddsoddi a'r cynghorwyr yn ffurfiol. Dylai awdurdodau gweinyddol hefyd wneud asesiad ffurfiol o'u heffeithiolrwydd eu hunain fel corff gwneud penderfyniadau o bryd i'w gilydd ac adrodd ar hyn i aelodau'r cynllun.

➡ Wedi cydymffurfio

### Egwyddor 5. Perchnogaeth gyfrifol Dylai awdurdodau gweinyddu:

- mabwysiadu, neu sicrhau bod eu rheolwyr buddsoddiadau'n mabwysiadu, Institutional Shareholders' Committee Statement of Principles ar fater cyfrifoldebau cyfranddalwyr ac asiantiaid
- cynnwys datganiad o'u polisi yn ymwneud â chyfrifoldeb o weinyddu yn rhan o'r datganiad ynghylch egwyddorion buddsoddi
- rhoi gwybod i aelodau o'r Cynllun o dro-i-dro ynglŷn ag arfer y cyfrifoldebau hynny.

➡ Wedi cydymffurfio

### Egwyddor 6. Tryloywder ac adrodd Dylai awdurdodau gweinyddu:

- Bod yn hollol agored, cyfathrebu â rhanddeiliaid ar faterion sy'n ymwneud â rheoli buddsoddiadau, y trefnau llywodraethu a gweinyddu a'r risgiau, gan gynnwys cyflawniad yn erbyn amcanion sydd wedi'u nodi.
- Cyfathrebu'n rheolaidd ag aelodau'r cynllun ar y ffurf sydd fwyaf priodol yn eu barn nhw.

➡ Wedi cydymffurfio



■ Vanessa Thomas

Cyfrifydd y Trysorlys a'r Gronfa Bensiwn



# Adroddiad ar y Cyfrifon



## Cyfrif y Gronfa

| 2017/18          |                                                                                 | 2018/19   |                  |
|------------------|---------------------------------------------------------------------------------|-----------|------------------|
| £'000            |                                                                                 | £'000     | £'000            |
|                  | <b>Llywodraeth</b>                                                              |           |                  |
| (93,945)         | Cyfraniadau gan y Cyflogwyr                                                     | (98,732)  |                  |
| (26,052)         | Cyfraniadau gan yr Aelodau                                                      | (26,779)  |                  |
| <b>(119,997)</b> |                                                                                 |           | <b>(125,511)</b> |
|                  | <b>Trosglwyddiadau a dderbyniwyd gan gronfeydd pensiwn eraill</b>               |           |                  |
| (17,545)         | Trosglwyddiadau grŵp a dderbyniwyd gan gronfeydd pensiwn eraill                 | (3,433)   |                  |
| (4,246)          | Trosglwyddiadau unigol allan i gronfeydd pensiynau eraill                       | (1,872)   |                  |
|                  |                                                                                 |           | <b>(5,305)</b>   |
| (2,960)          | <b>Incwm arall</b>                                                              | (5,141)   |                  |
|                  |                                                                                 |           | <b>(5,141)</b>   |
| <b>(144,748)</b> |                                                                                 |           | <b>(135,957)</b> |
|                  | <b>Buddion</b>                                                                  |           |                  |
| 100,162          | Yr Adran Bensiynau                                                              | 105,653   |                  |
| 16,736           | Cymudiad o bensiynau a chyfandaliadau adeg ymddeol                              | 20,068    |                  |
| 2,846            | Buddion Cyfandaliadau marwolaeth                                                | 2,972     |                  |
| <b>119,744</b>   |                                                                                 |           | <b>128,693</b>   |
|                  | <b>Taliadau i weithwyr a adawodd</b>                                            |           |                  |
| 221              | Ad-daliadau i weithwyr a adawodd                                                | 305       |                  |
| 37               | Taliadau i aelodau yn ymuno â chynllun neu gronfa'r wladwriaeth                 | 9         |                  |
| 1,088            | Trosglwyddiadau grŵp i gynlluniau eraill                                        | 5,168     |                  |
| 6,680            | Trosglwyddiadau unigol i gynlluniau eraill                                      | 9,111     |                  |
| <b>8,026</b>     |                                                                                 |           | <b>14,593</b>    |
| <b>127,770</b>   |                                                                                 |           | <b>143,286</b>   |
| (16,978)         | Ychwanegiadau Net / Alldyniadau Net o ganlyniad i ymdrin ag aelodau             | 7,329     |                  |
|                  |                                                                                 |           | <b>7,329</b>     |
| 10,779           | Treuliau rheoli                                                                 | 11,039    |                  |
|                  |                                                                                 |           | <b>11,039</b>    |
| <b>(6,199)</b>   | <b>Ychwanegiadau Net / Alldyniadau Net yn cynnwys Treuliau Rheoli'r Gronfa</b>  |           | <b>18,368</b>    |
|                  | <b>Incwm Buddsoddiadau</b>                                                      |           |                  |
| (36,566)         | Difidend soddgyfrannau                                                          | (34,687)  |                  |
| (20,128)         | Incwm o fondiau                                                                 | (24,111)  |                  |
| (2,944)          | Incwm o gronfeydd buddsoddi                                                     | (2,168)   |                  |
| (6,541)          | Incwm o gronfeydd buddsoddi (eiddo)                                             | (5,942)   |                  |
| (41)             | Llog ar adneuon arian parod                                                     | (160)     |                  |
| <b>(66,220)</b>  |                                                                                 |           | <b>(67,068)</b>  |
| (135,030)        | (Elw) a cholledion gwerthu buddsoddiadau a newidiadau yng ngwerth buddsoddiadau | (204,694) |                  |
|                  |                                                                                 |           | <b>(204,694)</b> |
| 886              | Trethi ar Incwm                                                                 | 853       |                  |
|                  |                                                                                 |           | <b>853</b>       |

| 2017/18     |                                                    | 2018/19 |             |
|-------------|----------------------------------------------------|---------|-------------|
| £'000       |                                                    | £'000   | £'000       |
| (200,364)   | Enillion Net ar Fuddsoddiadau                      |         | (270,909)   |
| (206,563)   | Gwir enillion/gostyngiad yn y Gronfa ar y flwyddyn |         | (252,541)   |
| (2,999,531) | Asedau Net Agoriadol                               |         | (3,206,094) |
| (3,206,094) | Asedau Net wrth Gau                                |         | (3,458,635) |

## Datganiad o'r Asedau Net

| 31/03/18         |                                                              | 31/03/19  |                  |
|------------------|--------------------------------------------------------------|-----------|------------------|
| £'000            |                                                              | £'000     | £'000            |
|                  | <b>Asedau Buddsoddi</b>                                      |           |                  |
| 1,973,190        | Soddgyfrannau                                                | 676,076   |                  |
| 581,747          | Bondiau                                                      | 843,928   |                  |
| 117,649          | Cronfeydd buddsoddi - Cwmnïau Buddsoddi Penagored            | 273,082   |                  |
| 276,219          | Cronfeydd buddsoddi - Cronfeydd â chyfyngiadau               | 1,363,745 |                  |
| 167,831          | Cronfeydd buddsoddi - Eiddo                                  | 260,851   |                  |
| <b>3,116,636</b> |                                                              |           | <b>3,417,682</b> |
| <b>80,192</b>    | <b>Adneuon Arian parod</b>                                   |           | <b>29,911</b>    |
|                  | <b>Balansau buddsoddi eraill</b>                             |           |                  |
| 6,331            | Llog Cronedig                                                | 7,229     |                  |
| 7,093            | Dyledwyr buddsoddi                                           | 6,323     |                  |
| 1,871            | Treth mae modd Adennill                                      | 1,887     |                  |
| <b>15,295</b>    |                                                              |           | <b>15,439</b>    |
| <b>3,212,123</b> |                                                              |           | <b>3,463,032</b> |
|                  | <b>Rhwymedigaethau</b>                                       |           |                  |
| (8,498)          | Credydwyr buddsoddi                                          |           | (3,991)          |
| 0                | Contractau deilliadol                                        |           | (2,397)          |
| <b>3,203,625</b> | <b>Asedau Buddsoddi Net</b>                                  |           | <b>3,456,644</b> |
|                  | <b>Asedau Cyfredol</b>                                       |           |                  |
| 5,750            | Cyfrandaliadau sy'n ddyledus oddi wrth gyflogwyr a gweithwyr | 6,116     |                  |
| 479              | Asedau eraill                                                | 458       |                  |
| <b>6,229</b>     |                                                              |           | <b>6,574</b>     |
|                  | <b>Rhwymedigaethau Cyfredol</b>                              |           |                  |
| (3,760)          | Rhwymedigaethau Cyfredol                                     |           | (4,583)          |
| <b>3,206,094</b> | <b>Cyfanswm yr asedau sydd ar gael ar ddiwedd y cyfnod</b>   |           | <b>3,458,635</b> |

Mae'r cyfrifon yma'n crynhoi trafodion y cynllun ac yn cynnwys y gwir asedau hynny sydd at ddefnydd yr ymddiriedolwyr. Dydy'r cyfrifon yma ddim yn cymryd i ystyriaeth ymrwymadau talu pensïynau a buddion sy'n ddyledus ar ddiwedd y flwyddyn. Mae crynodeb o sefyllfa actiwaraidd y cynllun, sy'n rhoi ystyriaeth i'r ymrwymadau yma, wedi'i gynnwys yn Adroddiad yr Actiwari. Fe ddylech chi ddarllen y cyfrifon yma ar y cyd â'r adroddiad hwnnw.

## Nodiadau ar Gyfrifon Cronfa Bensiwn

### Cyflwyniad

Rydyn ni wedi paratoi'r cyfrifon yma yn unol â gofynion y Cod Ymarfer ar gyfer Cadw Cyfrifon Awdurdodau Lleol (CIPFA) 2018/19 sy'n seiliedig ar safonau IFRS ar gyfer y sector cyhoeddus yn y DU. Mae Adroddiad Cronfa Bensiwn mwy manwl ar gael ar gais oddi wrth Gyfarwyddwr Gwasanaethau Cyllid a Digidol.

### Polisiau Cyfrifon Arwyddocaol

#### Croniadau Gwariant ac Incwm

Mae'r cysyniad cronladau yn cael ei ddefnyddio ar gyfer dosbarthau materol incwm a gwariant, ac eithrio gwerthoedd trosglwyddo ag arian. Caiff y rhain eu cyfrif yn ystod blwyddyn lle daw'r dyddiad trosglwyddo i rym, neu yn ystod flwyddyn lle mae'r actiwari yn prisio'r trosglwyddiad os yw'r hwyrach na hynny. Rhoddir cyfrif am werthoedd trosglwyddo ar sail arian parod, ac eithrio trosglwyddiadau grŵp materol, y rhoddir cyfrif amdany'n nhw yn ystod blwyddyn y dyddiad trosglwyddo neu'r flwyddyn y mae'r actiwari yn prisio'r trosglwyddiad, os yw'n hwyrach.

#### Prisio Buddsoddiadau Offerynnau Ariannol

O ran "Gwerth Teg", mae gan bob buddsoddiad brisiau wedi'u dyfynnu mewn marchnadoedd gweithredol, ac eithrio Cyfryngau Buddsoddi Cyfun a reolir gan Bartneriaeth Pensiwn Cymru a Chronfeydd Eiddo Cyfun.

Mae gwariannau rhestredig wedi'u prisio yn ôl IAS 39, gan ddefnyddio prisiau canol y farchnad o Farchnadoedd Stoc cydnabyddedig ar 31 Mawrth 2019.

Mae gwarantau llog sefydlog wedi'u prisio'n "lân", ac eithrio llog cronedig. Mae prisiau Sterling mewn perthynas â gwariannau sy'n cael eu henwi mewn arian tramor wedi'u seilio ar gyfraddau cyfnewid ar 31 Mawrth 2019.

Mae Cyfryngau Buddsoddi Cyfun a reolir gan Bartneriaeth Pensiwn Cymru yn cael eu prisio gan ddefnyddio gwerthoedd asedau net a ddarperir gan Link, gweithredwr Partneriaeth Pensiwn Cymru. Adroddir am y rhain ar y pris sengl sy'n cau.

Mae cronfeydd o fuddsoddiadau eiddo yn cael eu prisio drwy dechnegau prisio dibynadwy i bennu 'Gwerth Teg'. Mae pris buddsoddiadau mewn eiddo yn seiliedig ar brisiau annibynnol proffesiynol. Does dim angen dyfarniadau na thybjaethau sylweddol ar unrhyw ased er mwyn pennu 'Gwerth Teg'.

#### Cyfraniadau Gwirfoddol Ychwanegol (AVCs)

Mae modd i aelodau o'r cynllun ddewis rhoi cyfraniadau ychwanegol tuag at eu pensiwn o'u cyflogau. Yn unol â rheol 5(2)(b), Rheoliadau Cronfa Bensiwn (Rheoli a Buddsoddi Cronfeydd) 2016, rydyn ni heb gynnwys Cyfraniadau Ychwanegol Gwirfoddol yn rhan o'r cyfrifon.

£1,230k (£1,245k yn 2017/18) oedd cyfanswm Cyfraniadau Gwirfoddol Ychwanegol (AVCs) yn ystod y flwyddyn. Gwerth ar y farchnad y Cyfraniadau Gwirfoddol Ychwanegol (AVCs) sy'n cael eu buddsoddi ar wahân ar ddyddiad y fantolen oedd £8,169k (£7,604k yn 2017/18). Mae dau ddarparwr AVC.

#### Costau Prynu a Gwerthu

Mae costau trafodion buddsoddiadau wedi'u cynnwys yn rhan o gostau o brynu neu wedi'u cynnwys yn rhan o wir elw/colledion gwerthiannau, yn unol â'r hyn sy'n addas. Mae costau trafodion yn cynnwys ffioedd, comisiynu a dyletswyddau. Gwerthu costau trafodion yn 2018/19 oedd £1.74 miliwn (£0.7 miliwn yn 2017/18).

Yn ogystal â'r costau uniongyrchol sy wedi'u nodi uchod, mae costau anuniongyrchol sy'n codi trwy gynnig pris ar fuddsoddiadau sy'n rhan o gronfeydd buddsoddi yn gwmwys. Dydy'r cynllun ddim yn cael gwybodaeth am gostau anuniongyrchol ar wahân.

### Trethu

Ac yntau'n gynllun gwasanaeth cyhoeddus cofrestredig, mae'r Gronfa Bensiwn wedi'i heithrio rhag talu treth incwm a threth ar enillion cyfalaf gwledydd Prydain.

Ac eithrio'r achosion hynny lle bod caniatâd rhag talu treth wedi'i roi, mae incwm mewn gwledydd tramor yn ostyngedig i dreth sy'n cael ei chadw'n ôl yn y wlad mae'n deillio ohoni.

Rydyn ni'n cyfri'r dreth does dim modd ei hadennill yn variant yng Nghyfrif y Gronfa, a chaiff unrhyw dreth y mae modd ei hadennill ei dangos fel Ased yn y Datganiad o'r Gwir Asedau.

Mae ymrwymiad bychan o ran treth incwm ar ad-daliadau cyfraniadau a phensiynau cyfwerth (pensiynau bach wedi'u trosi i gyfandaliadau). Mae'r taliadau yma'n cael eu talu i adran Cyllid a Thollau ei Mawrhydi bob 3 mis.

Mae modd adennill TAW ar holl weithgareddau, felly mae'r cyfrifon wedi'u cyflwyno heb gynnwys TAW.

## Datganiad o Gyfrifoldebau ar gyfer y Cyfrifon Cronfa Bensiwn

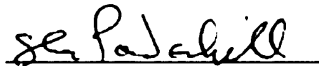
### Cyfrifoldebau Cyngor Bwrdeistref Sirol Rhondda Cynon Taf

Mae'n ofynnol i'r Cyngor wneud y canlynol:

- Gwneud trefniadau ar gyfer gweinyddu materion ariannol y Gronfa Bensiwn yn briodol ac i sicrhau bod un o'i Swyddogion yn gyfrifol am weinyddu'r materion hynny. Cyfarwyddwr Gwasanaethau Cyllid a Digidol yw'r swyddog yma yn y Cyngor.
- Rheoli ei faterion i sicrhau defnydd economaidd, effeithlon ac effeithiol o adnoddau a diogelu ei asedau.
- Cymeradwyo Cyfrifon y Gronfa Bensiwn.

Rwy'n cadarnhau bod y cyfrifon yma wedi eu cymeradwyo gan y Cyngor ar:

Llofnod



Dyddiad

31.7.2019

### Cyfrifoldebau'r Cyfarwyddwr Gwasanaethau Cyllid a Digidol

Mae'r Cyfarwyddwr yn gyfrifol am baratoi Cyfrifon y Gronfa Bensiwn. O ran Cod Ymarfer CIPFA ar gyfer Cyfrifyddu Awdurdodau Lleol yn y Deyrnas Unedig, mae'n ofynnol iddo gyflwyno darlun cywir a theg o sefyllfa ariannol y Gronfa Bensiwn ar ddyddiad y cyfrifyddu a'i incwm a'i wariant am y flwyddyn.

Wrth baratoi Cyfrifon y Gronfa Bensiwn, mae'r Cyfarwyddwr wedi:

- Dewis polisiau cyfrifyddu addas a'u cymhwyso'n gyson.
- Gwneud dyfarniadau ac amcangyfrifon a oedd yn rhesymol ac yn ddarbodus.
- Cydymffurfio â'r cod.

Mae'r Cyfarwyddwr hefyd trwy gydol y flwyddyn ariannol wedi:

- Cynnal a chadw cofnodion cyfrifyddu priodol, a'u diweddarau'n gyson.
- Cymryd camau rhesymol i atal twyll a mathau eraill o afreoleidd-dra, neu eu darganfod.

**Tystysgrif Cyfarwyddwr Gwasanaethau Cyllid a Digidol ar Gyfrifon Cronfa Bensiwn Cyngor Bwrdeistref Sirol Rhondda Cynon Taf ar gyfer y flwyddyn 2018/19**

Rwy'n tystio fod y cyfrifon yn rhoi darlun cywir a theg o sefyllfa ariannol Cronfa Bensiwn Rhondda Cynon Taf ar 31 Mawrth 2019 a'i incwm a'i wariant am y flwyddyn.



Barrie Davies

**Cyfarwyddwr Gwasanaethau Cyllid a Digidol**





## Cyfraniadau

### Cyfraniadau'r Cyflogwyr

Mae cyfraddau cyfraniadau cyflogwyr yn cael eu pennu gan actiwari'r Gronfa er mwyn cynnal y gronfa mewn cyflwr diddyledrwydd, gan ystyried ymrwymïadau presennol a darpar ymrwymïadau. Gwneir prisiadau o asedau ac ymrwymïadau'r Gronfa at y diben yma bob tair blynedd. Cafodd y prisiad diwethaf ei gynnal ar 31 Mawrth 2016, gyda'r canlyniadau yn dod i rym o 1 Ebrill 2017.

### Cyfraniadau'r Gweithwyr

Mae graddfeydd cyfrannu gweithwyr bellach mewn haenau. Bydd y rhai, felly, sy'n ennill mwy o incwm yn rhoi cyfran uwch o'u cyflog i'r cynllun. Dyma'r bandiau ar gyfer blwyddyn 2018/19:

| Cyflog Cyfwerth ag Amser Llawn (FTE) | Cyfradd cyfraniadau |
|--------------------------------------|---------------------|
| Hyd at £14,100                       | 5.5%                |
| Dros £14,101, hyd at £22,000         | 5.8%                |
| Dros £22,001, hyd at £35,700         | 6.5%                |
| Dros £35,701, hyd at £45,200         | 6.8%                |
| Dros £45,201, hyd at £63,100         | 8.5%                |
| Dros £63,101, hyd at £89,400         | 9.9%                |
| Dros £89,401, hyd at £105,200        | 10.5%               |
| Dros £105,201, hyd at £157,800       | 11.4%               |
| Dros £157,801                        | 12.5%               |

O 1 Ebrill 2014, mae dewis 50/50 yn caniatáu i aelodau dalu hanner y cyfraniadau a ddangosir uchod, a chronni pensiwn sydd hanner y raddfa arferol.



## Cyfraniadau i'w Derbynn a Buddion i'w Talu

Mae'r tabl isod yn nodi'r cyfraniadau a dderbyniwyd a'r buddion a dalwyd:

|                     | Cyfraniadau'r Gweithwyr |                  | Cyfraniadau'r Cyflogwyr |                  | Pensiynau, Cyfandaliadau a Buddion Marwolaeth |                  |
|---------------------|-------------------------|------------------|-------------------------|------------------|-----------------------------------------------|------------------|
|                     | 2017/18<br>£'000        | 2018/19<br>£'000 | 2017/18<br>£'000        | 2018/19<br>£'000 | 2017/18<br>£'000                              | 2018/19<br>£'000 |
| <b>Math o Gorff</b> |                         |                  |                         |                  |                                               |                  |
| Gweinyddu           | 8,197                   | 8,480            | 33,402                  | 35,181           | 31,034                                        | 35,904           |
| Wedi'i ganiatáu     | 3,442                   | 3,518            | 13,907                  | 15,078           | 13,776                                        | 13,706           |
| Wedi'i amserlennu   | 14,413                  | 14,781           | 46,636                  | 48,473           | 74,934                                        | 79,083           |
| <b>Cyfanswm</b>     | <b>26,052</b>           | <b>26,779</b>    | <b>93,945</b>           | <b>98,732</b>    | <b>119,744</b>                                | <b>128,693</b>   |

Mae cyfraniadau cyflogwyr yn cynnwys £9,790k o gyfraniadau ariannu diffyg (£9,649k yn 2017/18). Does dim cyfraniadau estynedig.



## Cyfraniadau a dderbyniwyd gan Gyflogwyr

|                                             | Cyfraniadau'r Gyflogwyr (£) | Cyfraniadau'r Gweithwyr (£) |
|---------------------------------------------|-----------------------------|-----------------------------|
| Agored Cymru                                | 22,473.68                   | 5,092.45                    |
| Amgen Cymru (Cynon)                         | 184,222.79                  | 76,613.88                   |
| Ymddiriedolaeth Ddiwylliannol Awen          | 291,535.61                  | 103,636.51                  |
| Cyngor Cymuned Bedlinog                     | 249.53                      | 70.75                       |
| Cyngor Cymuned Brackla                      | 8,530.20                    | 2,812.01                    |
| Coleg Pen-y-bont ar Ogwr                    | 1,181,585.14                | 396,290.81                  |
| Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr | 15,540,768.65               | 4,450,783.16                |
| Capita Glamorgan Consultancy                | 0.00                        | 38,694.43                   |
| Gyrfa Cymru                                 | 1,004,342.63                | 146,534.96                  |
| Cymdeithas Gyrfa Cymru                      | 19,436.94                   | 5,903.78                    |
| Consortiwm Canolbarth y De                  | 367,047.43                  | 267,888.53                  |
| Prif Gwnstabl De Cymru                      | 11,519,406.96               | 4,076,860.04                |
| Cyngor Cymuned Coety Uchaf                  | 2,125.57                    | 602.74                      |
| Coleg y Cymoedd                             | 1,514,420.40                | 485,744.78                  |
| Amlogfa Llangrallo                          | 46,937.77                   | 13,384.88                   |
| DBW FM Ltd                                  | 520,714.92                  | 171,545.18                  |
| Banc Datblygu Cymru Plc                     | 204,646.73                  | 46,811.17                   |
| Drive Ltd                                   | 32,877.18                   | 11,992.97                   |
| Cyngor Cymuned Cwm Garw                     | 6,196.95                    | 1,290.61                    |
| Cyngor Cymuned Gelligaer                    | 3,613.44                    | 1,108.92                    |
| Halo Leisure Services Ltd                   | 44,970.19                   | 66,385.72                   |
| Cyngor Cymuned Hirwaun a Phenderyn          | 6,245.99                    | 2,293.89                    |
| KGB Cleaning Ltd                            | 3,353.39                    | 747.60                      |
| Cyngor Cymuned Llanharan                    | 2,315.77                    | 656.55                      |
| Cyngor Cymuned Llantrisant                  | 17,840.10                   | 4,679.40                    |
| Cyngor Cymuned Llanilltud Faerdref          | 13,681.74                   | 3,208.73                    |
| Amlogfa Llwydcoed                           | 27,365.34                   | 7,065.44                    |
| Uned Ddata Llywodraeth Leol                 | 68,822.88                   | 56,663.61                   |
| Cyngor Tref Maes-teg                        | 7,581.07                    | 2,274.54                    |
| Coleg Merthyr Tudful                        | 409,577.86                  | 137,208.60                  |
| Cyngor Bwrdeistref Sirol Merthyr Tudful     | 9,303,739.07                | 2,030,145.82                |
| Sefydliad i'r Deillion Merthyr Tudful       | 28,995.99                   | 5,774.14                    |
| Ymddiriedolaeth Hamdden Merthyr Tudful      | 195,565.61                  | 89,257.05                   |
| Cartrefi Cymoedd Merthyr                    | 435,351.17                  | 346,933.16                  |
| Comisiynydd Heddlu a Throseddau             | 166,646.85                  | 79,099.07                   |
| Cyngor Cymuned Pont-y-clun                  | 13,637.38                   | 3,759.52                    |
| Cyngor Tref Pontypridd                      | 83,763.27                   | 19,070.32                   |
| Cyngor Bwrdeistref Sirol Rhondda Cynon Taf  | 35,180,832.42               | 8,480,283.17                |
| Coleg Brenhinol Cerdd a Drama Cymru         | 436,706.88                  | 163,517.50                  |
| Gofal Cymdeithasol Cymru                    | 980,700.68                  | 245,180.83                  |
| Awdurdod Tân De Cymru                       | 1,593,261.61                | 533,212.72                  |
| Tribiwnlys Prisio De Cymru                  | 31,852.45                   | 8,350.00                    |
| Cyngor Cymuned Llansanffraid ar Ogwr        | 1,720.64                    | 487.69                      |
| Cyngor Cymuned Tonyrefail                   | 28,223.63                   | 7,974.53                    |
| Trivallis                                   | 1,597,647.27                | 766,541.46                  |
| Prifysgol De Cymru                          | 5,964,642.96                | 2,007,564.60                |
| Tai Cymoedd i'r Arfordir                    | 373,058.86                  | 138,694.94                  |
| Llywodraeth Cymru                           | 6,239,348.19                | 643,516.18                  |
| CBAC                                        | 3,004,528.36                | 623,742.36                  |
| Cyngor Cymuned Ynysawdre                    | 2,041.08                    | 578.61                      |
| <b>Cyfanswm</b>                             | <b>98,735,151.22</b>        | <b>26,778,530.31</b>        |

Cafodd dros 99.77% o gyfraniadau ariannol eu derbyn mewn da bryd. Cafodd cyfraniadau eu derbyn yn hwyr 19 o weithiau. Rydyn ni'n monitro cyfraniadau a gaiff eu derbyn bob mis, ac rydyn ni'n cysylltu â chyflogwyr os nad ydyn nhw'n cwrdd â therfynau amser.

## Treuliau Rheoli'r Buddsoddiadau

Dyma dreuliau rheolwyr y Gronfa a wynebodd y Gronfa Bensiwn yn 2018/19:

|                                   | 2017/18<br>£'000 | 2018/19<br>£'000 |
|-----------------------------------|------------------|------------------|
| Costau Gweinyddu                  | 1,828            | 1,839            |
| Treuliau Rheoli'r Buddsoddiadau   | 8,642            | 8,973            |
| Costau Goruchwyllo a Llywodraethu | 309              | 227              |
| <b>Cyfanswm</b>                   | <b>10,779</b>    | <b>11,039</b>    |

Mae hyn yn cyfateb i 0.26% (0.27% yn 2017/18) o werth y Gronfa Bensiwn ar 31 Mawrth 2019.

Mae Ffioedd Archwilio 2018/19 o £39k wedi'u cynnwys mewn Costau Goruchwyllo a Llywodraethu (£39k yn 2017/18).

Llywodraethu (£39k yn 2017/18). Dyma dreuliau rheoli'r buddsoddiadau a wynebodd y Gronfa yn 2018/19:

|                                  | 2017/18<br>£'000 | 2018/19<br>£'000 |
|----------------------------------|------------------|------------------|
| Treuliau Rheolwyr                | 6,265            | 6,843            |
| Ffioedd yn ymwneud â chyflawniad | 1,452            | 0                |
| Ffioedd Ceidwaid                 | 201              | 390              |
| Costau Trafodion                 | 724              | 1,740            |
| <b>Cyfanswm</b>                  | <b>8,642</b>     | <b>8,973</b>     |

Yn ychwanegol at y costau yma, eir i gostau anuniongyrchol. Adlewyrchir y rhain yng ngwerth ased net (NAV) yr unedau cyfun. Cyfanswm y costau trosglwyddo o symud y rheolwyr soddgyfrannau alpha uchel ar wahân i Bartneriaeth Pensiwn Cymru yn ystod mis Ionawr 2019 oedd £5,443k, a adlewyrchir yn y gwerth ased net.

Yn gynwysedig yn y treuliau rheoli uchod, mae cost cyfranogiad y Gronfa yn nhrefniant cronni buddsoddiad ar y cyd Partneriaeth Pensiwn Cymru, fel y nodir isod:

|                                                              | 2017/18<br>£'000 | 2018/19<br>£'000 |
|--------------------------------------------------------------|------------------|------------------|
| Costau Goruchwyllo a Llywodraethu Partneriaeth Pensiwn Cymru |                  |                  |
| Costau Sefydlu                                               | 78               | 33               |
| Costau Awdurdod Lletyol                                      | 0                | 20               |
| Treuliau Rheoli Buddsoddiadau Partneriaeth Pensiwn Cymru     |                  |                  |
| Ffioedd Rheolwr Cronfa                                       | 0                | 733              |
| Ffioedd Ceidwaid                                             | 0                | 114              |
| <b>Cyfanswm</b>                                              | <b>78</b>        | <b>900</b>       |

## Trafodion gyda Phartïon Cysylltiedig

Yng nghwrs cyflawni'i swyddogaethau yn awdurdod gweinyddu, mae Cyngor Rhondda Cynon Taf yn rhoi gwasanaethau i'r Gronfa. Cododd y Cyngor ffioedd o £1.5 miliwn (£1.6 miliwn yn 2017/18) am hynny. Mae'r costau yma'n ymwneud yn bennaf â'r staff hynny a gyflogir i sicrhau bod y gwasanaeth pensiwn yn cael ei ddarparu.

Ar ddiwedd y flwyddyn, roedd cyfraniadau a oedd yn ddyledus oddi wrth Gyrff Cyflogwyr gwerth £6.1 miliwn (£5.8 miliwn yn 2017/18). Roedd £4.7 miliwn yn gyfraniadau cyflogwyr, a £1.4 miliwn yn gyfraniadau gweithwyr.

Mae rhai aelodau o Banel Gweinyddu a Buddsoddi'r Gronfa Bensiwn, Bwrdd y Gronfa Bensiwn a Phwyllgor y Gronfa Bensiwn hefyd yn aelodau o Gronfa Bensiwn Rhondda Cynon Taf.

Mae gweinyddu Cronfa Bensiwn Rhondda Cynon Taf yn swyddogaeth i'r Cyngor llawn, gyda chyfrifoldeb am benderfyniadau cyffredinol yn cael ei ddirprwyo i Gyfarwyddwr Cyfadran y Gwasanaethau Corfforaethol a Rheng Flaen hyd at 10 Mawrth 2019, ac o 11 Mawrth 2019, i Gyfarwyddwr Gwasanaethau Cyllid a Digidol. Yn hyn o beth, mae'n ofynnol i ddeiliaid y swyddi ddatgan unrhyw fuddiannau gyda phartïon cysylltiedig. Gellir gweld y datgeliad yn Natganiad Cyfrifon Cyngor Bwrdeistref Sirol Rhondda Cynon Taf.

Mae'n ofynnol i Aelodau'r Pwyllgor ac Uwch Swyddogion sy'n cynghori'r Pwyllgor ddatgan eu buddiant ym mhob cyfarfod.

Mae modd dod o hyd i daliadau Aelodau a Swyddogion yn Natganiad Cyfrifon Cyngor Bwrdeistref Sirol Rhondda Cynon Taf.

## Ymrwymïadau Amodol

Mae ymrwymïadau wrth gefn gwerth £836k (£555k yn 2017/18) ar gyfer cyfraniadau y mae modd eu had-dalu i weithwyr sydd wedi gadael ac sydd heb hawlio ad-daliadau.

## Trosglwyddiadau Grŵp

Trosglwyddodd y Gronfa £5.2 miliwn i Gronfa Bensiwn Caerdydd a Bro Morgannwg mewn perthynas â chydweithio rheoliadol rhanbarthol.



## Barn yr Archwilydd

### Adroddiad archwilio annibynnol Archwilydd Cyffredinol Cymru i aelodau Cronfa Bensiwn Rhondda Cynon Taf ar yr Adroddiad Blynnyddol

Rydwi i wedi archwilio cyfrifon y gronfa pensiwn a'r nodiadau cysylltiedig sydd wedi'u cynnwys yn Adroddiad Blynnyddol 31 Mawrth 2019 Cronfa Bensiwn Cyngor Bwrdeistref Sirol Rhondda Cynon Taf er mwyn cadarnhau a ydyn nhw'n gyson â chyfrifon y gronfa pensiwn a'r nodiadau cysylltiedig sydd wedi'u cynnwys yn y Datganiad Cyfrifon a gafodd ei baratoi gan Gronfa Bensiwn Rhondda Cynon Taf ar gyfer y flwyddyn a ddaeth i ben 31 Mawrth 2019 a awdurdodwyd i'w cyhoeddi ar 31 Gorffennaf 2019. Mae cyfrifon y gronfa pensiwn yn cynnwys Cyfrif y Gronfa a'r Datganiad Gwir Asedau.

## Barn

Yn fy marn i, mae cyfrifon y gronfa pensiwn a'r nodiadau perthynol sydd wedi'u cynnwys yn Adroddiad Blynnyddol Cronfa Bensiwn Rhondda Cynon Taf yn gyson â chyfrifon y gronfa pensiwn a'r nodiadau perthynol hynny sydd wedi'u cynnwys yn y Datganiad Cyfrifon a baratodd Cyngor Bwrdeistref Sirol Rhondda Cynon Taf ar gyfer y flwyddyn sy'n dod i ben 31 Mawrth 2019. Cafodd y dogfennau yma'u cymeradwyo ar gyfer eu cyhoeddi ar 31 Gorffennaf 2019 y cyflwynais i farn ddiamedd arnyn nhw.

Dydwi i ddim wedi rhoi ystyriaeth i effeithiau unrhyw drafodion a wnaethpwyd rhwng y dyddiad y cyflwynais i fy marn arno ar gyfrifon y gronfa pensiwn sydd wedi'i chynnwys yn Adroddiad Cyfrifon y gronfa pensiwn, 31 Gorffennaf 2019 a dyddiad y datganiad yma.

### Priod gyfrifoldebau'r Awdurdod sy'n Gweinyddu ac Archwilydd Cyffredinol Cymru

Yr Awdurdod sy'n Gweinyddu, sef Cyngor Bwrdeistref Sirol Rhondda Cynon Taf, sy'n gyfrifol am baratoi'r Adroddiad Blynnyddol. Fy nghyfrifoldeb i ydy adrodd a yw cyfrifon y gronfa pensiwn a'r nodiadau perthynol sy wedi'u cynnwys yn yr Adroddiad Blynnyddol yn gyson â chyfrifon y gronfa pensiwn a'r nodiadau perthynol sydd wedi'u cynnwys yn Adroddiad Cyfrifon y Gronfa Bensiwn. Yn ogystal â hynny, darllenais i'r wybodaeth ategol sydd i'w chael yn yr Adroddiad Blynnyddol, gan roi ystyriaeth i'r goblygiadau ar gyfer fy adroddiad innau pe bawn i'n dod ar draws unrhyw gamddatganiadau neu anghysondebau o ran cyfrifon y gronfa pensiwn. Mae'r wybodaeth ategol yma'n cynnwys Rhagair y Cadeirydd, Cyflwyniad, Crynodeb, Adroddiad ar Faterion Gweinyddu, Adroddiad ar Faterion Buddsoddiadau, Adroddiad yr Actiwari, Adroddiad ar Faterion Cyfathrebu a Threfnau Llywodraethu Pensiynau.



Anthony J Barrett  
Ar ran Archwilydd  
Cyffredinol Cymru  
12 Tachwedd 2019

24 Heol y Gadeirlan  
Caerdydd  
CF11 9LJ

# Adroddiad yr Actiwari



## Cyflwyniad

Mae Rheoliadau'r Cynllun yn ei gwneud yn ofynnol i brisiad actiwaraid llawn gael ei gynnal bob trydedd flwyddyn. Diben y prisiad ydy cadarnhau bod Cronfa Bensiwn Cyngor Bwrdeistref Sirol Rhondda Cynon Taf (y Gronfa) yn bodloni gofynion eu hymrwymadau i gyfranwyr presennol a chyfranwyr y gorffennol ac adolygu graddfeydd cyfrannu'r cyflogwyr. Cynhaliodd Aon yr ymchwiliad actiwari llawn diwethaf ar 31 Mawrth 2016, yn unol â Rheoliad 62 o Reoliadau Cynllun Pensiwn Llywodraeth Leol 2013.

## Sefyllfa Actiwaraid

1. Roedd y prisiad ar 31 Mawrth 2016 yn dangos bod cymhareb cyllido'r Gronfa wedi cynyddu ers y prisiad diwethaf gydag asedau (gwerth yr adeg honno o £2,485.4 miliwn ar y farchnad) sy'n bodloni 81% o'r ymrwymadau, ac felly, yn achos y cyfranwyr cyn 1 Ebrill 2014, yn caniatáu cynnydd yn nhaliadau pensiwn yn y dyfodol.
  2. Roedd y prisiad hefyd yn dangos bod eisiau i gyfraddau cyfraniadau cyflogwyr sy'n rhan o'r cynllun (gyda'i gilydd) i'r Gronfa ar 1 Ebrill 2017 fod fel a ganlyn:
    - 17.1% o gyflog pensiynadwy. Dyma'r gyfradd sy'n cael ei ystyried i fod yn ddigonol, ynghyd â chyfraniadau'r aelodau, i fodloni ymrwymadau'r gwasanaeth ar ôl dyddiad y prisiad (y gyfradd sylfaenol)
- Gan ychwanegu
- Symiau ariannol i adfer yr asedau i fodloni 100% o'r ymrwymadau cyn dyddiad y prisiad, dros gyfnod o 22 blynedd o 1 Ebrill 2017 (y gyfradd eilaidd), cyfwerth â 7.2% o'r tâl pensiynadwy (neu £30.3 miliwn yn 2017/18 a chynyddu 3.25% y flwyddyn ar ôl hynny).

3. Yn ymarferol, byddai sefyllfa pob cyflogwr unigol yn cael ei asesu ar wahân ac mae'r cyfraniadau wedi'u pennu yn adroddiad Aon dyddiedig 31 Mawrth 2017 ("adroddiad prisiad yr actiwari"). Yn ogystal â'r gyfradd gyfrannu a nodwyd, bydd cyflogwyr yn gwneud taliadau i dalu ymrwymadau ychwanegol sy'n codi'n achos ymddeol yn gynnar (ac eithrio ymddeoliadau yn sgil salwch) i'r Gronfa.
4. Cafodd y cynllun ariannu ar gyfer asesu cyfraniadau cyflogwyr ei fabwysiadu'n unol â'r Datganiad o Strategaeth Ariannu. Mae ffyrdd gwahanol o fynd ati ar gyfer cyflwyno cynnydd mewn cyfraniadau a chyfnodau adfer cyflogwyr unigol wedi'u pennu'n adroddiad prisiad yr actiwari.
5. Ar gyfer y rhan fwyaf o gyflogwyr, cafodd cyfraddau cyfraniadau'u cyfrifo gan ddefnyddio dull amcanestyniad uned actiwaraid ac roedd prif dybiaethau'r actiwari a'u defnyddiwyd i asesu targedau ariannu a chyfraddau cyfrannu fel a ganlyn.

| Graddfa disgownt am gyfnodau yn gwasanaethu                                                      |            |
|--------------------------------------------------------------------------------------------------|------------|
| Targed cyllid - Corff sy wedi'i restru                                                           | 4.50% p.a. |
| Targed cyllid - Trosiannol                                                                       | 4.10% p.a. |
| Targed cyllid - Corff amddifad                                                                   | 4.10% p.a. |
| Ymrwymadau Amddifad                                                                              | 2.10% p.a. |
| Graddfa disgownt am gyfnodau wedi gadael gwasanaeth                                              |            |
| Targed cyllid - Corff sy wedi'i restru                                                           | 4.50% p.a. |
| Targed cyllid - Trosiannol                                                                       | 4.10% p.a. |
| Targed cyllid - Corff amddifad                                                                   | 2.50% p.a. |
| Ymrwymadau Amddifad                                                                              | 2.10% p.a. |
| Graddfa cynnydd cyflog                                                                           | 3.25% p.a. |
| Graddfa'r cynnydd mewn cyfrifon pensiynau                                                        | 2.00% p.a. |
| Graddfa'r cynnydd ynghylch pensiynau sy'n cael eu talu (yn fwy nag Isafswm Pensiwn Gwarantiedig) | 2.00% p.a. |

Cafodd yr asedau eu prisio yn unol â gwerth y farchnad. Mae rhagor o fanylion am y rhagdybiaethau hynny a'u mabwysiadwyd ar gyfer y prisiad wedi'u pennu'n adroddiad prisiad yr actiwari.



6. Mae canlyniadau'r prisiad (mae crynodeb ohonyn nhw i'w cael uchod) wedi'u seilio ar y sefyllfa ariannol a phrisiau ar y farchnad fel yr oedden nhw ar ddyddiad y prisiad, 31 Mawrth 2016. Ac felly, dydy'r canlyniadau ddim yn rhoi ystyriaeth i unrhyw newidiadau sy wedi codi ar ôl dyddiad y prisiad.

7. Cafodd adroddiad prisiad ffurfiol yr Actiwari a'r dystysgrif Cyfraddau ac Addasiad sy'n nodi cyfraddau cyfraniad y cyflogwyr ar gyfer y cyfnod o 1 Ebrill 2017 tan 31 Mawrth 2020 eu cymeradwyo ar 31 Mawrth 2017. Ar wahân i'r rheiny sy'n cael eu caniatáu (neu sy'n ofynnol) gan y Rheoliadau, bydd cyfraddau cyfraniadau yn cael eu hadolygu ar adeg prisiad actiwaraidd nesaf y Gronfa ar 31 Mawrth 2019 yn unol â Rheoliad 62 o Reoliadau Cynllun Pensiwn Llywodraeth Leol 2013.

8. Ers y dyddiad y llofnodwyd yr adroddiad prisio, bu nifer o ddatblygiadau mewn perthynas â'r Cynllun Pensiwn Llywodraeth Leol:

- **Cynnydd i Isafsymiau Gwarantedig Pensiynau:**

Ers dyddiad llofnodi'r adroddiad prisio, mae Trysorlys EM, wrth ymateb i'r ymgynghoriad ar fynegeio a chydraddoli Isafsymiau Gwarantedig Pensiynau mewn cynlluniau sector cyhoeddus, wedi cyhoeddi ei fod am ymestyn mynegeio Isafsymiau Gwarantedig Pensiynau i'r rheiny sy'n cyrraedd oedran Pensiwn y Wladwriaeth ar neu cyn 5 Ebrill 2021 (5 Rhagfyr 2018 gynt). Chafodd yr estyniad yma mo'i ganiatáu yn y canlyniadau prisiad oherwydd cafodd yr adroddiad prisio actiwaraidd ei lofnodi cyn y cyhoeddiad yma, ond ni ddisgwylir i'r cynnydd mewn ymrwymiad fod yn berthnasol. Yn ogystal, ar 26 Hydref 2018 dyfarnodd yr Uchel Lys yn achos Grŵp Bancio Lloyds bod angen cynlluniau i gydraddoli budd aelodau gwrywaidd a benywaidd er mwyn atal Isafsymiau Gwarantedig Pensiynau anghyfartal. Ein dealltwriaeth ni yw na fydd hyn yn newid dull Trysorlys EM tuag at gydraddoli Isafsymiau Gwarantedig Pensiynau yn y Cynllun Pensiwn Llywodraeth Leol.

- **Y Broses Rheoli Costau a dyfarniad McCloud:**

Mae deddfwriaeth yn gofyn bod Trysorlys Ei Mawrhydi a Bwrdd Cynghori'r Cynllun Pensiwn Llywodraeth Leol yn cyflawni prisiadau cyfnodol er mwyn monitro cost y Cynllun Pensiwn Llywodraeth Leol ('LGPS') i sicrhau ei fod yn parhau i fod yn gynaliadwy a fforddiadwy. Roedd canlyniadau cychwynnol o broses Bwrdd Cynghori'r Cynllun yn dangos y byddai angen gwelliannau o ran buddion / gostyngiadau mewn cyfraniadau aelodau.

Serch hynny, mae'r broses rheoli costau wedi cael ei seibio yn dilyn dyfarniad y Llys Apêl fod y trefniadau trosiannol yng Nghynllun Pensiwn y Barnwyr (McCloud) a Chynllun Pensiwn y Diffoddwyr Tân (Sargeant) yn gwahaniaethu ar sail oedran; gallai'r achosion hyn fod â goblygiadau i'r Cynllun Pensiwn Llywodraeth Leol (LGPS) (a allai gynyddu'r ymrwymadau o bosibl) a oedd hefyd â threfniadau trosiannol pan gyflwynwyd y cynllun newydd o Ebrill 2014 ymlaen.

9. Mae prisiad actiwaraidd y Gronfa ar 31 Mawrth 2019 ar y gweill ar hyn o bryd ac mae'r Rheoliadau'n ei gwneud yn ofynnol i'r adroddiad ffurfiol ar y prisiad a'r Dystysgrif Ardrethi ac Addasiadau sy'n nodi cyfraniadau cyflogwyr sy'n cychwyn o 1 Ebrill 2020 gael eu cymeradwyo erbyn 31 Mawrth 2020. Mae gwerthoedd asedau wedi cynyddu ers 2016, gan arwain at welliant yn y lefel ariannu oherwydd enillion buddsoddiad uwch na'r tybiedig. Bydd gwerthoedd ymrwymadau a chyfraniadau cyflogwyr, yn ogystal â chael eu heffeithio gan yr eitemau a restrir ym mharagraff 8 uchod, yn dibynnu ar ffactorau aelodaeth, newidiadau i ddisgwyliadau enillion yn y dyfodol a thybiaethau eraill (gan gynnwys lwfans ar gyfer newidiadau tybiaeth hirhoedledd diweddar) ac unrhyw newidiadau i'r strategaeth ariannu a wnaed yn rhan o brisiad 2019.

10. Actiwari'r gronfa, Aon, luniodd y datganiad hwn i'w gynnwys yng nghyfrifon y Gronfa. Mae'n rhoi crynodeb o ganlyniadau prisiad yr actiwari ar 31 Mawrth 2016. Mae'r prisiad yn rhoi cipolwg ar werth y gronfa adeg y prisiad ac yn cael ei ddefnyddio ar gyfer asesu cyfraddau'r cyfraniadau sydd eu hangen.

Darllenwch adroddiad ffurfiol y prisiad sy'n nodi manylion ynghylch y sefyllfa a'i gyfyngiadau yn llawn ochr yn ochr â'r datganiad yma.

11. Mae'r adroddiad prisiad actiwaraidd ar gael ar wefan y Gronfa:

<http://www.rctpensions.org.uk/CY/home.aspx>

**Aon Hewitt Limited**

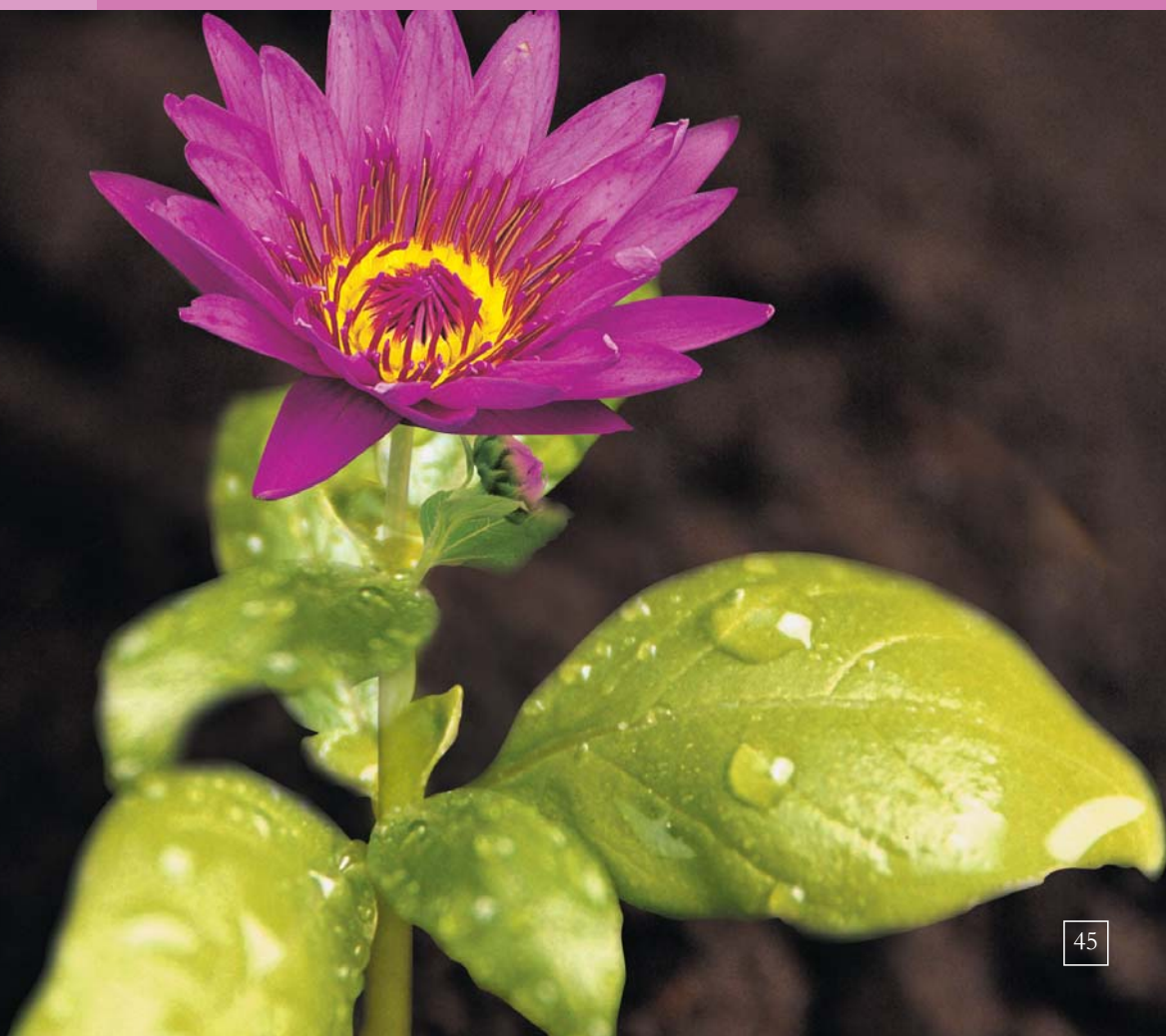
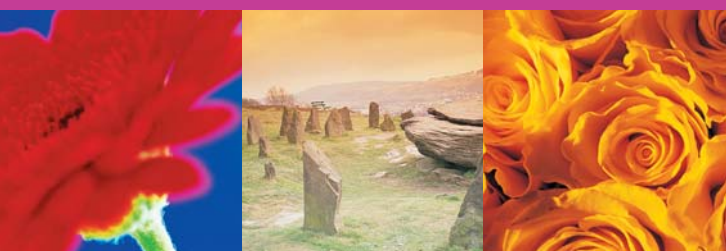
Mehefin 2019



■ Catherine Black  
Uwch Reolwr Carfan



# Adroddiad ar Faterion Cyfathrebu



## Cyfarfodydd Blynyddol

Cynhaliwyd ein Cyfarfod Cyffredinol Blynyddol fis Tachwedd 2018. Roedd cynrychiolwyr ar ran cyflogwyr mwyaf y gronfa i gyd yn bresennol. Roedd y cyflwyniadau'n ymdrin â Diweddariadau Deddfwriaethol, Cyflawniad y Gronfa Bensiwn, Ansawdd Data gan y Rheoleiddiwr Pensiynau, a diweddariad Actiwaraid.

## Desg gymorth

Mae'n desg gymorth ni yn dal i roi cymorth ynghylch ateb eich cwestiynau ar faterion pensiynau rhwng 9am a 5pm. Dydd Llun i Ddydd Gwener.

Ffoniwch y Ddesg Gymorth ar **01443 680 611**

## Gwefan

Mae'r wefan wedi bod yn adnodd defnyddiol o ran cyfathrebu â'n haelodau. Mae'n cynnwys gwybodaeth i aelodau presennol ac aelodau posibl. Mae'n cynnwys gwybodaeth i aelodau presennol a blaenorol yn ogystal â phensiynwyr. Mae holl daflenni ffeithiau Cymru Gyfan, taflenni ffeithiau CLIL, ffurflenni a ddefnyddir yn aml a'n dogfennau llywodraethu wedi'u huwchlwytho i'r wefan, yn ogystal â chofnodion cyfarfodydd y Bwrdd Pensiwn Lleol.

Mae tudalen Rheoliadau Diogelu Data Cyffredinol bwrpasol bellach ar y wefan. Mae'n cynnwys Datganiad Preifatrwydd y Cronfeydd a'r Memorandwm o Gyd-ddealltwriaeth. Mae'r holl ddogfennau am y gronfa pensiwn ar y wefan ac mae'n cael ei diweddarau'n gyson, pan gaiff newidiadau mewn deddfwriaeth eu rhoi ar waith.

Mae'r Ddesg Gymorth yn cyfeirio aelodau at y wefan yn rheolaidd i godi ffurflenni neu i gael gwybodaeth.

Mae adran benodol ar wefan RhCT, lle mae modd i weithwyr penodol fewngofnodi. Mae'r adran yma'n cynnwys yr holl ffurflenni a dogfennau perthnasol y mae eu hangen i weinyddu buddion aelodau, e.e. ffurflenni dechreuwyr newydd, ffurflenni terfynu ac ati  
Ewch i: [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

## Cyflwyniadau

Mae'r Garfan Materion Cyfathrebu'n barod iawn i drefnu seminarau i roi'r wybodaeth ddiweddaraf i Aelodau am y cynllun a buddion, neu i ddysgu gweithwyr am ofynion gweinyddu'r Cynllun.

## Datganiadau Buddion Blynyddol

Yn unol â rheoliadau, mae'r Gronfa'n anfon datganiadau buddion blynyddol at aelodau ac aelodau gohiriedig. Cafodd datganiadau 2018/2019 eu cyflwyno o fewn y terfyn amser a nodwyd yn y rheoliadau gan gydymffurfio â Chanllawiau Bwrdd Cyngori'r Cynllun.

## Ymweliadau â Chartrefi

Yn achos salwch difrifol, ac os yw'n briodol, bydd cynrychiolydd ar ran y Gwasanaeth Pensiynau yn dod i'ch gweld chi ar y cyd â chynrychiolydd o'r adran Adnoddau Dynol.

## Trefnau Cyfathrebu Electronig

Mae Hunanwasanaeth Aelodau (Fy Mhensiwn Ar-lein) ar gael i holl aelodau gweithredol a gohiriedig a phensiynwr y Gronfa. Mae'r cyfleuster yn caniatáu i aelodau weld a newid rhai o'u manylion personol a gall aelodau gohiriedig a gweithredol redeg amcangyfrifon o fuddion pensiwn yn y dyfodol.

Byddwn ni'n parhau i annog aelodau i gyfathrebu â'r Adran Pensiynau yn electronig. Rydyn ni'n gweithio'n ddiflino i sicrhau bod y data a gaiff eu hanfon a'u derbyn yn ddiogel.

Mae'r Gronfa hefyd wedi cyflwyno system trosglwyddo data'n electronig sy'n caniatáu i ddata aelodau a gwybodaeth am gyflog gael eu huwchlwytho yn uniongyrchol i'n meddalwedd. Yn y dyfodol, bydd y cyfleuster yma ar gael i'r holl gyflogwyr.

## Cynllun Pensiwn Llywodraeth Leol 2014

Cafodd Rheoliadau Cynllun Pensiwn Llywodraeth Leol 2013 eu cyflwyno gerbron Senedd San Steffan ar 19 Medi 2013. Mae'r Rheoliadau'n rhoi manylion am strwythuro Cynllun Pensiwn Llywodraeth Leol o 1 Ebrill 2014.

- Mae'r buddion yn seiliedig ar Gyfartaledd Cyflog Gyrfa wedi'i Adbriso (CARE)
- Cyfradd gronïadau 1/49
- Diffiniad cyflog pensiynadwy i gynnwys gwaith goramser nad yw'n rhan o contract
- Cyflwyno opsiwn 50/50 newydd lle caiff aelodau dalu llai o bensiwn am gyfnodau byr, a chronni hanner eu pensiwn arferol
- Y sawl sy'n ennill cyflogau uwch i gyfrannu mwy
- Oedran Pensiwn Arferol wedi'i gysylltu ag Oedran Pensiwn y Wladwriaeth

Bydd buddion aelodaeth o'r Cynllun cyn mis Ebrill 2014 yn cadw'r cyswllt cyflog terfynol, a bydd cyflog terfynol (yn seiliedig ar ddiffiniad cyflog pensiynadwy cyn mis Ebrill 2014) yn cael ei bennu pan fydd aelodau'n gadael y cynllun.

Mae gwefan Cronfa Bensiwn RCT yn cynnwys doleri [www.lgpsmember.org](http://www.lgpsmember.org) sydd wedi'i sefydlu a'i chynnal gan y Gymdeithas Llywodraeth Leol. Ffynhonnell wybodaeth ganolog yw hi sy'n cynnwys amryw o gyfrifiannellau mae modd i aelodau eu defnyddio.

Mae'r Carfanau Cyfathrebu a Gweinyddu yn adolygu ein prosesau a'n gohebiaeth i sicrhau bod y Gronfa yn cydymffurfio â'r rheoliadau, bod y manylion a dderbyniwn gan gyflogwyr pan fydd aelodau'n ymuno neu'n gadael y gronfa yn cynnwys yr wybodaeth sydd ei hangen a bod ein haelodau'n deall yn llawn sut y cyfrifir eu buddion. Rydyn ni'n parhau i gyfathrebu â'n cyflogwyr sy'n cyfrannu er mwyn sicrhau eu bod yn cael yr wybodaeth ddiweddaraf am newidiadau i'r CPLIL ac unrhyw newidiadau technegol perthnasol eraill.

## Cynnydd yng Nghostau Byw

Caiff pensiynau sy'n daladwy i aelodau sy'n ymddeol ar sail salwch ac i wŷr/gwagedd/plant aelodau, eu cynyddu'n flynyddol yn unol â'r Mynegai Prisiau Defnyddwyr (CPI), o 30 Medi y flwyddyn flaenorol.

Mae pensiynau sy'n daladwy i aelodau eraill sy'n 55 oed neu'n hŷn hefyd yn elwa ar brawfesur chwyddiant blynyddol.

Mae dod i ben â threfnau contractio allan wedi arwain at newidiadau o ran pwy sy'n gyfrifol am gynyddu pensiwn sy'n cynnwys Isafswm Pensiwn Gwarantedig (yn ymwneud ag aelodaeth hyd at 5 Ebrill 1997). Cyn 2016, yr Adran Gwaith a Phensiynau a oedd yn darparu profion chwyddiant statudol (boed yn rhannol neu'n gyfan gwbl). O Ebrill 2016, mae'r Gronfa yn gyfrifol am y cynnydd pensiwn llawn ar unrhyw fuddion GMP i aelodau â fydd yn derbyn pensiwn y wladwriaeth cyn 5 Ebrill 2021.

**Y cynnydd yn 2018/2019 oedd 2.4%.**

# Llywodraethu'r Gronfa Bensiwn

Rhaid i awdurdodau gweinyddu sicrhau bod trefniadau llywodraethu sydd ohoni yn cael eu cynnal a'u datblygu er mwyn helpu i ategu'r broses dod i benderfyniad.

Mae trefniadau llywodraethu ar gyfer Cronfa Bensiwn Rhondda Cynon Taf wedi'u crynhoi a'u hegluro mewn sawl dogfen allweddol sy'n ymwneud â stiwardiaeth effeithiol y Gronfa.

- Datganiad Cydymffurfio Llywodraethu cyffredinol sy'n nodi safle'r Gronfa yn erbyn safonau ymarfer gorau'r Llywodraeth.
- Datganiad Polisi Llywodraethu sy'n cynnig trosolwg o strwythur llywodraethu, proses dod i benderfyniad ac ymrwymadau cyflogwyr y cynllun.
- Rydyn ni'n ymrwymo i gynnig gwasanaeth cyfathrebu a gybodaeth cynhwysfawr i'r gweithwyr sy'n cymryd rhan ac aelodau o'r cynllun pensiynau. Bwriwch olwg ar ein Datganiad Polisi Cyfathrebu i ddarllen am y gwasanaethau.

- Strategaeth Gweinyddu Pensiynau sy'n bwriadu gwella effeithlonrwydd darpariaeth y safonau ansawdd cytûn a sicrhau cydymffurfiaeth â gofynion statudol.
- Y Datganiad o Egwyddorion Buddsoddi sy'n dangos yn fanwl sut rydyn ni'n rheoli buddsoddiadau'r Gronfa.
- Datganiad Strategaeth Cyllido sy'n rhoi crynodeb o sut y byddwn ni'n ariannu ein hymrwymadau pensiwn a throsolwg o sut mae nodi, rheoli ac adolygu unrhyw risgiau i'r gronfa.

**Mae'r dogfennau yma'n cael eu diweddarau'n flynyddol, ar wahân i'r Datganiad Strategaeth Ariannu sy'n cael ei adolygu bob tair blynedd, ac mae'r fersiynau diweddaraf ar gael o dan adran Llywodraethu a Buddsoddi ein gwefan bensiynau, neu, cysylltwch â'n desg gymorth am gopi.**

**Adroddiad Prisio 2016 sy'n esbonio tybiaethau, data a chanlyniadau'r ymarfer prisio diwethaf. Mae'r ddogfen yma ar gael o dan adran i weithwyr ein gwefan bensiynau.**



# Bwrdd Pensiynau Lleol

Yn unol â Deddf Pensiynau Gwasanaethau Cyhoeddus 2013, mae'n ofynnol i'r Gronfa Bensiwn, erbyn 1 Ebrill 2015, benodi Bwrdd Pensiynau Lleol i gynorthwyo gydag Awdurdod Gweinyddu Cyngor Bwrdeistref Sirol Rhondda Cynon Taf fel 'Cynllun Rheolwr' -

- Sicrhau cydymffurfiaeth â'r Prif Reoliadau ac unrhyw ddeddfwriaeth arall sy'n ymwneud â llywodraethu a gweinyddu'r Cynllun Pensiwn Llywodraeth Leol;
- Sicrhau cydymffurfiaeth â'r gofynion sy'n cael eu pennu mewn perthynas â'r CPLIL gan y Rheolwydd Pensiynau; a
- Sicrhau llywodraethu a gweinyddu effeithiol ac effeithlon o'r CPLIL gan y Rheolwr Cynllun

## Aelodau'r Bwrdd Pensiynau

Mae'r Bwrdd Pensiynau yn cynnwys 4 aelod - dau gynrychiolydd sy'n gyflogwyr a dau gynrychiolydd sy'n aelodau:

### Cynrychiolwyr y Cyflogwyr:

Gweler isod yr unigolion sy'n gyfrifol am gynrychioli holl Gyflogwyr y Gronfa (Cyrrff sydd ar y rhestr, y rhai sydd â'r hawl i benderfynu, a rhai sydd wedi'u derbyn i'r cynllun)

- Yr Athro Hugh Coombs (Cadeirydd), Prifysgol De Cymru
- Mr David Francis, Coleg Y Cymoedd

### Cynrychiolwyr yr Aelodau:

Yn gyfrifol am gynrychioli holl Aelodau'r Cynllun (Aelodau Gweithredol, Gohiriedig a Phensiynwr)

- Mr Rob Whiles, Pensiynwr
- Mrs Angela Pring, Aelod Gweithredol a chynrychiolydd undeb llafur Unsain

## Swyddogaeth y Bwrdd Pensiynau

Swyddogaeth graidd gyntaf y Bwrdd yw cynorthwyo'r Awdurdod Gweinyddu wrth sicrhau y cydymffurfir â rheoliadau, unrhyw ddeddfwriaeth eraill sy'n ymwneud â llywodraethu a gweinyddu'r Cynllun, a'r gofynion a osodir gan y Rheoleiddiwr Pensiynau mewn perthynas â'r Cynllun. O fewn y graddau hyn, bydd y Bwrdd yn ystyried meysydd gan gynnwys:

- Adolygu adroddiadau monitro cydymffurfiaid yn rheolaidd a fydd yn cynnwys adroddiadau a phenderfyniadau o dan Reoliadau'r Pwyllgor.
- Adolygu prosesau a gweithdrefnau rheoli, gweinyddu a llywodraethu er mwyn sicrhau eu bod yn parhau i gydymffurfio â'r Rheoliadau, y ddeddfwriaeth berthnasol ac yn arbennig Cod Ymarfer y Rheoleiddwyr Pensiwn.
- Adolygu prosesau a gweithdrefnau rheoli, gweinyddu a llywodraethu er mwyn sicrhau eu bod yn parhau i gydymffurfio â'r Rheoliadau, y ddeddfwriaeth berthnasol ac yn arbennig Cod Ymarfer y Rheoleiddwyr Pensiwn.

Ail swyddogaeth graidd y Bwrdd yw sicrhau llywodraethu a gweinyddu'r Cynllun yn effeithiol ac yn effeithlon. O fewn y graddau hyn, bydd y Bwrdd yn ystyried meysydd gan gynnwys:

- Cynorthwyo ynghylch datblygu gwasanaethau gwell i gwsmeriaid.
- Monitro cyflawniad y gwaith gweinyddu, trefniadau llywodraethu a buddsoddi yn erbyn targedau a dangosyddion cyflawniad allweddol.
- Monitro adroddiadau archwilio mewnol ac allanol.
- Adolygu canlyniad adroddiadau a phrisiadau actiwaraid.

## Newyddion Diweddaraf gan y Cadeirydd

Mae'r datganiad yma'n cynrychioli fy mhedwerydd diweddariad ar weithrediadau Bwrdd y Gronfa Bensiwn ac mae'n ymdrin â chyfnod yr Adroddiad Blyneddol yma.

Yn unol â Deddf Pensiynau Gwasanaethau Cyhoeddus 2013, mae'n ofynnol i Fwrdd y Gronfa Bensiwn gynorthwyo'r Awdurdod Gweinyddu wrth:-

- Sicrhau cydymffurfiaeth â'r Prif Reoliadau ac unrhyw ddeddfwriaeth arall sy'n ymwneud â llywodraethu a gweinyddu'r Cynllun Pensiwn Llywodraeth Leol;
- Sicrhau cydymffurfiaeth â'r gofynion sy'n cael eu pennu mewn perthynas â'r CPLIL gan y Rheoleiddiwr Pensiynau; a
- Sicrhau llywodraethu a gweinyddu effeithiol ac effeithlon o'r CPLIL gan y Rheolwr Cynllun.

Does gan Fwrdd y Gronfa Bensiwn ddim pwerau gwneud penderfyniadau.

Cyfarfu'r Bwrdd bedair gwaith yn ystod blwyddyn ariannol 2018/19. Aeth nifer o aelodau i Gyfarfod Cyffredinol Blyneddol y Gronfa hefyd ar gyfer adroddiad blyneddol y flwyddyn ariannol flaenorol. Roedd pob cyfarfod Bwrdd â chworwm ac, yn wir, roedd presenoldeb 100% gan yr holl aelodau. Yn ystod y flwyddyn ariannol yma, yn dilyn gwahoddiad gan Gadeirydd Pwyllgor y Gronfa Bensiwn, cynhaliwyd cyfarfod ar y cyd rhwng Bwrdd y Gronfa Bensiwn a Phwyllgor y Gronfa Bensiwn ym mis Mawrth 2019. Ymhlith pethau eraill, trafodwyd dogfennau strategaeth amrywiol. A minnau'n Gadeirydd Bwrdd y Gronfa Bensiwn, cyfarfûm hefyd ar wahân â Chadeirydd Pwyllgor y Gronfa Bensiwn i drafod nifer o faterion perthnasol. Mae'r ddau ddatblygiad yma'n dangos y berthynas gadarnhaol rhwng Bwrdd a Phwyllgor y Gronfa Bensiwn.

Mae agendâu a chofnodion cyfarfodydd y Bwrdd ar gael ar wefan y Gronfa er tryloywder. Cyhoeddir cofnodion ar ffurf drafft i ddechrau ar ôl pob cyfarfod. Can nhw eu cymeradwyo wedyn gan y Bwrdd yn ei gyfarfod nesaf.

Wrth gyflawni swyddogaethau, mae'r Bwrdd yn adolygu amrediad eang o weithgareddau'r Gronfa, gan drafod meysydd fel trefniadau cefnogi monitro risg, cyflawniad buddsoddiadau'r Gronfa, ffioedd a chostau, cydymffurfio â deddfwriaeth statudol a gofynion 'Cod Ymddygiad' Rheoleiddiwr Pensiwn. Mae'r Bwrdd yn talu sylw dyledus at fonitro cyflawniadau (e.e. dosbarthu'r Datganiadau Buddion Blyneddol erbyn y terfyn amser). Parhaodd agenda eleni ag arfer blyneddol blaenorol o fonitro cynnydd Cronfa Bensiwn Cymru gyfan. Roedd y gweithgaredd yma, yn ogystal â monitro cynnydd y Gronfa yn erbyn amcanion a therfynau amser diffiniedig, yn cynnwys eitemau fel monitro datblygiad trefniadau llywodraethu'r Gronfa. Mae'r trefniadau llywodraethu yma'n parhau i esblygu a bu nifer o ddatblygiadau cadarnhaol yn ystod y flwyddyn ariannol ddiwethaf yn hyn o beth. Bydd y trefniadau yma'n parhau i esblygu.

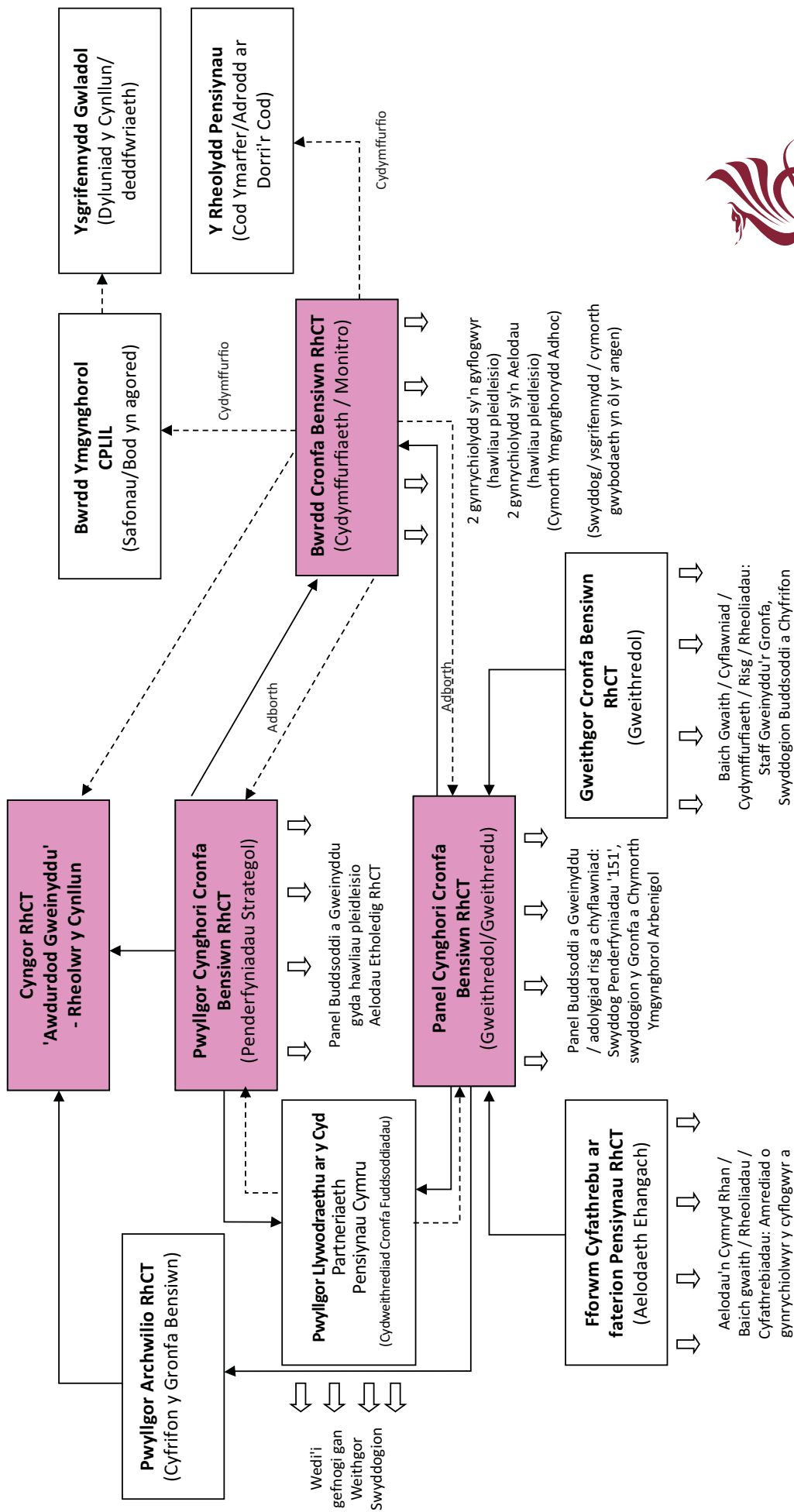
Yn unol â blyneddol blaenorol, gofynnir i Fwrdd y Gronfa Bensiwn ymateb i nifer o arolygon gan wahanol gyrff ar weithrediadau'r Gronfa a dealltwriaeth aelodau Bwrdd y Gronfa Bensiwn o weithrediadau o'r fath.

Yn olaf, mae aelodau o'r Bwrdd yn mynychu sesiynau hyfforddi rheolaidd i sicrhau eu bod nhw'n gyfarwydd â'r holl ddatblygiadau, yn arbennig gan fod y maes yn hynod gymhleth sy'n gofyn llawer. Cedwir cofnod o'r holl hyfforddiant yma ar gyfer pob aelod. Yn ogystal â hyn, mae gweithdrefnau hyfforddi yn eu lle i raeardu deilliannau hyfforddiant o'r fath i holl aelodau'r Bwrdd ac, os yw'n briodol, o fewn yr Awdurdod Gweinyddu.

**Yr Athro Hugh Coombs, Cadeirydd Bwrdd Cronfa Bensiwn RhCT**



## Strwythur Llywodraethu Cronfa Bensiwn Rhondda Cynon Taf 2018



## Presenoldeb Panel Pensiynau 2018/19

Mae'r tabl isod yn dangos pwy oedd yn bresennol yn ystod cyfarfodydd y flwyddyn

|                  | Panel Buddsoddi a Gweinyddu<br>(Cyfanswm y cyfarfodydd a gynhaliwyd = 4) | Gweithgor y Gronfa Bensiwn<br>(Cyfanswm y cyfarfodydd a gynhaliwyd = 4) | Fforwm Cyfathrebu'r Gronfa Bensiwn<br>(Cyfanswm y cyfarfodydd a gynhaliwyd = 2) | Panel Disgresiynau'r Gronfa Bensiwn<br>(Cyfanswm y cyfarfodydd a gynhaliwyd = 0) |
|------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Chris Lee        | 4                                                                        | -                                                                       | -                                                                               | -                                                                                |
| Barrie Davies    | 3                                                                        | 4                                                                       | 1                                                                               | -                                                                                |
| Ian Traylor      | 4                                                                        | 4                                                                       | 2                                                                               | 0                                                                                |
| Stephanie Davies | 4                                                                        | 4                                                                       | -                                                                               | 0                                                                                |
| Yvonne Keitch    | 4                                                                        | 4                                                                       | 2                                                                               | -                                                                                |
| Vanessa Thomas   | 3                                                                        | 4                                                                       | -                                                                               | -                                                                                |
| Denise Stone     | -                                                                        | 4                                                                       | -                                                                               | -                                                                                |
| Catherine Black  | -                                                                        | 3                                                                       | 2                                                                               | -                                                                                |

## Gwybodaeth a Sgiliau

Er mwyn nodi'r sgiliau sydd eu hangen ar y rheiny sy'n gwneud penderfyniadau ar gyfer y Cynllun Pensiwn Llywodraeth Leol, mae'r CIPFA wedi datblygu fframwaith gwybodaeth a sgiliau y mae'r Gronfa wedi'i fabwysiadu er mwyn sicrhau bod gan holl aelodau'r panel a'r gweithgor y lefelau angenrheidiol o wybodaeth. Y gofynion craidd:

- Cyd-destun deddfu a llywodraethu pensiynau
- Safonau cyfrifo ac archwilio pensiynau
- Gwasanaethau Ariannol - Rheoli caffael a pherthynas
- Cyflawniad Buddsoddiadau a Rheoli Risg
- Marchnadoedd ariannol a gwybodaeth am gynhyrchion
- Dulliau, safonau ac arferion yr Actiwari



Mae aelodau o banelau a gweithgorau Cyngor Rhondda Cynon Taf yn mynychu sesiynau hyfforddiant yn rheolaidd er mwyn sicrhau dealltwriaeth lawn o'r Cynllun Pensiwn Llywodraeth Leol, gan gynnwys deddfwriaeth, buddion y cynllun, strategaethau buddsoddi, dulliau actiwaraidd a dulliau cyfrifeg pensiynau.

Mae'r tabl isod yn amlinellu'r hyfforddiant a dderbynir yn ystod y flwyddyn

| Cynulleidfa                                                                                                                                                                  | Maes y Fframwaith                                                                                | Wedi'i hwyluso gan                                              | Dyddiad                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|---------------------------|
| Cyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen, Cyfarwyddwr y Gwasanaethau Ariannol a Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Cyfarfodydd Cydweithio Cymru gyfan - Trosglwyddo i is-gronfeydd | Ebrill 2018 – Mawrth 2019 |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                                                       | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Gweithgor Buddsoddi sy'n gyfrifol am gyswllt rhwng cronfeydd    | 2 Mai 2018                |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                                                       | Cyd-destun Deddfwriaethol a Llywodraethu Pensiynau - Buddsoddiadau sy'n Gyfrifol yn Gymdeithasol | Gweithgor Buddsoddi sy'n gyfrifol am gyswllt rhwng cronfeydd    | 2 Mai 2018                |
| Pennaeth Gwasanaeth Pensiynau, Taliadau a Chyflogres a Rheolwr y Gwasanaeth Pensiynau                                                                                        | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Adran Actiwari'r Llywodraeth                                    | 7 Mehefin 2018            |
| Rheolwr y Gwasanaeth Pensiynau ac Uwch Reolwr y Garfan (Pensiynau)                                                                                                           | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Grŵp Swyddogion Pensiynau                                       | 14 Mehefin 2018           |
| Pennaeth Gwasanaeth Pensiynau, Taliadau a Chyflogres, Rheolwr y Gwasanaeth Pensiynau, Uwch Reolwr y Garfan (Pensiynau)                                                       | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Aon Hewitt                                                      | 28 Mehefin 2018           |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                                                       | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Gweithgor Buddsoddi sy'n gyfrifol am gyswllt rhwng cronfeydd    | 6 Gorffennaf 2018         |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                                                       | Cyd-destun Deddfwriaethol a Llywodraethu Pensiynau - Buddsoddiadau sy'n Gyfrifol yn Gymdeithasol | Gweithgor Buddsoddi sy'n gyfrifol am gyswllt rhwng cronfeydd    | 6 Gorffennaf 2018         |
| Aelodau o'r Panel Cynghori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                         | Cyflawniad Buddsoddiadau a Rheoli Risg                                                           | Rheolwyr y Gronfa                                               | 11 Gorffennaf 2018        |
| Panel Cynghori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                                     | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Rheolwyr y Gronfa                                               | 11 Gorffennaf 2018        |
| Panel Cynghori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                                     | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Rheolwyr y Gronfa                                               | 11 Gorffennaf 2018        |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn, Uwch Gyfrifydd y Gronfa Bensiwn ac Elusennau / Cronfeydd Ymddiriedolaeth                             | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | M & G                                                           | 17 Gorffennaf 2018        |
| Y Cynghorydd Norris a Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                                 | Cyd-destun Deddfwriaethol a Llywodraethu Pensiynau - Buddsoddiadau sy'n Gyfrifol yn Gymdeithasol | LAPFF                                                           | 19 Gorffennaf 2018        |
| Y Cynghorydd Norris a Chyfarwyddwr y Gwasanaethau Ariannol                                                                                                                   | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | LGC                                                             | 6 a 7 Medi 2018           |
| Cyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen a Chyfarwyddwr y Gwasanaethau Ariannol                                                                        | Safonau Gweinyddu ac Archwilio Pensiynau                                                         | LGC                                                             | 6 a 7 Medi 2018           |
| Cyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen a Chyfarwyddwr y Gwasanaethau Ariannol                                                                        | Gwasanaethau Ariannol - Rheoli Caffael a Pherthynas                                              | LGC                                                             | 6 a 7 Medi 2018           |
| Cyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen a Chyfarwyddwr y Gwasanaethau Ariannol                                                                        | Cyflawniad Buddsoddiadau a Rheoli Risg                                                           | LGC                                                             | 6 a 7 Medi 2018           |
| Cyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen a Chyfarwyddwr y Gwasanaethau Ariannol                                                                        | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | LGC                                                             | 6 a 7 Medi 2018           |
| Cyfarwyddwr Cyfadrn y Gwasanaethau Corfforaethol a Rheng Flaen a Chyfarwyddwr y Gwasanaethau Ariannol                                                                        | Dulliau, Safonau ac Arferion yr Actiwari                                                         | LGC                                                             | 6 a 7 Medi 2018           |

| Cynulleidfa                                                                                                                                                              | Maes y Fframwaith                                                                                | Wedi'i hwyluso gan                                           | Dyddiad          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------|------------------|
| Rheolwr y Gwasanaeth Pensiynau ac Uwch Reolwr y Garfan (Pensiynau)                                                                                                       | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Grŵp Swyddogion Pensiynau                                    | 20 Medi 2018     |
| Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                                  | Cyflawniad Buddsoddiadau a Rheoli Risg                                                           | Rheolwyr y Gronfa                                            | 24 Medi 2018     |
| Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                                  | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Rheolwyr y Gronfa                                            | 24 Medi 2018     |
| Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                                  | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Rheolwyr y Gronfa                                            | 24 Medi 2018     |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                                                   | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Gweithgor Buddsoddi sy'n gyfrifol am gyswllt rhwng cronfeydd | 2 Hydref 2018    |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                                                   | Cyd-destun Deddfwriaethol a Llywodraethu Pensiynau - Buddsoddiadau sy'n Gyfrifol yn Gymdeithasol | Gweithgor Buddsoddi sy'n gyfrifol am gyswllt rhwng cronfeydd | 2 Hydref 2018    |
| Y Cyngorydd Norris a Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn                                                                              | Cyd-destun Deddfwriaethol a Llywodraethu Pensiynau - Buddsoddiadau sy'n Gyfrifol yn Gymdeithasol | LAPFF                                                        | 10 Hydref 2018   |
| Uwch Reolwr y Garfan (Pensiynau)                                                                                                                                         | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Grŵp Defnyddwyr LG                                           | 10 Hydref 2018   |
| Pennaeth Pensiynau Gwasanaeth, Cyflogres a Thaliadau, Rheolwr Gwasanaeth Pensiynau, Pennaeth Materion Cyllid, Addysg ac Adrodd Ariannol, Uwch Gyfrifydd y Gronfa Bensiwn | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | CIPFA                                                        | 10 Hydref 2018   |
| Cynghorwyr Pwyllgorau Pensiwn                                                                                                                                            | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Aon Hewitt                                                   | 15 Hydref 2018   |
| Cynghorwyr Pwyllgorau Pensiwn, Aelodau o'r Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn, Rheolwr y Gwasanaeth Pensiynau, Uwch Reolwr y Garfan (Pensiynau)     | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Cyfarfod Cyffredinol Blynyddol                               | 13 Tachwedd 2018 |
| Cynghorwyr Pwyllgorau Pensiwn, Aelodau o'r Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn, Rheolwr y Gwasanaeth Pensiynau, Uwch Reolwr y Garfan (Pensiynau)     | Cyflawniad Buddsoddiadau a Rheoli Risg                                                           | Cyfarfod Cyffredinol Blynyddol                               | 13 Tachwedd 2018 |
| Cynghorwyr Pwyllgorau Pensiwn, Aelodau o'r Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn, Rheolwr y Gwasanaeth Pensiynau, Uwch Reolwr y Garfan (Pensiynau)     | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Cyfarfod Cyffredinol Blynyddol                               | 13 Tachwedd 2018 |
| Aelodau o'r Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                      | Cyflawniad Buddsoddiadau a Rheoli Risg                                                           | Rheolwyr y Gronfa                                            | 28 Tachwedd 2018 |
| Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                                  | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Rheolwyr y Gronfa                                            | 28 Tachwedd 2018 |
| Aelodau o'r Panel Cyngori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                                                                                                      | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Rheolwyr Buddsoddi Russell - Bondiau Enillion Absoliwt       | 28 Tachwedd 2018 |

| Cynulleidfa                                                             | Maes y Fframwaith                                                                                | Wedi'i hwyluso gan        | Dyddiad           |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------|-------------------|
| Rheolwr y Gwasanaeth Pensiynau                                          | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Grŵp Swyddogion Pensiynau | Rhagfyr 2018      |
| Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn  | Cyd-destun Deddfwriaethol a Llywodraethu Pensiynau - Buddsoddiadau sy'n Gyfrifol yn Gymdeithasol | LAPFF                     | 30 Ionawr 2019    |
| Y Cynghorydd Norris a Chyfarwyddwr y Gwasanaethau Ariannol              | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Seminar Buddsoddi LGC     | 28 Chwefror 2019  |
| Y Cynghorydd Norris a Chyfarwyddwr y Gwasanaethau Ariannol              | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Seminar Buddsoddi LGC     | 28 Chwefror 2019  |
| Panel Cynghori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                | Cyflawniad Buddsoddiadau a Rheoli Risg                                                           | Rheolwyr y Gronfa         | 4 Mawrth 2019     |
| Panel Cynghori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Rheolwyr y Gronfa         | 4 Mawrth 2019     |
| Panel Cynghori ar Fuddsoddi a Gweinyddu'r Gronfa Bensiwn                | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | Rheolwyr y Gronfa         | 4 Mawrth 2019     |
| Uwch Gyfrifydd, Cronfa Bensiwn ac Elusennau / Cronfeydd Ymddiriedolaeth | Marchnadoedd Ariannol a Gwybodaeth o Gynhyrchion                                                 | Traddodiad (DU)           | 6 Mawrth 2019     |
| Y Cynghorydd Norris                                                     | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | PLSA                      | 6 – 8 Mawrth 2019 |
| Y Cynghorydd Norris                                                     | Marchnadoedd Ariannol a Gwybodaeth am Gynhyrchion                                                | PLSA                      | 6 – 8 Mawrth 2019 |
| Rheolwr y Gwasanaeth Pensiynau ac Uwch Reolwr y Garfan (Pensiynau)      | Cyd-destun Deddfu a Llywodraethu Pensiynau                                                       | Grŵp Swyddogion Pensiynau | 15 Mawrth 2019    |
| Aelod o Bwyllgor y Gronfa Bensiwn                                       | Dulliau, Safonau ac Arferion yr Actiwari                                                         | Aon Hewitt                | 25 Mawrth 2019    |

## Risg

Prif nod y Gronfa yw sicrhau bod digon o asedau i gydfynd ag ymrwymïadau'r cynllun pensiwn, sydd wedi'u cronni yn unol â Chynllun Pensiwn Llywodraeth Leol heddiw a ddoe. Wrth arolygu'r risgiau yn ymwneud â'r nod yma, mae'r Gronfa yn paratoi Egwyddorion o Ddatganiad Buddion, Datganiad Strategaeth Buddsoddiadau ac yn cytuno rhagdybiaethau prisio bob tair blynedd, a hynny drwy ei threfniadau llywodraethu a thrwy drafod â'r Actiwari sydd wedi'i benodi. Wrth gydnabod bod cyfraniadau, buddsoddiadau a threfnau rhyddhau ymrwymïadau, wrth natur, yn drefnau tymor hir, caiff safle'r Gronfa ei adolygu a chaiff cynnydd ei fonitro drwy gydol pob cylch prisio.

Mae dull rheoli risg cadarn yn egwyddor sylfaenol o fewn fframwaith llywodraethu'r Gronfa. Er mwyn rhyddhau'r cyfrifoldeb yma, caiff risgiau eu hadnabod a'u monitro a chaiff mesurau rheoli eu rhoi ar waith i

helpu i liniaru'r tebygrwydd y bydd risgiau o'r fath yn codi, neu i liniaru'u heffaith. Mae Cofrestr Risg y Gronfa yn cynnwys pob risg, ac maen nhw wedi'u nodi dan y categorïau canlynol: Cyllido, Buddsoddi, Llywodraethu, Gweithredu a Rheoleiddio. Mae modd gweld Cofrestr Risg y Gronfa ar wefan y Gronfa.

Mae sefydliadau a chwmni mewnol ac allanol yn archwilio gweithrediadau'r Gronfa bob blwyddyn. Caiff cadernid ein mecanweithiau rheoli, ein gweithdrefnau a'n trefnau cyfrifyddu eu harchwilio'n annibynnol a'u hadrodd i'r pwyllgor archwilio.

Mae'r Gronfa hefyd yn cymryd rhan yn y Fenter Dwyll Genedlaethol (NFI), lle caiff ymarferion paru data sylweddol eu cynnal ar draws ffynonellau data'r llywodraeth. Mae hyn yn canfod eitemau y mae angen eu harchwilio ymhellach.



# Partneriaid

## Actiwari'r Cynllun – Aon Hewitt Limited

Prif swyddogaeth yr actiwari ydy rhoi gwybodaeth i'r gronfa ynghylch ei hymrwymadau a'r ffordd orau o gyflawni'r ymrwymadau hynny. Mae prisiad o'r gronfa bob 3 blynedd ac mae hynny'n galluogi'r actiwari i gyfrifo'r ymrwymadau o'u cymharu ag asedau'r gronfa. Yn sgil hynny, bydd yr actiwari'n argymhell graddau cyfraniadau i'r cyflogwyr er mwyn osgoi unrhyw ddiffyg yn y dyfodol.

Cafodd cwmni Hewitt ei benodi yn actiwari i'r cynllun ym mis Hydref 2003.



## Rheolwyr y Gronfa

Rheolwyr Cronfa allanol, wedi'u penodi gan y gronfa, sy'n gyfrifol am fuddsoddi asedau'r Gronfa Bensiwn.

Bydd Rheolwyr y Gronfa yn cael cyfarwyddiadau a thargedau cyflawniad penodol. Bydd Panel Buddsoddiadau Rhondda Cynon Taf yn cadw llygad ar y rhain, ac yn cynnal cyfarfod bob 3 mis i wneud hynny.

## Baillie Gifford Asset Management

Â'i chanolfan yng Nghaeredin, partneriaeth rheoli buddsoddiadau a sefydlwyd ym 1908 yw Baillie Gifford.

Yn 2005, cafodd y bartneriaeth ei phenodi gan y gronfa i reoli soddgyfrannau byd-eang. Bellach, mae gan y cwmni ddau o fandadau soddgyfrannau ar wahân.



## BlackRock Investment Management

Cwmni BlackRock ydy un o gwmnïau rheoli asedau mwyaf y byd, sy'n cynnwys ystod eang o asedau buddsoddi. Rhoddodd y gronfa fandad soddgyfrannau'r DU i'r cwmni yn 2010.



## BMO Global Asset Management (F & C Management gynt)

Mae cwmni BMO Global Asset Management yn gwmni rheoli asedau o bwys ac yn awdurdod sy'n arwain ar fuddsoddiadau cyfrifol. Mae'r cwmni wedi bod ynglŷn â'r gronfa ers 1994. Mae'n rheoli mandad bondiau byd-eang ar hyn o bryd.



## CBRE

CBRE ydy un o gwmnïau eiddo tiriog masnachol mwyaf y byd. Mae ef wedi rheoli portffolio eiddo'r gronfa ers cymryd drosodd o gwmni ING, un o gyn-reolwyr y gronfa, ym mis Hydref 2011.



## Invesco Perpetual

Cwmni buddsoddi sydd â'i ganolfan yn Henley-on-Thames ydy Invesco Perpetual. Yn 2010, penodwyd y cwmni i reoli mandad soddgyfrannau'r DU ar ran y gronfa.



## Newton Investment Management

Mae cwmni Newton yn rheolwr buddsoddiadau o bwys, ac yn enwog am ei ffordd thematig unigryw o fynd ati. Mae'r cwmni wedi rheoli mandad soddgyfrannau byd-eang uchel eu cyflawniad ar ran y gronfa ers 2008.



## State Street

Ac yntau'n gwmni o'r Unol Daleithiau, mae State Street yn darparu gwasanaethau ariannol i fuddsoddwyr sefydliadol. Mae State Street yn darparu gwasanaeth mesur ceidwaid a pherfformiad ar ran Cronfa Bensiwn RhCT.



## Swyddfa Archwilio Cymru

Mae Swyddfa Archwilio Cymru yn annibynnol ar y llywodraeth ac yn gyfrifol am waith archwilio oddeutu £20 biliwn o wariant arian cyhoeddus bob blwyddyn. Ei nod ydy hyrwyddo gwelliannau, fel bod pobl yng Nghymru yn cael manteisio ar wasanaethau cyhoeddus atebol, sy'n cael eu rheoli'n dda ac sy'n cynnig y gwerth gorau am arian.



## Darparwr Cyfraniadau Ychwanegol Gwirfoddol (AVC) - Prudential

Cafodd cwmni Prudential ei benodi yn ddarparwr Cyfraniadau Ychwanegol Gwirfoddol y gronfa yn 2002. Ac yntau'n ddarparwr AVC blaengar ym maes llywodraeth leol, bydd e'n cydweithio'n agos â'n Hisadran Materion Pensiynau i ofalu bod ein haelodau ni'n gwybod am y dewis sydd gyda nhw i ychwanegu at eu darpariaeth bresennol.

## Ymgynghorwyr Materion Cyfreithiol y Gronfa - Eversheds



## Bancwyr i'r Gronfa - Barclays



## Link Fund Solutions Ltd

Penodwyd gweithredwr awdurdodedig FCA Partneriaeth Pensiwn Cymru ym mis Ionawr 2018



## Rhagor o wybodaeth

Mae rhagor o wybodaeth am y Cynllun ar gael yn y Canllaw i Aelodau sydd ar gael yn [www.rctpensions.org.uk](http://www.rctpensions.org.uk).

## Manylion Cyswllt y Cyfranwyr

**I gael rhagor o wybodaeth am y Cynllun Pensiwn Llywodraeth Leol a materion pensiwn cyffredinol, ffoniwch:**

### **Desg Gymorth yr Adran Pensiynau:**

Ffôn: 01443 680611 Ffacs: 01443 680717 neu ysgrifennu at: -

Cyfarwyddwr Gwasanaethau Cyllid a Digidol, Adran Pensiynau,

Cyngor Bwrdeistref Sirol Rhondda Cynon Taf, Bronwydd, Y Porth, CF39 9DL.

E-bost: [pensiynau@rhondda-cynon-taf.gov.uk](mailto:pensiynau@rhondda-cynon-taf.gov.uk)

### **Polisi Gweinyddu Pensiynau**

Mr Ian Traylor - Cyfarwyddwr Gwasanaeth, Gwasanaethau Pensiwn, Caffael a Thrafodion

Ffôn: 01443 680611

Ebost: [ian.d.traylor@rhondda-cynon-taf.gov.uk](mailto:ian.d.traylor@rhondda-cynon-taf.gov.uk)

### **Buddsoddiadau'r Gronfa**

Miss Yvonne Keitch – Blaen Gyfrifydd, Materion y Trysorlys a Buddsoddiadau'r Gronfa Bensiwn

Ffôn: 01443 680563

E-bost: [yvonne.keitch@rhondda-cynon-taf.gov.uk](mailto:yvonne.keitch@rhondda-cynon-taf.gov.uk)

### **Cyfrifon Cronfa Bensiwn**

Vanessa Thomas - Cyfrifydd y Trysorlys a'r Gronfa Bensiwn

Ffôn: 01443 680608

E-bost: [vanessa.g.thomas@rhondda-cynon-taf.gov.uk](mailto:vanessa.g.thomas@rhondda-cynon-taf.gov.uk)

### **Cyflwyniadau Pensiynau neu Sesiynau Hyfforddi**

Mrs Catherine Black - Uwch Reolwr y Garfan

Ffôn: 01443 680646

E-bost: [catherine.black@rhondda-cynon-taf.gov.uk](mailto:catherine.black@rhondda-cynon-taf.gov.uk)

# PENSIONS

ANNUAL REPORT

WATCH YOUR MONEY GROW



2019

# Contents

|                           |   |
|---------------------------|---|
| Chairman's Foreword ..... | 1 |
|---------------------------|---|

|                   |   |
|-------------------|---|
| Introduction..... | 3 |
|-------------------|---|

|              |   |
|--------------|---|
| Summary..... | 4 |
|--------------|---|

- Participating Employers
- Contributors
- Pension Fund Committee Members
- Pension Advisory Panel Members
- Pension Board Members

|                             |   |
|-----------------------------|---|
| Administration Report ..... | 9 |
|-----------------------------|---|

- Introduction
- Actuarial Valuation
- Governance
- Cyber Security
- HMRC Pension Tax Changes
- Auto Enrolment
- Guaranteed Minimum Pension (GMP) Reconciliation
- Freedom of Choice/Transfer Scams
- Prevention and Detection of Fraud
- Forward Look
- Performance Information
  - Membership Numbers
  - Membership Analysis



|                         |    |
|-------------------------|----|
| Investment Report ..... | 17 |
|-------------------------|----|

- Introduction
- Investment Management
- Investment Performance
- Fund Manager Performance
- Details of Fund Managers
- Profits/Losses on Sale on Investments
- Custodial Arrangements
- Fund Manager and Advisor Fees
- Analysis of Investments at Fair Value
- Geographical Spread of the Fund
- Analysis of Investment Income
- Analysis of Fund Assets
- Largest Share Holdings
- Investment Strategy Statement
- Myners Compliance Statement

|                      |    |
|----------------------|----|
| Accounts Report..... | 31 |
|----------------------|----|

- Fund Account
- Net Asset Statement
- Notes to the Pension Fund Accounts
- Contributions
- Audit Opinion

|                       |    |
|-----------------------|----|
| Actuary's Report..... | 41 |
|-----------------------|----|

- Introduction
- Actuarial Position

|                            |    |
|----------------------------|----|
| Communication Report ..... | 45 |
|----------------------------|----|

- Annual Meetings
- Helpdesk
- Website
- Presentations
- Annual Benefit Statements
- Electronic Communications
- LGPS2014
- Cost of Living Increases

|                               |    |
|-------------------------------|----|
| Pension Fund Governance ..... | 47 |
|-------------------------------|----|

- Local Pension Board
- Chairman's Update
- Governance Structure
- Pension Governance Attendance
- Knowledge and Skills
- Risk

|               |    |
|---------------|----|
| Partners..... | 55 |
|---------------|----|

|                                         |    |
|-----------------------------------------|----|
| Contributors' Contact Information ..... | 56 |
|-----------------------------------------|----|



■ Councillor Mark Norris

Chair of the RCT Pension Fund Committee



# Chairman's Foreword



It is my pleasure, as Chairman of the RCT Pension Fund Committee, to present this year's Pension Fund Report.

It is with much regret that I must firstly mention the sad passing of Cllr Robert Smith, a widely respected and much valued fellow Councillor. Robert always made a positive contribution in his role as Deputy Chair of the Fund's Committee alongside his wider role as a highly regarded elected member of Rhondda Cynon Taf County Borough Council.

I would like to take the opportunity to thank all Elected Members who have served on the Committee during the year and express my gratitude to the Fund's Pension Board who continue to assist and support the Fund to effectively discharge its governance and compliance responsibilities.

RCT Fund has experienced another successful year, benefiting from a strong market and culminating in another top quartile performance. The total value of the Fund increased over the year from £3.2bn to £3.4bn on 31st March 2019. We have continued to realign assets in accordance with our asset allocation strategy, rebalancing risk/return when the opportunity is most appropriate.

The Wales Pension Partnership (WPP) collaboration continues to make good progress against key milestones. I had the privilege to be appointed as Chair of the WPP Joint Governance Committee for the 2018/19 year. The year also saw a key milestone reached, with the initial transition of assets into the fund in the form of Global High Alpha Equities.

The number of pensioners and dependants in the Fund have further increased; there are over 19,700 members/dependants now benefiting from this much valued scheme, with a total of £128m of pension benefits paid out during the year.

I am pleased to report the Fund's continued support of the apprenticeship scheme, having secured permanent employment for the 2017/18 intake, with a further two apprentices appointed during 2019. The ongoing commitment to develop the Fund's Pension team and invest in new technologies will help futureproof the service provided to our scheme members.

During the year, the Fund's governance forums participated in formal consultation and Scheme Advisory Board (SAB) activity, including the recent SAB 'Good Governance' project.

In conclusion, it has been an extremely positive year of investment growth leading into the 2019 Valuation, with a significant membership profile helping to ensure the continuation of this scheme.

A handwritten signature in black ink, appearing to read 'M Norris'.

Councillor Mark Norris, Chair of the RCT Pension Fund Committee





■ Barrie Davies, C.P.F.A  
Director of Finance and Digital Services



# Introduction



I am pleased to report another successful year in respect of Fund investment performance, despite the wider political backdrop and uncertainties influencing global markets, including potential trade war escalation. The Fund achieved an extremely positive return of 8.8% in 2018/19, with exceptional equity returns key to this out-performance. The RCT Fund maintained its ranking within the top quartile of local authority pension funds over the last 5 years, with the Fund value growing to £3.4bn at 31st March 2019.

This high level of growth has contributed to a significant increase in our funding level which is estimated to be around 98% at 31st March 2019. As mentioned last year, following review of our asset allocation strategy and in consideration of our then improved funding level, the Pension Committee concluded that we should further diversify the investment risk in the fund. The phased exercise to realign to our desired asset allocation commenced during 2018/19 financial year, and will continue to transition as appropriate opportunities are identified.

The Pension fund also recognises that climate change and carbon emission management is one of the risk factors for our pension fund investments and are committed to an orderly carbon transition and will work with its fund managers and investee companies to achieve that end, ensuring that company business models are aligned to a sustainable future. In this regard, active investment management is by its very nature exclusionary and the Fund demands that all its investment managers properly consider climate-related and other Environmental, Social and Governance (ESG) risks in decision making within their respective portfolios.

The Wales Pension Partnership (WPP) continues to evolve and by the end of the financial year had assets under management amounting to £3.9bn in the 2 Global High Alpha Equity Sub Funds. Further phases of asset transition in relation to UK and European Equities and Fixed Interest are now being advanced for 2019/20.

The WPP governance frameworks and arrangements continue to develop with a Responsible Investment Strategy now in place and approved by the Joint Governance Committee (JGC). The JGC has also worked on defining its Beliefs and Communication Strategy and now has a dedicated website in place.

The next actuarial valuation of the Fund as at the 31st March 2019 is fully underway and nearing completion (at the time of writing). We have undertaken covenant reviews where necessary and agreed the underlying actuarial assumptions. Employers will be notified at the earliest opportunity of the emerging results and contribution rate implications (effective from 1st April 2020) in order to help support their respective budget setting processes.

The Government and the LGPS Scheme Advisory Board have paused their respective 'cost cap' processes for the scheme, due to a Court of Appeal case (McCloud). An estimate of the impact on Fund liabilities has been factored into the 2019 Valuation, albeit the conclusion of the actual remedy is likely to take some time to conclude.

It was pleasing to note the positive comments made by the Pension Regulator's representative at last year's Fund AGM. The Fund takes its corporate governance and data quality responsibilities extremely seriously, continuously explores opportunities to improve and has formal risk monitoring and management arrangements in place. The Pension Regulator has recently published its findings following a review of 10 'LGPS' funds, and the RCT Fund will test its compliance against the 'good practice' recommendations contained therein.

The RCT Pension Fund is the largest LGPS Pension Fund operating within Wales, with overall membership exceeding 73,000, across a diverse range of Employers. The Fund's Communication Forum made up of Employer and Trade Union representatives, continues to enable active engagement with stakeholder groups to help deliver and shape improvements, an example of this is the assistance afforded to promote the benefits of 'Member Self Service' across our scheme membership.

I hope that the information presented in this report is helpful; if you feel it could be improved in any way we would welcome your suggestions.

A handwritten signature in dark ink, appearing to read 'Barrie'.

# Summary

## Participating Employers

### Administering Authority

Rhondda Cynon Taf County Borough Council

### Admitted Bodies

Agored Cymru

Awen Cultural Trust

Capita Glamorgan Consultancy

Careers Wales Association

Careers Wales - Mid Glamorgan and Powys Limited

DBW FM Ltd (Formerly Finance Wales Investment Ltd)

Development Bank of Wales Plc  
(Formerly Finance Wales Plc)

Drive Ltd

Halo Leisure

KGB Cleaning Ltd

Local Government Data Unit

Merthyr Tydfil Institute for the Blind

Merthyr Tydfil Leisure Trust

Merthyr Valley Homes

Social Care Wales (Formerly Care Council for Wales)

Trivallis

Valleys to Coast Housing

Welsh Government  
(former Welsh Development Agency)

Welsh Joint Education Committee (WJEC)

### Scheduled & Designated Bodies

Amgen Cymru

Bedlinog Community Council

Brackla Community Council

Bridgend College

Bridgend County Borough Council

Bridgend Town Council  
(no active members at present)

Central South Consortium

Chief Constable South Wales

Coleg Y Cymoedd

Coity Higher Community Council

Coychurch Crematorium Joint Committee

Garw Valley Community Council

Gelligaer Community Council

Hirwaun & Penderyn Community Council

Llanbradach Community Council  
(no active members at present)

Llanharan Community Council

Llanharry Community Council  
(no active members at present)

Llantrisant Community Council

Llantwit Fardre Community Council

Llwydcoed Crematorium Joint Committee

Maesteg Town Council

Merthyr Tydfil College

Merthyr Tydfil County Borough Council

Police and Crime Commissioner for South Wales

Pontyclun Community Council

Pontypridd Town Council

Royal Welsh College of Music & Drama

South Wales Fire Authority

South Wales Valuation Tribunal

St Brides Minor Community Council

Tonyrefail Community Council

University of South Wales

Ynysawdre Community Council

## Definition of Bodies

### Scheduled Bodies

These include County Councils, Police Authorities and the Environment Agency among many others.

### Designated Bodies

Designated bodies, such as Community Councils are required to pass a resolution stating whom within their employment can join the scheme.

### Admitted Bodies

Admitted Bodies can participate in the scheme by means of an admission agreement. These Admitted Bodies may state whether all or some of their employees can join the Scheme.

# Contributors page (Who's Who)

## **Head of Service Pensions, Payroll & Payments** - Ian Traylor

Ian joined Local Government in 1990 with the former Mid Glamorgan County Council and transferred to Rhondda Cynon Taf during the 1996 re-organisation. Ian has a well-established background in financial control / risk management with a primary career spent in Internal Audit. Ian joined the Pensions Service in 2006 and is an active member of the Pension Advisory Panel



## **Principal Accountant, Treasury and Pension Fund Investments** - Yvonne Keitch

With over 30 years experience within local government, Yvonne is responsible for the administration of the pension fund investments. Yvonne has been the fund's Investment Manager since 1995.



## **Accountant, Treasury and Pension Fund** - Vanessa Thomas

Vanessa joined local government in 1989 with Rhondda Borough Council and transferred to Rhondda Cynon Taf in 1996 during re-organisation.

She has worked in the Investment Team since 2005 and is currently the officer responsible for the maintenance and closure of the Pension Fund accounts.



## **Senior Team Manager** - Catherine Black

Catherine joined us in 2013. Previously she worked in an in-house pension administration department of a large multi-national retailer, where her role involved implementing regulatory changes, calculating member benefits and delivering presentations to scheme members.



# Pension Fund Committee Members

---

## **Chairman Pension Fund Committee** - Councillor Mark Norris

Councillor Norris is the Cabinet Member for Corporate Services and Elected Member representing the ward of Cwm Clydach. Councillor Norris has been Chairman of the Pension Fund Committee since its inaugural meeting on 5th July 2016.



## **Pension Committee Member** - Councillor Robert Smith

Councillor Robert Smith is a member of the Audit Committee, the Police Crime Panel (Outside Body) and a Local Member for Rhondda. Councillor Smith has been Vice Chair of the Pension Fund Committee since May 2017.



## **Pension Committee Member** - Councillor Gareth Caple

Councillor Caple is Vice Chair of the Planning & Development Committee, and a member of Democratic Services, Finance & Performance Scrutiny Committee, Overview & Scrutiny Committee, Audit Committee, Cwm Taf Community Health Council (Outside Body), Cwm Taf Public Service Board Joint Overview & Scrutiny Committee and a Local Member for Cymmer. Councillor Caple has been a member of the Pension Fund Committee since May 2017.



## **Pension Committee Member** - Councillor Emyr Webster

Councillor Webster is the Local Member representing the ward of Treorchy and has been a member of the Pension Fund Committee since its inaugural meeting on 5th July 2016.



## **Pension Committee Member** - Councillor Lewis Hooper

Councillor Lewis Hooper is a member of the Children & Young People Scrutiny Committee, the Finance & Performance Scrutiny Committee and a Local Member for Tonteg. Councillor Hooper has been a member of the Pension Fund Committee since his first meeting in January 2018.



# Pension Advisory Panel Members

## **Director of Finance and Digital Services & Section 151 Officer** - Barrie Davies C.P.F.A

Barrie joined Local Government with Mid Glamorgan County Council in 1985, moving to Rhondda Cynon Taf with re-organisation in 1996. Barrie is an active member of the Investment and Administration Advisory Panel and was appointed to his current role in March 2019.



## **Service Director Finance & Deputy Section 151 Officer** - Paul Griffiths C.P.F.A

Paul joined local government in 1989 with the former Mid Glamorgan County Council and transferred to Rhondda Cynon Taf during the 1996 reorganisation. Paul has a background in financial management, Internal Audit and corporate performance management, and was appointed to the position of Service Director – Finance and Improvement Services in March 2019. Paul also became a member of the Investment and Administration Advisory Panel in March 2019.



## **Head of Service Pensions, Payroll & Payments** - Ian T aylor

Ian joined Local Government in 1990 with the former Mid Glamorgan County Council and transferred to Rhondda Cynon Taf during the 1996 re-organisation. Ian has a well-established background in financial control / risk management with a primary career spent in Internal Audit. Ian joined the Pensions Service in 2006 and is an active member of the Pensions Investment and Administration Advisory Panel.



## **Principal Accountant, Treasury and Pension Fund Investments** - Yvonne Keitch

With over 30 years experience within local government, Yvonne is responsible for the administration of the pension fund investments. Yvonne has been the fund's Investment Manager since 1995.



## **Head of Finance, Education and Financial Reporting** - Stephanie Davies F.C.C.A.

Following a career in the private sector, Stephanie joined Rhondda Cynon Taf in 2000 as a Principal Accountant responsible for the production of the Council's statutory accounts. In her current role, one of Stephanie's responsibilities is the management of the Pension Fund Investment team and became a member of the Pension Fund Investment and Administration Advisory Panel during 2014.



## **Accountant, Treasury and Pension Fund** - Vanessa Thomas

Vanessa joined local government in 1989 with Rhondda Borough Council and transferred to Rhondda Cynon Taf in 1996 during re-organisation.

She has worked in the Investment Team since 2005 and is currently the officer responsible for the maintenance and closure of the Pension Fund accounts.



## **Carolyn Dobson**

Carolyn Dobson is an Independent Investment Adviser for a number of LGPS funds including the Environment Agency, Staffordshire County Council, Buckinghamshire County Council and the London Borough of Enfield. She was a Director of Abbey National Asset Management and Murray Johnstone and has had over thirty years experience as a fund manager and investment adviser.



## **David Cullinan**

David has been an Independent Investment Adviser to the Fund for nine years.

He is now self-employed, having worked for over thirty years for State Street (formerly the WM Company), managing relationships with a large variety of clients - pension funds, asset management companies, insurance companies, charities and foundations.

From a background in investment accounting, fund valuation and unit pricing, David focussed his career on the measurement of the performance of funds on the public sector and in particular, the collation of long term statistics and trends on behalf of the collective LGPS.



# Pension Board Members

## Employer Representative

Professor Hugh Coombs (Chair)  
University of South Wales



## Employer Representative

Mr David Francis  
Coleg Y Cymoedd



## Member Representative

Mr Rob Whiles  
Pensioner of the RCT  
Pension Fund



## Member Representative

Mrs Angela Pring  
Member of the RCT Pension  
Fund and Trade Union (Unison)  
representative





■ Ian Traylor

Head of Service Pensions, Payroll & Payments



# Administration Report



## Introduction

I would like to thank our Employers for their support in relation to the data cleansing exercises and year-end data submission in preparation for the 2019 Valuation. This helps ensure that the Fund continues to provide accurate information to the Fund Actuary, and our Scheme Members as published in their Annual Benefit Statements.

During the year, we completed a number of joint activities included in our 'Data Improvement Plan', the benefits of which are evidenced in an improved common and scheme specific (conditional) data score provided to the 'Pensions Regulator' in the annual return.

There are further improvements planned, which include, finalising the rollout of 'i-connect' monthly data submissions across the remaining Fund Employers. This is a key action that will help drive improvements in the timeliness and quality of member data.

To ensure the Service is adequately resourced to meet the expectations of our key stakeholders, we continue to support, invest and develop the Pension Team, through technical training and further recruitment through the apprenticeship programme.

Whilst the Fund has experienced positive take-up numbers in respect of the member self-service functionality "My Pension Online" further promotional activity will continue into the future and is supported by the Employers and Trade Unions, represented on the Fund's Communication forum.

## Actuarial Valuation

The Triennial Valuation commenced in April 2019 with the data submissions provided to the Fund Actuary and the Government Actuary (GAD) by the agreed timeline and initial assumptions set. In undertaking the Valuation, the Administering Authority will consider and review its strategic and long term financial objectives in accordance with its Funding Strategy Statement.

The growth in investment returns since the last valuation cycle will significantly improve the overall funding position of the RCT Pension Fund. Consideration and appropriate provision will be made in respect of the implications on public sector scheme liabilities as a result of the McCloud legal case.

## Governance

On a national level, the LGPS Scheme Advisory Board (SAB) have paused their work on "cost cap" proposals, alongside the modeling by Treasury, until such time that the McCloud remedies are concluded.

The SAB commissioned a review into 'Good Governance' in the LGPS, and following a survey of all LGPS Funds, two working groups have been established to consider:

- Standards and Outcomes
- Compliance and Improvement

Officers continue to work closely with the RCT Pension Board to jointly consider items of risk and compliance. Meetings of the Chairs of Welsh Pension Boards are facilitated, which include an update from the 'host' authority in respect of the Wales Pension Partnership activity.

## Cyber Security

In April 2018, the Pension Regulator published the 'Cyber Security principles for pension schemes'. The RCT Fund has reviewed its compliance and arrangements, with the Fund Pension Committee and Pension Board updated on the associated risks and controls.

## HMRC Pension Tax Changes

### Lifetime Allowance

The Lifetime Allowance (LTA) is the maximum amount of pension savings that can be built up over your lifetime that benefit from UK tax relief. The Finance Act 2016 reduced the level of the standard LTA further from 6th April 2016 from £1.25m to £1m for the tax years 2016/17 and 2017/18. The lifetime allowance for the 2018/19 tax year was increased to £1.03m and is £1.055m for the 2019/20 tax year.

Any pension savings above the lifetime allowance are subject to the lifetime allowance charge. This charge will continue to be:

- 55% if the excess is taken as a lump sum
- 25% if the excess is taken as income i.e. pension,

There is an opportunity to protect any pensions savings built up before 6th April 2016 from LTA charges (for savings over £1m to an overall maximum of £1.25m at 5th April 2016), if the relevant HMRC criteria is met. Applications for LTA Fixed Protection or Individual Protection can be made via HMRC online service, accessed via <https://www.gov.uk/guidance/pension-schemes-protect-your-lifetime-allowance#individual-protection-2016>

## Annual Allowance

Since the reduction in Annual Allowance to £40,000, the Fund is experiencing more instances of members exceeding this allowance and incurring a tax charge. This results in a tax payable by members through their individual self-assessment process or there may be the opportunity to arrange a 'scheme pays' option with the RCT Fund.

The Fund's Communication team issue a Pension Savings Statement, to individual members that are impacted by the Annual Allowance.

On 6th April 2016 the government introduced the 'Tapered Annual Allowance' for individuals with "adjusted income" of over £150,000. To provide certainty for individuals with lower salaries who may have one off spikes in their pension savings, a "threshold income" of £110,000 will apply. If the individual's net income is no more than £110,000 they will not normally be subject to the tapered annual allowance. The rate of reduction in the annual allowance is by £1 for every £2 that the adjusted income exceeds £150,000, up to a maximum reduction of £30,000.

HMRC have launched an online calculator to help members determine how much annual allowance they have used <https://www.tax.service.gov.uk/paac>

## Auto Enrolment

During the year, a number of Employers undertook their re-enrolment where the RCT Fund was their default scheme. Fund Employers will need to ensure that they continue to comply with all the requirements of auto enrolment eligibility rules and correspond appropriately with employees at the relevant intervals.

## Guaranteed Minimum Pension (GMP) Reconciliation

Following the option to contract-out of the additional State Pension ending in April 2016 and the new single tier State Pension being introduced, protections for scheme members' existing contracted out rights will be maintained. However, HMRC's support services will be scaled down and were withdrawn in December 2018.

The RCT Fund concluded its reconciliation exercise during 2018 in accordance with the HMRC deadline, with a final reconciliation update provided to the Fund's Pension Committee and Pension Board.

## Freedom of Choice / Transfer Scams

Whilst these freedoms are not applicable to the LGPS, the Fund continues to experience interest in the possibility of transferring benefits out to Defined Contribution arrangements, in order to exploit the 'Freedoms of Choice' flexibility.

Along with such freedoms there have unfortunately been a national increase in pension transfer scams.

The Fund is required to undertake due diligence safeguarding checks, however, this has caused friction between the Fund, and the scheme members (and their advisors) around potential delays that may arise around the transfer process.

## Prevention and Detection of Fraud

The Fund participates in the National Fraud Initiative which is designed to target and prevent fraud and corruption. As part of the initiative public agencies are allowed to share this information for cross matching purposes.

The Pensions Service also has access to the Council's Corporate Fraud Team to support the pursuit and prosecution where necessary of any potential pension irregularity.

## Forward Look

The Pensions Regulator has recently published its report into the governance and administration risks in public service pensions, which included engaging 10 UK LGPS Funds. The report summarises the key findings against the Regulator's Code of Practice, and the RCT Fund will review its compliance against relevant recommendations of good practice that would enhance the arrangements already in place at the Fund.

Government have consulted on 'Changes to the Local Valuation Cycle and the Management of Employer Risk'. The proposals consider amending the local valuation cycle to 4 yearly, which would align the local and scheme valuations. The second part of the consultation examines the issues encountered by some Employers around the crystallisation of exit payments and proposes some flexibility subject to risk assurances.

Exit Payment Reform: Further to my update last year, it remains unclear to the extent, which Central Governments intends pursuing each reform and the timescales involved. A consultation on 'Restricting exit payments in the public sector, implementation of regulations' closed on 3rd July 2019, and we await an update.

## Performance Information

The results of key performance indicators identified and agreed by the Pension Panel for the period up to 31st March 2019 are listed in the adjacent table.

## Service Standards

Many Fund employers have undertaken some rationalisation and internal restructuring over the last year and this has increased our workload for producing early retirement costs for employers, along with pension illustrations and retirement packs to members.

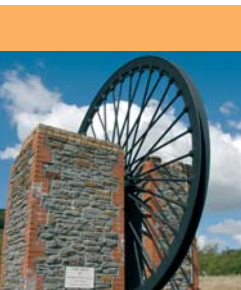
Providing this complex information in a timely and accurate manner has proved challenging but the demand has been met without a reduction in our published performance standards or to the detriment of other priority work.

This has been achieved by actively reallocating and targeting resources in line with our key objectives.

## Disputes

In line with legislation the Pension Fund has an Internal Disputes Resolution Procedure (IDRP) which deals with formal complaints against the Scheme. During 2018/2019 one complaint was received under the procedure, which was not upheld.

| Procedure Description                                                                       | Performance Target | Intervention Target | Actual Performance | Number of cases Processed |
|---------------------------------------------------------------------------------------------|--------------------|---------------------|--------------------|---------------------------|
| Divorce Estimate (calculation for members)                                                  | 10 days            | 95%                 | 99.51%             | 203                       |
| Preserved Benefit (notification to leavers)                                                 | 10 days            | 90%                 | 84.45%             | 2662                      |
| Refund of Contributions (payment back to scheme members)                                    | 10 days            | 95%                 | 94.14%             | 665                       |
| Employer Request for Retirement Estimate                                                    | 5 days             | 95%                 | 99.40%             | 832                       |
| Retirement Payment (from active membership)                                                 | 5 days             | 95%                 | 98.29%             | 584                       |
| Preserved Benefit into Payment on Retirement                                                | 5 days             | 95%                 | 96.28%             | 913                       |
| Transfer In (calculation from previous pension scheme including late transfer applications) | 10 days            | 90%                 | 75.81%             | 186                       |
| Transfer Out (payment to receiving pension scheme)                                          | 10 days            | 95%                 | 98.83%             | 171                       |



## Membership of the Fund

### Number of Employers

|                | Active | Ceased | Total |
|----------------|--------|--------|-------|
| Scheduled Body | 31     | 23     | 54    |
| Admitted Body  | 19     | 10     | 29    |
| Total          | 50     | 33     | 83    |

Fund membership at 31st March is as follows:-

### Number of Contributing Members

| Years   | 2015  | 2016  | 2017  | 2018  | 2019  |
|---------|-------|-------|-------|-------|-------|
| Numbers | 25491 | 25501 | 23918 | 24109 | 23329 |

### Number of Deferred Beneficiaries

| Years   | 2015  | 2016  | 2017  | 2018  | 2019  |
|---------|-------|-------|-------|-------|-------|
| Numbers | 20255 | 22358 | 24641 | 25956 | 27104 |

### Number of Pensioners and Dependants

| Years   | 2015  | 2016  | 2017  | 2018  | 2019  |
|---------|-------|-------|-------|-------|-------|
| Numbers | 18043 | 18470 | 18955 | 19262 | 19704 |

### Number of Undecided Withdrawals

| Years   | 2015 | 2016 | 2017 | 2018 | 2019 |
|---------|------|------|------|------|------|
| Numbers | 2646 | 2400 | 2506 | 2667 | 2999 |

### Membership Trends

|                        | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | % Increase/<br>Decrease<br>from<br>17/18 |
|------------------------|---------|---------|---------|---------|---------|------------------------------------------|
| Active Employers       | 43      | 46      | 49      | 49      | 50      |                                          |
| Contributors           | 25491   | 25501   | 23918   | 24109   | 23329   | -3.24%                                   |
| Pensioners             | 15499   | 15830   | 16315   | 16609   | 17025   | 2.50%                                    |
| Dependants             | 2544    | 2640    | 2640    | 2653    | 2679    | 0.98%                                    |
| Deferred Beneficiaries | 20255   | 22358   | 24641   | 25956   | 27104   | 4.42%                                    |

### Fund Costs per Member

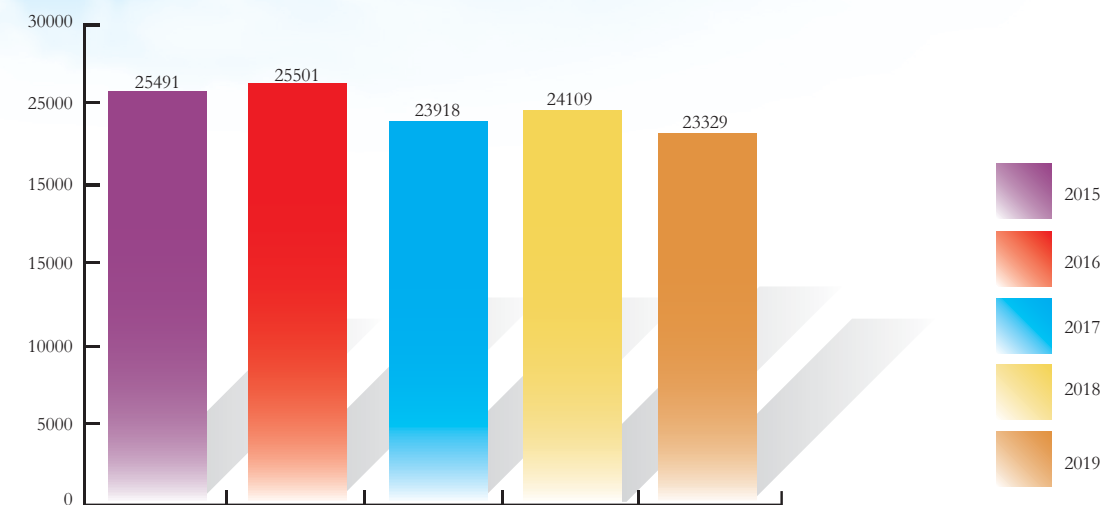
|                                | Cost per member (£) | Cost per member (£) |
|--------------------------------|---------------------|---------------------|
|                                | 2017/2018           | 2018/2019           |
| Administration Costs           | 25.39               | 25.15               |
| Investment Management Expenses | 120.04              | 122.69              |
| Oversight and Governance Costs | 4.29                | 3.11                |
| TOTAL                          | 149.72              | 150.95              |

The Pension Fund currently employs 26 full time equivalent staff in administration and 2 in Pension Fund investments and accounts.

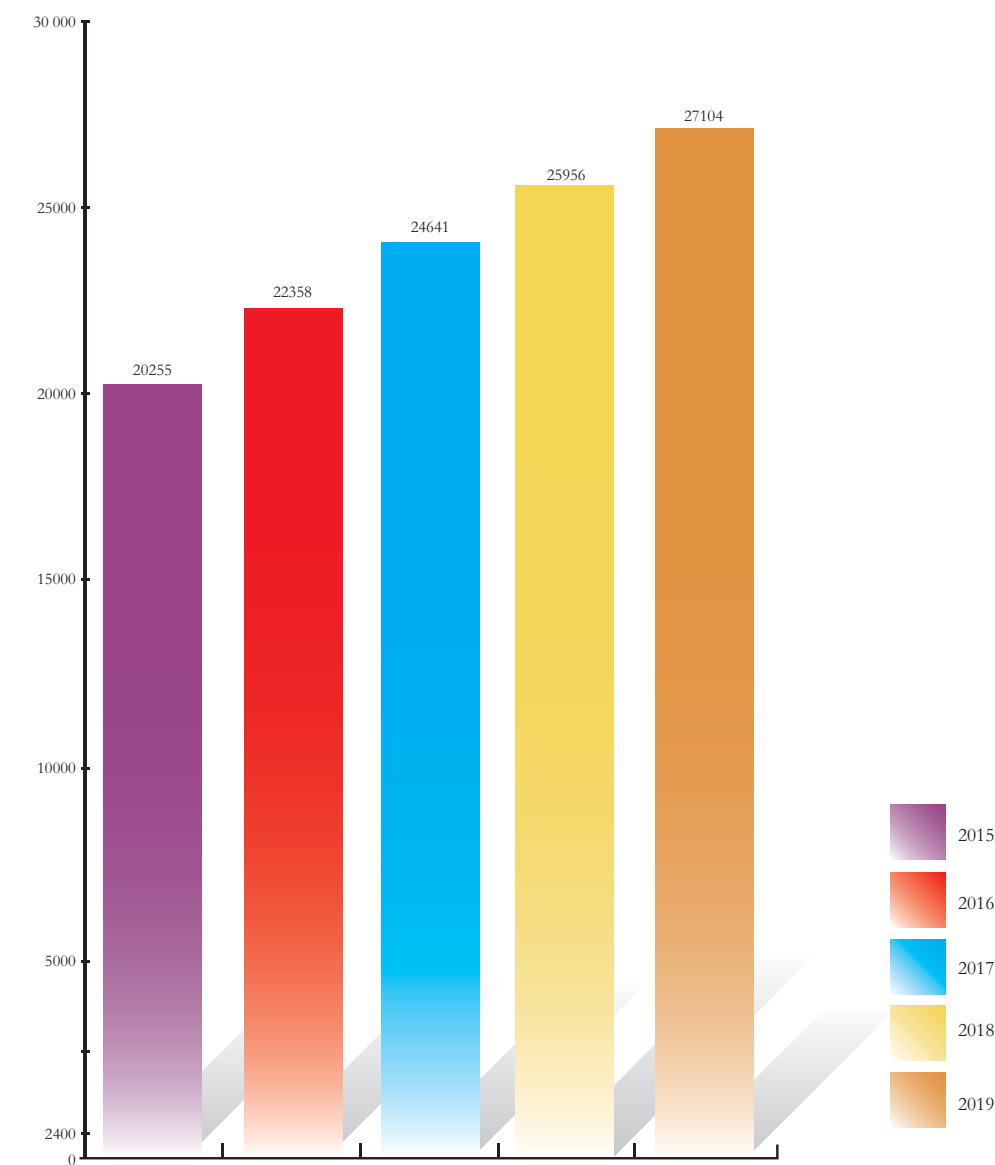
# Membership and Analysis of The Fund

Fund membership at 31st March is as follows: -

Number of Contributing Members

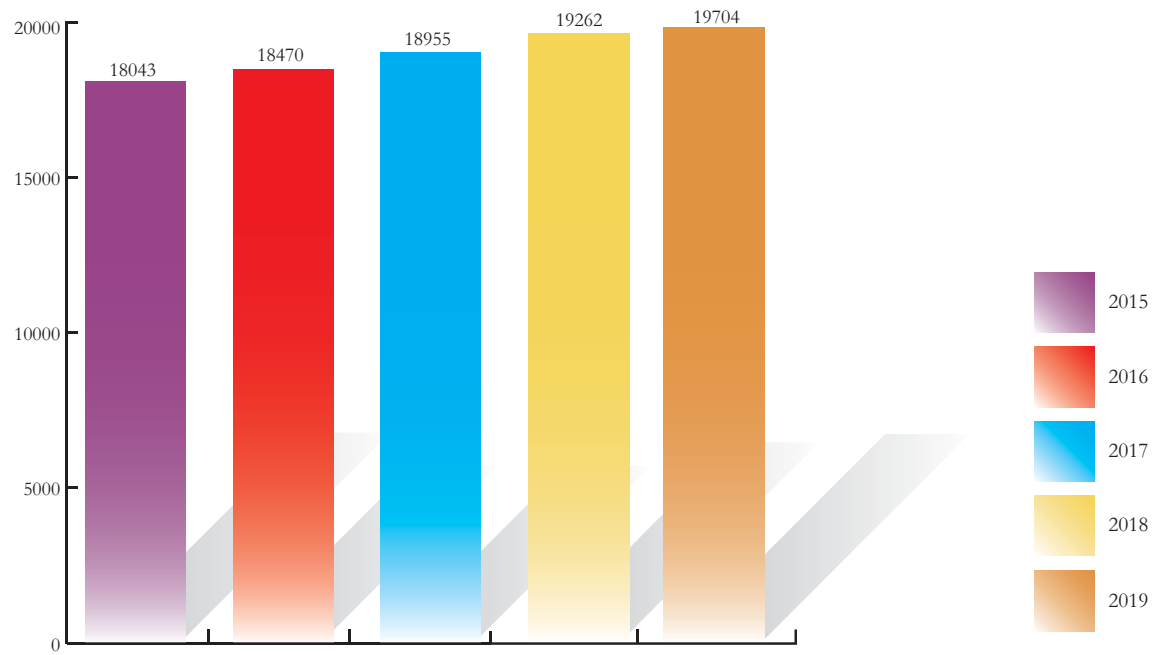


Number of Deferred Beneficiaries

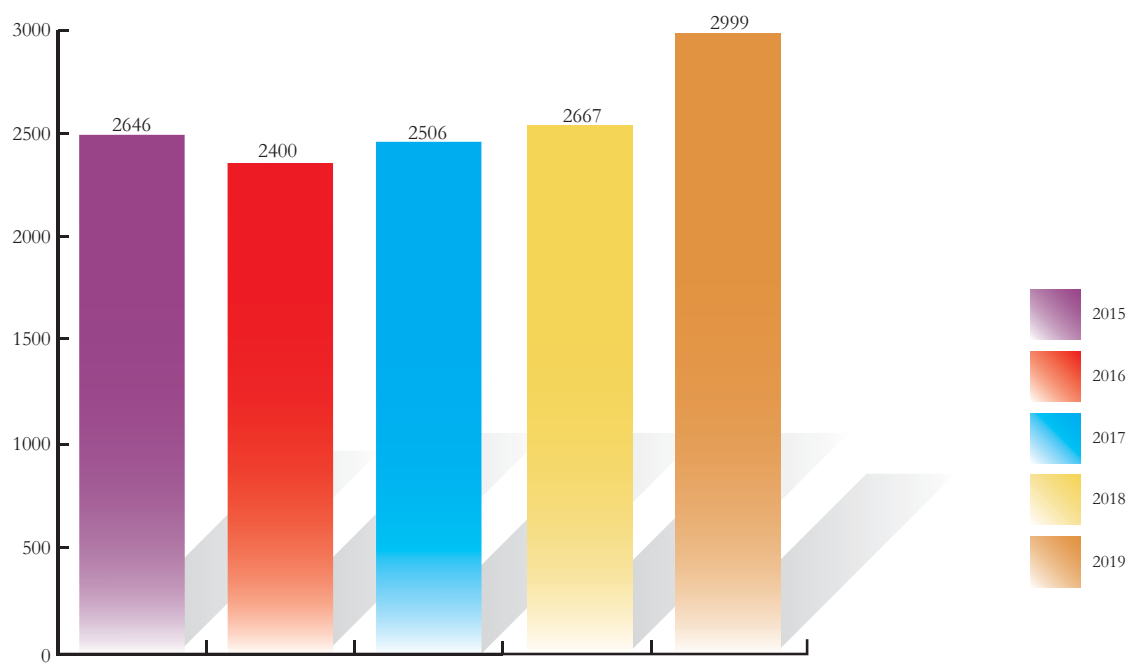




### Number of Pensioners and Dependants



### Number of Undecided Withdrawals



## Membership Analysis

### Leavers from active status

|                                     | 2017        | 2018        | 2019        |
|-------------------------------------|-------------|-------------|-------------|
| Refund of Contributions             | 351         | 265         | 116         |
| Transfers to other Schemes          | 14          | 7           | 4           |
| Death in Service                    | 13          | 19          | 18          |
| Ill Health Retirements              | 34          | 44          | 30          |
| Early / Normal Retirements          | 170         | 134         | 157         |
| Redundancy / Efficiency Retirements | 175         | 124         | 193         |
| Flexible Retirements                | 24          | 19          | 18          |
| Late Retirement                     | 84          | 54          | 64          |
| Opt Outs                            | 685         | 276         | 224         |
| Preserved Benefits                  | 2811        | 2036        | 2017        |
| Other Leavers                       | 175         | 160         | 272         |
| <b>Total</b>                        | <b>4536</b> | <b>3138</b> | <b>3113</b> |



### Deferred Benefits – Exits

|                                                   | 2017       | 2018       | 2019       |
|---------------------------------------------------|------------|------------|------------|
| Transfer to other Schemes                         | 138        | 163        | 144        |
| Deaths                                            | 21         | 20         | 32         |
| Ill Health Retirements                            | 9          | 6          | 8          |
| Early / Normal Retirements                        | 422        | 320        | 484        |
| Other Benefits                                    | 24         | 12         | 2          |
| Number of Deferred Members Re-entering the Scheme | 11         | 6          | 10         |
| <b>Total</b>                                      | <b>625</b> | <b>527</b> | <b>680</b> |

■ Yvonne Keitch

Principal Accountant, Treasury and Pension Fund Investments



# Investment Report



## Investment Report

At the start of the financial year, the market value of the Rhondda Cynon Taf Pension Fund investments was £3,203.6 million. By the 31st March 2019 the Fund had increased in value to £3,456.6 million.

Rhondda Cynon Taf Pension Fund produced a return of 8.8% in 2018/19, ranking in the 7th percentile. The Fund benefitted from strong equity performance and the avoidance of diversified growth (the worst performing asset). RCT Pension Fund was well ahead of benchmark over 3, 5, and 10 years, ranking in 5th percentile over 3 years, 5th percentile over 5 years, and 4th percentile over 10 years.

## Investment Management

The Pension Fund Committee is responsible for the strategic management of the RCT Pension Fund in accordance with its term of reference.

The Director of Finance and Digital Services (in his capacity as S151 Officer) supported by an Investment and Administration Advisory Panel, has delegated responsibility for all day to day operational matters.

The Pension Fund Investment and Administration Advisory Panel, is chaired by the Director of Finance and Digital Services, and consists of two independent investment advisors and other Senior Finance Officers.

The Panel meets quarterly to consider both administration and investment issues and determine policy in light of market movements and to question and challenge the Investment Managers on activities and performance. There are currently six separate investment mandates.

Baileie Gifford Traditional Equities, Global Growth High Alpha Equities (WPP), Global Opportunities High Alpha Equities (WPP), BMO GAM Bonds, CBRE Property and BlackRock Passive Equities.

## Investment Performance

The table below shows performance, at an asset class level, over historical periods measured to 31st March 2019.

|              | 1 Year    |      | 3 Years   |      | 5 Years   |      |
|--------------|-----------|------|-----------|------|-----------|------|
|              | Benchmark | Fund | Benchmark | Fund | Benchmark | Fund |
|              | %         | %    | %         | %    | %         | %    |
| Equities     | 9.1       | 10.1 | 13.4      | 15.1 | 10.5      | 12.6 |
| Bonds        | 3.7       | 4.3  | 4.1       | 4.9  | 5.5       | 6.0  |
| Property     | 4.9       | 8.3  | 6.5       | 8.7  | 6.2       | 10.0 |
| Cash         | -3.8      | 0.3  | 0.3       | -0.5 | 0.3       | -0.2 |
| Total Assets | 7.8       | 8.8  | 10.6      | 12.1 | 8.9       | 10.6 |

## Fund Manager Performance

The table below shows the relative performance of each manager against their respective benchmarks over historical periods measured to 31st March 2019.

| Mandate                | Fund Manager    | 1 Year    |      | 3 Years   |      | 5 Years   |      |
|------------------------|-----------------|-----------|------|-----------|------|-----------|------|
|                        |                 | Benchmark | Fund | Benchmark | Fund | Benchmark | Fund |
| Bonds                  | BMOGAM          | 3.7       | 3.8  | 4.1       | 4.4  | 5.5       | 5.5  |
| Equities (traditional) | Baillie Gifford | 6.7       | 9.7  | 12.3      | 16.3 | 9.1       | 12.4 |
| Equities (Passive)     | BlackRock       | 10.7      | 10.9 |           |      |           |      |
| Property               | CBRE            | 4.9       | 7.5  | 6.5       | 8.2  | 6.2       | 9.5  |

BlackRock was appointed passive equity manager during November 2016.

The high alpha mandates of Newton and Baillie Gifford were terminated in January 2019. Assets were transitioned into the Wales Pension Partnership.

Following an asset liability review, the UK equity mandates were terminated in August 2018, to increase the Fund's allocation in bonds and property.



## Details of Fund Managers

The market values of investments held by the Fund Managers employed by the Fund are detailed in the following table:

| Fund Manager                          | Market Value      |                   | Proportion of Fund |                   |
|---------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                       | 31/03/18<br>£'000 | 31/03/19<br>£'000 | 31/03/18<br>£'000  | 31/03/19<br>£'000 |
| Baillie Gifford Global (Equities)     | 734,706           | 799,135           | 22.9               | 23.2              |
| Baillie Gifford (High Alpha Equities) | 748,744           | 0                 | 23.4               | 0                 |
| Newton (High Alpha Equities)          | 502,347           | 0                 | 15.7               | 0                 |
| Invesco (UK Equities)                 | 137,544           | 0                 | 4.3                | 0                 |
| BlackRock (UK Equities)               | 139,837           | 0                 | 4.4                | 0                 |
| BlackRock (Passive Equities)          | 138,755           | 153,809           | 4.3                | 4.4               |
| BMO GAM (Bonds)                       | 589,971           | 857,306           | 18.4               | 24.8              |
| CBRE (Property)                       | 174,860           | 263,792           | 5.4                | 7.6               |
| Link (Operator of WPP)                | 0                 | 1,363,745         | 0.0                | 39.5              |
| Internally Managed                    | 36,861            | 18,857            | 1.2                | 0.5               |
| <b>Total</b>                          | <b>3,203,625</b>  | <b>3,456,644</b>  | <b>100.00</b>      | <b>100.00</b>     |

No single investment accounted for more than 5% of the Fund's assets.

The market value of investments shown in this table includes short-term investments such as cash balances and money deposits, and so differs from the total of long-term investments only.

Investment risk is mitigated by employing a number of fund managers to diversify manager risk, with mandates covering a variety of assets including equities, bonds and property. Managers must maintain a diversified portfolio of investments and comply with the LGPS investment regulations, and any additional restrictions within their mandates. The underlying investments are further diversified by country and industry sector.

Each manager's performance is monitored quarterly against a target linked to an asset allocation benchmark, effectively constraining managers from deviating significantly from the intended approach, while still permitting some flexibility to enhance returns.

## Profits and Losses on Investments

For the year ending 31st March 2019, the Fund obtained a return of 8.8% against a PIRC (Provider of Pension Fund Performance Analytic Service) local authority average return of 7.0%, which ranked in 7th place. The fund's three year return was 12.1% against a PIRC average of 10.5%, ranking in the 5th percentile of Funds measured.

|                                          | 2017/18<br>£'000 | 2018/19<br>£'000 |
|------------------------------------------|------------------|------------------|
| Profits on sales                         | 176,900          | 657,501          |
| Losses on sales                          | (35,942)         | (51,788)         |
| <b>Net profit / (loss) on sales</b>      | <b>140,958</b>   | <b>605,713</b>   |
| Change in market value                   | (5,928)          | (401,019)        |
| <b>Net increase/ (decrease) in value</b> | <b>135,030</b>   | <b>204,694</b>   |

## Custodial Arrangements

Rhondda Cynon Taf Pension Fund has appointed State Street to act as custodian for the shares of the pension fund. Shares are held to the order of the custodian for the benefit of Rhondda Cynon Taf. State Street is regulated in the UK by the Financial Conduct Authority and the Prudential Regulatory Authority. Link, the operator of the WPP has appointed Northern Trust to act as custodian for shares of the WPP.



## Fund Manager and Advisor Fees

Fund manager fees are charged on a reducing scale based up on the market value of the fund.

In addition to fund manager fees, indirect costs of investments in the WPP are reflected in the net asset value of the pooled units.

The Fund's advisors receive a fixed annual fee for their services and attendance at quarterly meetings. Any additional meetings incur an extra charge.

## Analysis of Investments at Fair Value

|                                    | 2017/18   |                  | 2018/19   |                  |
|------------------------------------|-----------|------------------|-----------|------------------|
|                                    | £'000     | £'000            | £'000     | £'000            |
| <b>Equities</b>                    |           |                  |           |                  |
| UK                                 | 473,325   |                  | 279,594   |                  |
| Overseas                           | 1,499,865 |                  | 396,482   |                  |
|                                    |           | 1,973,190        |           | 676,076          |
| <b>Bonds</b>                       |           |                  |           |                  |
| UK                                 | 552,838   |                  | 767,811   |                  |
| Overseas                           | 28,909    |                  | 76,117    |                  |
|                                    |           | 581,747          |           | 843,928          |
| <b>Pooled funds</b>                |           |                  |           |                  |
| UK                                 | 156,755   |                  | 19,189    |                  |
| WPP global Equities                | 0         |                  | 1,363,745 |                  |
| Overseas - other                   | 237,113   |                  | 253,893   |                  |
|                                    |           | 393,868          |           | 1,636,827        |
| <b>Pooled funds property</b>       |           |                  |           |                  |
| UK - other                         | 165,342   |                  | 260,292   |                  |
| Overseas - other                   | 2,489     |                  | 559       |                  |
|                                    |           | 167,831          |           | 260,851          |
| <b>Total long-term investments</b> |           | <b>3,116,636</b> |           | <b>3,417,682</b> |

The Fund has not participated in any stock lending arrangements during the year but did agree to do so in the future.

All investments held are quoted investments with the exception of property, which is valued at Fair Value and no assets reclassified. Carrying values of assets held in the Net Assets Statement are the same as the Fair Values shown above.

The Pension Fund holds derivative contracts which are valued as a liability in the Net Asset Statement as at 31st March 2019.

All investments above are deemed to be Financial Instruments designated "Fair Value through Profit and Loss". All investment income, profits/losses on disposals of investments, and changes in the value of investments recognised in the Fund Account arise from Financial Instruments designated "Fair Value through Profit and Loss", with the exception of interest on cash deposits. Cash deposits are deemed to be Financial Instruments designated "Loans and Receivables".

Quoted equities and cash are classed as fair value hierarchy level 1. Bonds, pooled property, pooled investments within the WPP and derivative contracts are classified as fair value hierarchy level 2.

## Geographical Spread of the Fund

The Fund Managers invest in shares in a number of countries. The table below shows the value of stocks and shares held by the Fund Managers as at 31st March 2019:

| Area                         | £'000            | %          |
|------------------------------|------------------|------------|
| UK Equities                  | 298,783          | 8.7        |
| European Equities            | 173,961          | 5.0        |
| US and Canada Equities       | 266,310          | 7.7        |
| Japanese Equities            | 11,988           | 0.3        |
| Pacific Equities             | 79,312           | 2.3        |
| Other International Equities | 118,804          | 3.4        |
| Global Pooled Equities       | 1,363,745        | 39.5       |
| Bonds                        | 843,928          | 24.4       |
| Property                     | 260,851          | 7.6        |
| Cash & Equivalents           | 38,962           | 1.1        |
| <b>Total</b>                 | <b>3,456,644</b> | <b>100</b> |

The cash balance shown does not reflect uncleared funds.

## Analysis of Investment Income accrued during 2018/19

|                                  | UK £'000      | Non-UK £'000 | Global £'000  | Total £'000   |
|----------------------------------|---------------|--------------|---------------|---------------|
| Equities                         | 2,673         |              | 34,182        | 36,855        |
| Bonds                            | 22,885        | 1,225        |               | 24,110        |
| Alternatives (Property Indirect) | 5,942         | 0            |               | 5,942         |
| Cash and Cash Alternatives       | 161           |              |               | 161           |
| <b>Total</b>                     | <b>31,661</b> | <b>1,225</b> | <b>34,182</b> | <b>67,068</b> |

The cash balance shown reflects uncleared funds.

## Analysis of Fund Assets as at 31st March 2019

|                                  | UK £'000         | Non-UK £'000  | Global £'000     | Total £'000      |
|----------------------------------|------------------|---------------|------------------|------------------|
| Equities                         |                  |               | 2,312,903        | 2,312,903        |
| Bonds                            | 767,811          | 76,117        |                  | 843,928          |
| Alternatives (Property Indirect) | 260,292          | 559           |                  | 260,851          |
| Cash and Cash Alternatives       | 18,857           |               | 20,105           | 38,962           |
| <b>Total</b>                     | <b>1,046,960</b> | <b>76,676</b> | <b>2,333,008</b> | <b>3,456,644</b> |

## Largest Share Holding

The ten largest holdings for the equity fund manager Baillie Gifford as at 31st March 2019 are :

### Baillie Gifford's Ten Largest holdings

| Share             | £'000  |
|-------------------|--------|
| Amazon            | 19,765 |
| Prudential        | 13,792 |
| BHP Billiton      | 12,668 |
| Diageo            | 11,758 |
| St James Place    | 10,074 |
| Wayfair           | 9,819  |
| Netflix           | 9,713  |
| Rio Tinto         | 9,408  |
| Royal Dutch Shell | 9,299  |
| IMCD Group NV     | 8,787  |
|                   |        |

# Investment Strategy Statement

## 1. Overall Responsibility

Rhondda Cynon Taf County Borough Council is the designated statutory body responsible for administering the Rhondda Cynon Taf Pension Fund on behalf of the constituent Scheduled and Admitted Bodies. The Council is responsible for setting investment policy, appointing suitable persons to implement that policy and carrying out regular reviews and monitoring of investments.

The Council has created a politically balanced Pension Fund Committee consisting of elected members to oversee the Council's responsibility with regard to the administration of the Pension Fund. This committee is responsible for the strategic management of the Pension Fund

The Council has appointed the Group Director - Corporate and Frontline Services as the officer with Section 151 responsibilities to exercise delegated powers to make decisions in respect of operational matters of the Pension Fund investments and administration. An Investment and Administration Advisory Panel has been formed to support him in this capacity. This is made up of:

- The Deputy Section 151 Officer
- Head of Finance (Education and Financial Reporting)
- Head of Service (Pension, Payroll and Payments)
- Principal Accountant, Treasury and Pension Fund Investments
- Senior Accountant, Treasury and Pension Fund Investments
- Independent Advisors

Both the Committee and the Panel meets quarterly. The Council is not strictly a trustee (technically, this is the Ministry for Housing, Communities and Local Government) but acts in a quasi - trustee role.

In accordance with the requirements of the Public Service Pensions Act 2013, a Pensions Board has been established in order to assist Rhondda Cynon Taf C.B.C. as "Scheme Manager" with achieving effective and efficient governance and administration of the Rhondda Cynon Taf Pension Fund.

The role of the Pension Board as defined by sections 5(1) and 5(2) of the Public Service Pensions Act 2013, is to assist Rhondda Cynon Taf County Borough Council Administering Authority as Scheme Manager to:-

- Secure compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
- Ensure the effective and efficient governance and administration of the LGPS by the Scheme Manager.

The Pension Board will provide oversight of the above matters and accordingly it is not a decision making body in relation to the management of the Fund itself.

Full details of governance arrangements can be found on [www.rctpensions.org.uk/En/GovernanceandInvestments/GovernanceDocuments](http://www.rctpensions.org.uk/En/GovernanceandInvestments/GovernanceDocuments)

## 2. Primary Objective

The Fund's objective is to provide for members' pension and lump sum benefits on their retirement or for their dependants' benefits on death before or after retirement, on a defined basis in accordance with LGPS regulations.

## 3. Funding Objectives

Rhondda Cynon Taf C.B.C. should manage the Fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the actuarial value of the Fund's assets and that an appropriate level of contribution is agreed by the Authority to meet the cost of future benefits arising.

The Funding Strategy Statement and the Investment Strategy Statement are intrinsically linked and together aim to deliver stable contribution rates for employers.

The investment objective is to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers, minimising long term cost.

The Fund's objective is to achieve a return on Fund assets which is sufficient, over the long-term, to meet the funding objectives on an ongoing basis.

The Group Director – Corporate and Frontline Services supported by the Investment and Administration Advisory Panel will ensure that one or more investment managers are appointed who are authorised under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 to manage the assets of the Fund. Contracts / mandates are in place giving instructions to the Managers as to how the investment portfolio is to be managed.

The Pension Fund Committee having taken account of advice from the Group Director – Corporate and Frontline Services may give specific directions as to the strategic asset allocations and will ensure the suitability of assets in relation to the needs of the Fund. The investment managers (each of which will have a benchmark and target to reflect their mandate) will be given full discretion over the choice of individual stocks and will be expected to maintain a diversified portfolio within the restrictions specified in each mandate.

#### 4. Diversification Policy : Requirement to invest fund money in a wide variety of investments

The fund invests in a range of asset classes to help reduce overall portfolio risk. This will ensure that if a single asset class is not performing well, this underperformance is balanced by other better performing assets at that time. The portfolio is also diversified to reduce volatility in performance.

The fund is diversified into the following asset classes:

- Equities
- Bonds
- Property
- Cash

The Fund commissioned an Asset / Liability review in 2013, the fundamental aim which was to position the Fund's investments so as to maximise the likelihood of achieving (and minimising the risk of not achieving) the return assumed with the actuarial valuation, thus ensuring the pension Fund is being invested in the most efficient way.

Aon Hewitt was appointed to give their view on the risk/return of the Pensions Fund's current investment strategy. Following on from this they were requested to comment and recommend alternative constructs that could deliver the Fund's long term objectives.

Using a computerised model approach, simulations were undertaken for different portfolio asset strategies. The model estimated the probability of achieving a variety of funding outcomes over different time periods given the current asset allocation strategy. The majority allocation to equities in the portfolio gave a potentially high return, but was also the most significant contributor to overall risk.

Alternative asset allocation strategies were put forward as a potential means of increasing diversification. Options were reviewed by the Panel at that time. It was noted by the Panel that the Rhondda Cynon Taf Pension Fund was not particularly high risk compared to other LGPS funds and that some of the potential alternatives resulted in entering into asset classes that were expensive and difficult markets to enter.

The Panel concluded that at this current time, it would remain with the same asset allocation strategy.

Diversification of equities is further enhanced by having 6 managers each with different styles and/or mandates. The fund diversifies equity risk by holding the following range of mandates:

- Global Traditional Equities
- High Alpha Equities (2 managers)
- UK Equities (2 managers)
- Passive Equities

Following the above, the target and maximum percentages of total value of all investments that we will invest in particular investments or asset classes was as follows:

| Asset Class                | Target % of Fund | Max. % of Fund |
|----------------------------|------------------|----------------|
| High Alpha Global Equities | 30%              | 85%            |
| Traditional Equities       | 20%              |                |
| UK Equities                | 10%              |                |
| Passive Equity             | 5%               |                |
| Fixed Interest (Bonds)     | 25%              | 35%            |
| Property                   | 10%              | 20%            |
| Cash                       |                  | 10%            |

The above target forms the basis of a customised benchmark which the Fund's performance is monitored against. The customised benchmark moves in line with market volatility. The asset allocation of the portfolio is not rebalanced on a routine basis but is reviewed annually to ensure the target return is not adversely impacted.

We may not permit more than 5% of the total value of all investments of fund money which are connected with the Authority within S212 of the LG and Public Involvement in Health Act 2007.

In assessing the diversification policy, the Fund will consult with independent advisors.

## 5. Asset Allocation Policy : Assessment of the suitability of particular investments and types of investments

Investments are selected with their suitability to meet the fund's overall objective of meeting pension obligations as they fall due. The level of return required is informed by the triennial actuarial valuation.

In the long term, low volatility assets such as gilt edged investments behave in a similar manner to pension liabilities and would therefore "match" the attributes of pension obligations. However the requirement to achieve a longer term higher rate of return is, on average, achieved by other classes of assets such as stocks or property.

The current portfolio has been constructed with actuarial and independent advisor advice to achieve a specified level of return within risk parameters.

A management agreement is in place for each investment manager which sets out the relevant benchmark, performance target, asset allocation ranges and any restrictions as determined by the Pension Fund Committee.

The following demonstrates the allocation of the Fund as at March 2017 :-

|                      | % of Fund Invested |
|----------------------|--------------------|
| UK Equities          | 21%                |
| Overseas Equities    |                    |
| US                   | 27%                |
| Continental Europe   | 13%                |
| Other Int'l Equities | 12%                |
| Total Bonds          | 19%                |
| Property             | 6%                 |
| Cash & Deposits      | 2%                 |

The Pension Fund Committee has agreed not to invest in private equity at the present time.

The Pension Fund Committee has agreed not to stock lend at the present time.

The Asset Allocation Strategy is reviewed annually to ensure that returns, risk and volatility are managed and consistent with overall investment strategy.

## 6. Policy On Risk : Approach to risk, including the ways in which risks are measured and managed

The Fund maintains a Risk Register that is agreed by the Investment and Administration Advisory Panel and reported to the Pensions Board and Pensions Committee on a quarterly basis. The risk register examines funding, investment, operational, governance and regulation issues, ranks risks in terms of likelihood and impact and details mitigation measures.

### Investment Risk

This covers items such as the performance of financial markets and the Fund's investment managers, asset reallocation in volatile markets, leading to the risk of investments not performing (income) or increasing in value (growth) as forecast. Examples of specific risks would be:

- assets not delivering the required return (for whatever reason, including manager underperformance)
- systemic risk with the possibility of interlinked and simultaneous financial market volatility
- insufficient funds to meet liabilities as they fall due
- inadequate, inappropriate or incomplete investment and actuarial advice is taken and acted upon
- counterparty failure

The specific risks associated with assets and asset classes are:

- equities – industry, country, size and stock risks
- fixed income - yield curve, credit risks, duration risks and market risks
- alternative assets – liquidity risks, property risk, alpha risk
- money market – credit risk and liquidity risk
- currency risk
- macroeconomic risks

The adoption of an asset allocation benchmark and the monitoring of performance relative to a performance target constrains the investment managers from deviating significantly from the intended approach, while permitting flexibility to manage the Fund in such a way to enhance returns.

The overall investment objective is to maximise investment returns and to minimise employer contributions over the long term within agreed risk tolerances.

The requirement is to move towards 100% funding over a period of time. The funding level is calculated triennially, following an actuarial review.



The Fund's assets are managed on an active basis (except the Global Passive Equity mandate) and are expected to outperform their benchmarks over the long term. In this way the investment performance achieved by the Fund is expected to exceed the rate of return assumed by the Actuary within the valuation.

The Fund's investment managers have been given weighted average benchmarks and targets to reflect their mandates. Both asset allocation and stock selection is monitored. The current targets for each mandate are as follows:-

| Portfolio                     | Portfolio Benchmark Index                                                                                                                                    | Portfolio Target                                          |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Traditional equity manager    | UK - FTSE All Share<br>US – FTSE All World<br>Europe – FTSE All World Europe<br>Far East – FTSE All World Developed Asia<br>Other Intl – MSCI Emerging Index | Composite Index<br>+1% pa over rolling<br>3 year period   |
| Global passive equity manager | FTSE A W All World                                                                                                                                           | Index                                                     |
| Global high alpha managers    | MSCI All Countries World Index                                                                                                                               | Index + 2% over<br>rolling 3 year period                  |
| Fixed Interest Manager        | UK Govn Bonds – FTS UK Govn All Stocks<br>UK Corporate – IBoxx GBP Non Gilts                                                                                 | Composite Index<br>+0.5% pa over rolling<br>3 year period |
| Property Manager              | CPI                                                                                                                                                          | Index +4.5%                                               |

Review of the investment managers is ongoing based on the quarterly and annual performance data supplied to the Panel by external performance management agencies.

The appointment of more than one investment manager introduces diversification of manager risk as discussed above.

Each manager is expected to maintain a diversified portfolio of investments and adhere to restrictions imposed within their agreement.

Fund Managers also have investment restrictions as follows:

|                             | Total Gov. Bond Expos. Min 30% Max 70% | Non Gov Exp min 30% max 70% | Over-seas Exp 30% limit | Max. Hold'g of 15% on pooled vehicles | Max. 10% in any one single hold'g | Max. of 10% held in cash | Max. of 5% held in cash | No single overs's equity exceed 5% of total value of fund | Max. holding of 25% in trust scheme | Max 25% in Emerg Markets | Max. holding of 25% in OEIC scheme | Max. 10% in any overseas holding (added jan 16) |
|-----------------------------|----------------------------------------|-----------------------------|-------------------------|---------------------------------------|-----------------------------------|--------------------------|-------------------------|-----------------------------------------------------------|-------------------------------------|--------------------------|------------------------------------|-------------------------------------------------|
| BMOGAM Bonds                | ●                                      | ●                           | ●                       | ●                                     |                                   |                          |                         |                                                           |                                     |                          |                                    |                                                 |
| Baillie Gifford Traditional |                                        |                             |                         |                                       | ●                                 | ●                        |                         | ●                                                         | ●                                   |                          |                                    |                                                 |
| Baillie Gifford High Alpha  |                                        |                             |                         |                                       | ●                                 | ●                        |                         |                                                           | ●                                   |                          |                                    |                                                 |
| Newton High Alpha           |                                        |                             |                         |                                       | ●                                 |                          |                         |                                                           | ●                                   | ●                        |                                    |                                                 |
| BlackRock Passive Equity    |                                        |                             |                         |                                       | ●                                 |                          |                         |                                                           | ●                                   |                          | ●                                  | ●                                               |
| Invesco UK Equity           | NO LIMITS AS POOLED FUND               |                             |                         |                                       |                                   |                          |                         |                                                           |                                     |                          |                                    |                                                 |
| Blackrock Passive Eqs       | NO LIMITS AS POOLED FUND               |                             |                         |                                       |                                   |                          |                         |                                                           |                                     |                          |                                    |                                                 |
| CBRE Property               |                                        |                             |                         |                                       | ●                                 |                          | ●                       |                                                           |                                     |                          |                                    |                                                 |

The performance of both markets and managers is reviewed regularly by the Investment Advisory Panel, which has the appropriate skills and training required to undertake this task. The Panel is also supported by Independent Advisors providing advice to enable the Panel to robustly fulfil its functions.

## 7. Approach to pooling investment, including the use of collective investment vehicles and shared services.

The Wales Pension Partnership (WPP) has appointed Link Fund Solutions Ltd (Link) to establish and run a collective investment vehicle for the sole use of the LGPS funds in Wales. This will enable the pooling of assets across a range of asset classes.

Link will establish and run an Authorised Contractual Scheme (a tax efficient UK collective investment vehicle) on behalf of the WPP. The ACS will have sub-funds in a range of asset classes that will meet the needs of the LGPS funds in Wales, to allow them to execute their differing asset allocation strategies.

With the support of Russell Investments, and in consultation with the eight individual LGPS funds, Link will begin the process of appointing a number of investment managers. The LGPS funds will retain full control over strategic asset allocation decisions. Northern Trust will have custodian duties.

By using fewer investment managers with larger mandates, it is expected that the WPP will deliver fee savings, one of the primary aims of Government policy. A summary of the pooling objectives of the WPP are:

- Generate consistent net of fee excess returns.
- Diversify manager risk.
- Reduce average manager fees.
- Achieve tax efficiency by reclaiming withholding tax on dividends (for non-UK equity sub-funds).
- Equitably share the costs of transitioning into sub-funds.

## 8. How social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.

The overriding principle of the Fund's investment policy is to obtain the best possible financial return using the full range of investments authorised under the Local Government Pension Scheme regulations.

Although the pursuit of a financial return is our predominant concern, where possible, the Fund is committed to include Responsible Investment factors (environmental, social and corporate governance factors) into the investment process. These non financial factors are considered to the extent that they are not detrimental to the Fund's investment returns.

The incorporation of these factors into investment managers' stock selection decisions should serve to enhance the process, rather than restrict choice in any way. The Fund does not negatively screen stocks from the investment universe available to managers.

The Fund requires its investment managers to integrate all material financial and non-financial factors, into the decision-making process for all investments.

Furthermore, it expects its managers to proactively engage, influence and promote good corporate governance in the companies and markets to which the Fund is exposed.

All of the Fund's investment managers are signed up to the United Nations Principles of Responsible Investment (UNPRI), which encourages asset owners and asset managers to incorporate environmental, social and governance (ESG) issues into investment analysis and decision making, be active owners, seek disclosure of ESG issues and promote the principles within the industry.

The six principles are:

- We will incorporate Environmental, Social and Governance issues into investment analysis and decision-making processes;
- We will be active owners and incorporate Environmental, Social and Governance issues into our ownership policies and practices;
- We will seek appropriate disclosures on Environmental, Social and Governance issues by the entities in which we invest;
- We will promote acceptance and implementation of the Principles within the investment industry;
- We will work together to enhance our effectiveness in implementing the Principles; and
- We will each report on our activities and progress towards implementing the Principles.

The Pension Fund is a member of the Local Authority Pension Fund Forum (LAPFF). LAPFF exists to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders while promoting corporate social responsibility and high standards of corporate governance among the companies in which they invest.

## 9. Exercise of Voting Rights attached to investments.

Long term investment interests are enhanced by the highest standards of corporate governance and corporate responsibility. Poor governance can negatively impact shareholder value.

This Fund recognises the importance of stewardship and engagement via the equity fund managers is exercised to exert a positive influence on companies.

All the Fund's active equity investment managers are expected to exercise their voting rights to promote good corporate governance and social and environmental responsibility.

The Fund has agreed a voting template which incorporates best practice governance guidelines. An independent voting agency is employed to monitor and compare the voting records of the managers against this template.

## 10. Myners Principles of Good Investment Guidance.

The Fund assesses and reviews its own compliance with the Myners Principles annually. The Fund has assessed itself to be fully compliant with the principles below:

Principle 1. Effective Decision Making

Principle 2. Clear Objectives

Principle 3. Risk and liabilities

Principle 4. Performance assessment

Principle 5. Responsible ownership

Principle 6. Transparency and reporting

## **Myners Investment Principles - Compliance Statement**

### **Principle 1. Effective Decision Making**

Administering authorities should ensure that:

- Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and
- Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.

■ Full compliance

### **Principle 2. Clear Objectives**

An overall investment objective(s) should be set out for the fund that takes account of the scheme's liabilities and the potential impact on local taxpayers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisors and investment managers.

■ Full compliance

### **Principle 3. Risk and liabilities**

In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities. These include the implications for local taxpayers, the strength of the covenant for participating employers, the risk of their default and longevity risk.

■ Full compliance

### **Principle 4. Performance assessment**

Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisors. Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members.

■ Full compliance

### **Principle 5. Responsible ownership**

#### **Administering authorities should :**

- Adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents
- Include a statement of their policy on responsible ownership in the statement of investment principles
- Report periodically to scheme members on the discharge of such responsibilities.

■ Full compliance

### **Principle 6. Transparency and reporting**

#### **Administering authorities should :**

- Act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives.
- Provide regular communication to scheme members in the form they consider most appropriate.

■ Full compliance

■ Vanessa Thomas

Accountant, Treasury and Pension Fund



# Accounts Report



## Fund Account

| 2017/18          |                                                                                     | 2018/19   |                  |
|------------------|-------------------------------------------------------------------------------------|-----------|------------------|
| £'000            |                                                                                     | £'000     | £'000            |
|                  | <b>Contributions</b>                                                                |           |                  |
| (93,945)         | Employer contributions                                                              | (98,732)  |                  |
| (26,052)         | Member contributions                                                                | (26,779)  |                  |
| <b>(119,997)</b> |                                                                                     |           | <b>(125,511)</b> |
|                  | <b>Transfers in from other pension funds</b>                                        |           |                  |
| (17,545)         | Group Transfers in from other schemes or funds                                      | (3,433)   |                  |
| (4,246)          | Individual Transfers from other schemes or funds                                    | (1,872)   |                  |
|                  |                                                                                     |           | <b>(5,305)</b>   |
| (2,960)          | <b>Other Income</b>                                                                 | (5,141)   |                  |
|                  |                                                                                     |           | <b>(5,141)</b>   |
| <b>(144,748)</b> |                                                                                     |           | <b>(135,957)</b> |
|                  | <b>Benefits</b>                                                                     |           |                  |
| 100,162          | Pensions                                                                            | 105,653   |                  |
| 16,736           | Commutation of pensions and lump sum retirement benefits                            | 20,068    |                  |
| 2,846            | Lump sum death benefits                                                             | 2,972     |                  |
| <b>119,744</b>   |                                                                                     |           | <b>128,693</b>   |
|                  | <b>Payments to and on account of leavers</b>                                        |           |                  |
| 221              | Refunds to members leaving scheme or fund                                           | 305       |                  |
| 37               | Payments to members joining state scheme or fund                                    | 9         |                  |
| 1,088            | Group transfers to other schemes                                                    | 5,168     |                  |
| 6,680            | Individual transfers to other schemes                                               | 9,111     |                  |
| <b>8,026</b>     |                                                                                     |           | <b>14,593</b>    |
| <b>127,770</b>   |                                                                                     |           | <b>143,286</b>   |
| (16,978)         | Net (Additions)/Withdrawals from Dealings with Members                              | 7,329     |                  |
|                  |                                                                                     |           | <b>7,329</b>     |
| 10,779           | Management expenses                                                                 | 11,039    |                  |
|                  |                                                                                     |           | <b>11,039</b>    |
| <b>(6,199)</b>   | <b>Net (Additions)/Withdrawals including Fund Management Expenses</b>               |           | <b>18,368</b>    |
|                  | <b>Investment Income</b>                                                            |           |                  |
| (36,566)         | Dividends from equities                                                             | (34,687)  |                  |
| (20,128)         | Income from bonds                                                                   | (24,111)  |                  |
| (2,944)          | Income from pooled investment vehicles                                              | (2,168)   |                  |
| (6,541)          | Income from pooled property investments                                             | (5,942)   |                  |
| (41)             | Interest on cash deposits                                                           | (160)     |                  |
| <b>(66,220)</b>  |                                                                                     |           | <b>(67,068)</b>  |
| (135,030)        | (Profits) and losses on disposal of investments and changes in value of investments | (204,694) |                  |
|                  |                                                                                     |           | <b>(204,694)</b> |
| 886              | Taxes on income                                                                     | 853       |                  |
|                  |                                                                                     |           | <b>853</b>       |



| 2017/18     |                                                                               | 2018/19 |             |
|-------------|-------------------------------------------------------------------------------|---------|-------------|
| £'000       |                                                                               | £'000   | £'000       |
| (200,364)   | Net returns on investments                                                    |         | (270,909)   |
| (206,563)   | Net ( Increase)/decrease in net assets available for benefits during the year |         | (252,541)   |
| (2,999,531) | Opening Net Assets                                                            |         | (3,206,094) |
| (3,206,094) | Closing Net Assets                                                            |         | (3,458,635) |

## Net Asset Statement

| 31/03/18         |                                                                              | 31/03/19  |                  |
|------------------|------------------------------------------------------------------------------|-----------|------------------|
| £'000            |                                                                              | £'000     | £'000            |
|                  | <b>Investment Assets</b>                                                     |           |                  |
| 1,973,190        | Equities                                                                     | 676,076   |                  |
| 581,747          | Bonds                                                                        | 843,928   |                  |
| 117,649          | Pooled Investment Vehicles - Open Ended investment companies                 | 273,082   |                  |
| 276,219          | Pooled Investment Vehicles - Managed funds                                   | 1,363,745 |                  |
| 167,831          | Pooled Property Investments                                                  | 260,851   |                  |
| <b>3,116,636</b> |                                                                              |           | <b>3,417,682</b> |
| <b>80,192</b>    | <b>Cash deposits</b>                                                         |           | <b>29,911</b>    |
|                  | <b>Other investment balances</b>                                             |           |                  |
| 6,331            | Accrued interest                                                             | 7,229     |                  |
| 7,093            | Investment debtors                                                           | 6,323     |                  |
| 1,871            | Tax recoverable                                                              | 1,887     |                  |
| <b>15,295</b>    |                                                                              |           | <b>15,439</b>    |
| <b>3,212,123</b> |                                                                              |           | <b>3,463,032</b> |
|                  | <b>Investment Liabilities</b>                                                |           |                  |
| (8,498)          | Investment creditors                                                         |           | (3,991)          |
| <b>0</b>         | Derivative contracts                                                         |           | <b>(2,397)</b>   |
| <b>3,203,625</b> | <b>Net Investment Assets</b>                                                 |           | <b>3,456,644</b> |
|                  | <b>Current Assets</b>                                                        |           |                  |
| 5,750            | Contributions due from employers and employees                               | 6,116     |                  |
| 479              | Other current assets                                                         | 458       |                  |
| <b>6,229</b>     |                                                                              |           | <b>6,574</b>     |
|                  | <b>Current Liabilities</b>                                                   |           |                  |
| (3,760)          | Current liabilities                                                          |           | (4,583)          |
| <b>3,206,094</b> | <b>Net assets of the scheme available to fund benefits at the period end</b> |           | <b>3,458,635</b> |

The accounts summarise the transactions of the scheme and deal with the net assets at the disposal of the trustees. They do not take into account obligations to pay pensions and benefits which fall due after the end of the scheme year.

A summary of the actuarial position of the scheme, which takes account of these obligations, is included in the Actuarial Valuation Report. These accounts should be read in conjunction with that report.

## Notes to the Pension Fund Accounts

### Introduction

These accounts have been prepared in accordance with the requirements of the CIPFA Code of Practice on Local Authority Accounting 2018/19 which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector. A more detailed Pension Fund Annual Report is available on request from the Director of Finance and Digital Services.

### Significant Accounting Policies

#### Accruals of Expenditure and Income

Where material, accruals are made for employee and employer contributions, investment income, benefits paid, administration costs, investment management fees and advisors fees. Transfer values are accounted for on a cash basis, with the exception of material group transfers, which are accounted for during the year of effective date of transfer or the year in which the actuary values the transfer, if later.

#### Investment Valuation of Financial Instruments

In terms of "Fair Value", all investments have quoted prices in active markets, with the exception of Pooled Investment Vehicles managed by the WPP and Pooled Property Funds.

Listed securities are valued in accordance with IAS 39 – Financial Instruments, using bid prices as at 31st March 2019 obtained from recognised Stock Exchanges.

Fixed interest securities are valued "clean", excluding accrued interest. Sterling valuations of securities denominated in foreign currencies are based on closing exchange rates as at 31st March 2019.

Pooled Investment Vehicles managed by the WPP are valued using net asset values provided by Link, the WPP operator. These are reported at the closing single price.

Pooled Property Funds are valued by Fund Managers using reliable valuation techniques to determine Fair Value. Property valuations are represented by unit prices, based on underlying independent professional valuations. No assets require significant judgements or assumptions to determine Fair Value.

#### Additional Voluntary Contributions (AVC's)

Scheme members may elect to make additional voluntary pension contributions from their salaries. These AVCs are not included in the Pension Fund accounts in accordance with regulation 5(2)(b) of the Pension Scheme (Management and Investment of Funds) Regulations 2016.

The amount of AVCs paid by members during the year amounted to £1,230k (£1,245k in 2017/18) and the market value of separately invested AVCs at the Balance Sheet date was £8,169k (£7,604k in 2017/18). There are two AVC providers.

#### Acquisition and Disposal Costs

Transaction costs incurred in acquiring or disposing of investments are included as part of the purchase cost or netted off against sales proceeds, as appropriate.

Transaction costs include fees, commissions and duties. Transaction costs incurred during 2018/19 amounted to £1.74m (£0.7m in 2017/18).

In addition to the direct costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

### Taxation

As a registered public service scheme the Pension Fund is exempt from UK income tax and capital gains tax. Overseas investment income incurs withholding tax in the country of origin unless exemption is granted.

Irrecoverable tax is accounted for as an expense in the Fund Account, with any recoverable tax shown as an asset in the Net Assets Statement.

There is a small liability to income tax on refunds of contributions and compounded pensions (small pensions converted into lump sums). These amounts are paid to HMRC on a quarterly basis.

VAT is recoverable on all activities, so the accounts are shown exclusive of VAT.

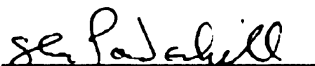
## Statement of Responsibilities for the Pension Fund Accounts

### Rhondda Cynon Taf County Borough Council's Responsibilities

The Council is required:

- To make arrangements for the proper administration of the Pension Fund's financial affairs and to ensure one of its Officers has the responsibility for the administration of those affairs. In the Council, that Officer is the Director of Finance and Digital Services.
- To manage the Pension Fund's affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Pension Fund Accounts.

I confirm that these accounts were approved by Council on:

Signature  Date 31.7.2019

### The Director of Finance and Digital Services' Responsibilities

The Director is responsible for the preparation of the Pension Fund Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, is required to present a true and fair view of the financial position of the Pension Fund at the accounting date and its income and expenditure for the year.

In preparing the Pension Fund Accounts, the Director has:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the code.

The Director has also throughout the financial year:

- Maintained proper accounting records that were kept up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Certificate of the Director of Finance and Digital Services on the Accounts of Rhondda Cynon Taf Pension Fund for 2018/19

I certify that the accounts present a true and fair view of the financial position of Rhondda Cynon Taf Pension Fund as at 31st March 2019 and its income and expenditure for the year.



Barrie Davies

Director of Finance and Digital Services



## Contributions

### Employers' Contributions

Employers' contribution rates are determined by the Fund's actuary so as to maintain the fund in a state of solvency, having regard to existing and prospective liabilities. Valuations of the Fund's assets and liabilities for this purpose are carried out every three years. The latest valuation was carried out as at 31st March 2016 and the results were implemented from 1st April 2017.

### Employees' Contributions

Employee contributions are tiered, so that higher earners pay a greater percentage of their salary into the scheme. The bands for the year 2018/2019 were:

| Full Time Equivalent Pay           | Contribution Rate |
|------------------------------------|-------------------|
| Up to £14,100                      | 5.5%              |
| More than £14,101, up to £22,000   | 5.8%              |
| More than £22,001, up to £35,700   | 6.5%              |
| More than £35,701, up to £45,200   | 6.8%              |
| More than £45,201, up to £63,100   | 8.5%              |
| More than £63,101, up to £89,400   | 9.9%              |
| More than £89,401, up to £105,200  | 10.5%             |
| More than £105,201, up to £157,800 | 11.4%             |
| More than £157,801                 | 12.5%             |



From 1st April 2014 there is a 50/50 option which allows members to pay half the normal rate of contributions shown above, and build up pension at half the normal rate.

## Contributions Receivable and Benefits Payable

Contributions received and benefits paid are shown in the table below:

| Type of Body  | Member Contributions |                  | Employer Contributions |                  | Pensions, Lump Sums and Death Benefits |                  |
|---------------|----------------------|------------------|------------------------|------------------|----------------------------------------|------------------|
|               | 2017/18<br>£'000     | 2018/19<br>£'000 | 2017/18<br>£'000       | 2018/19<br>£'000 | 2017/18<br>£'000                       | 2018/19<br>£'000 |
| Administering | 8,197                | 8,480            | 33,402                 | 35,181           | 31,034                                 | 35,904           |
| Admitted      | 3,442                | 3,518            | 13,907                 | 15,078           | 13,776                                 | 13,706           |
| Scheduled     | 14,413               | 14,781           | 46,636                 | 48,473           | 74,934                                 | 79,083           |
| <b>Total</b>  | <b>26,052</b>        | <b>26,779</b>    | <b>93,945</b>          | <b>98,732</b>    | <b>119,744</b>                         | <b>128,693</b>   |

Included in employer contributions are £9,790k of deficit funding contributions (£9,649k in 2017/18). There are no augmented contributions.

## Contributions Received From Employers

|                                           | Employers Contributions (£) | Employee Contributions (£) |
|-------------------------------------------|-----------------------------|----------------------------|
| Agored Cymru                              | 22,473.68                   | 5,092.45                   |
| Amgen Cymru (Cynon)                       | 184,222.79                  | 76,613.88                  |
| Awen Cultural Trust                       | 291,535.61                  | 103,636.51                 |
| Bedlinog Community Council                | 249.53                      | 70.75                      |
| Brackla Community Council                 | 8,530.20                    | 2,812.01                   |
| Bridgend College                          | 1,181,585.14                | 396,290.81                 |
| Bridgend County Borough Council           | 15,540,768.65               | 4,450,783.16               |
| Capita Glamorgan Consultancy              | 0.00                        | 38,694.43                  |
| Careers Wales                             | 1,004,342.63                | 146,534.96                 |
| Careers Wales Association                 | 19,436.94                   | 5,903.78                   |
| Central South Consortium                  | 367,047.43                  | 267,888.53                 |
| Chief Constable South Wales               | 11,519,406.96               | 4,076,860.04               |
| Coity Higher Community Council            | 2,125.57                    | 602.74                     |
| Coleg Y Cymoedd                           | 1,514,420.40                | 485,744.78                 |
| Coychurch Crematorium                     | 46,937.77                   | 13,384.88                  |
| DBW FM Ltd                                | 520,714.92                  | 171,545.18                 |
| Development Bank of Wales Plc             | 204,646.73                  | 46,811.17                  |
| Drive Ltd                                 | 32,877.18                   | 11,992.97                  |
| Garw Valley Community Council             | 6,196.95                    | 1,290.61                   |
| Gelligaer Community Council               | 3,613.44                    | 1,108.92                   |
| Halo Leisure Services Ltd                 | 44,970.19                   | 66,385.72                  |
| Hirwaun & Penderyn Community Council      | 6,245.99                    | 2,293.89                   |
| KGB Cleaning Ltd                          | 3,353.39                    | 747.60                     |
| Llanharan Community Council               | 2,315.77                    | 656.55                     |
| Llantrisant Community Council             | 17,840.10                   | 4,679.40                   |
| Llantwit Fardre Community Council         | 13,681.74                   | 3,208.73                   |
| Llwydcoed Crematorium                     | 27,365.34                   | 7,065.44                   |
| Local Government Data Unit                | 68,822.88                   | 56,663.61                  |
| Maesteg Town Council                      | 7,581.07                    | 2,274.54                   |
| Merthyr Tydfil College                    | 409,577.86                  | 137,208.60                 |
| Merthyr Tydfil County Borough Council     | 9,303,739.07                | 2,030,145.82               |
| Merthyr Tydfil Institute for the Blind    | 28,995.99                   | 5,774.14                   |
| Merthyr Tydfil Leisure Trust              | 195,565.61                  | 89,257.05                  |
| Merthyr Valley Homes                      | 435,351.17                  | 346,933.16                 |
| Police & Crime Commissioner               | 166,646.85                  | 79,099.07                  |
| Pontyclun Community Council               | 13,637.38                   | 3,759.52                   |
| Pontypridd Town Council                   | 83,763.27                   | 19,070.32                  |
| Rhondda Cynon Taff County Borough Council | 35,180,832.42               | 8,480,283.17               |
| Royal Welsh College of Music & Drama      | 436,706.88                  | 163,517.50                 |
| Social Care Wales                         | 980,700.68                  | 245,180.83                 |
| South Wales Fire Authority                | 1,593,261.61                | 533,212.72                 |
| South Wales Valuation Tribunal            | 31,852.45                   | 8,350.00                   |
| St Brides Minor Community Council         | 1,720.64                    | 487.69                     |
| Tonyrefail Community Council              | 28,223.63                   | 7,974.53                   |
| Trivallis                                 | 1,597,647.27                | 766,541.46                 |
| University of South Wales                 | 5,964,642.96                | 2,007,564.60               |
| Valleys to Coast Housing                  | 373,058.86                  | 138,694.94                 |
| Welsh Assembly Government                 | 6,239,348.19                | 643,516.18                 |
| WJEC                                      | 3,004,528.36                | 623,742.36                 |
| Ynysawdre Community Council               | 2,041.08                    | 578.61                     |
| <b>Total</b>                              | <b>98,735,151.22</b>        | <b>26,778,530.31</b>       |

Over 99.77% of contributions, in monetary terms, were received on time. Contributions were received late on 19 occasions. Contributions received are monitored on a monthly basis and employers contacted if statutory deadlines are missed.

## Management Expenses

The management expenses borne by the Fund in 2018/19 are set out below:

|                                | 2017/18<br>£'000 | 2018/19<br>£'000 |
|--------------------------------|------------------|------------------|
| Administrative Costs           | 1,828            | 1,839            |
| Investment Management Expenses | 8,642            | 8,973            |
| Oversight and Governance Costs | 309              | 227              |
| <b>Total</b>                   | <b>10,779</b>    | <b>11,039</b>    |

Investment management expenses represent 0.26% (0.27% in 2017/18) of the value of the Pension Fund as at 31st March 2019.

2018/19 Audit Fees of £39k are included in Oversight and Governance Costs (£39k in 2017/18).

The investment management expenses borne by the Fund in 2018/19 are set out below:

|                          | 2017/18<br>£'000 | 2018/19<br>£'000 |
|--------------------------|------------------|------------------|
| Management Fees          | 6,265            | 6,843            |
| Performance Related Fees | 1,452            | 0                |
| Custody Fees             | 201              | 390              |
| Transaction Costs        | 724              | 1,740            |
| <b>Total</b>             | <b>8,642</b>     | <b>8,973</b>     |

In addition to these costs, indirect costs are incurred. These are reflected in the net asset value (NAV) of the pooled units. Transition costs of moving from the segregated high alpha equity managers into the WPP during January 2019 amounted to £5,443k, reflected in the NAV.

Included in the management expenses above, is the cost of the Fund's involvement in the WPP collective investment pooling arrangement, as set out below:

|                                    | 2017/18<br>£'000 | 2018/19<br>£'000 |
|------------------------------------|------------------|------------------|
| WPP Oversight and Governance Costs |                  |                  |
| Set up Costs                       | 78               | 33               |
| Host Authority Costs               | 0                | 20               |
| WPP Investment Management Expenses |                  |                  |
| Fund Manager Fees                  | 0                | 733              |
| Custody Fees                       | 0                | 114              |
| <b>Total</b>                       | <b>78</b>        | <b>900</b>       |



## Transactions with Related Parties

In the course of fulfilling its role as Administering Authority to the Fund, Rhondda Cynon Taf CBC provided services to the Fund for which it charged £1.5m (£1.6m in 2017/18). These costs are mainly in respect of those staff employed in ensuring that the pension service is delivered.

At the year-end, contributions outstanding from the Employing Bodies in the Fund amounted to £6.1m (£5.8m in 2017/18), of which £4.7m related to employer contributions and £1.4m to employee contributions.

There are members of the Pension Fund Investment and Administration Advisory Panel, the Pensions Board and the Pension Fund Committee who are also members of the Rhondda Cynon Taf Pension Fund.

The administration of the Rhondda Cynon Taf Pension Fund is a function of full Council, with responsibility for day to day decisions being delegated to the Group Director, Corporate and Frontline Services up to 10th March 2019 and from 11th March 2019, delegated to the Director of Finance and Digital Services. As such, the postholders are required to declare any interests with related parties. The disclosure can be found in the Statement of Accounts of Rhondda Cynon Taf County Borough Council.

The Committee Members and Senior Officers that advise the Committee are required to declare their interest at each meeting.

Officer remuneration and Members allowances can be found in the Statement of Accounts of Rhondda Cynon Taf County Borough Council.

## Contingent Liabilities

There is a contingent liability of £836k (£555k in 2017/18) in respect of refundable contributions for leavers who have not yet claimed refunds.

## Group Transfers

The Fund transferred £5.2m to Cardiff and Vale of Glamorgan Pension Fund in respect of regional regulatory joint working.



## Audit Opinion

### The independent auditor's statement of the Auditor General for Wales to the members of Rhondda Cynon Taf Pension Fund on the Annual Report

I have examined the pension fund accounts and related notes contained in the 31 March 2019 Annual Report of Rhondda Cynon Taf Pension Fund to establish whether they are consistent, in all material respects, with the pension fund accounts and related notes included in the Statement of Accounts produced by Rhondda Cynon Taf Pension Fund for the year ended 31 March 2019 which were authorised for issue on 31 July 2019. The pension fund accounts comprise the Fund Account and the Net Assets Statement.

## Opinion

In my opinion the pension fund accounts and related notes included in the Annual Report of Rhondda Cynon Taf Pension Fund are consistent, in all material respects, with the pension fund accounts and related notes included in the Statement of Accounts produced by Rhondda Cynon Taf Pension Fund for the year ended 31 March 2019 which were authorised for issue on 31 July 2019 on which I issued an unqualified opinion.

I have not considered the effects of any events between the date on which I issued my opinion on the pension fund accounts included in the pension fund's Statement of Accounts, 31 July 2019 and the date of this statement.

### Respective responsibilities of the Administering Authority and the Auditor General for Wales

The Administering Authority, Rhondda Cynon Taf county Borough Council, is responsible for preparing the Annual Report. My responsibility is to report my opinion on whether the pension fund accounts and related notes contained in the Annual Report are consistent, in all material respects, with the pension fund accounts and related notes included in the Statement of Accounts of the Pension Fund. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the pension fund accounts. This other information comprises the Chairman's Foreword, Introduction, Summary, Administration Report, Investment Report, Actuary's Report, Communications Report and Pension Fund Governance.



Anthony J Barrett  
For and on behalf of the  
Auditor General for Wales  
12th November 2019

24 Cathedral Road  
Cardiff  
CF11 9LJ

The maintenance and integrity of the Rhondda Cynon Taf Pension Fund website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

# Actuary's Report



## Introduction

The Scheme Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the Rhondda Cynon Taf County Borough Council Pension Fund (the Fund) is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2016 by Aon, in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.

## Actuarial Position

1. The valuation as at 31 March 2016 showed that the funding ratio of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2016 (of £2,485.4M) covering 81% of the liabilities allowing, in the case of pre- 1 April 2014 membership for current contributors to the Fund, for future increases in pensionable pay.
2. The valuation also showed that the aggregate level of contributions required to be paid by participating employers with effect from 1 April 2017 is:
  - 17.1% of pensionable pay. This is the rate calculated as being sufficient, together with contributions paid by members, to meet the liabilities arising in respect of service after the valuation date, (the primary rate)

Plus

- Monetary amounts to restore the assets to 100% of the liabilities in respect of service prior to the valuation date over a recovery period of 22 years from 1 April 2017 (the secondary rate), equivalent to 7.2% of pensionable pay (or £30.3M in 2017/18, and increasing by 3.25% p.a. thereafter).

3. In practice, each individual employer's or group of employers' position is assessed separately and contributions are set out in Aon's report dated 31 March 2017 (the "actuarial valuation report"). In addition to the contributions shown above, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.
4. The funding plan adopted in assessing the contributions for each individual employer or group is in accordance with the Funding Strategy Statement. Different approaches adopted in implementing contribution increases and individual employers' recovery periods were agreed with the administering authority reflecting the employers' circumstances.
5. The valuation was carried out using the projected unit actuarial method for most employers and the financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows.

| Discount rate for periods in Service                                               |            |
|------------------------------------------------------------------------------------|------------|
| Scheduled body / subsumption funding target                                        | 4.50% p.a. |
| Transitional funding target                                                        | 4.10% p.a. |
| Orphan body funding target                                                         | 4.10% p.a. |
| Already orphaned liabilities                                                       | 2.10% p.a. |
| Discount rate for periods after leaving service                                    |            |
| Scheduled body / subsumption funding target                                        | 4.50% p.a. |
| Transitional funding target                                                        | 4.10% p.a. |
| Orphan body funding target                                                         | 2.50% p.a. |
| Already orphaned liabilities                                                       | 2.10% p.a. |
| Rate of pay increases                                                              | 3.25% p.a. |
| Rate of increase to pension accounts                                               | 2.00% p.a. |
| Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension) | 2.00% p.a. |

The assets were valued at market value.

Further details of the assumptions adopted for the valuation, including the demographic assumptions, are set out in the actuarial valuation report.

6. The valuation results summarised above are based on the financial position and market levels at the valuation date, 31 March 2016. As such the results do not make allowance for changes which have occurred subsequent to the valuation date.
7. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2017 to 31 March 2020 were signed on 31 March 2017. Other than as permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2019 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.
8. Since the date the valuation report was signed, there have been a number of developments in respect of the Local Government Pension Scheme (LGPS):
  - **Increases to GMPs:**

HM Treasury, in its response to the consultation on indexation and equalisation of GMPs in public sector schemes, announced an extension of the indexation of GMPs to those reaching State Pension Age on or before 5 April 2021 (previously 5 December 2018). This extension period was not allowed for in the valuation results as the actuarial valuation report was signed off in advance of this announcement, but the increase in liability is not expected to be material. In addition, on 26 October 2018 the High Court ruled in the Lloyds Banking Group case that schemes are required to equalise male and female members' benefit for the effect of unequal GMPs. Our understanding is that this will not alter HM Treasury's approach to GMP equalisation in the LGPS.
  - **Cost Management Process and McCloud judgement:**

Legislation requires HM Treasury and the LGPS Advisory Board to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. Initial results from the Scheme Advisory Board process indicated that benefit improvements / member contribution reductions would be required. However, the cost management process has been paused following the Court of Appeal ruling that the transitional arrangements in both the Judges' Pension Scheme (McCloud) and Firefighters' Pension Scheme (Sargeant) were age discriminatory; these cases could have implications for the LGPS (potentially increasing the liabilities) which also had transitional arrangements when the new scheme was introduced with effect from April 2014.
9. The actuarial valuation of the Fund as at 31 March 2019 is currently underway and the Regulations require the formal report on the valuation and the Rates and Adjustments Certificate setting out employer contributions commencing from 1 April 2020 to be signed off by 31 March 2020. Asset values have increased in value since 2016, on its own leading to an improvement in the funding level due to higher than assumed investment returns. Liability values and employer contributions, as well as being affected by the items listed in paragraph 8 above, will depend upon membership factors, changes to expectations of future returns and other assumptions (including allowance for recent longevity assumption changes) and any changes to funding strategy made as part of the 2019 valuation.
10. This Statement has been prepared by the current Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2016. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.
11. The actuarial valuation report will be available on the Fund's website at the following address:

<http://www.rctpensions.org.uk/En/GovernanceandInvestments/AnnualReports.aspx>

**Aon Hewitt Limited**

June 2019



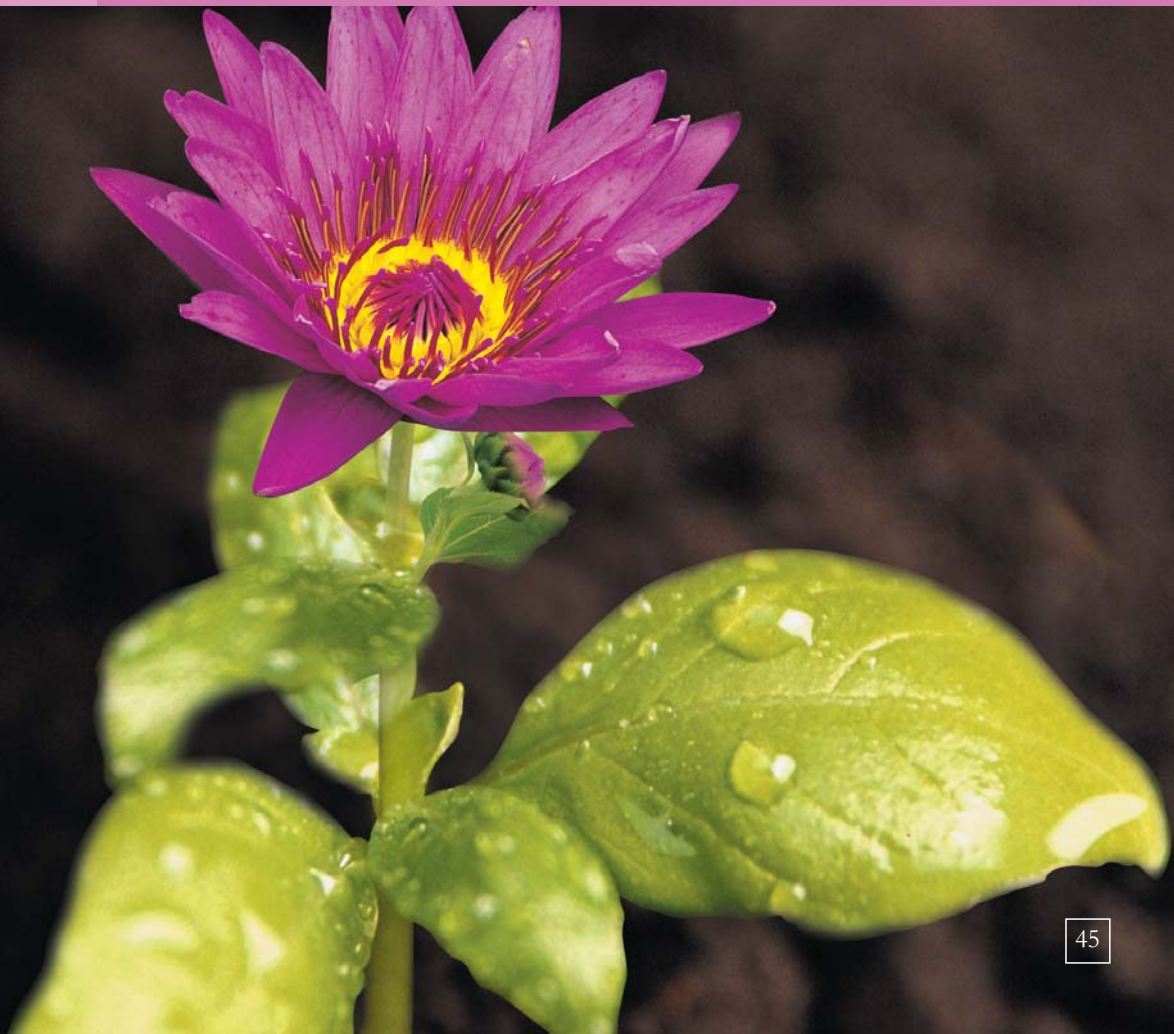
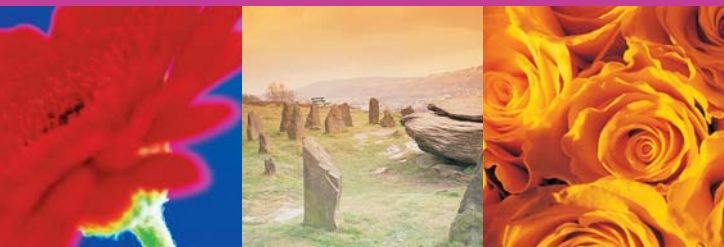




■ Catherine Black  
Senior Team Manager



# Communication Report



## Annual Meetings

The 2018 Annual General Meeting was held in November with representatives from our major fund employers attending. Presentations covered Legislative Updates, Pension Fund Performance, Data Quality by the Pensions Regulator, and an Actuarial update.

## Helpdesk

Our Helpdesk continues to assist with pension queries and calls can be made between the hours of 9 a.m. to 5 p.m. Monday to Friday.

You can contact the Helpdesk on **01443 680 611**

## Website

The Pension Fund website is a useful tool in our communication strategy and allows us to provide information about the Fund and the LGPS to our members and prospective members. It contains information for existing and previous members as well as pensioners. All Wales Factsheets, LGA Factsheets, commonly used forms and our governance documents are all up-loaded to the site, as well as minutes of meetings of the Local Pension Board meetings.

A dedicated General Data Protection Regulation page has been added to the website which contains the Funds Privacy Statement and Memorandum of Understanding. The website is reviewed and updated when changes to legislation are implemented.

The Helpdesk regularly refers members to the web-site to download forms or to get information.

Our Fund Employers have a specific section of the RCT website with relevant staff having their own unique log-in details. This section of the website includes all the necessary forms and documents required for the administration of members benefits e.g. new starter forms, termination forms etc

The website can be viewed at [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

## Presentations

The Communications Team is happy to provide presentations as required, either to provide members with information regarding the scheme and their pension benefits or to educate employers on the administration requirements of the scheme.

## Annual Benefit Statements

In line with regulations the Fund issues Annual Benefit Statements to all active and deferred members. The statements for the 2018/2019 scheme year were issued within the deadline required by the scheme regulations and complied with Scheme Advisory Board Guidance.

## Home Visits

In cases of Serious Ill Health, a representative of the Pension Section will attend a home visit in conjunction with Human Resource representatives if appropriate.

## Electronic Communications

Member Self Service (My Pension On-line) is available to all the Funds active, deferred and pensioner members. The facility allows members to be able to view and change some of their personal details and deferred and active members can run estimates of future pension benefits.

We continue to encourage communication to and from the Pensions section electronically and continually work to ensure that data being sent or received from our Fund employers is secure.

The Fund has also introduced an electronic data transfer system with some employers this year which allows member data and pay information to be uploaded directly into our Pension software. Going forward we will be rolling this facility out to all employers.

## LGPS 2014

The Local Government Pension Scheme Regulations 2013 were laid before Parliament on 19th September 2013 which outlined the structure of the LGPS from 1st April 2014.

- Benefits are based on Career Average Re-valued Earnings (CARE)
- Accrual rate of 1/49th
- Definition of pensionable pay to include non- contractual overtime
- Introduction of a new 50/50 option where members can pay less for short periods of time and build up pension at half the rate they would normally
- Increased contribution rates for higher earners
- Normal Pension Age linked to State Pension Age

Benefits from membership in the scheme prior to April 2014 will maintain a final salary link with a members final salary (based on the pensionable pay definition in force before April 2014) being determined when they leave the scheme.

The RCT Pension Fund website includes a link to [www.lgpsmember.org](http://www.lgpsmember.org) which has been set up and maintained by the Local Government Association as a central source of information and includes various calculators which members can use.

The Communication and Administration Teams continually review our processes and correspondence to ensure that the Fund is compliant with the regulations, that the details we receive from employers when members join or leave the fund include the information required and that our members fully understand how their benefits are calculated. We have maintained our communications with our contributing employers so that they are kept up to date with changes to the LGPS and any other relevant technical changes.

## Cost of Living Increases

Pensions payable to members who retire on health grounds and to members' spouses and children are increased annually in line with the Consumer Price Index (CPI), as at 30th September from the preceding year.

Pensions payable to other members who have reached the age of 55 also benefit from annual inflation proofing.

The end of contracting out has led to changes in who has the responsibility for increasing any pension which includes an entitlement to a Guaranteed Minimum Pension (GMP) (relating to membership up to 5th April 1997). Prior to 2016 some or all of the statutory inflation proofing was provided by the Department of Work and Pensions. Since April 2016 the Fund will now be responsible for the full pension increases on any GMP benefits for members with a state pension date before 5th April 2021.

**The 2018/2019 increase was 2.4%.**

# Pension Fund Governance

Administering authorities must ensure that existing governance arrangements are maintained and developed to help support the decision making process.

The Governance arrangements for the Rhondda Cynon Taf Pension Fund are summarised and clarified in a number of key documents that relate to the effective stewardship of the Fund.

- An overarching Governance Statement of Compliance that indicates the Fund's position against the Government's best practice standards
- A Governance Policy Statement which provides an overview of the management structure, decision making and employer engagements within the scheme
- We are committed to providing a comprehensive communication and information service to participating employers and members of the pension scheme and services we provide can be found in our Communications Policy Statement.

- A Pension Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements
- The Investment Strategy Statement which shows, in detail how we manage the Fund's investments.
- The Funding Strategy which provides a summary of how we will fund our pension liabilities and includes an overview of how any risks to the fund are identified, managed and reviewed.

**These documents are reviewed annually, apart from the Funding Strategy Statement which is reviewed every three years, and the latest versions can be found under the Governance & Investment section of our pension website, or alternatively, please contact our Pension Helpdesk for a copy.**

**The 2016 Valuation Report which explains the assumptions data and the results of the latest valuation exercise is available in the Employers Section of the website.**

# Local Pension Board

In accordance with the Public Services Pensions Act 2013 the Pension Fund was required to appoint, by 1st April 2015, a Local Pension Board to assist Rhondda Cynon Taf County Borough Council Administering Authority as 'Scheme Manger' in -

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed, in relation to the LGPS, by the Pensions Regulator; and
- Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager

## Membership of the Pension Board

The Pension Board consists of 4 members and is constituted as two employer representatives and two member representatives:

### Employer Representatives:

Responsible for representing all the Fund Employers (Scheduled, Designated, and Admitted Bodies)

- Professor Hugh Coombs (Chair), University of South Wales
- Mr David Francis, Coleg Y Cymoedd

### Member Representatives:

Responsible for representing all Scheme Members (Active, Deferred, and Pensioner Members)

- Mr Rob Whiles, Pensioner
- Mrs Angela Pring, Active Member and Trade Union (Unison) representative

## Role of the Pension Board

The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme. Within this extent, the Board will consider areas including, but not restricted to:

- Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Pension Regulators Code of Practice.
- Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Pension Regulators Code of Practice.

The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent, the Board will consider areas including but not restricted to:

- Assist with the development of improved customer services.
- Monitor performance of administration, governance and investments against key performance targets and indicators.
- Monitor internal and external audit reports.
- Review the outcome of actuarial reporting and valuations.

## Chairman's Update

This statement represents my fourth update on the activities of the Pension Board and covers the period of this Annual Report.

In accordance with the Public Service Pensions Act 2013 the Pension Board's role is to assist the Administering Authority in:-

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed in relation to the LGPS by the Pension Regulator; and,
- Ensuring the effective and efficient governance and administration of the LGPS by the scheme manager.

The Pension Board has no decision making powers.

The Board met four times during the financial year 2018/19. A number of members also attended the Annual General Meeting of the Fund for the previous financial year's annual report. All Board meetings were quorate and, indeed, had a 100% attendance from all members. An innovation this financial year, following an invitation from the Chair of the Pension Committee, was a joint meeting between the Pension Board and the Pension Committee held in March 2019. Amongst other things this meeting discussed various strategy documents. As Chair of the Pension Board I also met separately with the Chair of the Pension Committee to discuss a number of relevant issues. Both these developments demonstrate the positive relationship between the Pension Board and Pension Committee.

In the interests of the Board's activities being transparent the agendas and minutes for the Pension Board's meetings are available on the Pension Fund's website. Minutes are published initially in draft after each meeting. They are then subsequently approved by the Board at its next meeting.

In undertaking its remit the Pension Board reviews a wide range of the Pension Fund's activities with regular areas of discussion including such items as supporting risk monitoring arrangements, fund investment performance, fees and charges, compliance with statutory legislation, the Pension Regulator 'Code of Practice' requirements and monitoring administrative performance. The Board pays particular attention to monitoring the achievement of relevant deadlines for specific activities (e.g. issuing the Annual Benefit Statements by the due date). This year's agenda continued the practice of previous years of monitoring the progress of the all Wales Pension Pool. This activity, in addition to monitoring the progress of the Pool against defined objectives and deadlines, and covered such items as monitoring the development of the Pool's governance arrangements. These governance arrangements for the Pool are continuing to evolve and a number of positive developments took place over the last financial year in these respects. These arrangements will continue to evolve.

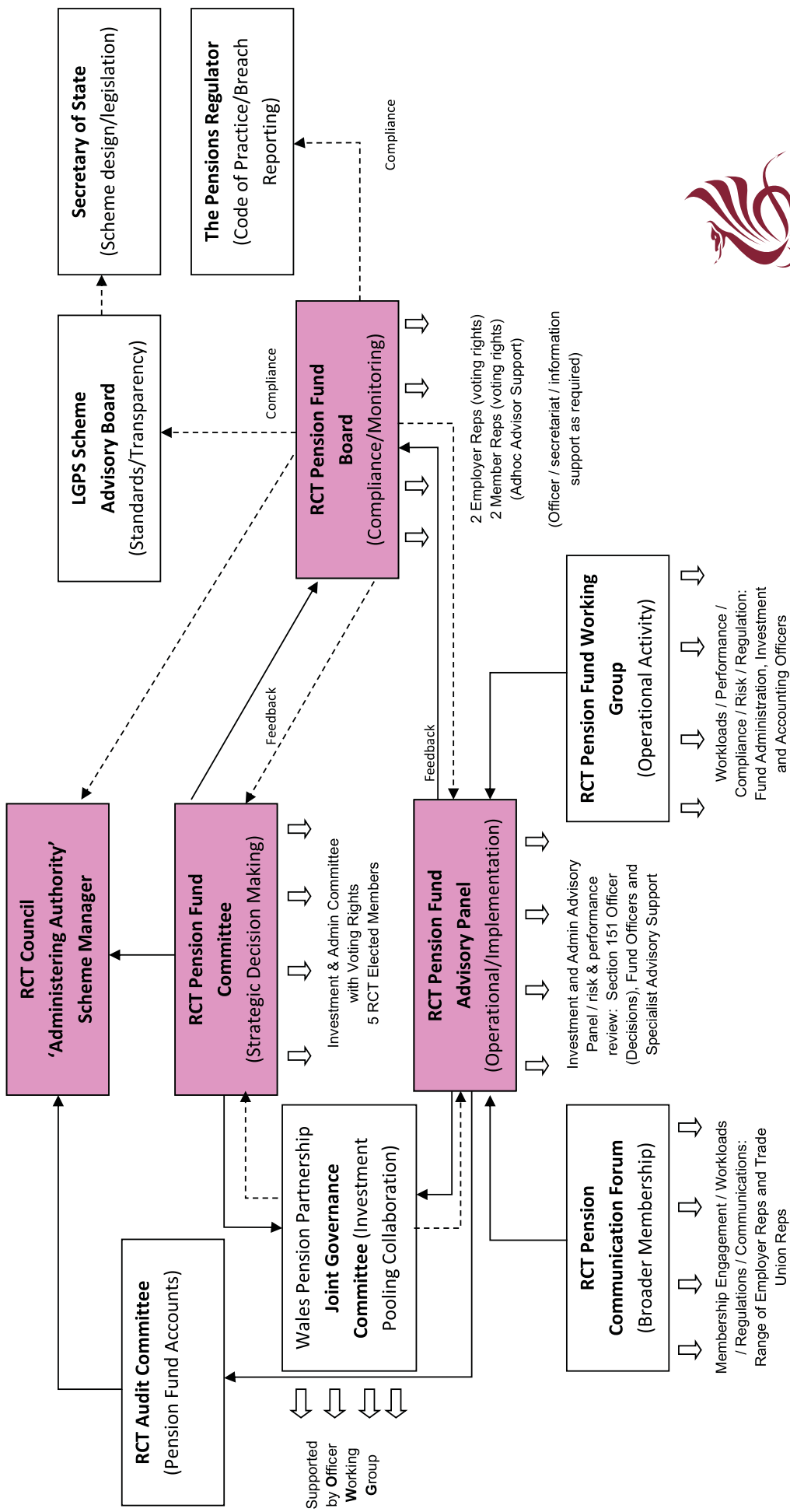
As with previous years, the Pension Board is being requested to respond to numerous surveys from various bodies on the activities of the Fund, the development of the governance of pension funds and the understanding of the Pension Board members of such activities.

Finally, members of the Pension Board attended regular training to ensure they are kept up to date with developments in what is becoming an increasingly complex and demanding field. A record of all such training is kept for each member. In addition, in relation to such training, processes are in place to disseminate the outcomes of any such individual training to all Board members and, as appropriate, within the Administering Authority.

**Professor Hugh Coombs, Chairman, RCT Pension Board**



## Rhondda Cynon Taf Pension Fund Governance Structure 2018



## Pension Governance Attendance 2018/2019

This table shows the attendance at meetings during the year

|                  | Investment and Administration Panel<br>(Total meetings held = 4) | Pension Fund Working Group<br>(Total meetings held = 4) | Pension Fund Communications Forum<br>(Total meetings held = 2) | Pension Fund Discretion Panel<br>(Total meetings held = 0) |
|------------------|------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------|
| Chris Lee        | 4                                                                | -                                                       | -                                                              | -                                                          |
| Barrie Davies    | 3                                                                | 4                                                       | 1                                                              | -                                                          |
| Ian Traylor      | 4                                                                | 4                                                       | 2                                                              | 0                                                          |
| Stephanie Davies | 4                                                                | 4                                                       | -                                                              | 0                                                          |
| Yvonne Keitch    | 4                                                                | 4                                                       | 2                                                              | -                                                          |
| Vanessa Thomas   | 3                                                                | 4                                                       | -                                                              | -                                                          |
| Denise Stone     | -                                                                | 4                                                       | -                                                              | -                                                          |
| Catherine Black  | -                                                                | 3                                                       | 2                                                              | -                                                          |

## Knowledge and Skills

To identify the skills required by decision makers for the Local Government Pension Scheme CIPFA have developed a knowledge and skills framework which the Fund have adopted to ensure all panel and working group members have the required level of knowledge. The core requirements are

- Pensions legislative and governance context
- Pensions accounting and auditing standards
- Financial services procurement and relationship management
- Investment performance and risk management
- Financial markets and products knowledge
- Actuarial methods, standards and practices

Members of panels and working groups for the Rhondda Cynon Taf Fund regularly attend training sessions to ensure a full understanding of the Local Government Pension Scheme, including legislation, scheme benefits, investment strategy, actuarial methods and pensions accounting.





The table below outlines the training received during the year

| Audience                                                                                                                          | Area of Framework                                                              | Delivered by                                                 | Date                       |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------|
| Group Director, Corporate and Frontline Services, Director of Financial Services and Principal Accountant Treasury & Pension Fund | Financial Markets and Products Knowledge                                       | All Wales Collaboration Meetings –Transitioning to sub funds | April 2018 – March 2019    |
| Principal Accountant Treasury & Pension Fund                                                                                      | Financial Markets and Products Knowledge                                       | Cross Pool Responsible Investment Working Group              | 2nd May 2018               |
| Principal Accountant Treasury & Pension Fund                                                                                      | Pensions Legislative and Governance Context – Socially Responsible Investments | Cross Pool Responsible Investment Working Group              | 2nd May 2018               |
| Head of Service Pensions, Payroll and Payments, Pensions Service Manager                                                          | Pensions Legislative and Governance Context                                    | GAD                                                          | 7th June 2018              |
| Pensions Service Manager and Senior Team Manager (Pensions)                                                                       | Pensions Legislative and Governance Context                                    | Pensions Officer Group                                       | 14th June 2018             |
| Head of Service Pensions, Payroll and Payments, Pensions Service Manager, Senior Team Manager (Pensions)                          | Pensions Legislative and Governance Context                                    | Aon Hewitt                                                   | 28th June 2018             |
| Principal Accountant Treasury & Pension Fund                                                                                      | Financial Markets and Products Knowledge                                       | Cross Pool Responsible Investment Working Group              | 6th July 2018              |
| Principal Accountant Treasury & Pension Fund                                                                                      | Pensions Legislative and Governance Context – Socially Responsible Investments | Cross Pool Responsible Investment Working Group              | 6th July 2018              |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                | Investment Performance and Risk Management                                     | Fund Managers                                                | 11th July 2018             |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                | Financial Markets and Products Knowledge                                       | Fund Managers                                                | 11th July 2018             |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                | Pensions Legislative and Governance Context                                    | Fund Managers                                                | 11th July 2018             |
| Principal Accountant Treasury & Pension Fund, Senior Accountant Pension Fund & Charities / Trust Funds                            | Financial Markets and Products Knowledge                                       | M & G                                                        | 17th July 2018             |
| Councillor Norris and Principal Accountant Treasury & Pension Fund                                                                | Pensions Legislative and Governance Context – Socially Responsible Investments | LAPFF                                                        | 19th July 2018             |
| Councillor Norris and Director of Financial Services                                                                              | Pensions Legislative and Governance Context                                    | LGC                                                          | 6th and 7th September 2018 |
| Group Director, Corporate and Frontline Services, and Director of Financial Services                                              | Pensions Accounting and Auditing Standards                                     | LGC                                                          | 6th and 7th September 2018 |
| Group Director, Corporate and Frontline Services, and Director of Financial Services                                              | Financial Services Procurement and Relationship Management                     | LGC                                                          | 6th and 7th September 2018 |
| Group Director, Corporate and Frontline Services, and Director of Financial Services                                              | Investment Performance and Risk Management                                     | LGC                                                          | 6th and 7th September 2018 |
| Group Director, Corporate and Frontline Services, and Director of Financial Services                                              | Financial Markets and Products Knowledge                                       | LGC                                                          | 6th and 7th September 2018 |
| Group Director, Corporate and Frontline Services, and Director of Financial Services                                              | Actuarial Methods, Standards and Practices                                     | LGC                                                          | 6th and 7th September 2018 |

| Audience                                                                                                                                                        | Area of Framework                                                              | Delivered by                                        | Date                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------|---------------------|
| Pensions Service Manager and Senior Team Manager (Pensions)                                                                                                     | Pensions Legislative and Governance Context                                    | Pensions Officer Group                              | 20th September 2018 |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                                              | Investment Performance and Risk Management                                     | Fund Managers                                       | 24th September 2018 |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                                              | Financial Markets and Products Knowledge                                       | Fund Managers                                       | 24th September 2018 |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                                              | Pensions Legislative and Governance Context                                    | Fund Managers                                       | 24th September 2018 |
| Principal Accountant Treasury & Pension Fund                                                                                                                    | Financial Markets and Products Knowledge                                       | Cross Pool Responsible Investment Working Group     | 2nd October 2018    |
| Principal Accountant Treasury & Pension Fund                                                                                                                    | Pensions Legislative and Governance Context – Socially Responsible Investments | Cross Pool Responsible Investment Working Group     | 2nd October 2018    |
| Councillor Norris and Principal Accountant Treasury & Pension Fund                                                                                              | Pensions Legislative and Governance Context – Socially Responsible Investments | LAPFF                                               | 10th October 2018   |
| Senior Team Manager (Pensions)                                                                                                                                  | Pensions Legislative and Governance Context                                    | LG User Group                                       | 10th October 2018   |
| Head of Service Pensions, Payroll and Payments, Pensions Service Manager, Head of Finance, Education and Financial Reporting, Senior Accountant Pension Fund    | Pensions Legislative and Governance Context                                    | CIPFA                                               | 10th October 2018   |
| Councillors of Pensions Committee                                                                                                                               | Financial Markets and Products Knowledge                                       | Aon Hewitt                                          | 15th October 2018   |
| Councillors of Pensions Committee, Members of Pension Fund Investment & Administration Advisory Panel, Pensions Service Manager, Senior Team Manager (Pensions) | Pensions Legislative and Governance Context                                    | Annual General Meeting                              | 13th November 2018  |
| Councillors of Pensions Committee, Members of Pension Fund Investment & Administration Advisory Panel, Pensions Service Manager, Senior Team Manager (Pensions) | Investment Performance and Risk Management                                     | Annual General Meeting                              | 13th November 2018  |
| Councillors of Pensions Committee, Members of Pension Fund Investment & Administration Advisory Panel, Pensions Service Manager, Senior Team Manager (Pensions) | Financial Markets and Products Knowledge                                       | Annual General Meeting                              | 13th November 2018  |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                                              | Investment Performance and Risk Management                                     | Fund Managers                                       | 28th November 2018  |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                                              | Pensions Legislative and Governance Context                                    | Fund Managers                                       | 28th November 2018  |
| Members of Pension Fund Investment & Administration Advisory Panel                                                                                              | Financial Markets and Products Knowledge                                       | Russell Investment Managers – Absolute Return Bonds | 28th November 2018  |

| Audience                                                           | Area of Framework                                                              | Delivered by           | Date                 |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------|----------------------|
| Pensions Service Manager                                           | Pensions Legislative and Governance Context                                    | Pensions Officer Group | December 2018        |
| Principal Accountant Treasury & Pension Fund                       | Pensions Legislative and Governance Context – Socially Responsible Investments | LAPFF                  | 30th January 2019    |
| Councillor Norris and Director of Financial Services               | Pensions Legislative and Governance Context                                    | LGC Investment Seminar | 28th February 2019   |
| Councillor Norris and Director of Financial Services               | Financial Markets and Products Knowledge                                       | LGC Investment Seminar | 28th February 2019   |
| Members of Pension Fund Investment & Administration Advisory Panel | Investment Performance and Risk Management                                     | Fund Managers          | 4th March 2019       |
| Members of Pension Fund Investment & Administration Advisory Panel | Pensions Legislative and Governance Context                                    | Fund Managers          | 4th March 2019       |
| Members of Pension Fund Investment & Administration Advisory Panel | Financial Markets and Products Knowledge                                       | Fund Managers          | 4th March 2019       |
| Senior Accountant, Pension Fund & Charities / Trust Funds          | Financial Markets and Products Knowledge                                       | Tradition (UK)         | 6th March 2019       |
| Councillor Norris                                                  | Pensions Legislative and Governance Context                                    | PLSA                   | 6th – 8th March 2019 |
| Councillor Norris                                                  | Financial Markets and Products Knowledge                                       | PLSA                   | 6th – 8th March 2019 |
| Pensions Service Manager and Senior Team Manager (Pensions)        | Pensions Legislative and Governance Context                                    | Pensions Officer Group | 15th March 2019      |
| Pension Fund Committee                                             | Actuarial Methods, Standards and Practice                                      | Aon Hewitt             | 25th March 2019      |

## Risk

The primary objective of the Fund is to ensure that there are sufficient assets to match pension scheme liabilities, accrued in accordance with past and present LGPS scheme design. In evaluating the risks associated with this objective, the Fund through its governance arrangements and discussion with the appointed Actuary, produce a Investment Strategy Statement, a Funding Strategy Statement and agree prudent valuation assumptions on a triennial basis. Whilst recognising that scheme contributions, investment and liability discharge are by nature, long term, the 'Funding' position is nevertheless reviewed and progress monitored throughout each valuation cycle.

A robust approach to 'Risk Management' is a fundamental principle within the Fund's governance framework. To help discharge this responsibility, risks are identified, monitored and control measures

implemented to help mitigate the likelihood or impact of such risks materialising. The Fund's Risk Register captures all risks, under the following categories; Funding, Investment, Governance, Operational and Regulatory. A copy of the RCT Fund's Risk Register can be obtained from the Fund website.

The Fund operations are subject to annual audit by both external and internal audit parties, where the robustness of our control mechanisms, procedures and accounting are independently scrutinised and reported to audit committee.

The Fund also participates in the National Fraud Initiative (NFI), where substantial data matching exercises are conducted across government data sources, identifying items requiring further investigation.

# Partners

## Scheme Actuary - Aon Hewitt Limited

The primary role of the actuary is to provide the fund with information about the fund's liabilities and the best way of meeting these liabilities. A valuation of the fund takes place every three years that enables the actuary to calculate liabilities versus the fund's assets. The actuary will then recommend appropriate contribution rates for employers to help prevent any future shortfalls.

Hewitt were appointed as the scheme's actuary in October 2003.



## Fund Managers

The investment of the Pension Fund's assets is the responsibility of external Fund Managers appointed by the Fund.

These Fund Managers are given specific mandates and performance targets, which are monitored by the Rhondda Cynon Taf Investments Panel at quarterly meetings.

## Baillie Gifford Asset Management

Baillie Gifford is an Edinburgh based investment management partnership founded in 1908. They were appointed by the fund to manage global equities in 2005, and now have two separate equity mandates.



## BlackRock Investment Management

BlackRock is one of the largest asset management firms in the world, across a broad range of investment assets. They were appointed to a UK equity mandate by the fund in 2010.



## BMO Global Asset Management (Formerly F & C Management)

BMO Global Asset Management is a major asset management company and a leading authority on responsible investments. Their relationship with the fund originally dates from 1994, and they currently manage a global bond mandate.



## CBRE

CBRE is the world's leading commercial real estate advisor. They have managed a property portfolio for the fund since they acquired the previous manager ING in October 2011.



## Invesco Perpetual

Invesco Perpetual is an investment company based in Henley-on-Thames. They were appointed in 2010 to manage a UK equity mandate for the fund.



## Newton Investment Management

Newton is a major investment house, best known for its distinctive thematic investment approach. They have managed a high-performance global equity mandate for the fund since 2008.



## State Street

State Street is a leading U.S. based provider of financial services to institutional investors. State Street provides a custody and performance measurement service for the RCT Pension Fund



## Wales Audit Office

The Wales Audit Office is independent of government and is responsible for the annual audit of some £20 billion of annual public expenditure. Its mission is to promote improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money.



## AVC Provider - Prudential

Prudential were appointed as the fund's Additional Voluntary Contributions (AVC) provider in 2002, and as a leading Local Government AVC provider, they work closely with our Pensions Section in ensuring members are aware of their options in topping up their existing pension provision.

## Fund Legal Advisors - Eversheds



## Bankers to the Fund - Barclays



## Link Fund Solutions Ltd

The FCA authorised operator of the Wales Pension Partnership appointed January 2018



## Further information

More information about the Scheme can be found in the Members Guide available at [www.rctpensions.org.uk](http://www.rctpensions.org.uk).

## Contributors' Contact Information

**For information about the Local Government Pension Scheme and pension matters in general please contact:**

### **The Pensions Helpdesk**

Tel: 01443 680611 Fax: 01443 680717 or write to:-

Director of Finance and Digital Services, Pension Section, Rhondda Cynon Taf County Borough Council,  
Bronwydd, Porth, CF39 9DL.

Email: [pensions@rhondda-cynon-taff.gov.uk](mailto:pensions@rhondda-cynon-taff.gov.uk)

### **Pensions Administration Policy**

Mr Ian Traylor – Service Director Pensions, Procurement & Transactional Services

Tel: 01443 680611

Email: [ian.d.traylor@rhondda-cynon-taff.gov.uk](mailto:ian.d.traylor@rhondda-cynon-taff.gov.uk)

### **Fund Investments**

Miss Yvonne Keitch - Principal Accountant, Treasury and Pension Fund Investments

Tel: 01443 680563

Email: [yvonne.keitch@rhondda-cynon-taff.gov.uk](mailto:yvonne.keitch@rhondda-cynon-taff.gov.uk)

### **Pension Fund Accounts**

Mrs Vanessa Thomas - Accountant, Treasury and Pension Fund

Tel: 01443 680608

Email: [vanessa.g.thomas@rhondda-cynon-taff.gov.uk](mailto:vanessa.g.thomas@rhondda-cynon-taff.gov.uk)

### **Pensions Presentations or Training Sessions**

Mrs Catherine Black - Senior Team Manager

Tel: 01443 680646

Email: [catherine.black@rhondda-cynon-taff.gov.uk](mailto:catherine.black@rhondda-cynon-taff.gov.uk)